UTILICO

UTILICO EMERGING MARKETS LIMITED

Report and Accounts 2009

Ingot Capital Management Pty Ltd

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FINANCIAL CALENDAR

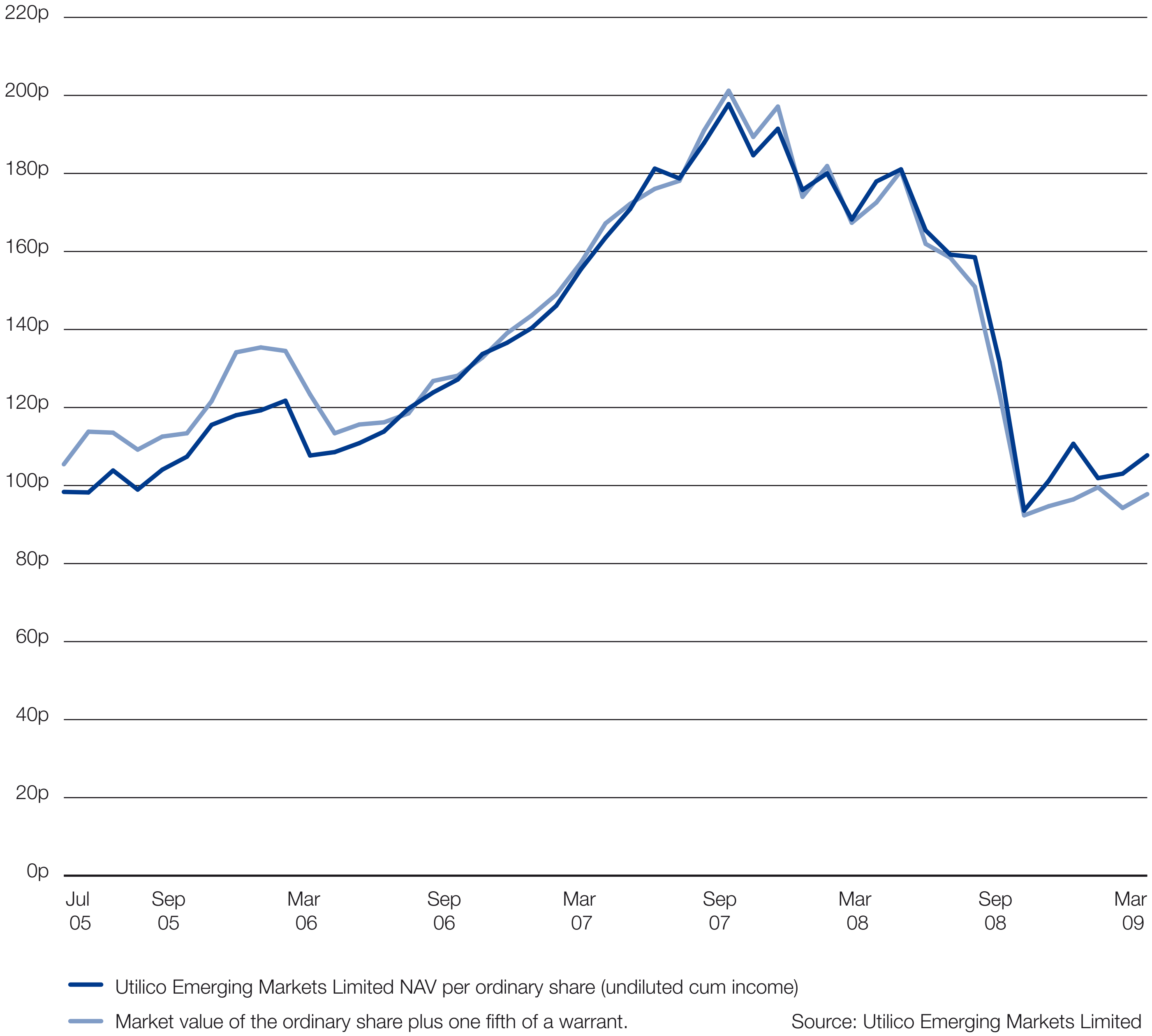
Ordinary shares ex-dividend	17 June 2009
Dividend payment	3 July 2009
AGM	23 September 2009
Half year September 2009 announcement	December 2009

The Company is quoted on AIM and listed on the Bermuda Stock Exchange and the Channel Islands Stock Exchange. The Company's ordinary shares and S shares can be held in an ISA. The warrants are not eligible for inclusion in an ISA.

Our investing policy is to provide long-term capital appreciation by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets.

UEM's undiluted net asset value per share ended down 36.0% at 107.76p. UEM has delivered an annual compound return (including dividends) of 6.0% since inception in July 2005.

UEM ordinary share plus one fifth of a warrant and NAV performance
From 20 July 2005 to 31 March 2009

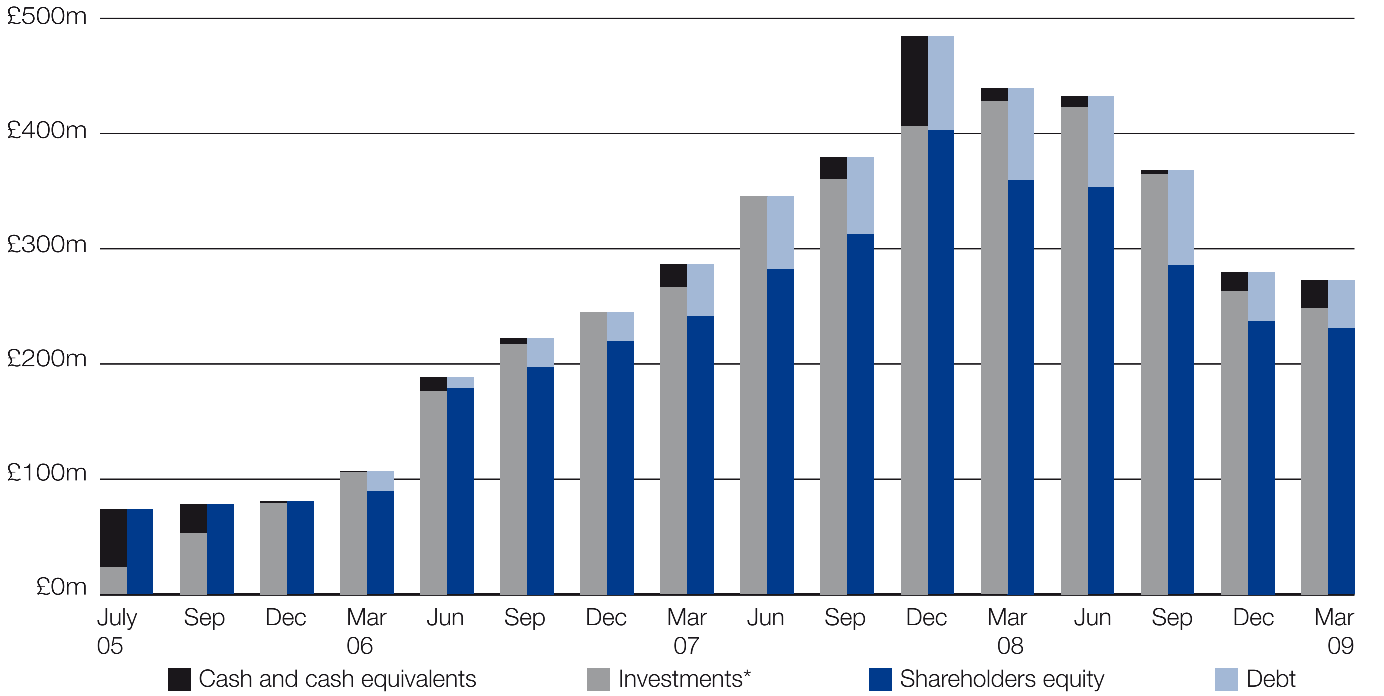


Source: Utilico Emerging Markets Limited

- Net asset value decreased to 107.76p down 36.0%
- Investment losses were 24.6% for the year[1]
- Net debt gearing reduced from 15.5% to 6.5%
- Group revenue account earnings per ordinary share of 5.08p
- Maintained dividends per ordinary share of 4.80p (final 0.80p)

(1) Based on opening portfolio.

UEM portfolio progression and capital structure
(From 20 July 2005 to 31 March 2009)



*gross assets less liabilities excluding cash and loans

Source: Utilico Emerging Markets Limited

GROUP PERFORMANCE SUMMARY

	31 March 2009	31 March 2008	Change %
Undiluted net asset value per ordinary share	**107.76p**	168.39p	(36.0)
Diluted net asset value per ordinary share	**106.51p**	157.20p	(32.2)
Ordinary share price	**95.50p**	153.75p	(37.9)
(Discount)/premium[(1)]	**(10.3%)**	(2.2%)	n/a
Earnings per ordinary share (basic)			
– Capital	**(60.28p)**	17.89p	n/a
– Revenue	**5.08p**	5.24p	(3.1)
– Total	**(55.20p)**	23.13p	n/a
Dividends per ordinary share			
– Interim	**4.00p**	3.50p	14.3
– Final	**0.80p**[(2)]	1.30p	(38.5)
– Total	**4.80p**	4.80p	–
Equity holders' funds (£m)	**230.7**	359.5	(35.8)
Gross assets (£m)[(3)]	**272.5**	439.4	(38.0)
Cash (£m)	**24.1**	11.9	102.5
Bank debt (£m)	**(41.8)**	(79.9)	(47.7)
Net debt (£m)	**(17.7)**	(68.0)	(74.0)
Net debt gearing on gross assets	**6.5%**	15.5%	n/a
Management and administration fees (£m)[(4)]	**2.7**	3.1	(12.9)
Total expense ratio[(5)]	**0.7%**	0.8%	n/a

(1) Based on diluted net asset value
(2) The dividend declared has not been included as a liability in these accounts
(3) Gross assets less liabilities excluding loans
(4) Excluding performance fee, including other expenses
(5) Management and administration fees over monthly average gross assets

UEM seeks to invest in undervalued investments in the infrastructure and utility sectors mainly in emerging markets.

The Company looks to minimise risk by investing predominantly in companies and sectors displaying the characteristics of essential services or monopolies.

The Company's investing policy is flexible and permits it to make investments predominantly in infrastructure, utility and related sectors, including (but not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, services companies, rail, roads, any business with essential service or monopolistic characteristics and in any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utilities and related sectors.

The Company focuses on the underdeveloped and developing markets of Asia, Latin America, Emerging Europe and Africa but has flexibility to invest in markets world-wide. The Company generally seeks to invest in emerging market countries where the managers believe there are positive investment attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities. The Company may also use derivative instruments such as contracts for difference ("CFD"), financial futures, call and put options and warrants.

The Company may, from time to time, seek to actively protect the Company's portfolio and balance sheet from major corrections. This would include foreign currency hedges, interest rate hedges, stock market index put options, and similar instruments.

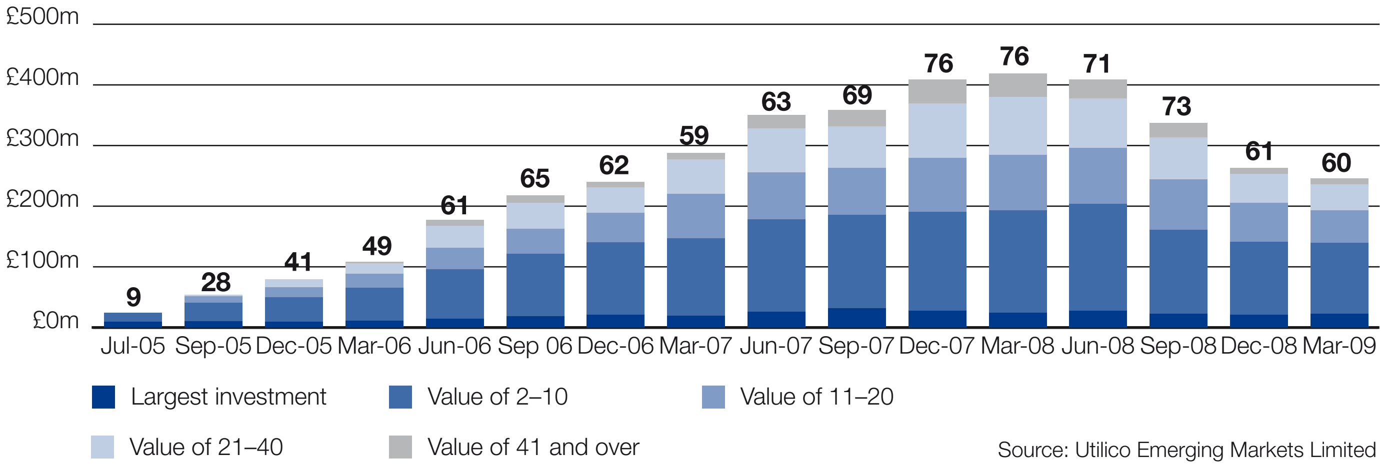
UEM seeks to identify and invest in undervalued investments in the fast growing infrastructure and utility sectors mainly in emerging markets. The Company aims to identify securities where underlying values and growth prospects are not reflected in the market price. This is often as a result of strong growth drivers, but can also include changes in regulation, technology, market motivation, potential for financial engineering, competition or shareholder indifference.

The Company seeks to minimise risk by investing predominantly in companies and sectors displaying the characteristics of essential services or monopolies such as utilities, transportation infrastructure or companies with a unique product or market position. Most investee companies are asset backed, have good cash flows and offer good dividend yields. UEM generally looks to invest in companies with strong management who have the potential to grow their business and who have an appreciation of and ability to manage risk.

UEM believes it is generally appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach, including encouraging the optimisation of capital structures and business efficiencies. The investment team maintains regular contact with investee companies and UEM is often among its investee companies' largest shareholders.

The Company aims to maximise value for shareholders by holding a relatively concentrated portfolio of securities and invests through instruments appropriate to the particular situation. Investment may be through equity, debt securities and derivative instruments such as CFDs, warrants and options. UEM is prepared to hold investments in unlisted securities when the attractiveness of the investment justifies the risks and lower liquidity associated with unlisted investments.

Portfolio progression and number of companies
From 20 July 2005 to 31 March 2009



Source: Utilico Emerging Markets Limited

The year to 31 March 2009 was very challenging for the world's markets and UEM's portfolio was impacted directly with the undiluted net asset value ("NAV") per ordinary share down 36.0% to 107.76p from 168.39p.

We remain cautious about the strength of the world's equity markets and the implications of a further loss of confidence or delay in the recovery.

The year to 31 March 2009 was very challenging for the world's markets and UEMs portfolio was impacted directly with the undiluted NAV per share down 36.0% at 107.76p from 168.39p. This represents a recovery from the low point of 93.00p on 28 October 2008.

Against this background the Investment Manager has taken a number of steps to reduce risk, while continuing to position the portfolio for long-term growth. As a result gearing based on net bank debt has reduced from 15.5% to 6.5% of gross assets. Our exposure to Eastern Europe has reduced from 12.4% to 3.6% and our exposure to fossil fuel power generation has reduced from 8.1% to 2.4%. The S&P Index options position was substantially realised in October 2008 and the proceeds were used to reduce bank debt. CFD positions have been reduced to nil.

The losses on investments were £102.0m in the year to 31 March 2009. This represents a loss of 24.6% on the opening portfolio. This compares favourably to the MSCI Index which was down 28.5% over the year. However, the losses per ordinary share widened to 55.20p or 32.8% on the opening undiluted NAV per ordinary share mainly as a result of currency losses of £20.1m arising on UEM's bank debt which was In US dollars. The impact of the currency losses on the bank debt is disappointing and disrupted a longer term trend of outperformance by UEM.

The S&P Index options exposure is achieved through the segregated account in Global Equity Risk Protection ("GERP"), a Bermuda company, consolidated into the Group accounts. The GERP S&P 500 Index options position has underperformed and reversed, in part, the gains in prior years. While a loss is disappointing over twelve months, if viewed over two years the position gained £15.1m.

On the revenue account, investment and other income rose to £14.3m, up 11.6%. This represents a yield on the average gross assets (less current liabilities excluding debt) of 4.0% and is in line with the Investment Manager's expectations. Costs remain a key focus and reduced both in absolute terms and as a percentage of gross assets. The total expense ratio ("TER") reduced to 0.7% down from 0.8% in the prior year. Finance costs reduced as a result of lower borrowings but this was in part offset by an increase in margins. At £4.6m the costs represent 6.7% on the average debt.

The revenue profit for the year increased by 23.2% to £10.9m. However, the basic earnings per share ("EPS") on the revenue account decreased as a result of the increased weighted average number of shares in issue.

The Board has declared a final dividend of 0.80p per ordinary share (1.30p in 2008) resulting in a maintained total dividend for the year of 4.80p.

UEM's share price continues to reflect the wider stresses of the market. At year end the discount had widened to 10.3%. Since the year end, the Investment Manager has bought in and cancelled 250,000 ordinary shares at 95.5p. While modest, this reflects the Manager's view that the long-term opportunities inherent in the portfolio are attractive.

I would like to thank my fellow Directors for their ongoing commitment to UEM and in particular to attending the company visits which coincided with our quarterly Board meetings.

Outlook

At the date of this report investment markets have partially recovered and volatility has reduced, although we remain cautious about the real economy and have some concerns about the ability of the market to sustain this rally.

It is difficult to be certain about the underlying investment portfolio's level of revenue performance or as a result, UEM's future dividend payment. Results to date are encouraging, however lower gearing in the portfolio is likely to hold back UEM's earnings. Once gearing is restored the earnings should recover.

There is a strong sense the worst is over and that a recovery in the real economy is expected in months rather than years. However, the economic data is patchy and weak. Much will depend on the performance of the real economy over the coming months. We remain cautious about the strength of the world's equity markets and the implications of a further loss of confidence or delay in the recovery. Long-term we fully believe the emerging markets will continue to lead the way and that UEM is well positioned to deliver long-term capital gains.

Alexander Zagoreos
Chairman
June 2009

The 12 months to 31 March 2009 have been difficult. Most asset classes' peak-to-trough range has been wide; 54.4% for the MSCI Index, 31.4% for the US dollar to sterling exchange rate, 78.4% for crude oil and 91.6% for the Baltic Panamax Shipping Index.

Taking into account dividends paid, the annual compound return for UEM's shareholders since inception in 2005 has been 6.0%.

The twelve months to 31 March 2009 have been difficult, with the second half of the year being somewhat worse than the first. After a firming of the market in the summer of 2008, October saw near panic in the markets and this was repeated in February this year. Most asset classes' peak-to-trough range has been wide. The peak-to-trough was 54.4% for the MSCI Index, 31.4% for the US dollar to sterling exchange rate, 78.4% for crude oil and 91.6% for the Baltic Panamax Shipping Index.

The impact of the above volatility on UEM has been negative. UEM's cum income NAV per share fell by 36.0% to 107.76p. This has pegged back UEM's long term performance. Taking into account dividends paid, the annual compound return for UEM's shareholders since inception in 2005 is 6.0%.

Portfolio

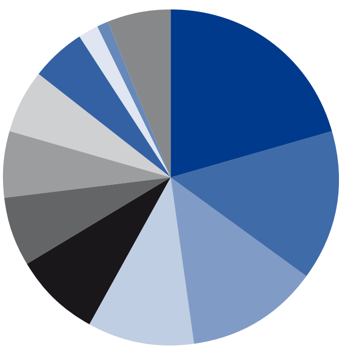
As a result of the market losses and deleveraging UEM's portfolio reduced from £414.0m to £245.5m.

The top ten investments have changed over the year. Equest Balkan Properties ("EBP") (4th last year), Cia de Saneamento de Basico do Estado de Sao Paulo ("SABESP") (5th) and Datang International Power (9th) all dropped out of the top ten. They were replaced by Comanche Clean Energy (3rd), POS Malaysia Services Berhad ("POSM") (5th) and Companhia de Saneamento de Minas Gerais ("COPASA") (6th).

EBP fell out of the top ten as a result of a sharp downward rerating of the property market in Eastern Europe. The shares were marked down from 78.0p to 13.0p, a fall of 83.3% resulting in a loss to UEM of £19.9m. This reflected rising concern over the Eastern European countries combined with concern over property values and the impact on loan to value covenants.

UEM exited from Datang International in the year. We have been concerned on three fronts for fossil fuel power generation companies. Firstly, they are often susceptible to policy intervention with respect to both input and output pricing. Secondly, they are faced with difficult operating conditions in regard to input pricing, and coal prices have been particularly volatile. Thirdly, they are impacted by volatile demand as economies decelerate and customers resize their businesses.

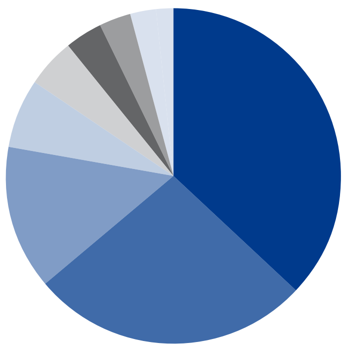
Sectoral split of investments
as at 31 March 2009



- Water– 20.6% (17.0%)
- Ports – 14.6% (15.7%)
- Airports – 12.8% (11.9%)
- Electricity – 10.1% (15.9%)
- Renewable Energy – 8.4% (3.0%)
- Gas – 6.8% (7.7%)
- Road & Rail – 6.3% (5.2%)
- Postal – 6.2% (2.6%)
- Telecoms – 5.1% (8.9%)
- Satellites – 2.1% (1.5%)
- Investment Funds – 1.0% (2.9%)
- Other – 6.0% (7.7%)

Source: Utilico Emerging Markets Limited

Geographical split of investments
as at 31 March 2009



- Brazil – 37.1% (31.5%)
- Malaysia – 27.0% (16.3%)
- China – 13.8% (17.4%)
- Thailand – 6.6% (6.6%)
- Philippines – 4.9% (8.8%)
- Eastern Europe – 3.6% (12.4%)
- Other Latin America – 2.9% (3.1%)
- Other Asia – 2.5% (3.4%)
- Middle East/Africa – 1.6% (0.5%)

Percentages in brackets as at 31 March 2008

We therefore sold out of Datang International and others. Our fossil fuel power generation investments have reduced from 8.1% of the portfolio last year to 2.4% as a result.

We sold down our investment in SABESP and in part reinvested the proceeds into COPASA. This, combined with price weakness, saw SABESP fall out of the top ten and COPASA replace it.

COPASA is a water and sewerage company in Brazil and entered the top ten this year at number six. 2008 saw continued growth with revenues up 10.6% and net income up 23.4%.

Comanche Clean Energy is a Brazilian bio-fuel producer and operates in the state of Sao Paulo. 2009 will be the first full year of production and we are optimistic regarding the development of both Comanche Clean Energy and the Brazilian ethanol industry.

POSM has been in the top ten before. It declared a return of capital in August 2007 and as a result dropped out of the top ten. However, the resilience of its business model has meant the share price has improved over the twelve months and POSM has risen in the portfolio.

A key feature of the portfolio has been the strength of the Malaysian investments and the increasing percentage of the portfolio represented by Malaysia. We began the year with £68.3m invested in Malaysia. During the year we realised a net £1.3m. These investments declined by 1.1% which was much less than the rate of decline by the wider market. As a result Malaysia's percentage rose in the portfolio from 16.3% to 27.0%.

We regard our Malaysian investments as both offering growth and the opportunity for structural change. These two aspects should result in higher valuations. Malaysia, as with most countries in the region, has its challenges. However, the stability, regional position and continuing development of the capitalist model in Malaysia should produce a stable long term growth environment.

Malaysia Airport Holdings Berhad ("MAHB") is our largest investment, up from number three last year. The 2008 results saw revenue increase by 9.3% and passenger traffic increase by 5.0%. In addition, MAHB has won approval to build a new terminal for low cost carriers to replace the existing one which should provide considerably more capacity.

Puncak Niaga Holdings Berhad ("Puncak") has risen to number two in the top ten up from number seven at 31 March 2008. As expected, Puncak's net profits fell substantially during 2008 due to their high investment levels, but we expect to see a full recovery of profits in 2009 from the substantial tariff increase, which is expected to be over 30%. Puncak remain in negotiations with the Malaysian Government over a possible sale and leaseback of their assets.

Brazil remains geographically our largest investment portfolio.

AES Tiete is at number seven in the portfolio up one place from last year. Although its share price fell by 7.6% over UEM's financial year, the company reported increases in revenues and net income of 10.4% and 13.7% respectively.

Compania de Gas de Sao Paulo ("COMGAS") is down from our largest holding last year to number eight in the portfolio. The company continues to grow, with 2008 gas volumes sold increasing by 3.6%. Revenues increased by 24.2%, mainly due to higher gas prices, and net income was up 16.0%.

International Container Terminal Services Inc ("ICT") increased revenues by 37.9% for the year to 31 December 2008, mainly due to strong throughput growth. However net income was down 15.9% as a result of currency losses on their hedging position as the US dollar and Euro appreciated against the Philippine peso.

Eastern Water Resources remained at tenth place and reported an impressive net income increase of 29.7% in the year to 30 September 2008. In the three month period to December 2008 Eastern Water managed to increase net earnings by 30.7%, however despite this its share price fell 40.6% in the year to March 2009.

UEM invested £44.1m in the twelve months to 31 March 2009. Key investments in the top ten were COPASA £4.1m, Comanche £3.3m and EBP £2.3m. Other investments include Terna Participacoes SA ("Terna") £4.3m and Zhejiang Expressway Co Ltd ("Zhejiang") £2.8m.

Terna is a Brazilian electricity transmission company offering a high yield and excellent cash flows. 2008 revenues increased by 22.9% and although net profit fell by 12.5%, reported profits were, in fact, ahead of our expectations. Since the year end Terna has received an offer for its shares at a price representing a premium of nearly 100% to UEM's original cost.

Zhejiang develops, designs, constructs and operates toll roads in China, mainly in the province of Zhejiang. Zhejiang is listed on the Hong Kong Stock Exchange. Zhejiang looked very cheap on valuation at the time of UEM's investment, suggesting it had priced in much of the negative news surrounding the impact of traffic diversion to its main roads and exposure to the A-share market through its securities business. In addition, it offered an attractive yield of 6.0% and is a cash rich company. Since we bought the stock it has risen by nearly 50%.

UEM disposed of £110.5m of investments in the twelve months. This included within the top ten, £14.9m from Datang International, £7.7m from COMGAS and £7.2m from SABESP.

Part of this process involved reducing our investment in Eastern Europe. We remain concerned about the challenges facing the Eastern European economies. While there are a number of fundamentally attractive companies in Eastern Europe the political, economic and social risks look high.

Following this activity there was significant movement in UEM's portfolio by sector and geography. Brazil rose to 37% (from 32%), Malaysia to 27% (16%) while China reduced to 14% (17%), Eastern Europe to 4% (12%) and the Philippines to 5% (9%). Thailand, other Latin American, other Asian and the Middle East remained broadly unchanged.

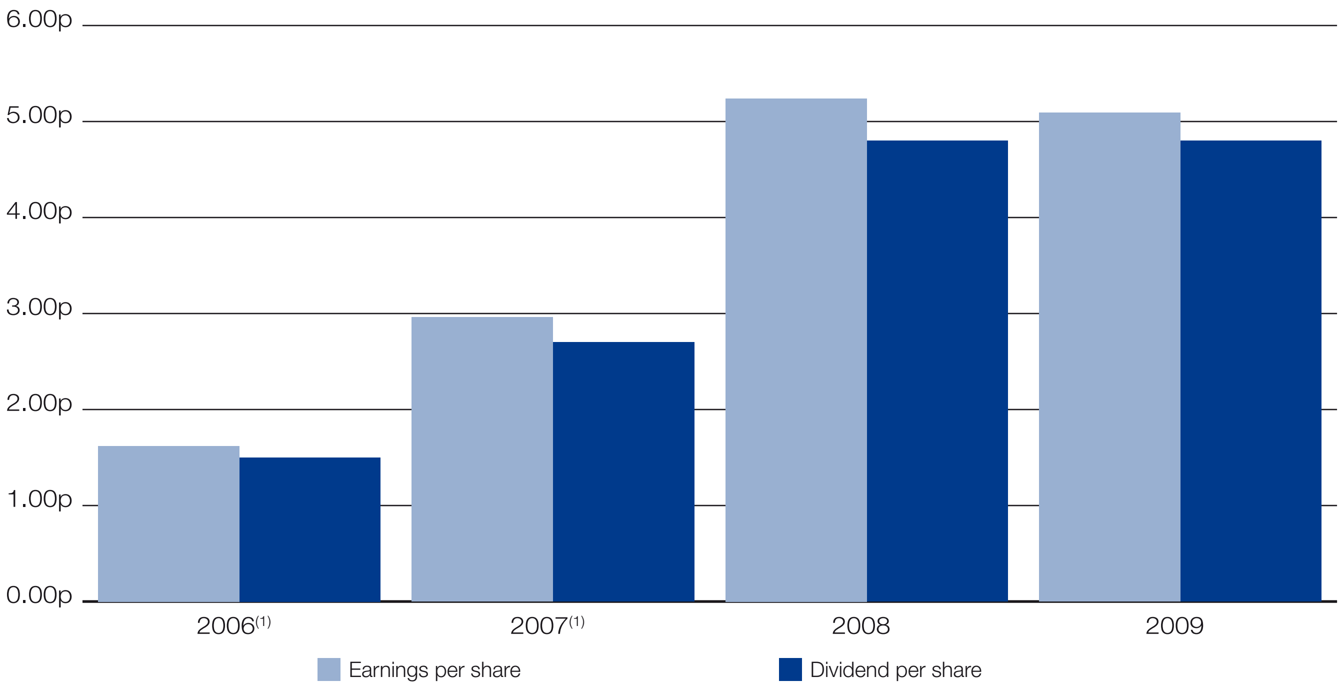
On a sector basis, water rose to 21% (17%), renewable energy to 8% (3%), postal to 6% (3%) while electricity reduced to 10% (16%) and telecoms to 5% (9%). Most others remained broadly unchanged.

UEM has four unlisted and untraded investments, which account for 9.3% of the portfolio. The biggest is Comanche, accounting for 6.7%.

Market Hedging

Achieving an optimum hedge for the investment portfolio has been difficult given the sharp movements in the equity markets. We continue to believe there is a place for an actively managed hedge. In overview our goal is to balance the two objectives of achieving a hedge but also ensuring the erosion of the time value inherent in

Dividend per share & Revenue Earnings per share



(1) EPS based on previous accounting policy charging management fees and finance costs entirely to revenue.

Source: Utilico Emerging Markets Limited

a hedge is at its worst neutral. These two objectives have at times been mutually exclusive. The principle remains sound.

Last year we benefited from the rising volatility and falling markets with gains of £17.1m. This year we released these gains in October and used the proceeds to pay down our bank debt. In the second half we have rebuilt the position. However, falling volatility and rising markets have to date resulted in a loss this year of £2.0m. We fully expect to recover the loss over the next six months.

Bank Debt

UEM reduced its usage of the £80.0m HBOS facility from £79.9m to £41.8m. Further, the profile was switched from US dollars to predominantly sterling. This reduction reflects in the main a reduction in risk profile for UEM. Borrowings will remain a feature of UEM's investment strategy and once stability has returned it is intended that gearing will be reintroduced in line with historic levels.

UEM's current facility with HBOS comprises £30.0m repayable in June 2009, £25.0m repayable in June 2011 and £25.0m repayable in June 2013. The £30.0m tranche will lapse and it is not intended to renew this portion of the facility with HBOS. The remaining £50.0m will still be available for investment.

Since the year end we have continued to realise investments in a rising market and as at 31 May 2009 bank debt had been reduced to £10.0m and cash balances are £14.0m.

Revenue Return

The revenue return remains a key feature of UEM. Total income rose to £14.3m, 11.6% ahead of last year's £12.8m. This represents a yield on the average gross assets of 4.0%, in line with expectations.

Fees and expenses were lower than expected and finance costs have decreased as debt has reduced, although this is offset by an increase in margin on the facility.

The revenue return profit for the year increased by 23.2% to £10.9m. EPS was marginally down at 5.08p due to the increased number of shares in issue.

Looking forward, income is expected to be lower. As a result of lower gearing the gross assets have reduced. A geared portfolio results in higher income. The costs of the gearing (interest) is 70% capitalised to the capital account allowing the increased income on a geared basis to fall through to the EPS. Once gearing is restored the income should recover.

Capital Return

The losses on the investment portfolio largely reversed the gains over the past three years. The loss on derivatives of £4.2m reversed some of the prior year gains of £16.7m. The exchange losses of £20.1m arose from the bank loans in US dollars. These together resulted in total income losses on the capital account of £126.3m.

Management fees were sharply lower with no performance fee arising in the year. Again, finance costs were down as bank borrowings were lower, offset in part by higher margins. Tax was positive as taxable gains in Brazil were reversed. The overall position was a loss per share of 60.28p.

Dividends

The EPS on the revenue account was 5.08p. The declared final dividend is 0.80p bringing the full year dividends to 4.80p.

We implemented a dividend reinvestment plan during the year and will continue to do so for those shareholders who have elected for this plan.

Current Trading

We are encouraged by the recent operational performance seen in core utility sectors, although the transportation infrastructure sectors of airports, ports and toll roads have been impacted by lower activity levels.

Outlook

We remain cautious of the markets and the positioning of the portfolio and the reduced gearing reflect this.

Our portfolio should continue to benefit from a stronger recovery in the emerging markets and from stronger currencies in the portfolio as the world focuses on the increasing decoupling of the emerging markets led by China.

TEN LARGEST HOLDINGS

At 31 March 2009

This Year	*Last Year*	**Company** *(Country)* Description	Fair Value £'000s	% of total investments
1	*(3)*	**Malaysia Airport Holdings Berhad** *(Malaysia)* Airport operator	22,964	9.3%
2	*(7)*	**Puncak Niaga Holdings Berhad** *(Malaysia)* Water treatment and supply company	19,119	7.8%
3	*(–)*	**Comanche Clean Energy Corporation** *(Brazil)* Biofuels production company	16,494	6.7%
4	*(2)*	**Ocean Wilsons Holdings Limited** *(Brazil)* Ports operator, provider of shipping services and investment fund	15,791	6.4%
5	*(–)*	**POS Malaysia Services Berhad** *(Malaysia)* Post operator	15,152	6.2%
6	*(–)*	**Companhia de Saneamento de Minas Gerais** *(Brazil)* Water and sewerage company	11,416	4.6%
7	*(8)*	**AES Tiete S.A** *(Brazil)* Hydro electricity generator	10,741	4.4%
8	*(1)*	**Companhia de Gas de Sao Paulo S.A** *(Brazil)* Gas distribution company	10,022	4.1%
9	*(6)*	**International Container Terminal Services, Inc**. *(Philippines)* Global container port operator	9,296	3.8%
10	*(10)*	**Eastern Water Resources PCL** *(Thailand)* Water treatment and supply company	8,751	3.6%
		Other investments	105,765	43.1%
		Total Portfolio	245,511	100.0%

The value of the ten largest holdings represents 56.9% of the Group's total investments. The country shown is the location of the major part of the company's business. The value of the convertible securities represents 6.5% (2008: 7.1%) of the Group's portfolio and the value of fixed income securities represents 1.4% (2008: 0.4%) of the Group's portfolio. The total number of companies included in the portfolio is 60 (2008:76)

Malaysia Airport Holdings Berhad (Malaysia)
www.malaysiaairports.com.my

MAHB is the sole civilian operator of airports in Malaysia and operates 37 airports in the country including Kuala Lumpur International Airport (KLIA). Since last year MAHB has won approval to replace the existing concession agreement with the Malaysian Government with a new proposal. This introduces a revenue sharing program with the government along with compensation for MAHB on unnecessary costs or revenue losses which should more than offset the revenue paid to the government. MAHB has also resolved other issues such as annual lease payments and airport charges. MAHB has also won approval to build a new low cost carrier terminal to replace the existing one and which will have considerably more capacity. The 2008 results saw revenue increase 9.3% with passenger traffic increasing 5.0% to 47.5m. Net profit increased by 6.8%. Over the year the share price has decreased by 15.9%.

Puncak Niaga Holdings Berhad (Malaysia)
www.puncakniaga.com.my

Puncak is a water treatment and supply company serving the state of Selangor in Malaysia. Their assets were formerly owned and operated by the State Government, and Puncak, having received the concession in 2005, is focused on reducing leakage and ensuring greater access to water for the population of over 7 million people within their service area. The Malaysian Government has decided that the optimal structure for the water industry is for the Government to own the water distribution assets and for private companies to operate those assets, thus benefiting from the lower cost of financing for long term investments that the Government has in comparison to private companies, while at the same time benefiting from private sector operational skills. Therefore the Government is in the process of negotiating with private operators to buy back concession assets. Should agreement not be reached, then concession holders have the option to continue with their current contracts. As this negotiation is still ongoing, Puncak's tariff increase that was due in March 2009, up to a maximum of 37%, has not yet been implemented. Puncak requires this tariff increase to remunerate the substantial investments made over recent years, together with associated increased costs. As was originally expected, Puncak's net profits fell substantially during 2008 due to their high investment levels, falling by 62.1%. We would expect to see a full recovery in profits in 2009 from the tariff increase, but this will be subject to the current negotiations. Puncak's share price fell by 15.7% in the year to March 2009.

Comanche Clean Energy Corporation (Brazil)
www.comanchecleanenergy.com

Comanche is an unlisted producer of ethanol and biodiesel based in Brazil, and is a new entrant to UEM's top 10 holdings this year, having originally invested in April 2007 plus two further fundraisings. UEM holds its investment in Comanche via ordinary shares, secured loans, and convertible debt. Comanche produces ethanol from sugar cane which is by some way the most efficient method of producing ethanol. It owns and operates two recently constructed state of the art ethanol production facilities, thought to be among the most efficient in Brazil. Ethanol can be mixed with petroleum and sold as standard gasoline, or with minor modifications, cars can run on pure ethanol. All new cars sold in Brazil are "flex fuel" and are able to run on pure ethanol, pure gasoline, or any blend in between. In addition to ethanol, Comanche owns a biodiesel refinery which operates under contract to Petrobras on a variety of feedstocks. Following substantial recent investments, 2009 will be the first full year of production, and we are optimistic regarding the development of both Comanche and also the Brazilian ethanol industry.

Ocean Wilsons Holdings Limited (Brazil)
www.oceanwilsons.bm

Ocean Wilsons is a Bermuda incorporated investment company with a 58.25% stake in Brazilian based Wilson Sons, that provides port and shipping services. The remainder of the business consists of investments. The company is listed on the London and Bermuda Stock Exchanges. Wilson Sons operates two container terminals in Brazil, Tecon Rio Grande and Tecon Salvador, and is the country's largest provider of vessel towage services. During 2008 Wilson Sons completed the construction of a third berth at Tecon Rio Grande boosting terminal capacity by 60%. They are in negotiations to expand Tecon Salvador and hope to make an announcement in 2009. During 2008 revenue increased by 23.3% whilst core operating profit remained flat due to being impacted by a loss on the investment portfolio and an increase in personnel expenses. During the year the share price decreased by 32.9%.

On the investment side, the investment portfolio is managed by Hanseatic Asset Management Ltd. The funds under management totalled US$119.8m at year end with US$62.1m of cash being deployed during 2008. Ocean Wilsons' investment portfolio fared better than its benchmark outperforming by 6.2%.

REVIEW OF THE TEN LARGEST HOLDINGS (CONTINUED)

POS Malaysia Services Berhad (Malaysia)
www.pos.com.my

POSM is Malaysia's sole provider of postal services and provides postal and related services through its network of over 850 branches and mini post offices. The company is listed on the Kuala Lumpur Stock Exchange. Results to 31 December 2008 show revenues up 26.0% driven by growth in the retail and courier businesses and also commissions earned for their distribution of the Government fuel cash rebate. Unfortunately, increased staff costs and transportation costs led to a decrease in operating profit of 14.6%. POSM is a strong cash flow generating business and has a healthy balance sheet. We would expect to see growth in the fast growing courier and retail divisions and in addition, completion of a new mail processing centre, expected in the fourth quarter of 2009, will enable POSM to enhance its efficiency in the mail services division.

Companhia de Saneamento de Minas Gerais (Brazil)
www.copasa.com.br

COPASA is a water and sewerage company serving the state of Minas Gerais in Brazil, this being Brazil's second most populated state. COPASA supplies a population of 12.4 million people with clean water, and provides waste water treatment and disposal for a population of 6.8m people. One of COPASA's main growth areas is the provision of sewage treatment in areas where there is no effective treatment or it is still being carried out by a public authority. In the year to December 2008, COPASA increased its clean water client base by 3.3% and its waste water client base by 9.8%. As a result of this continued growth, and consequent opportunities to increase efficiency, COPASA grew its 2008 revenues by 10.6% and net income by 23.4%. COPASA's share price fell by 24.7% in the year to March 2009.

AES Tiete S.A (Brazil)
www.aestiete.com.br

AES Tiete operates 10 hydro electricity generation plants within the State of Sao Paulo, Brazil, with a total generation capacity of 2,600 MW. AES Tiete is a mature company representing a defensive earnings stream for UEM, selling its power output to the local electricity distribution company at index linked prices, together with strong cash flows and a conservatively financed balance sheet. During 2008 revenue increased by 10.4%, with net income up 13.7%. AES Tiete's share price decreased by 7.6% during UEM's financial year, and the company paid gross dividends equivalent to a yield of 9.3% on the opening share price during the year.

Companhia de Gas de Sao Paulo (Brazil)
www.comgas.com.br

COMGAS is a gas distribution business in the State of Sao Paulo in Brazil. Historically, natural gas has formed a relatively low proportion of the total Brazilian energy mix, however, large gas discoveries in neighbouring Bolivia, and also the discovery of domestic Brazilian gas fields, have spurred an increasing take up of the fuel. This has been driven mainly by industrial and commercial uses, but residential demand is becoming increasingly important. 2008 saw continued growth in COMGAS' business, with total gas volumes sold increasing by 3.6%, however this growth was concentrated in the high margin residential segment where connections increased by 10.3%. 2008 revenues increased by 24.2% largely due to higher gas prices, with net income increasing by 16.0%. In the year to March 2009 COMGAS' share price fell by 47.2%.

International Container Terminal Services Inc. (Philippines)
www.ICTSI.com

ICT manages and operates container terminals in the Philippines and throughout the world. As well as its operation in Manila, ICT also manages ports in Brazil, Poland, Madagascar, China, Ecuador and Syria. The company's strategy is to focus on small to medium sized terminals where the expensive civil infrastructure has already been put in place which allows ICT to utilise their management expertise and rapidly increase port throughput. During 2008 revenue increased 37.9% driven by strong throughput growth of 24.2% mainly from ICT's foreign operations which now make up 55% of consolidated gross revenues compared to 49% in 2007. Net income decreased 15.9% due mainly to currency losses. Over the period the share price has decreased by 61.9%.

Eastern Water Resources PCL (Thailand)
www.eastwater.co.th

Eastern Water operates the main water pipeline systems which supply untreated water (so called "raw water") to Thailand's industrialised Eastern Seaboard. In addition the company has built up a treated water supply business which now has water treatment and supply concessions in nine separate areas. In their financial year to September 2008, raw water volumes supplied increased by 7.8%, and treated tap water sales volume increased by 12.0%. As a result of this increased activity, together with tariff increases, revenue increased by 9.9%, and net earnings by 29.7%. Eastern Water has made substantial investments in recent years, and will steadily increase tariffs to remunerate these assets. As such we expect continued improvements in profits in the coming years, and in the three month period to December 2008, Eastern managed to increase net earnings by 30.7%. In UEM's year to March 2009, Eastern's share price fell by 40.6%.

INVESTMENT TEAM

The Investment Manager Ingot Capital Management Pty Limited ("ICM") through its main representative, Mr Duncan Saville, is primarily responsible for the investment portfolio in conjunction with advice received from the executive Director.

Investment Manager Ingot Capital Management Pty Limited represented by Mr Duncan Saville

Mr Saville, aged 52, is a director of UEM's investment manager, Ingot Capital Management Pty Limited ("ICM"). He is a non-executive director of Infratil Limited and Vix-ERG Limited and was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Holdings plc, Dee Valley Group plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Limited.

Mr Charles Jillings (Executive Director)

Mr Jillings, aged 53, is the executive Director of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with the Investment Manager. Mr Jillings is a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies. He was a director of Utilico Investment Trust plc up until 19 June 2007. He is chairman of Equest Balkan Properties plc and a director of Global Equity Risk Protection Limited and Newtel Limited.

Assisting them are are a team of nine, including:

Mr James Smith

Mr Smith, aged 36, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 1999. Mr Smith is a barrister and a member of the Institute of Chartered Accountants in England and Wales.

Mr Mark Lebbell

Mr Lebbell, aged 37, has been involved in the running of UEM and Utilico Limited since their inception and before that with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institute of Electrical Engineers.

Mr Ittan Ali

Mr Ali, aged 37, has been employed by The Analysis and Research Company since March 2008 and was previously employed at TRW Investment Management as a Pan European fund manager. Prior to that he was employed for six years as a fund manager with Majedie Investments plc. Mr Ali is an associate of the UK Society of Investment Professionals.

Investment Manager

The Company has an Investment Management Agreement with ICM under which ICM provides investment management services including portfolio monitoring and research to the Company. ICM holds an Australian Financial Service License. The Investment Manager receives an annual fee equal to 0.5% per annum of the Company's total assets less liabilities (excluding loans) payable quarterly in arrears. The Investment Manager is also entitled to a performance fee, which is based on 15% of the net asset value outperformance of the Company attributable to holders of ordinary shares.

DIRECTORS

Mr Alexander Zagoreos (Chairman)†*

Mr Zagoreos, aged 71 and appointed on 14 June 2005, was educated at Columbia University and was awarded an MBA, BA and Masters degree in International Affairs. He is Chairman of the Company and the Company's Management Engagement Committee. He is senior adviser of Lazard Asset Management, where he was formerly responsible for emerging market products and closed-end investment companies. He has over 40 years of investment experience. He is currently a director of The World Trust Fund, chairman of The Egypt Trust and formerly manager of Lazard Emerging World Investors LP., and is on the boards of a number of investment companies and charitable organisations.

Mr Charles Jillings (Executive Director)

Mr Jillings, aged 53 and appointed on 14 June 2005, is the executive Director of the Company. Mr Jillings is qualified as a chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years. He set up The Analysis & Research Company Limited in 1995 and has been a director of a number of listed companies. He is chairman of Equest Balkan Properties plc and a director of Global Equity Risk Protection Limited and Newtel Limited.

Mr Garry Madeiros†*

Mr Madeiros, aged 59 and appointed with effect from 19 June 2007, was formerly president and Chief Executive Officer of BELCO Holdings Limited and Bermuda Electric Light Company Limited. He is a director of BF&M Limited and BF&M Life Insurance Company. He is a Chartered Accountant, Chairman of the Company's Audit Committee and he has served on a number of corporate, community and Government boards. He is a Justice of the Peace and a fellow of the Bermuda Institute of Chartered Accountants.

Mr Garth Milne†*

Mr Milne, aged 66 and appointed on 14 June 2005, was formerly head of the investment funds division at UBS Warburg, having originally set up the team at Laing and Cruickshank. He has been involved in investment trusts in the UK for over 30 years and is a director of several investment companies, including Real Estate Opportunities Limited, INVESCO Perpetual UK Smaller Companies Trust Plc, The Directors' Dealing Investment Trust plc and SovGEM Limited.

Mr Kevin O'Connor (Deputy Chairman)†*

Mr O'Connor, aged 68 and appointed on 14 June 2005, was formerly the chairman of Infratil Limited, a New Zealand based specialist investor in international infrastructure and utility assets. He is Chairman of the Company's Remuneration Committee. Previously he had a 35 year career in investment banking and stock broking with Daysh Renouf & Co and O'Connor Grieve & Co amongst others. He is a member of the New Zealand Takeovers Panel, Chairman of the Nikau Foundation, a trustee of the Catholic Foundation of Wellington as well as being involved with a number of other charitable bodies.

† Independent Director

* Member of the Audit Committee, Management Engagement Committee and Remuneration Committee

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Group and Company for the year ended 31 March 2009.

Status of the Company

The Company is a Bermuda exempted, closed ended investment company quoted on AIM, and listed on the Bermuda Stock Exchange and Channel Islands Stock Exchange. It is a member of the Association of Investment Companies ("AIC") in the UK.

The accounting policies of the Company are detailed in Note 1 to the Accounts on pages 36 to 38.

Results and Dividends

The results for the year are set out in the attached accounts.

The Company paid an interim dividend of 4.00p per ordinary share on 30 January 2009. The Directors have declared a final dividend of 0.80p per ordinary share payable on 3 July 2009 to ordinary shareholders on the register at the close of business on 19 June 2009.

Investing Policy

The Company's investing policy is to provide long-term capital appreciation by investing predominantly in infrastructure, utility and related companies (including other investment companies investing in those companies) mainly in emerging markets. The Company's investing policy is flexible and permits it to make investments predominantly in infrastructure, utility and related sectors, including (but not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and in any new infrastructure or utilities which may arise mainly in emerging markets. The Company may also invest in businesses which supply services to, or otherwise support, the infrastructure, utilities and related sectors.

The Company focuses on the undeveloped and developing markets of Asia, Latin America, emerging Europe and Africa but has the flexibility to invest in markets world-wide. The Company generally seeks to invest in emerging market countries where the Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

The Board and the Managers review the risk profile of the Company every six months. Agreed risk parameters are established and compliance is reviewed at the quarterly board meetings.

There will be no material change to the investing policy without prior shareholder approval.

- **Borrowings**
  Borrowings at the time of drawdown will not result in gearing (being total borrowings measured against gross assets) exceeding 25.0%. Borrowings will be drawn down in Sterling, US Dollars or any currency for which there is a corresponding asset within the portfolio (at the time of drawing down the value drawn must not exceed the value of the asset in the portfolio).

- **Unquoted investments**
  Unquoted and untraded investments (excluding GERP) not to exceed 10% of the gross assets at the time the investment is made.

- **Single investment**
  No single investment to exceed 20.0% of the gross assets at the time of investment, investments other than in infrastructure, utility and related companies (including GERP) to be limited in total to 20.0% of the gross assets. Investments in a single country not to exceed 50.0% of the gross assets at the time the investment is made.

- **Hedging**
  The Managers will follow a policy of actively hedging the market and balance sheet risks faced by UEM.

  A review of the investment portfolio, borrowings and hedging is included in the Investment Report within these accounts.

Review of the Business

A review of the business is given in the Chairman's Statement on page 5 and in the Investment Manager's Report on pages 6 to 9.

Directors

The Company's Board of Directors is responsible for overall stewardship of the Company, including corporate strategy, corporate governance, risk and controls assessment, overall investment policy and gearing limits. Details of the Directors can be found on page 14.

Mr A E Zagoreos will retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election. (Resolution 4).

Mr C D O Jillings is an executive Director of the Company. He was appointed as an executive Director on 14 June 2005 under a service agreement of that date. Details of the service agreement can be found in the Directors' Remuneration Report on page 25. As an executive Director, Mr Jillings retires annually, and will do so at the forthcoming Annual General Meeting (Resolution 5).

The Board has considered the re-election of Mr A E Zagoreos and Mr C D O Jillings. Following an appraisal of their performance, the Board believes that these Directors should be put forward for re-election. The Board feels that the Directors make a valuable contribution based on their individual skills, knowledge and experience. They have commitment to their roles and the Board believes that their re-election would be in the interests of the Company.

Each non-executive Director has signed a letter of appointment setting out the terms of their engagement as Directors, but does not have a service agreement with the Company.

Directors' Remuneration and Shareholding

The Directors' Remuneration Report, which can be found on pages 25 and 26 provide detailed information on the remuneration arrangements for Directors of the Company. Shareholders will be asked to approve the Directors' Remuneration Report at the Annual General Meeting (Resolution 3). The Directors' remuneration is not conditional upon the resolution being passed.

The Directors who held office at the year end and their interests in each class of share of the Company as at the year end are set out in Table A at the bottom of the page.

Since the year end, the Directors received ordinary shares purchased in the market to satisfy Director fee entitlements on 8 April 2009. As at the date of this report, the beneficial interests of the Directors in the securities of the Company are set out in Table B at the top of the next column.

TABLE B

	Ordinary Shares	Warrants	S Shares
A E Zagoreos	358,597	–	5,423
C D O Jillings	797,824	193,093	10,846
C D O Jillings – SIPP	108,268	100,000	–
G A Madeiros	81,804	–	8,134
G P D Milne	486,757	86,239	–
K J O'Connor	482,086	74,668	5,423

Management

The Company has an investment management agreement dated 14 July 2005 (the "Agreement") with Ingot Capital Management Pty Limited (the "Investment Manager" or "ICM"). The Investment Manager provides investment management services including portfolio monitoring and research to the Company and is entitled to receive a fee equal to 0.5% per annum of the Company's gross assets after deducting current liabilities (excluding borrowings incurred for investment purposes), payable quarterly in arrears. The Investment Manager will also be reimbursed its reasonable out of pocket expenses, including travel and related costs. The Investment Management Agreement may be terminated by either party by giving not less than six months' notice in writing (or such lesser notice period as agreed by both parties).

The Investment Manager may also become entitled to a performance-related fee, details of which can be found in note 3 to the accounts.

Under the terms of the Agreement, ICM is obliged to provide the services of an executive Director approved by the Company and also provides the services of two further individuals to act as employees of the Company. These employees, who act under the supervision of the executive Director, may be employed by

TABLE A

	2009			2008		
	Ordinary Shares	Warrants	S Shares	Ordinary Shares	Warrants	S Shares
A E Zagoreos	349,714	–	5,423	324,401	–	5,423
C D O Jillings	791,479	193,093	10,846	628,263	193,093	10,846
C D O Jillings – SIPP	108,268	100,000	–	108,268	100,000	–
G A Madeiros	73,555	–	8,134	50,050	–	8,134
G P D Milne	480,412	86,239	–	462,196	86,239	–
K J O'Connor*	475,741	74,668	5,423	439,448	74,668	5,423

* includes the following interests held as trustee and discretionary beneficiary:
K J O'Connor and J M O'Connor (as trustees) 78,000 ordinary shares, 15,000 warrants
Bowen Securities Limited 222,740 ordinary shares, 37,289 warrants and 5,423 S Shares

Utilico Limited, another investment company managed by ICM. The remuneration paid to the employees is paid on behalf of the Company and deducted from ICM's management fee.

The Directors review the activities of the Investment Manager on an ongoing basis. In addition, the Management Engagement Committee carries out a formal annual review of the investment strategy, process and performance. Such a review was carried out in respect of the year under review. The Management Engagement Committee reported that it was satisfied with the way the Company was currently being managed. Based on this assessment, it is the Board's opinion that the continuing appointment of ICM as investment manager on the agreed terms is in the interests of shareholders as a whole.

Administration

The Company and the Investment Manager also have an administration agreement with F&C Management Limited (the "Administrator"), dated 14 July 2005, under which the Administrator provides company secretarial, financial and general administrative services to the Company for a fee, payable monthly in arrears, of £210,000. The Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by it in connection with its duties. The Company or the Administrator may terminate this agreement upon three months' notice in writing.

Share Capital

Full details of changes to the Company's authorised and issued share capital during the year can be found in note 19 to the accounts.

On launch and at the last AGM, the Company was granted authority to make market purchases of up to 14.99% of its ordinary shares. During the year under review no purchases have been made. Since the year-end, the Company has bought back 250,000 ordinary shares for cancellation.

Substantial Share Interests

As at 10 June 2009, the following holdings, representing 3% or more of the issued share capital, had been notified to the Company.

	Number of Ordinary Shares held	% held
Utilico Limited	52,333,424	24.47%
Sarasin Investment Management Limited	22,135,200	10.35%
F&C Asset Management plc	20,325,453	9.50%
Rensburg Sheppards Investment Management Limited	13,260,322	6.20%
Rathbone Brothers PLC	10,728,364	5.02%
Smith & Williamson Holdings Ltd	8,211,029	3.84%
J O Hambro Investment Management Ltd	6,910,849	3.23%

Duration of the Company

Although the Company does not have a fixed life, the Directors consider it desirable to give shareholders the periodic opportunity to review the future of the Company. At the annual general meeting of the Company to be held in 2012, a resolution will be proposed that the Company should continue as presently constituted. If that resolution is not passed, the Directors will formulate proposals to put to shareholders to windup, reorganise or reconstruct the Company.

Regular Tender Facility

The Company operates an annual Tender Facility subject to certain limitations and the Directors exercising their discretion to operate the Tender Facility. The Tender Facility is not expected to be made available in circumstances where the annual compound growth rate of the Company's Gross Assets exceeds 10% or where the Company's performance exceeds the benchmark index by 15% or more in the relevant period. The maximum number of ordinary shares which may be tendered pursuant to the Tender Facility in any financial year will be limited to 12.5% of the ordinary shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back pro-rata.

The Tender Facility has not been operated to date.

Reduction of Share Premium

At a Special General Meeting held in Bermuda on 5 January 2009 shareholders approved the reduction of the share premium account of the Company by £219,500,000 by the payment out of it of £219,500,000 to the Company's new Special Distributable Reserve with effect from 6 January 2009.

Dividend Reinvestment Plan

The Company currently operates a Dividend Reinvestment Plan. If you wish to participate please contact the Registrars (details found under Company Information) for an application form.

Individual Savings Account (ISA)

The Company's ordinary shares and S shares are eligible for inclusion in an ISA. The warrants are not eligible for inclusion in an ISA.

Risk Control

A summary of the risk control measures taken by the Board is set out in the Corporate Governance section on pages 23 and 24.

Through these procedures, and in accordance with Internal Control: Revised Guidance for Directors on the Combined Code (the "FRC guidance") the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and has regularly reviewed the effectiveness of the internal control systems for the year. This process has been in place throughout the year under review and to the date hereof and will continue to be regularly reviewed by the Board going forward.

Policy on Payment of Suppliers

The Company's principal suppliers are the Investment Manager and the Administrator. The Investment Manager is paid quarterly in arrears in accordance with the terms of the Agreement. The Administrator is paid monthly in arrears. Investment creditors are settled in accordance with the terms and conditions of the relevant markets in which they operate. Other suppliers are paid in accordance with the individual payment terms agreed with each supplier.

Auditors

The Auditors have indicated their willingness to continue in office and a resolution concerning their reappointment and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors provide some non-audit services to the Company, the details of which are set out in note 4 to the accounts.

Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the accounts as the Company has adequate resources to continue in operation for the foreseeable future and its assets consist mainly of securities that are readily realisable.

Special Business at the Annual General Meeting

Shareholders will find on page 60 the Notice of the forthcoming Annual General Meeting of the Company to be held on 23 September 2009 at 12.00 noon. In addition to the ordinary business of the meeting, resolutions number 8 and 9 are to be proposed as special business.

Authority for the Company to Purchase its Own Shares (Resolution 8)

Resolution 8 authorises the Company to purchase in the market initially up to a maximum of 32,058,669 ordinary shares (equivalent to approximately 14.99% of the issued ordinary shares as at the date of this Report). This authority will expire on 23 March 2011 unless it is varied, revoked or renewed prior to that date at the Company's Annual General Meeting in 2010 or at any other general meeting by ordinary resolution. Any purchases will be made at prices below the prevailing net asset value of an ordinary share where the Directors believe such purchases would result in an increase in the net asset value per share of the remaining shares and to assist in narrowing any discount to net asset value per ordinary share at which such shares may trade. The maximum price to be paid will be no more than 5% above the average of the mid-market values of the ordinary shares for the five business days immediately before the date of purchase. Any ordinary shares purchased by the Company will be held in Treasury or cancelled.

The Directors consider that it would be advantageous to shareholders for the Company to have the authority to make such purchases as and when it considers the timing to be favourable. However, use of this authority, if given, will ultimately depend upon market conditions and the Board's judgement of its likely effectiveness in increasing net asset values and/or reducing the discount.

It is proposed that any purchase of shares would be funded from the Company's own cash resources or, if appropriate, from short-term borrowings.

The Board intends to seek a renewal of such authority at subsequent Annual General Meetings.

Under the terms of the warrant instrument the Company has the ability to buy-back warrants. Any warrants bought back by the Company will be cancelled.

Amendment to the Bye-Laws (Resolution 9)

Resolution 9 is to approve and ratify the actions of the Directors and Officers to date in relation to the updating of the Bye-Laws of the Company to reflect changes approved by shareholders at meetings of the Company held during the period 2007 to 2008 and to authorise the Secretary to make any additional non-material consequential changes to the Bye-Laws of the Company to ensure they are grammatically correct and substantively correct in terms of numbering and cross referencing.

By order of the Board
F&C Management Limited, Secretary
10 June 2009

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable Bermuda law and IFRSs as adopted by the European Union.

The Directors are required to prepare accounts for each financial year which present fairly the financial position, financial performance and cash flows of the Group and of the Company for that year. In preparing the accounts the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting policies, changes in Accounting Estimates and Errors and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether IFRSs have been followed; and

- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 the Accounts comply with Bermuda law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

To the best of the knowledge of the Directors, the Accounts give a true and fair view of the assets, liabilities, financial position and loss of the Company and its special purpose entity included in the consolidation, and the Corporate Governance Statement includes a description of the principal risks and uncertainties that the Group and the Company faces. The financial risks are also provided in Note 29 to the Accounts.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and

- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Annual Report and Accounts are published on the Company's website, **www.uem.bm**, the maintenance and integrity of which is the responsibility of the Company. The work carried out by the auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the auditors accept no responsibility for any changes that have occurred in the Accounts since they were originally presented on the website. Visitors to the website need to be aware that the legislation governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Approved by the Board on 10 June 2009 and signed on its behalf by:

Alexander Zagoreos
Chairman

CORPORATE GOVERNANCE

Bermuda does not have its own corporate governance code and, as a Bermuda incorporated company, the Company is not required to comply with the UK Combined Code on Corporate Governance issued by the Financial Reporting Council (the "Combined Code"). However, it is the Company's policy to comply with best practice on good corporate governance and maintain the same level of governance as UK listed investment companies. The Board has considered the principles set out in the UK Combined Code and the AIC Code of Corporate Governance (the "AIC Code").

Except as disclosed below, the Company complied throughout the year with the recommendations of the AIC Code and the relevant provisions of the Combined Code.

In view of the requirement of the Bye-Laws that all Directors retire by rotation, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by provision A.7.2 of the UK Combined Code and principle 3 of the AIC Code. However, the Bye-Laws require all Directors to retire every three years and the Board has agreed that each Director will retire annually after the completion of nine years of service. The Company does not have its own internal audit function (further explanation on this appears on page 24 of this report) and, as explained below, there is no Nomination Committee.

The Board

The Directors' biographical details on page 14 of this report demonstrate the wide range of skills and experience that the Directors bring to the Board. The non-executive Directors have each signed a letter of appointment to formalise in writing the terms of their engagement as non-executive Directors, and a service agreement is in place with the executive Director which has no fixed end date and is terminable on six months' notice. Copies of these letters and the service agreement are available for inspection at the Company's registered office during normal business hours and will also be available at the Annual General Meeting.

One third of the Board rounded up is subject to retirement by rotation each year. In addition, all Directors are required to submit themselves for re-election at least every three years.

The Board, with only five Directors, operates without a Nomination Committee. The Directors recognise the value of progressive refreshing of, and succession planning for, company boards. The Directors will regularly review the structure of the Board, including the balance of expertise and skills brought by individual Directors. The Board is of the view that length of service does not necessarily compromise the independence or contribution of Directors of an investment company, where continuity and experience can add significantly to the strength of the Board. This is supported by the views on independence expressed in the AIC Code. However, the Board has put a policy into place where Directors who have served for nine years or more will be subject to annual re-election.

Appointments of new Directors will be made on a formalised basis with the Chairman agreeing in conjunction with his colleagues a job specification and other relevant selection criteria, and the methods of recruitment (where appropriate using an external recruitment agency), selection and appointment. The potential Director will meet with the Board members prior to formal appointment. An induction process will be undertaken with new appointees to the Board being given a full briefing on the workings and processes of the Company and the management of the Company by the Chairman, the executive Director, the Secretary and other appropriate persons. They will also be issued with a Directors' Handbook, which details relevant information on the Company, and other key documentation. All appointments are subject to subsequent confirmation by shareholders.

The Combined Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. In order to review its effectiveness, the Board carries out a process of formal self-appraisal. The Directors consider how the Board functions as a whole and also reviews the individual performance of its members. This process is conducted by the Chairman reviewing individually with each of the Directors their performance, contribution and commitment to the Company and the possible further development of skills. In addition, the Deputy Chairman reviews the performance of the Chairman with the other non-executive Directors, taking into account the views of the executive Director. The relevant points arising from these meetings are then reported to, and discussed by, the Board as a whole. This process has been carried out in respect of the year under review and will be conducted on an annual basis. It is currently not felt appropriate to employ the services of, or to incur the additional expense of, an external third party to conduct the evaluation process as an appropriate process is in place; this will, however, be kept under review.

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. Strategic issues and all operational matters of a material nature are determined by the Board. A formal schedule of matters reserved for the decision of the Board has been adopted. In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. The Board meets at least quarterly and at each meeting reviews investment performance as well as other high-level management information including financial reports and reports of a strategic nature. It monitors compliance with the Company's objectives and is directly responsible for investing policy and approving asset allocation and gearing. Board and Committee meetings are held on an ad hoc basis to consider particular issues as they arise.

The quorum for any Board meeting is two Directors, however, attendance by all Directors at each meeting is strongly encouraged. The following table sets out the number of meetings (including Committee meetings) held during the year under review and the number of meetings attended by each Director. The telephonic Board meetings were held on short notice to consider various matters, including the issue of shares arising from the exercise of warrants and S shares and the issue of shares to satisfy Directors' fee payments.

	Board	TBd	AC	MEC	RC
No of meetings	**4**	**6**	**2**	**1**	**1**
A E Zagoreos	4	3	2	1	1
C D O Jillings*	4	1	2	1	1
G A Madeiros	4	6	2	1	1
G P D Milne	4	–	2	1	1
K J O'Connor	4	4	2	1	1

TBd = Telephonic Board
AC = Audit Committee
MEC = Management Engagement Committee
RC = Remuneration Committee

* CDO Jillings invited to attend the AC, MEC and RC at the Committee's invitation.

The Board has established a procedure whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice or training at the Company's expense.

The Board has direct access to the advice and services of the Company Secretary, F&C Management Limited, which is responsible for ensuring that Board and Committee procedures are followed and applicable regulations are complied with.

During the year, the Board has maintained appropriate Directors' and Officers' liability insurance cover.

Management

The Company has a Management Agreement with Ingot Capital Management Pty Limited (the "Investment Manager" or "ICM"), which provides portfolio monitoring, research and other investment management services to the Company. Under the terms of this Agreement, ICM provides the services of an executive Director of the Company and two employees as detailed on page 13 of this report.

The operation of custodial services and the provision of accounting and company secretarial services have been delegated to the Administrator, F&C Management Limited.

The terms of the Investment Management and Administration Agreements are set out in note 3 to the accounts.

Audit Committee

The Board has appointed an Audit Committee. The Audit Committee, which is chaired by Mr G A Madeiros, operates within written terms of reference clearly setting out its authority and duties. Copies of the terms of reference are available on the Company's website at www.uem.bm.

The Audit Committee is comprised of Directors who are considered by the Board to be independent of management and will meet at least twice a year. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit Committee.

The primary role of the Audit Committee is to review the Company's accounting policies, the contents of the financial statements, the adequacy and scope of the external audit and compliance with regulatory and financial reporting requirements. In addition, it also reviews the provision of non-audit services by the external auditor, the risks to which the Company is exposed and the controls in place to mitigate those risks.

A "whistle blowing" policy has been put into place for employees of the Company, under which they may, in confidence, raise concerns about any possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company. This policy will be reviewed from time to time by the Audit Committee. The Audit Committee will also review the "whistle blowing" policy that has been put into place by F&C Management Limited as Administrator of the Company for use by its staff.

The Audit Committee has access to the internal audit director of the Administrator and to the Administrator's group audit committee, and reports its findings to the Board.

The Board retains ultimate responsibility for all aspects relating to the annual and interim accounts and other significant published financial information.

Auditors

The Audit Committee has direct access to the Auditors, Grant Thornton UK LLP. The Auditors attend the Audit Committee meeting to review the annual results and provide a comprehensive review of the audit of the Company. The Audit Committee also has the opportunity to meet with the auditors without management being present.

The Audit Committee, together with the executive Director, has reviewed the audit plan and findings of the work carried out by Grant Thornton UK LLP for the audit of the annual financial statements. On the basis of this and their experience in auditing the affairs of the Company, the Audit Committee has assessed and is satisfied with the effectiveness of the external audit. The Audit Committee has taken into account the standing, experience and tenure of the audit partner, the nature and level of services provided and has received confirmation that the auditors have complied with all relevant and professional regulatory and independence standards. The Audit Committee considers Grant Thornton UK LLP to be independent both of the Company, the Investment Manager and the Administrator in all respects.

The Audit Committee has also reviewed the provision of non-audit services by the Auditors. In the year under review, non-audit fees amounted to £4,000. It is considered that the non-audit fees are non-material and that the services provided are cost effective and in no way impede the independence of the auditors.

Management Engagement Committee

The Board has appointed a Management Engagement Committee, chaired by Mr A E Zagoreos, which operates within written terms of reference clearly setting out its authority and duties. Copies of the terms of reference are available on the Company's website.

The Management Engagement Committee is comprised of the independent non-executive Directors of the Company and will meet at least once a year. The Management Engagement Committee will annually review the performance of, and fee paid to, the Investment Manager for the services provided under the Investment Management Agreement, together with the fee and other terms of that Agreement.

Internal Controls and Management of Risk

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness and ensuring that the risk management and control processes are embedded in day-to-day operations. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable. Typical areas of risk material to investment companies in general, and which have been identified and are monitored as part of the control process, include excessive gearing, inappropriate long-term investment strategy, asset allocation and loss of management personnel.

Control of the risks identified, covering financial, operational, compliance and overall risk management, is exercised by the Board through regular reports provided by the Investment Manager on investment performance, performance attribution and other management issues. The Board has agreed with the Investment Manager the investing policy and restrictions under which the Investment Manager operates and the executive Director reports on compliance with this at every meeting. The Board also receives quarterly control reports from the Administrator and the Investment Manager that provide details of any known internal control failures. These reports incorporate a risk table that identifies the key risks to which the Company is exposed and the controls in place to mitigate them. These include risks for which the monitoring has been delegated to third party providers as well as those risks that are not directly the responsibility of the executive Director or the Administrator.

It is the management's role to monitor and manage the Company's exposure to the risks associated with GERP. The Board receives quarterly reports from the Manager on investment performance in GERP and the controls operated in respect of investments and cash are reviewed at each Audit Committee meeting.

In addition, the Administrator produces an annual Report of Internal Corporate Governance to the standards of the Assurance reports on internal controls of service organisations made available to third parties (AAF 01/06) issued by the Institute of Chartered Accountants in England and Wales for its clients. This sets out the control policies and procedures with respect to the duties carried out by the Administrator on the Company's behalf. The effectiveness of these controls is monitored by the

Administrator's group audit and compliance committee, which receives regular reports from the Administrator's audit and risk department. The Company's Audit Committee has received and reviewed the Statement for the year ended 31 December 2008, together with a report from the Administrator's group audit and compliance committee on the effectiveness of the internal controls maintained on behalf of the Company.

The systems of internal controls are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Investment Manager and Administrator and which includes audit and risk assessment whose controls are monitored by the Board. It is therefore felt that there is no need for the Company to have its own internal audit function. However, this will be reviewed annually by the Audit Committee. Action will be taken to remedy any significant failings or weakness identified from the review of the effectiveness of the internal control system.

Remuneration Committee

The Company's Remuneration Committee is comprised of all of the independent Directors and is chaired by Mr K J O'Connor. It operates within written terms of reference clearly setting out its authority and duties. Copies of the terms of reference are available on the Company's website.

The Remuneration Committee is responsible for reviewing the terms of the service agreement with, and the salary paid to, the executive Director. It will also make recommendations to the Board in respect of the fees of Directors. Full details of the remuneration for individual Directors is set out in the Directors' Remuneration Report on pages 25 and 26.

Investor Relations

Communication with shareholders is given a high priority. The Company's annual report and accounts, containing a detailed review of performance and the investment portfolio, is sent to all shareholders. At the half year stage, an interim report, containing updated information in a more abbreviated form, is also sent to all shareholders. Updated information, including details of the current portfolio and a commentary (updated monthly) is also available on the Company's website.

Shareholders wishing to communicate with the Chairman, the Deputy Chairman (who acts as Senior Independent Director) or other members of the Board may do so by writing to the Company at its registered office address, which can be found on page 61.

All shareholders are encouraged to attend the Annual General Meeting, at which shareholders will be given an opportunity to question the Chairman and the Board. The Chairman and the Deputy Chairman are also available to meet with the Company's institutional shareholders between such meetings. Proxy voting figures are announced to shareholders at the Annual General Meeting.

Corporate Governance, Socially Responsible Investment and Voting Policy

The Company has developed a policy on corporate governance, socially responsible investment and voting. The Company believes that the interests of its shareholders are served by investing in companies that adopt best practice in corporate governance and social responsibility. Where the Manager becomes aware that best practice in corporate governance and social responsibility is not followed, the Company will encourage changes towards this goal.

The Company supports the boards of investee companies with its vote unless it sees clear investment reasons for doing otherwise. It is the Company's policy to exercise its voting rights at shareholder meetings of investee companies.

Remuneration Committee

The Board has appointed a Remuneration Committee to review and make recommendations to the Board on the remuneration of the Directors and the conditions of service of the executive Director. The Remuneration Committee comprises the non-executive Directors of the Company and meets annually or more frequently as required.

Under the Investment Management Agreement with Ingot Capital Management Pty Limited (the "Investment Manager"), the Investment Manager is required to procure for the Company the services of an individual approved by the Company to act as an executive Director. The executive Director receives the same Directors' fees as is at the relevant time paid to the non-executive Directors of the Company (excluding the Chairman). Any additional remuneration to the executive Director will be paid by the Investment Manager.

The Company's Bye-Laws limit the aggregate fees payable to the Directors to a total of £200,000 per annum. Subject to this overall limit, it is the Company's policy to determine the remuneration of the Directors having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs.

Directors receive their remuneration in the form of shares in the Company. Further details on the calculation of the number of shares due to each Director are given in note 1(h) to the accounts.

The executive Director has a service agreement with the Company which has no fixed end date and is terminable upon six months' notice. None of the non-executive Directors has a service agreement, but each has signed a letter of appointment setting out the terms of their engagement as non-executive Directors. The Remuneration Committee concluded, following a review, that the Directors' fees for the forthcoming year should remain unchanged.

In the period under review, the Chairman was entitled to a fee of £35,000 and the other Directors to a fee of £25,000, both on an annualised basis. The Chairman of the Audit Committee, Mr G A Madeiros, was entitled to an additional £7,500 per annum.

No element of the Directors' remuneration is performance-related.

No Director past or present has any entitlement to pensions, other benefits in kind or any other non-cash benefit. The Company has not awarded any share options or long-term performance incentives to any of the Directors.

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

Remuneration for Qualifying Services

Director	Entitlement[1] £'000s	2009 Fees receipt £'000s	2008 Entitlement and receipt £'000s
A E Zagoreos (Chairman)	**35**	**32**	31
C D O Jillings (Executive Director)[2]	**25**	**22**	22
G A Madeiros[3]	**33**	**29**	22
G P D Milne	**25**	**22**	22
K J O'Connor	**25**	**22**	22
J M Collier (resigned 14 June 2007)	**–**	**–**	6
Total	**143**	**127**	109

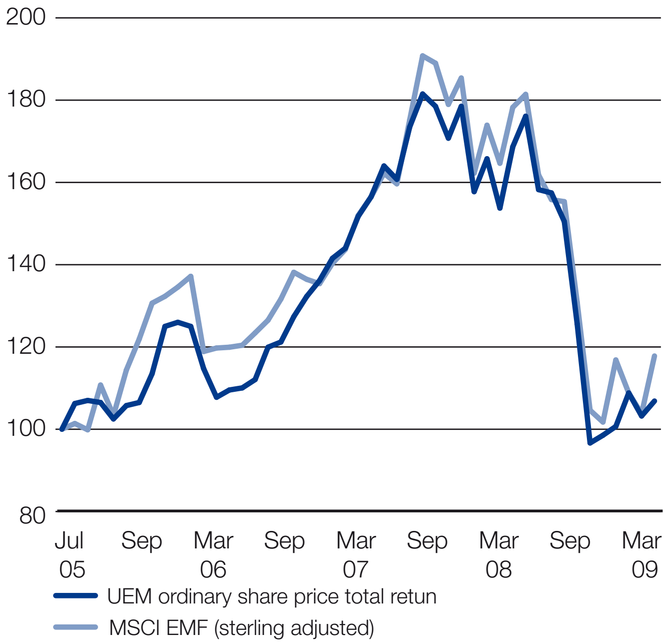
(1) The Directors' entitlement to fees is calculated quarterly in arrears as set out in note 1(h) on page 38. During the period prior to quarter ended 31 March 2009, the cost of buying ordinary shares in the market to satisfy the Directors' entitlement to ordinary shares was significantly below the fully diluted net asset value at the date of purchase. Accordingly, the Directors' emolument expense of £127,000 (purchase of 83,868 ordinary shares) is lower than their calculated entitlement of £143,000. In the year ended 31 March 2008 the value of fee entitlements and fees received were identical.

(2) In addition to the Directors' fees disclosed above Mr C D O Jillings received for the year to 31 March 2008 145,000 ordinary shares in UEM and £225,000 from the Investment Manager for services provided in respect of the affairs of the Company in the year.

(3) Mr G A Madeiros's fee includes entitlement of £7,500 (2008: £5,500) for being Chairman of the Audit Committee.

The information in the above table has been audited (see the Report of the Independent Auditor on page 27).

UEM share price total return
From 20 July 2005 to 31 March 2009
(rebased to 100 at 20 July 2005)



Source: Utilico Emerging Markets Limited

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested.

By order of the Board
F&C Management Limited, Secretary
10 June 2009

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UTILICO EMERGING MARKETS LIMITED

We have audited the Group and Parent Company Accounts of Utilico Emerging Markets Limited for the year ended 31 March 2009 which comprise the Group and Parent Company income statement, the Group and Parent Company statement of changes in equity, the Group and Parent Company balance sheets, the Group and Parent Company cash flow statement and notes 1 to 29. These accounts have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

As regards the accounts, this report is made solely to the Company's shareholders, as a body, in accordance with Companies Act 1981 of Bermuda. As regards the Directors' Remuneration Report, our report is made solely to the Company's members at the request of the Directors. 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

The Directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable Bermuda law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Directors' Statement of Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1981 of Bermuda.

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

We read other information contained in the Annual Report on pages 1 to 26 and consider whether it is consistent with the accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's and the Parent Company's affairs as at 31 March 2009 and of the Group's and Parent Company's loss for the year then ended;
- the Accounts have been properly prepared in accordance with the Companies Act 1981 of Bermuda; and
- the part of the Directors' Remuneration Report that is stated as having been audited shows the fees paid by the Company to its Directors, and the shares received by Mr C D O Jillings.

Grant Thornton UK LLP
Chartered Accountants
London
10 June 2009

GROUP INCOME STATEMENT

Notes	for the year to 31 March	2009 Revenue return £'000s	2009 Capital return £'000s	2009 Total return £'000s	2008 Revenue return £'000s	2008 Capital return £'000s	2008 Total return £'000s
9	Gains and losses on investments	**–**	**(102,012)**	**(102,012)**	–	21,746	21,746
12	Gains and losses on derivative instruments	**–**	**(4,201)**	**(4,201)**	–	16,658	16,658
25	Exchange gains and losses	**–**	**(20,055)**	**(20,055)**	–	1,156	1,156
2	Investment and other income	**14,267**	**–**	**14,267**	12,781	–	12,781
	Total income	**14,267**	**(126,268)**	**(112,001)**	12,781	39,560	52,341
3	Management and administration fees	**(727)**	**(1,181)**	**(1,908)**	(802)	(4,743)	(5,545)
4	Other expenses	**(762)**	**(24)**	**(786)**	(854)	(55)	(909)
	Profit/(loss) before finance costs and taxation	**12,778**	**(127,473)**	**(114,695)**	11,125	34,762	45,887
5	Finance costs	**(1,381)**	**(3,222)**	**(4,603)**	(1,677)	(3,913)	(5,590)
	Profit/(loss) before taxation	**11,397**	**(130,695)**	**(119,298)**	9,448	30,849	40,297
6	Taxation	**(544)**	**1,774**	**1,230**	(636)	(787)	(1,423)
	Profit/(loss) for the year	**10,853**	**(128,921)**	**(118,068)**	8,812	30,062	38,874
7	**Earnings per ordinary share (basic) – pence**	**5.08**	**(60.28)**	**(55.20)**	5.24	17.89	23.13
7	**Earnings per ordinary share (diluted) – pence**	**4.91**	**n/a**	**n/a**	4.88	16.64	21.52

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies in the UK. All items in the above statement derive from continuing operations

All income is attributable to the equity holders of the Company. There are no minority interests.

INCOME STATEMENT OF THE COMPANY

Notes	for the year to 31 March	2009 Revenue return £'000s	2009 Capital return £'000s	2009 Total return £'000s	2008 Revenue return £'000s	2008 Capital return £'000s	2008 Total return £'000s
9	Gains and losses on investments	–	(104,364)	(104,364)	–	23,504	23,504
12	Gains and losses on derivative instruments	–	(2,171)	(2,171)	–	15,245	15,245
25	Exchange gains and losses	–	(19,774)	(19,774)	–	808	808
2	Investment and other income	14,261	–	14,261	12,780	–	12,780
	Total income	14,261	(126,309)	(112,048)	12,780	39,557	52,337
3	Management and administration fees	(727)	(1,181)	(1,908)	(802)	(4,743)	(5,545)
4	Other expenses	(725)	(24)	(749)	(852)	(55)	(907)
	Profit/(loss) before finance costs and taxation	12,809	(127,514)	(114,705)	11,126	34,759	45,885
5	Finance costs	(1,378)	(3,215)	(4,593)	(1,676)	(3,912)	(5,588)
	Profit/(loss) before taxation	11,431	(130,729)	(119,298)	9,450	30,847	40,297
6	Taxation	(544)	1,774	1,230	(636)	(787)	(1,423)
	Profit/(loss) for the year	10,887	(128,955)	(118,068)	8,814	30,060	38,874
7	**Earnings per ordinary share (basic) – pence**	5.09	(60.29)	(55.20)	5.24	17.89	23.13
7	**Earnings per ordinary share (diluted) – pence**	4.92	n/a	n/a	4.88	16.64	21.52

The total column of this statement represents the Company's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies in the UK. All items in the above statement derive from continuing operations

All income is attributable to the equity holders of the Company.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year to 31 March 2009

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Retained earnings		Total £'000s
								Capital reserves £'000s	Revenue reserve £'000s	
	Balance at 31 March 2008	21,351	219,008	–	9,048	9,350	103	97,470	3,200	359,530
	(Loss)/profit for the year	–	–	–	–	–	–	(128,921)	10,853	(118,068)
8	Ordinary dividends paid	–	–	–	–	–	–	–	(11,338)	(11,338)
19	Conversion of warrants and S shares	61	548	–	(151)	(65)	216	–	–	609
20	Transfer to special reserve	–	(219,500)	219,500	–	–	–	–	–	–
	Balance at 31 March 2009	**21,412**	**56**	**219,500**	**8,897**	**9,285**	**319**	**(31,451)**	**2,715**	**230,733**

for the year to 31 March 2008

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Retained earnings		Total £'000s
								Capital reserves £'000s	Revenue reserve £'000s	
	Balance at 31 March 2007	16,498	147,194	–	9,050	–	101	67,408	1,365	241,616
	Profit for the year	–	–	–	–	–	–	30,062	8,812	38,874
8	Ordinary dividends paid	–	–	–	–	–	–	–	(6,977)	(6,977)
19	Issue of ordinary shares, S shares and warrants	4,853	73,074	–	(2)	9,350	2	–	–	87,277
	Cost of issuing ordinary share capital	–	(1,260)	–	–	–	–	–	–	(1,260)
	Balance at 31 March 2008	21,351	219,008	–	9,048	9,350	103	97,470	3,200	359,530

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

for the year to 31 March 2009

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Retained earnings Capital reserves £'000s	Retained earnings Revenue reserve £'000s	Total £'000s
	Balance at 31 March 2008	21,351	219,008	–	9,048	9,350	103	97,468	3,202	359,530
	(Loss)/profit for the year	–	–	–	–	–	–	(128,955)	10,887	(118,068)
8	Ordinary dividends paid	–	–	–	–	–	–	–	(11,338)	(11,338)
19	Conversion of warrants and S shares	61	548	–	(151)	(65)	216	–	–	609
20	Transfer to special reserve	–	(219,500)	219,500	–	–	–	–	–	–
	Balance at 31 March 2009	**21,412**	**56**	**219,500**	**8,897**	**9,285**	**319**	**(31,487)**	**2,751**	**230,733**

for the year to 31 March 2008

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Warrant reserve £'000s	S share reserve £'000s	Other non-distributable reserve £'000s	Retained earnings Capital reserves £'000s	Retained earnings Revenue reserve £'000s	Total £'000s
	Balance at 31 March 2007	16,498	147,194	–	9,050	–	101	67,408	1,365	241,616
	Profit for the year	–	–	–	–	–	–	30,060	8,814	38,874
8	Ordinary dividends paid	–	–	–	–	–	–	–	(6,977)	(6,977)
19	Issue of ordinary shares, S shares and warrants	4,853	73,074	–	(2)	9,350	2	–	–	87,277
20	Cost of issuing ordinary share capital	–	(1,260)	–	–	–	–	–	–	(1,260)
	Balance at 31 March 2008	21,351	219,008	–	9,048	9,350	103	97,468	3,202	359,530

GROUP BALANCE SHEET

Notes	at 31 March		2009		2008
		£'000s	**£'000s**	£'000s	£'000s
	Non-current assets				
9	Investments		**245,511**		413,967
	Current assets				
11	Other receivables	**3,084**		3,171	
12	Derivative financial instruments	**12,090**		34,769	
13	Cash and cash equivalents	**24,058**		11,876	
			39,232		49,816
	Current liabilities				
14	Bank loans	**–**		(29,962)	
15	Other payables	**(2,270)**		(11,732)	
12	Derivative financial instruments	**(9,930)**		(10,721)	
			(12,200)		(52,415)
	Net current assets/(liabilities)		**27,032**		(2,599)
	Total assets less current liabilities		**272,543**		411,368
	Non-current liabilities				
16	Bank loans	**(41,810)**		(49,937)	
17	Deferred tax	**–**		(1,901)	
			(41,810)		(51,838)
	Net assets		**230,733**		359,530
	Equity attributable to equity holders				
19	Ordinary share capital		**21,412**		21,351
20	Share premium account		**56**		219,008
21	Special reserve		**219,500**		–
22	Warrant reserve		**8,897**		9,048
23	S share reserve		**9,285**		9,350
24	Other non-distributable reserve		**319**		103
25	Capital reserves		**(31,451)**		97,470
25	Revenue reserve		**2,715**		3,200
	Total attributable to equity holders		**230,733**		359,530
26	**Net asset value per ordinary share**				
	Basic – pence		**107.76**		168.39
	Diluted – pence		**106.51**		157.20

Approved by the Board on 10 June 2009 and signed on its behalf by

Alexander Zagoreos

Charles Jillings

BALANCE SHEET OF THE COMPANY

Notes	at 31 March		2009		2008
		£'000s	£'000s	£'000s	£'000s
	Non-current assets				
9	Investments		**252,689**		441,360
	Current assets				
11	Other receivables	**3,084**		3,171	
12	Derivative financial instruments	**–**		458	
13	Cash and cash equivalents	**23,770**		11,236	
			26,854		14,865
	Current liabilities				
14	Bank loans	**–**		(29,962)	
15	Other payables	**(2,242)**		(11,732)	
12	Derivative financial instruments	**(4,758)**		(3,163)	
			(7,000)		(44,857)
	Net current assets/(liabilities)		**19,854**		(29,992)
	Total assets less current liabilities		**272,543**		411,368
	Non-current liabilities				
16	Bank loans	**(41,810)**		(49,937)	
17	Deferred tax	**–**		(1,901)	
			(41,810)		(51,838)
	Net assets		**230,733**		359,530
	Equity attributable to equity holders				
19	Ordinary share capital		**21,412**		21,351
20	Share premium account		**56**		219,008
21	Special reserve		**219,500**		–
22	Warrant reserve		**8,897**		9,048
23	S share reserve		**9,285**		9,350
24	Other non-distributable reserve		**319**		103
25	Capital reserves		**(31,487)**		97,468
25	Revenue reserve		**2,751**		3,202
	Total attributable to equity holders		**230,733**		359,530
26	**Net asset value per ordinary share**				
	Basic – pence		**107.76**		168.39
	Diluted – pence		**106.51**		157.20

Approved by the Board on 10 June 2009 and signed on its behalf by

Alexander Zagoreos

Charles Jillings

GROUP CASH FLOW STATEMENT

Notes	for the year to 31 March	2009 £'000s	2008 £'000s
27	Cash flows from operating activities	**81,058**	(120,656)
	Cash flows from investing activities	**–**	–
	Cash flows before financing activities	**81,058**	(120,656)
	Financing activities:		
	Ordinary dividends paid	**(11,338)**	(6,977)
	Movements from borrowings	**(58,271)**	35,626
	Proceeds from warrants exercised	**545**	6
	Proceeds from S shares exercised	**64**	–
	Proceeds from issue of ordinary share capital	**–**	83,756
	Cash flows from financing activities	**(69,000)**	112,411
	Net movement in cash and cash equivalents	**12,058**	(8,245)
	Cash and cash equivalents at the beginning of the year	**11,876**	19,904
	Effect of movement in foreign exchange	**124**	217
	Cash and cash equivalents at the end of the year	**24,058**	11,876

CASH FLOW STATEMENT OF THE COMPANY

Notes	for the year to 31 March	2009 £'000s	2008 £'000s
27	Cash flows from operating activities	**81,129**	(121,146)
	Cash flows from investing activities	**–**	–
	Cash flows before financing activities	**81,129**	(121,146)
	Financing activities:		
	Ordinary dividends paid	**(11,338)**	(6,977)
	Movements from borrowings	**(58,271)**	35,626
	Proceeds from warrants exercised	**545**	6
	Proceeds from S shares exercised	**64**	–
	Proceeds from issue of ordinary share capital	**–**	83,756
	Cash flows from financing activities	**(69,000)**	112,411
	Net movement in cash and cash equivalents	**12,129**	(8,735)
	Cash and cash equivalents at the beginning of the year	**11,236**	19,904
	Effect of movement in foreign exchange	**405**	67
	Cash and cash equivalents at the end of the year	**23,770**	11,236

1. ACCOUNTING POLICIES

The Company is an investment company incorporated in Bermuda with a primary quotation on the Alternative Investment Market in London.

The consolidated Accounts for the year ended 31 March 2009 comprise the results of the Company and of the segregated account underlying the ‘B’ shares of Global Equity Risk Protection Limited (“GERP”), a special purpose entity (“SPE”) incorporated in Bermuda (together referred to as the “Group”). Details of GERP are included in note 10 to the Accounts. The SPE has a reporting year end of 30 June which is concurrent wit that of GERP, a company that is not controlled by UEM.

(a) Basis of accounting

The Accounts have been prepared in accordance with International Financial Reporting Standards (“IFRS”), which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect, and to the extent that they have been adopted by the European Union.

The Accounts have been prepared on a historical cost basis, except for the measurement at fair value of investments and derivative financial instruments.

Where presentational recommendations set out in the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (“SORP”), issued in the UK by the Association of Investment Companies (“AIC”) in January 2009, do not conflict with the requirements of IFRS, the Directors have prepared the Accounts on a basis consistent with the recommendations of the SORP, in the belief that this will aid comparison with similar investment companies incorporated in the United Kingdom.

In accordance with the SORP, the Income Statement has been analysed between a Revenue return (dealing with items of a revenue nature) and a Capital return (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income, operating expenses, finance costs and taxation (insofar as they are not allocated to capital, as described in notes 1(f) and 1(g) below). Net revenue returns are allocated via the revenue return to the Revenue Reserve, out of which dividends are paid.

Capital returns include, but are not limited to profits and losses on the disposal and the valuation of non-current investments, derivative instruments and on cash and borrowings, operating costs and finance costs (insofar as they are not allocated to revenue as described in note 1(g) below). Net capital returns may not be distributed by way of a dividend and are allocated via the capital return to Capital Reserves.

At the date of authorisation of these Accounts, the following standards and interpretations have not been applied in these Accounts since they were in issue but not yet effective:

International Accounting Standards (IAS/IFRS)	Effective date for accounting periods starting on or after
IAS 1 (revised) Presentation of Financial Statements “Comprehensive revision including requiring a statement of comprehensive income”	1 January 2009
IFRS 7 Financial Instrument: Disclosures – Improving Disclosures about Financial Instruments	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 23 Borrowing Costs (revised March 2007)	1 January 2009

The Directors have chosen not to early adopt these standards and interpretations as they do not anticipate that they would have a material impact on the Company’s Accounts in the period of initial application.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of unlisted investments, details of which are set out in accounting policy 1(b).

(b) Basis of consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Associate undertakings held as part of the investment portfolio (see 1(c) below) are, in accordance with IAS 28, Investments in Associates, not accounted for in the Group accounts using the equity method of accounting, but are carried at fair value through profit or loss and accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

1. ACCOUNTING POLICIES (CONTINUED)

(c) Valuation of investments and derivative instruments

Investment purchases and sales are accounted for on the trade date, inclusive of transaction costs.

Investments used for efficient portfolio management that do not qualify for hedge accounting are categorised as being at fair value through profit or loss. As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments are designated as being at fair value through profit or loss on initial recognition. Derivatives comprising forward exchange contracts, options and credit default swaps are accounted for as a financial asset/liability at fair value through profit or loss and are classified as held for trading. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy, and information about the Company is provided internally on this basis to the Company's Directors and key management personnel.

Gains and losses on investments and on derivatives are analysed within the Income Statement as capital return. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board. In exercising their judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values, earnings and other relevant factors.

Traded options and similar derivative instruments are valued at open market prices.

(d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in margin accounts and short term deposits with an original maturity of three months or less.

(e) Foreign currency

The functional and reporting currency is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Foreign currency assets and liabilities are expressed in sterling at rates of exchange ruling at the balance sheet date. Foreign currency transactions are translated at the rates of exchange ruling at the dates of those transactions. Exchange profits and losses on currency balances are credited or charged to the income statement and analysed as capital or income as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates.

(f) Other income

Dividends receivable are analysed as revenue return within the income statement (except where, in the opinion of the Directors, their nature indicates they should be recognised as capital return) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is allocated as revenue in the income statement. Any excess in the value of the shares received over the amount of the cash dividend foregone is allocated as capital in the Income Statement.

Interest on debt securities is accrued on a time basis using the effective interest rate method. Bank and short-term deposit interest is recognised on an accruals basis.

(g) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the income statement and analysed under revenue return except as stated below:

– the management fee and finance costs are allocated 70% to capital return and 30% to revenue return.

– expenses incidental to the acquisition or disposal of Investments are allocated to capital return.

– performance related management fees (calculated under the terms of the Investment management Agreement) which are allocated to the capital return.

1. ACCOUNTING POLICIES (CONTINUED)

(h) Directors' fees

Directors fees are charged quarterly through the revenue column of the Income Statement. The fee entitlement of each director is satisfied in ordinary shares of the Company, purchased in the market on behalf of, or issued to, each Director as soon as possible after each quarter end.

With effect from the quarter ended 31 March 2009, the number of ordinary shares allocated is determined by dividing the entitlement by the lower of the market value and the fully diluted net asset value on the date of allocation. Prior to that quarter, the number of ordinary shares allocated was determined by dividing the entitlement by the fully diluted net asset value at the quarter end date.

(i) Finance costs

Finance costs are accounted for on an effective yield basis, recognised through the income statement.

(j) Dividends payable

Dividends paid by the Company are accounted for in the period in which the Company is liable to pay them and are reflected in the Statement of Changes in Equity.

(k) Capital reserves

The following items are accounted for through the Income Statement as capital returns and transferred to capital reserves:

Capital reserve – arising on investments sold

– gains and losses on disposal of investments and derivative instruments

– exchange differences of a capital nature

– expenses allocated in accordance with note 1(g)

Capital reserve – arising on investments held

– increases and decreases in the valuation of investments and derivative instruments held at the year end

(l) Warrant reserve

The imputed net proceeds on initial issue of warrants, based on the market value of the warrants on the first day of listing, are transferred out of share premium account to the warrant reserve. On exercise, or cancellation, the imputed net proceeds are transferred to a separate non-distributable reserve.

(m) S share reserve

The imputed net proceeds on initial issue of S shares, based on the market value of the subscription shares on the first day of listing, are transferred out of share premium account to the S share reserve. On exercise, or cancellation, the imputed net proceeds are transferred to a separate non-distributable reserve.

2. INVESTMENT AND OTHER INCOME

Group	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
Investment income:						
Overseas dividends	**12,858**	**–**	**12,858**	10,471	–	10,471
Overseas and UK interest	**1,264**	**–**	**1,264**	881	–	881
	14,122	**–**	**14,122**	11,352	–	11,352
Other income						
Interest on cash and short-term deposits	**145**	**–**	**145**	1,429	–	1,429
Total income	**14,267**	**–**	**14,267**	12,781	–	12,781
Income from investments comprises:						
Listed	**13,277**	**–**	**13,277**	10,766	–	10,766
Unlisted	**845**	**–**	**845**	586	–	586
	14,122	**–**	**14,122**	11,352	–	11,352

Company	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
Investment income:						
Overseas dividends	**12,858**	**–**	**12,858**	10,471	–	10,471
Overseas and UK interest	**1,264**	**–**	**1,264**	881	–	881
	14,122	**–**	**14,122**	11,352	–	11,352
Other income						
Interest on cash and short-term deposits	**139**	**–**	**139**	1,428	–	1,428
Total income	**14,261**	**–**	**14,261**	12,780	–	12,780
Income from investments comprises:						
Listed	**13,277**	**–**	**13,277**	10,766	–	10,766
Unlisted	**845**	**–**	**845**	586	–	586
	14,122	**–**	**14,122**	11,352	–	11,352

3. MANAGEMENT AND ADMINISTRATION FEES

Group and Company	**Revenue £'000s**	**Capital £'000s**	**2009 Total £'000s**	Revenue £'000s	Capital £'000s	2008 Total £'000s
Payable to:						
Ingot Capital Management Pty Limited ("ICM") – management fee	**517**	**1,206**	**1,723**	586	1,366	1,952
ICM – performance fee in respect of relevant period	**–**	**–**	**–**	–	2,771	2,771
– performance fee adjustment in respect of prior period	**–**	**(25)**	**(25)**	–	606	606
F&C Management Limited – administration fee	**210**	**–**	**210**	216	–	216
	727	**1,181**	**1,908**	802	4,743	5,545

ICM provides investment management services to the Company for a fee of 0.5% per annum, payable quarterly in arrears. The Agreement with ICM may be terminated upon six months notice.

The management fee is allocated 70% to capital return and 30% to revenue return (see note 1(g)).

In addition, ICM is entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount of any outperformance in that period by equity funds attributable to shareholders of the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus two percent.

Half of the performance fee is payable in cash and half in ordinary shares of the Company, based on the audited diluted NAV per share at the year end. The full performance fee is payable to ICM as soon as practicable following the year end date in order to reduce the risk to the Company of material movements in the price of ordinary shares between the year end date and the date of payment. Any subsequent adjustment to the fee arising out of the audit process will be paid to or recouped from ICM in cash within 7 days of the publication of the Report and Accounts. Under the terms of the performance fee agreement, no future performance fee is payable until the net asset value exceeds the opening adjusted equity funds of £381.4m at 31 March 2008.

For the year ended 31 March 2009 the attributable shareholders' funds were below the high watermark and therefore no performance fee is payable. On 22 April 2008, based upon an unaudited fee of £2,763,000 for the year to 31 March 2008, ICM was awarded 879,912 shares for half the fee (based upon the fully diluted NAV of those shares at 31 March 2008), These shares were purchased in the market place on 24 April 2008 at a cost of £1,356,000, a saving of £25,000 to the Company which is recognised in the Accounts for the year ended 31 March 2009.

The audited performance fee of £2,771,000, recognised in the Accounts for the year ended 31 March 2008, was £8,000 more than that paid to ICM in April 2008 in cash and shares. This amount was paid to ICM after the publication of the 2008 Report and Accounts.

F&C Management Limited ("FCM") provides accounting, secretarial, dealing and administration services to the Company for a fixed fee of £210,000 per annum (prior to 1 July 2007: £235,000), payable monthly in arrears and will be entitled to reimbursement of certain expenses incurred by it in connection with its duties. In respect of the year to 31 March 2008, FCM also received a £10,000 fee charged to share premium in respect of the issue of the C shares of the Company. The Agreement with FCM is terminable on three months' notice in writing.

4. OTHER EXPENSES

Group	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
Auditors' remuneration:						
for audit services	**32**	**–**	**32**	23	–	23
for other services*	**4**	**–**	**4**	3	–	3
Directors' fees:						
fees for services to the Company (see Directors' Remuneration Report on pages 25 and 26)	**127**	**–**	**127**	125	–	125
Other expenses	**599**	**24**	**623**	703	55	758
	762	**24**	**786**	854	55	909

Company	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
Auditors' remuneration:						
for audit services	**30**	**–**	**30**	23	–	23
for other services*	**4**	**–**	**4**	3	–	3
Directors' fees:						
fees for services to the Company (see Directors' Remuneration Report on pages 25 and 26)	**127**	**–**	**127**	125	–	125
Other expenses	**564**	**24**	**588**	701	55	756
	725	**24**	**749**	852	55	907

* Total Auditors' remuneration for other services to the Company amounts to £4,000 and was in relation to review of interim accounts and review of the performance fee (2008: £30,000, of which £3,000 was in relation to review of interim accounts and £27,000 was charged to Share premium account in connection with the share issue on 13 May 2008). Auditors' remuneration in respect of the Special Purpose Entity for audit services amounts to £2,000 (2008: nil).

5. FINANCE COSTS

Group	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
On loans and overdrafts:						
Loans and overdrafts repayable within 1 year	**456**	**1,064**	**1,520**	474	1,105	1,579
Loans and overdrafts repayable between 2 and 5 years	**903**	**2,107**	**3,010**	834	1,947	2,781
Finance costs on Contracts for difference	**22**	**51**	**73**	369	861	1,230
	1,381	**3,222**	**4,603**	1,677	3,913	5,590

Company	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
On loans and overdrafts:						
Loans and overdrafts repayable within 1 year	**453**	**1,057**	**1,510**	473	1,104	1,577
Loans and overdrafts repayable between 2 and 5 years	**903**	**2,107**	**3,010**	834	1,947	2,781
Finance costs on Contracts for difference	**22**	**51**	**73**	369	861	1,230
	1,378	**3,215**	**4,593**	1,676	3,912	5,588

Finance costs are allocated 70% to capital return and 30% to revenue return (see note 1(g)).

6. TAXATION

Group and Company	Revenue £'000s	Capital £'000s	2009 Total £'000s	Revenue £'000s	Capital £'000s	2008 Total £'000s
Overseas taxation	**544**	**–**	**544**	636	–	636
Capital gains tax on sale of overseas investments	**–**	**127**	**127**	–	885	885
Total current taxation	**544**	**127**	**671**	636	885	1,521
Deferred tax (see note 17)	**–**	**(1,901)**	**(1,901)**	–	(98)	(98)
	544	**(1,774)**	**(1,230)**	636	787	1,423

Profits for the year are not subject to Bermuda tax.

Deferred tax in the capital account is in respect of capital gain tax on overseas investment holding gains that will be will taxed in future years.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share from continuing operations is based on the following data:

Earnings for the purpose of basic and diluted earnings per share is the profit for the year attributable to ordinary shareholders.

	Group		Company	
	2009 £'000s	2008 £'000s	**2009 £'000s**	2008 £'000s
Revenue	**10,853**	8,812	**10,887**	8,814
Capital	**(128,921)**	30,062	**(128,955)**	30,060
Total	**(118,068)**	38,874	**(118,068)**	38,874
Weighted average number of ordinary shares in issue during the period for basic earnings per share calculations	**213,872,653**	168,065,113	**213,872,653**	168,065,113

Diluted earnings per share

Group and Company

Diluted earnings per share have been calculated in accordance with IAS 33 "Earnings per share", under which the Company's outstanding warrants and S shares are considered dilutive only if the exercise price is lower than the average market price of the ordinary shares during the period. The dilution is calculated by reference to the additional number of ordinary shares which warrantholders and S shareholders would have received on exercise as compared with the number of ordinary shares which the subscription proceeds would have purchased in the open market. The exercise rights of warrants and S shares are described in note 19. There is no dilution of capital return or total return in the current year.

	2009 Number	2008 Number
Weighted average number of shares in issue during the period for basic earnings per share calculations	**213,872,653**	168,065,113
Dilutive potential shares – Warrants	**5,654,048**	9,822,798
Dilutive potential shares – S shares	**1,618,011**	2,783,189
Weighted average number of shares for diluted earnings per share calculations	**221,144,712**	180,671,100

8. DIVIDENDS

Group and Company	Record date	Payment date	**Year to 31 March 2009 £'000s**	Year to 31 March 2008 £'000s
2007 Final of 0.70p	15 June 2007	29 June 2007	**–**	1,155
2008 Interim of 3.50p	30 November 2007	14 December 2007	**–**	5,822
2008 Final of 1.30p	20 June 2008	04 July 2008	**2,776**	–
2009 Interim of 4.00p	16 January 2009	30 January 2009	**8,562**	–
			11,338	6,977

The Directors have declared a final dividend in respect of the year ended 31 March 2009 of 0.80p payable on 3 July 2009 to all ordinary shareholders on the register at close of business on 19 June 2009.

9. INVESTMENTS

Group	**Listed £'000s**	**Unlisted £'000s**	**2009 Total £'000s**	Listed £'000s	Unlisted £'000s	2008 Total £'000s
Investments brought forward						
Cost	**296,901**	**60,207**	**357,108**	193,566	15,215	208,781
Gains/(losses)	**63,852**	**(6,993)**	**56,859**	63,935	992	64,927
Valuation	**360,753**	**53,214**	**413,967**	257,501	16,207	273,708
Movements in the year:						
Purchases at cost	**34,386**	**9,692**	**44,078**	159,907	47,059	206,966
Sales proceeds	**(104,040)**	**(6,482)**	**(110,522)**	(85,390)	(3,063)	(88,453)
(Losses)/gains on investments sold in the year	**(27,837)**	**(301)**	**(28,138)**	16,717	1,263	17,980
(Losses)/gains on investments held at year end	**(51,963)**	**(21,911)**	**(73,874)**	12,018	(8,252)	3,766
Valuation at 31 March	**211,299**	**34,212***	**245,511**	360,753	53,214*	413,967
Analysed at 31 March						
Cost	**213,521**	**62,173**	**275,694**	296,901	60,207	357,108
(Losses)/gains	**(2,222)**	**(27,961)**	**(30,183)**	63,852	(6,993)	56,859
Valuation	**211,299**	**34,212***	**245,511**	360,753	53,214*	413,967

* Includes £11,478,000 of investments quoted on a regulated exchange (2008: £39,398,000).

9 INVESTMENTS (CONTINUED)

Company	Listed £'000s	Unlisted £'000s	Special purpose entity £'000s	2009 Total £'000s	Listed £'000s	Unlisted £'000s	Special purpose entity £'000s	2008 Total £'000s
Investments brought forward								
Cost	296,901	60,207	25,635	382,743	193,566	15,215	–	208,781
Gains/(losses)	63,852	(6,993)	1,758	58,617	63,935	992	–	64,927
Valuation	360,753	53,214	27,393	441,360	257,501	16,207	–	273,708
Movements in the year:								
Purchases at cost	34,386	9,692	13,941	58,019	159,907	47,059	25,635	232,601
Sales proceeds	(104,040)	(6,482)	(31,804)	(142,326)	(85,390)	(3,063)	–	(88,453)
(Losses)/gains on investments sold in the year	(27,837)	(301)	–	(28,138)	16,717	1,263	–	17,980
(Losses)/gains on investments held at year end	(51,963)	(21,911)	(2,352)	(76,226)	12,018	(8,252)	1,758	5,524
Valuation at 31 March	211,299	34,212*	7,178	252,689	360,753	53,214*	27,393	441,360
Analysed at 31 March								
Cost	213,521	62,173	7,772	283,466	296,901	60,207	25,635	382,743
(Losses)/gains	(2,222)	(27,961)	(594)	(30,777)	63,852	(6,993)	1,758	58,617
Valuation	211,299	34,212*	7,178	252,689	360,753	53,214*	27,393	441,360

* Includes £11,478,000 of investments quoted on a regulated exchange (2008: £39,398,000).

(Losses)/gains on investments	Group 2009 £'000s	Group 2008 £'000s	Company 2009 £'000s	Company 2008 £'000s
(Losses)/gains based on historical cost	(14,970)	29,812	(14,970)	29,812
Less gains recognised in previous years	(13,168)	(11,832)	(13,168)	(11,832)
(Losses)/gains on investments sold in year based on carrying value at previous balance sheet date	(28,138)	17,980	(28,138)	17,980
(Losses)/gains on investments held at 31 March	(73,874)	3,766	(76,226)	5,524
Total (losses)/gains on investments	(102,012)	21,746	(104,364)	23,504

9 INVESTMENTS (CONTINUED)

Equest Balkan Properties plc was an associate undertaking of the Group and Company at 31 March 2009:

Country of Incorporation	Isle of Man
Country of listing	London
Country of operations	Romania
Number of ordinary shares held	32,360,483
Percentage of ordinary shares held	23.1%
	£'000s
Income from associate undertaking included in the revenue account of the Group	–
Value of interest in associated undertakings included in the balance sheet of the Group	1,442
Gross assets	390,536
Gross liabilities	180,459
Gross revenues	16,207
Net profit before tax	622
Share of profits/loss before tax	144
Share of taxation charge	(819)
Share of retained profit/loss	963
Share of net assets	48,528

During the year 4,400,000 ordinary shares were purchased in the market at a cost of £2,347,000.

Significant interests

In addition to the above, the Group and Company have a holding of 3% or more of any class of share capital of the following investments, which are material in the context of the Accounts:

Company	**Country of registration & incorporation**	**Class of instruments held**	**2009 % of class of instruments held**	2008 % of class of instruments held
Comanche Clean Energy	Brazil	Ordinary shares	**8.4**	8.5
Comanche Clean Energy	Brazil	Convertible notes	**10.5**	11.8
Comanche Clean Energy	Brazil	12.5% Senior Secured Loan Notes	**6.9**	–
Comanche Clean Energy	Brazil	2012 $5.30 Warrants	**16.8**	12.5
Comanche Clean Energy	Brazil	2013 $7.28 Warrants	**5.9**	–
Comanche Clean Energy	Brazil	2013 $8.13 Warrants	**5.9**	–
Comanche Clean Energy	Brazil	2013 $9.75 Warrants	**5.9**	–
Companhia de Gas de Sao Paulo	Brazil	Preference shares	**4.2**	7.4
Eastern Water	Thailand	Ordinary shares	**10.1**	10.1
Malaysia Airports	Malaysia	Ordinary shares	**4.4**	4.4
Ocean Wilsons Holdings Limited	Bermuda	Ordinary shares	**8.6**	8.4
POS Malaysia & Services	Malaysia	Ordinary shares	**7.0**	7.0
Puncak Niaga Holdings	Malaysia	Ordinary shares	**8.3**	8.3

10. SPECIAL PURPOSE ENTITY

The Company holds 3,920 B shares in a segregated account in GERP, an unquoted Bermuda segregated accounts company incorporated on 4 May 2006. The segregated account, which is structured as a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. The holding represents 100% of the B shares, and 19.9% of the voting rights, of GERP. Under the IASB's interpretation SIC-12 the segregated account in GERP, represented by the B shares, is classified as a special purpose entity of the Company and its financial results are included within the Accounts of the Group (see note 1(b)).

11. OTHER RECEIVABLES

Group and Company	**2009 £'000s**	2008 £'000s
Sales for future settlement	**615**	1,283
Accrued income	**1,746**	1,419
Prepayments and other debtors	**723**	469
	3,084	3,171

The Directors consider that the carrying value of other receivables are approximately their face value.

12. DERIVATIVE FINANCIAL INSTRUMENTS

Group	**Current assets £'000s**	**Current liabilities £'000s**	**2009 Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	2008 Net current assets/ (liabilities) £'000s
Contracts for difference – USD	**–**	**–**	**–**	37	(10)	27
Futures and options – USD	**12,090**	**(5,172)**	**6,918**	33,593	(7,164)	26,429
Futures and options – HKD	**–**	**–**	**–**	1,139	(394)	745
Interest rate SWAPs – USD	**–**	**(4,758)**	**(4,758)**	–	(3,153)	(3,153)
Total derivative financial instruments	**12,090**	**(9,930)**	**2,160**	34,769	(10,721)	24,048

Company	**Current assets £'000s**	**Current liabilities £'000s**	**2009 Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	2008 Net current assets/ (liabilities) £'000s
Contracts for difference – USD	**–**	**–**	**–**	37	(10)	27
Futures and options – USD	**–**	**–**	**–**	421	–	421
Interest rate SWAPs – USD	**–**	**(4,758)**	**(4,758)**	–	(3,153)	(3,153)
Total derivative financial instruments	**–**	**(4,758)**	**(4,758)**	458	(3,163)	(2,705)

Changes in derivatives

Total net current derivative financial instruments are as follows:

	Group		**Company**	
	2009 £'000s	2008 £'000s	**2009 £'000s**	2008 £'000s
Valuation brought forward	**24,048**	7,123	**(2,705)**	7,123
Purchases	**(108,610)**	(2,258)	**1,008**	(2,152)
Settlements	**90,923**	2,525	**(890)**	(22,921)
Gains and losses	**(4,201)**	16,658	**(2,171)**	15,245
Valuation carried forward	**2,160**	24,048	**(4,758)**	(2,705)

13. CASH AND CASH EQUIVALENTS

Group	2009 £'000s	2008 £'000s
Cash at bank	**24,058**	6,445
Cash in margin accounts	**–**	5,431
	24,058	11,876

Company	2009 £'000s	2008 £'000s
Cash at bank	**23,770**	5,805
Cash in margin accounts	**–**	5,431
	23,770	11,236

14. BANK LOANS – CURRENT LIABILITY

Group and Company	2009 £'000s	2008 £'000s
US$59.550 million repaid May 2008	**–**	29,962

The Company has a committed loan facility of £80,000,000, secured over the Company's assets, of which £30,000,000 expires on 14 June 2009, £25,000,000 expires on 25 June 2011 and £25,000,000 expires on 25 June 2013. Commissions are charged on any undrawn amounts at commercial rates. The terms of the loan facility, including those related to accelerated repayment and costs of repayment, are typical of those normally found in facilities of this nature.

15. OTHER PAYABLES

	Group		Company	
	2009 £'000s	2008 £'000s	2009 £'000s	2008 £'000s
Purchases for future settlement	**970**	7,844	**970**	7,844
Accrued finance costs	**769**	337	**769**	337
Accrued expenses	**531**	3,551	**503**	3,551
	2,270	11,732	**2,242**	11,732

16. BANK LOANS – NON-CURRENT LIABILITY

Group and Company	2009 £'000s	2008 £'000s
UK£6.600 million repayable June 2011	**6,600**	–
US$14.635 million repayable June 2011	**10,210**	–
UK£25.000million repayable June 2013	**25,000**	–
US$49.625 million repayable March 2010	**–**	24,969
US$49,625 million repayable March 2012	**–**	24,968
	41,810	49,937

See note 14 for details of the loan facility.

17. DEFERRED TAX

Group and Company	**2009 £'000s**	2008 £'000s
Balance brought forward	**1,901**	1,999
Decrease in provision for Brazilian tax on capital gains	**(1,901)**	(98)
Balance carried forward	**–**	1,901

Provision is made for deferred tax in respect of chargeable investments in Brazil, at a rate of 15%, on holding gains.

18. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Directors are of the opinion that the Company is engaged in a single segment of business of investing in equity and debt securities, issued by companies operating and generating revenue in emerging markets, and therefore no segmental reporting is provided.

19. ORDINARY SHARE CAPITAL

2009	**Authorised Number**	**£'000s**	**Issued and fully paid Number**	**£'000s**
Equity share capital				
Ordinary shares of 10p each				
Balance at 31 March 2008	1,350,009,078	135,001	213,508,303	21,351
Issued during the year			608,737	61
Balance at 31 March 2009	**1,350,009,078**	**135,001**	**214,117,040**	**21,412**

2008	Authorised Number	£'000s	Issued and fully paid Number	£'000s
Equity share capital				
Ordinary shares of 10p each				
Balance at 31 March 2007	750,000,000	75,000	164,983,407	16,498
Authorised during the year	600,009,078	60,001		
Issued during the year			48,524,896	4,853
Balance at 31 March 2008	1,350,009,078	135,001	213,508,303	21,351

Ordinary shares

544,858 ordinary shares were issued during the year on the exercise of warrants and 63,879 were issued on the exercise of S shares.

Since the year end 250,000 ordinary shares have been repurchased for cancellation at a total cost of £239,000.

Warrants

At 31 March 2008, 32,537,259 warrants were in issue. On 31 July 2008, 543,784 warrants and on 31 January 2009, 1074 warrants were exercised. At 31 March 2009, 31,992,401 warrants were in issue. Holders have the right to subscribe for one ordinary share per warrant at £1 in cash on 31 July 2009, 31 January 2010 or 31 July 2010.

S shares

At 31 March 2008, 9,219,100 S shares were in issue. On 31 July 2008, 9,649 S shares and on 31 January 2009, 54,230 S shares were exercised. At 31 March 2009, 9,155,221 S shares were in issue. Holders have the right to subscribe for one ordinary share per S share at £1 in cash on 31 July 2009, 31 January 2010, or 31 July 2010.

20. SHARE PREMIUM ACCOUNT

Group and Company	2009 £'000s	2008 £'000s
Balance brought forward	**219,008**	147,194
Transfer to special reserve	**(219,500)**	–
Premium on issue of ordinary share capital	**–**	82,418
Issue costs of ordinary share capital	**–**	(1,260)
Transfer to S share reserve on issue of S shares	**–**	(9,350)
Premium on conversion of warrants	**490**	6
Premium on conversion of S shares	**58**	–
Balance carried forward	**56**	219,008

This is a non-distributable reserve arising on the issue of ordinary share capital.

21. SPECIAL RESERVE

Group and Company	2009 £'000s	2008 £'000s
Balance brought forward	**–**	–
Transfer from share premium account	**219,500**	–
Balance carried forward	**219,500**	–

Pursuant to the special general meeting on 5 January 2009, the share premium account was reduced by £219,500,000 and converted to a special distributable reserve with effect from 6 January 2009.

22. WARRANT RESERVE

Group and Company	2009 £'000s	2008 £'000s
Balance brought forward	**9,048**	9,050
Transfer to other non-distributable reserve on exercise of warrants	**(151)**	(2)
Balance carried forward	**8,897**	9,048

This reserve, which is non-distributable, arises on issue of warrants and may be utilised only on exercise or cancellation of those warrants.

23. S SHARE RESERVE

Group and Company	2009 £'000s	2008 £'000s
Balance brought forward	**9,350**	–
Transfer to other non-distributable reserve on exercise of S shares	**(65)**	9,350
Balance carried forward	**9,285**	9,350

This reserve, which is non-distributable, arises on issue of S shares and may be utilised only on exercise or cancellation of those S shares.

24. OTHER NON-DISTRIBUTABLE RESERVE

Group and Company	2009 £'000s	2008 £'000s
Balance brought forward	103	101
Transfer from warrant reserve	151	2
Transfer from S share reserve	65	–
Balance carried forward	**319**	103

25. OTHER RESERVES

2009 Group	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s	Revenue reserve £'000s
Losses on investments sold in the year	(28,138)	–	(28,138)	–
Transfer on investments sold in the year	13,168	(13,168)	–	–
Losses on derivative financial instruments sold in the year	(5,324)	–	(5,324)	–
Transfer on derivative financial instruments sold in the year	1,912	(1,912)	–	–
Exchange losses	(20,055)	–	(20,055)	–
Management fee	(1,206)	–	(1,206)	–
Performance fee (see note 3)	25	–	25	–
Finance costs	(3,222)	–	(3,222)	–
Other capital charges	(24)	–	(24)	–
Taxation	1,774	–	1,774	–
Losses on investments held at the year end	–	(73,874)	(73,874)	–
Gains on derivative financial instruments held at the year end	–	1,123	1,123	–
Revenue profit for the year	–	–	–	10,853
Total (loss)/profit in current year	(41,090)	(87,831)	(128,921)	10,853
Dividends paid in the year	–	–	–	(11,338)
Balance at 31 March 2008	41,848	55,622	97,470	3,200
Balance at 31 March 2009	**758**	**(32,209)**	**(31,451)**	**2,715**

25. OTHER RESERVES (CONTINUED)

2008 Group	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s	Revenue reserve £'000s
Gains on investments sold in the year	17,980	–	17,980	–
Transfer on investments sold in the year	11,832	(11,832)	–	–
Gains on derivative financial instruments sold in the year	17,895	–	17,895	–
Transfer on derivative financial instruments sold in the year	2,847	(2,847)	–	–
Exchange gains	1,156	–	1,156	–
Management fee	(1,366)	–	(1,366)	–
Performance fee (see note 3)	(3,377)	–	(3,377)	–
Finance costs	(3,913)	–	(3,913)	–
Other capital charges	(55)	–	(55)	–
Taxation	(787)	–	(787)	–
Gains on investments held at the year end	–	3,766	3,766	–
Losses on derivative financial instruments held at the year end	–	(1,237)	(1,237)	–
Revenue profit for the year	–	–	–	8,812
Total profit/(loss) in current year	42,212	(12,150)	30,062	8,812
Dividends paid in the year	–	–	–	(6,977)
Balance at 31 March 2007	(364)	67,772	67,408	1,365
Balance at 31 March 2008	41,848	55,622	97,470	3,200

25. OTHER RESERVES (CONTINUED)

2009 **Company**	**Capital reserve (arising on investments sold) £'000s**	**Capital reserve (arising on investments held) £'000s**	**Capital reserves total £'000s**	**Revenue reserve £'000s**
Losses on investments sold in the year	**(28,138)**	**–**	**(28,138)**	**–**
Transfer on investments sold in the year	**13,168**	**(13,168)**	**–**	**–**
Losses on derivative financial instruments sold in the year	**(566)**	**–**	**(566)**	**–**
Transfer on derivative financial instruments sold in the year	**(34)**	**34**	**–**	**–**
Exchange losses	**(19,774)**	**–**	**(19,774)**	**–**
Management fee	**(1,206)**	**–**	**(1,206)**	**–**
Performance fee (see note 3)	**25**	**–**	**25**	**–**
Finance costs	**(3,215)**	**–**	**(3,215)**	**–**
Other capital charges	**(24)**	**–**	**(24)**	**–**
Taxation	**1,774**	**–**	**1,774**	**–**
Losses on investments held at the year end	**–**	**(76,226)**	**(76,226)**	**–**
Losses on derivative financial instruments held at the year end	**–**	**(1,605)**	**(1,605)**	**–**
Revenue profit for the year	**–**	**–**	**–**	**10,887**
Total (loss)/profit in current year	**(37,990)**	**(90,965)**	**(128,955)**	**10,887**
Dividends paid in the year	**–**	**–**	**–**	**(11,338)**
Balance at 31 March 2008	**42,039**	**55,429**	**97,468**	**3,202**
Balance at 31 March 2009	**4,049**	**(35,536)**	**(31,487)**	**2,751**

2008 Company	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s	Revenue reserve £'000s
Realised gains on investments sold in the year	17,980	–	17,980	–
Transfer on investments sold in the year	11,832	(11,832)	–	–
Gains on derivative financial instruments sold in the year	18,433	–	18,433	–
Transfer on disposal of derivative financial instruments sold in the year	2,847	(2,847)	–	–
Exchange gains	808	–	808	–
Management fee	(1,366)	–	(1,366)	–
Performance fee (see note 3)	(3,377)	–	(3,377)	–
Finance costs	(3,912)	–	(3,912)	–
Other capital charges	(55)	–	(55)	–
Taxation	(787)	–	(787)	–
Gains on investments held at the year end	–	5,524	5,524	–
Loss on derivative financial instruments held at the year end	–	(3,188)	(3,188)	–
Revenue profit for the year	–	–	–	8,814
Total profit/(loss) in current year	42,403	(12,343)	30,060	8,814
Dividends paid in the year	–	–	–	(6,977)
Balance at 31 March 2007	(364)	67,772	67,408	1,365
Balance at 31 March 2008	42,039	55,429	97,468	3,202

26. NET ASSET VALUE PER ORDINARY SHARE

Group and Company

Net asset value per ordinary share is based on net assets at the year end of £230,733,000 (2008: £359,530,000) and on 214,117,040 (2008: 213,508,303) ordinary shares in issue at the year end.

Diluted net asset value per ordinary share is based on net assets at the year end and assuming the receipt of proceeds arising from the exercise of 31,992,401 (2008: 32,537,259) warrants outstanding at £1 per warrant and the exercise of 9,155,221 (2008: 9,219,100) S shares outstanding at £1 per S share.

	2009 Number	2008 Number
Ordinary shares in issue at the period end	**214,117,040**	213,508,303
Ordinary shares created on exercise of all warrants	**31,992,401**	32,537,259
Ordinary shares created on exercise of all S shares	**9,155,221**	9,219,100
Number of ordinary shares for diluted calculation	**255,264,662**	255,264,662
Attributable net assets – £'000s	**271,881**	401,287
Diluted net asset value per ordinary share – pence	**106.51**	157.20

27. RECONCILIATION OF TOTAL RETURN BEFORE TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group		Company	
	2009 £'000s	2008 £'000s	**2009 £'000s**	2008 £'000s
(Loss)/profit before taxation	**(119,298)**	40,297	**(119,298)**	40,297
Adjust for non-cash flow items:				
Losses/(gains) on investments	**102,012**	(21,746)	**104,364**	(23,504)
Losses/(gains) on derivative financial instruments	**4,201**	(16,658)	**2,171**	(15,245)
Exchange losses/(gains)	**20,055**	(1,156)	**19,774**	(808)
Stock interest	**(331)**	–	**(331)**	–
Effective yield interest	**(61)**	(223)	**(61)**	(223)
Directors' remuneration paid in shares	**–**	122	**–**	122
Performance fee paid in shares	**–**	2,148	**–**	2,148
(Decrease)/increase in accrued income	**(339)**	83	**(339)**	83
Increase in creditors	**(2,727)**	(3,969)	**(2,758)**	(3,969)
Decrease in other debtors	**(5)**	(7)	**(5)**	(7)
Tax on overseas income	**(763)**	(1,467)	**(533)**	(1,467)
	122,042	(42,873)	**122,282**	(42,870)
Adjust for cash flow items:				
Taxation on capital gains	**–**	–	**(230)**	–
Net cash flows on investments	**62,774**	(143,454)	**80,637**	(143,646)
Net cash flows on derivative financial instruments	**15,540**	25,374	**(2,262)**	25,073
	78,314	(118,080)	**78,145**	(118,573)
Net cash flows from operating activities	**81,058**	(120,656)	**81,129**	(121,146)

28. RELATED PARTY TRANSACTIONS

Transactions between the Company and its special purpose entity (GERP), which is a related party, have been eliminated on consolidation and are not disclosed in this note. Transactions entered into by Mr Jillings are disclosed in the Directors' Remuneration Report on page 25. There are no other related party transactions.

29. FINANCIAL RISK MANAGEMENT

The Group's investing policy is to provide long-term capital appreciation by investing predominantly in infrastructure, utility and related sectors mainly in emerging markets. The Group seeks to meet its investing policy by investing principally in a diversified portfolio of both listed and unlisted companies. Derivative instruments may be used for purposes of hedging the underlying portfolio of investments. The Company has the power to take out both short and long-term borrowings. In pursuing the investing policy, the Group is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk. The Board of Directors, together with the Manager, is responsible for the Group's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below. The Company's underlying risks include the risks within GERP and therefore only the Group risks are analysed below.

The Accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 1 to the accounts. The policies are in compliance with International Financial Reporting Standards as adopted by the European Union and best practice, and include the valuation of financial assets and liabilities at fair value. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities held in the Group's portfolio and derivative financial instruments fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Group's investing policy and meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager assesses exposure to market risks when making each investment decision and monitors on-going market risk within the portfolio.

The Group's other assets and liabilities may be denominated in currencies other than sterling and may also be exposed to interest rate risks. The Manager and the Board regularly monitor these risks. The Group does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Group's exposure to future changes in exchange rates. Gearing may be short or long-term, in Sterling and foreign currencies, and enables the Group to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility.

Income earned in foreign currencies is converted to Sterling on receipt. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the Group was exposed during the year are set out below. The exchange rates applying against Sterling at 31 March, and the average rates during the year, were as follows:

	2009	**Average**	2008
BRL – Brazilian Real	**3.3000**	**3.3130**	3.4752
CNY – Chinese Yuan	**9.7949**	**11.8533**	13.9364
MYR – Malaysian Ringgit	**5.2253**	**5.8675**	6.3570
PHP – Philippine Peso	**69.2667**	**79.0253**	83.0179
THB – Thai Baht	**50.8338**	**58.4037**	62.5765
USD – United States Dollar	**1.43335**	**1.7232**	1.9875

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

The fair value of the Group's assets and liabilities at 31 March, by currency based on the country of primary operations, are shown below.

2009	BRL £'000s	CNY £'000s	GBP £'000s	MYR £'000s	PHP £'000s	THB £'000s	USD £'000s	Other £'000s	Total £'000s
Investments	91,084	33,769	–	66,289	11,942	16,270	–	26,157	245,511
Other receivables	1,442	277	624	–	23	350	–	368	3,084
Derivative financial instruments – assets	–	–	–	–	–	–	76,046	–	76,046
Cash and cash equivalents	26	–	23,010	–	–	–	909	113	24,058
Other payables	–	(444)	(954)	–	–	(7)	(623)	(242)	(2,270)
Derivative financial instruments – liabilities	–	–	–	–	–	–	(52,897)	–	(52,897)
Long term unsecured loans	–	–	(31,600)	–	–	–	(10,210)	–	(41,810)
	92,552	**33,602**	**(8,920)**	**66,289**	**11,965**	**16,613**	**13,225**	**26,396**	**251,722**
Percentage of total	**36.8%**	**13.3%**	**(3.5)%**	**26.3%**	**4.7%**	**6.6%**	**5.3%**	**10.5%**	**100.0%**

2008	BRL £'000s	CNY £'000s	GBP £'000s	MYR £'000s	PHP £'000s	THB £'000s	USD £'000s	Other £'000s	Total £'000s
Investments	127,356	66,386	–	68,265	36,905	27,716	–	87,339	413,967
Other receivables	720	–	1,898	57	10	406	65	15	3,171
Derivative financial instruments – assets	–	17,552	–	–	–	–	237,805	–	255,357
Cash and cash equivalents	24	–	4,151	–	–	–	7,046	15	11,236
Short term unsecured loan	–	–	–	–	–	–	(29,962)	–	(29,962)
Other payables	(421)	–	(7,610)	(111)	(149)	(198)	(2,495)	(748)	(11,732)
Derivative financial instruments – liabilities	–	(16,356)	(28,153)	–	–	–	(154,080)	–	(198,589)
Long term unsecured loans	–	–	–	–	–	–	(49,937)	–	(49,937)
Deferred tax	(1,901)	–	–	–	–	–	–	–	(1,901)
	125,778	67,582	(29,714)	68,211	36,766	27,924	8,442	86,621	391,610
Percentage of total	32.1%	17.3%	(7.6)%	17.4%	9.4%	7.1%	2.2%	22.1%	100.0%

Based on the financial assets and liabilities held, and exchange rates applying, at each Balance Sheet date, a weakening or strengthening of Sterling against each of these currencies by 10% would have had the following approximate effect on annualised income after tax and on net asset value (NAV) per share:

Weakening of Sterling	**BRL £'000s**	**CNY £'000s**	**MYR £'000s**	**PHP £'000s**	**THB £'000s**	**2009 USD £'000s**	BRL £'000s	CNY £'000s	MYR £'000s	PHP £'000s	THB £'000s	2008 USD £'000s
Income Statement return after tax												
Revenue return	**646**	**108**	**244**	**47**	**122**	**(430)**	473	57	147	44	59	(136)
Capital return	**10,123**	**3,705**	**7,365**	**1,327**	**1,836**	**(865)**	13,895	7,376	7,579	4,086	3,148	(2,494)
Total return	**10,769**	**3,813**	**7,609**	**1,374**	**1,958**	**(1,295)**	14,368	7,433	7,726	4,130	3,207	(2,630)
NAV per share												
Basic – pence	**5.03**	**1.78**	**3.55**	**0.64**	**0.91**	**(0.60)**	6.73	3.48	3.62	1.93	1.50	(1.23)
Diluted – pence	**4.87**	**1.72**	**3.44**	**0.62**	**0.89**	**(0.59)**	5.63	2.91	3.03	1.62	1.26	(1.03)

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Strengthening of Sterling	**BRL £'000s**	**CNY £'000s**	**MYR £'000s**	**PHP £'000s**	**THB £'000s**	**2009 USD £'000s**	BRL £'000s	CNY £'000s	MYR £'000s	PHP £'000s	THB £'000s	2008 USD £'000s
Income Statement return after tax												
Revenue return	**(646)**	**(108)**	**(244)**	**(47)**	**(122)**	**430**	(473)	(57)	(147)	(44)	(59)	136
Capital return	**(10,123)**	**(3,705)**	**(7,365)**	**(1,327)**	**(1,836)**	**865**	(13,895)	(7,376)	(7,579)	(4,086)	(3,148)	2,494
Total return	**(10,769)**	**(3,813)**	**(7,609)**	**(1,374)**	**(1,958)**	**1,295**	(14,368)	(7,433)	(7,726)	(4,130)	(3,207)	2,630
NAV per share												
Basic – pence	**(5.03)**	**(1.78)**	**(3.55)**	**(0.64)**	**(0.91)**	**0.60**	(6.73)	(3.48)	(3.62)	(1.93)	(1.50)	1.23
Diluted – pence	**(4.87)**	**(1.72)**	**(3.44)**	**(0.62)**	**(0.89)**	**0.59**	(5.63)	(2.91)	(3.03)	(1.62)	(1.26)	1.03

These analyses are broadly representative of the Group's activities during the current and prior year as a whole, although the level of the Group's exposure to currencies fluctuates in accordance with the investment and risk management processes.

Interest rate exposure

The exposure of the financial assets and liabilities to interest rate risks at 31 March is shown below:

	Within one year £'000s	**More than one year £'000s**	**2009 Total £'000s**	Within one year £'000s	More than one year £'000s	2008 Total £'000s
Exposure to floating rates						
Cash	**23,770**	**–**	**23,770**	11,236	–	11,236
Borrowings	**–**	**–**	**–**	(11,094)	(18,868)	(29,962)
	23,770	**–**	**23,770**	142	(18,868)	(18,726)
Exposure to fixed rates						
Borrowings	**–**	**(41,810)**	**(41,810)**	(18,491)	(31,446)	(49,937)
Net exposures						
At year end	**23,770**	**(41,810)**	**(18,040)**	(18,349)	(50,314)	(68,663)
Maximum in year	**(27,480)**	**(51,740)**	**(79,220)**	(20,870)	(49,937)	(70,807)
Minimum in year	**23,770**	**(41,810)**	**(18,040)**	66,496	(51,198)	15,298

	Exposure to floating interest rates £'000s	**Fixed interest rates £'000s**	**Total £'000s**	Exposure to floating interest rates £'000s	Fixed interest rates £'000s	Total £'000s
Net exposures						
Maximum in year	**(23,117)**	**(56,103)**	**(79,220)**	(20,870)	(49,937)	(70,807)
Minimum in year	**23,770**	**(41,810)**	**(18,040)**	92,095	(76,797)	15,298

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Group arising out of the investment and risk management processes. Interest received on cash balances or paid on overdrafts is at ruling market rates. Interest paid on borrowings is fixed at 5% on USD100m using an interest rate swap and at ruling market rates on any borrowings in excess thereafter.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's total returns and net assets are sensitive to changes in interest rates on cash and borrowings. Based on the financial assets and liabilities held, and the interest rates pertaining, at each Balance Sheet date, a decrease or increase in interest rates by 2% would have had the following approximate effects on the Income Statement revenue and capital returns after tax and on the NAV per share.

	2009 Increase in rate £'000s	**2009 Decrease in rate £'000s**	2008 Increase in rate £'000s	2008 Decrease in rate £'000s
Revenue return	**475**	**n/a***	2	(2)
Capital return	**–**	**–**	(419)	419
Total return	**475**	**n/a**	(417)	417
NAV per share				
Basic – pence	**0.22**	**–**	(0.20)	0.20
Diluted – pence	**0.21**	**–**	(0.16)	0.16

* Interest rates on cash balances are negligible at 31 March 2009.

Other market risk exposures

The portfolio of investments, valued at £245,511,000 at 31 March 2009 (2008: £413,967,000) is exposed to market price changes. The Group enters into currency and index options in managing its exposure to other market risks. The Group also enters into Contracts for Difference that are exposed to market price changes. The Investment Manager assesses these exposures at the time of making each investment decision. The Board reviews overall exposures at each meeting against indices and other relevant information. An analysis of the portfolio by country and major industrial sector is set out in the Investment Manager's Report on page 6. A description of the derivative positions together with the Manager's and Board's strategies for using these positions for efficient portfolio management is contained within the Investment Manager's Report under "Market Hedging" on pages 8 and 9.

The exposure on the Group's options and Contracts for Difference at 31 March was as follows:

	2009 £'000s	2008 £'000s
Current assets		
Put currency options	**–**	25,421
Put index options	**66,627**	217,176
Call index options	**9,419**	8,049
Contracts for difference	**–**	4,711
	76,046	255,357
Current Liabilities		
Put currency options	**–**	25,000
Put index options	**37,674**	157,574
Call index options	**10,465**	8,178
Contracts for difference	**–**	4,684
Interest rate swaps	**4,758**	3,153
	52,897	198,589

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Based on the portfolio of investments at each balance sheet date, and assuming other factors remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the Income Statement Capital Return after tax and on the net asset value (NAV) per share:

	2009 Increase in value £'000s	**2009** Decrease in value £'000s	2008 Increase in value £'000s	2008 Decrease in value £'000s
Income statement capital return	**49,271**	**(49,271)**	86,239	(86,239)
NAV per share				
Basic – pence	**23.01**	**(23.01)**	40.39	(40.39)
Diluted – pence	**22.28**	**(22.28)**	33.78	(33.78)

(b) Liquidity risk exposure

The Group is required to raise funds to meet commitments associated with financial instruments. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Group not having sufficient liquidity at any time is not considered by the Board to be significant, given: the number of quoted investments held in the Group's portfolio (51 at 31 March 2009); the liquid nature of the portfolio of investments; the industrial and geographical diversity of the portfolio (see charts page 6); and the existence of an on-going loan facility agreement.

Cash balances are held with reputable banks.

The manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Group has loan facilities of £80m as set out in note 14 to the accounts. The remaining contractual maturities of the financial liabilities at 31 March, based on the earliest date on which payment can be required, were as follows:

2009	**Three months or less £'000s**	**More than three months but less than one year £'000s**	**More than one year £'000s**	**Total £'000s**
Other payables	2,270	–	–	2,270
Derivative financial instruments	48,139	–	4,758	52,897
Bank loans	–	–	41,810	41,810
	50,409	**–**	**46,568**	**96,977**

2008	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Other payables	11,732	–	–	11,732
Derivative financial instruments	195,436	–	3,153	198,589
Bank loans	29,962	49,937	–	79,899
	237,130	49,937	3,153	290,220

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk and counterparty exposure

The Group is exposed to potential failure by counterparties to deliver securities for which the Group has paid, or to pay for securities which the Group has delivered. The Board approves all counterparties used in such transactions, which must be settled on a basis of delivery against payment (except where local market conditions do not permit). A list of pre-approved counterparties is maintained and regularly reviewed by the Administrator and the Board. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Cash and deposits are held with reputable banks.

The Company has an on-going contract with its Custodians for the provision of custody services. The contracts are reviewed regularly. Details of securities held in custody on behalf of the Company are received and reconciled monthly. To the extent that ICM (the Investment Manager) and F&C Management Limited (FCM) carry out duties (or cause similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with management and internal auditors of ICM and FCM.

In summary, compared to the amounts included in the balance sheet, the maximum exposure to credit risk at 31 March was as follows:

Current assets	**Balance Sheet £'000s**	**2009 Maximum exposure £'000s**	Balance Sheet £'000s	2008 Maximum exposure £'000s
Cash at bank	**24,058**	**24,058**	11,876	15,797
Financial assets through profit or loss – derivatives (put options and call options)	**27,907**	**98,565**	59,894	228,481
– derivatives (CFDs)	**–**	**249**	27	6,307

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

(d) Fair values of financial assets and liabilities

The assets and liabilities of the Group are, in the opinion of the Directors, reflected in the Balance Sheet at fair value, or at a reasonable approximation thereof. Borrowings under loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into Sterling at exchanges rates ruling at each valuation date.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The Directors regularly review the principles applied by the managers to those valuations to ensure they comply with the Group's accounting policies and with fair value principles.

(e) Capital risk management

The investing policy of the Group is stated as being to provide shareholders with long term capital appreciation by investing predominantly in infrastructure, utility and related companies in emerging markets. In pursuing this long-term investing policy, the Board has a responsibility for ensuring the Group's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue reserves.

Changes to ordinary share capital are set out in note 19 to the accounts. Dividend payments are set out in note 8 on the accounts. Borrowings are set out in notes 14 and 16 to the accounts.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2009 Annual General Meeting of Utilico Emerging Markets Limited will be held at Sheraton Sao Paulo WTC Hotel, Nacoes Unidas Avenue, 12559, Brooklin Novo, Sao Paulo, Brazil on Wednesday 23 September 2009 at 12.00 noon for the following purposes:

Ordinary Business

1. Minutes of Special General Meeting to be read and confirmed.
2. To receive and adopt the Directors' report and Auditor's report and accounts for the year ended 31 March 2009.
3. To approve the Directors' Remuneration Report for the year ended 31 March 2009.
4. To re-elect Mr A E Zagoreos as a Director
5. To re-elect Mr C D O Jillings, who retires annually, as a Director
6. To re-appoint the Auditors.
7. To authorise the Directors to determine the Auditor's remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

8. Resolve that the Directors be generally and unconditionally authorised to make market purchases of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares"), provided that:
   (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall equal 14.99% of the issued Ordinary Shares as at the date of this notice, being 32,058,669;
   (b) the maximum price which may be paid for an Ordinary Share will be equal to 105% of the average of the mid-market quotation for the share taken from the London Stock Exchange for the five business days immediately preceding the date of purchase (or such other amount as may be specified by the London Stock Exchange from time to time);
   (c) the maximum price payable referred to in paragraph (b) above is exclusive of any expenses payable by the Company in connection with such purchase;
   (d) such purchases shall be made in accordance with the Bermuda Companies Act;
   (e) the authority to purchase Ordinary Shares conferred hereby shall expire on 23 March 2011 unless it is varied, revoked or renewed prior to that date at the Company's 2010 annual general meeting or any other special general meeting by ordinary resolution; and
   (f) the Company may enter into any contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed or executed wholly or partly after the expiration of such authority.

9. To approve and ratify the actions of the Directors and Officers to date in relation to the updating of the Bye-Laws of the Company to reflect changes approved by shareholders at meetings of the Company held during the period 2007 to 2008 and to authorise the Secretary to make any additional non-material consequential changes to the Bye-Laws of the Company to ensure they are grammatically correct and substantively correct in terms of numbering and cross referencing.

By order of the Board
F&C Management Limited, Secretary
10 June 2009

Notes:

Only the holders of ordinary shares registered on the register of shareholders of the Company at 5.00 pm on 21 September 2009 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 5.00 pm on 21 September 2009 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.

The return of a form of proxy will not preclude a shareholder from attending the meeting and voting in person if he/she wishes to do so. To be valid, a form of proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's registrars, Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordinance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, not less than 48 hours before the time appointed for holding the meeting. In view of this requirement, investors holding shares in the Company through a depository interest should ensure that Forms of Instruction are returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE not later than 5 pm on 18 September 2009.

The register of Directors' holdings is available for inspection at the registered office of the Company during normal business hours on any weekday and will be available at the place of the meeting from 15 minutes prior to the commencement of the meeting until the conclusion thereof.

Mr C D O Jillings is an executive Director and is the only Director to have a service contract with the Company. The contract is available for inspection at the registered office of the Company during normal business hours on any weekday and will be available at the place of the meeting from 15 minutes prior to the commencement of the meeting until the conclusion thereof.

The final dividend in respect of the year ended 31 March 2009 for the ordinary shares will be paid on 3 July 2009 to the relevant holders on the register of shareholders at the close of business on 19 June 2009.

COMPANY INFORMATION

Utilico Emerging Markets Limited
Company Registration Number: 36941
www.uem.bm

Directors
Alexander Zagoreos (Chairman)
Charles Jillings (Executive)
Garry Madeiros
Garth Milne
Kevin O'Connor (Deputy Chairman)

Registered Office
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Investment Manager
Ingot Capital Management Pty Ltd
Level 11
1 York Street
Sydney 2000
Australia
Australian Financial Services Licence No. 239075

Nominated Adviser and UK Broker
Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London EC2Y 9AR
Authorised and regulated in the UK by the Financial Services Authority

Bermuda Broker
First Bermuda Group Ltd
Maxwell R. Roberts Building
1 Church Street
Hamilton HM11
Bermuda

Channel Islands Broker
Cenkos Channel Islands Limited
Suite F1 Hirzel Court
St Peter Port
Guernsey GY1 4JG

Solicitors
Norton Rose LLP
3 More London Riverside
London SE1 2AQ

Appleby
Canon's Court
22 Victoria Street
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Bermuda

Company Secretary and Administrator
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Exchange House
Primrose Street
London EC2A 2NY
Telephone 020 7628 8000
Facsimile 020 7628 8188
Authorised and regulated in the UK by
the Financial Services Authority

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

Custodian
JPMorgan Chase Bank
125 London Wall
London
EC2Y 5AJ

Registrar
Computershare Investor Services (Channel Islands) Ltd
PO Box 83
Ordinance House, 31 Pier Road
St Helier
Jersey JE4 8PW
Channel Islands

Depository and CREST Agent
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

The Company is quoted on AIM, and listed on the Bermuda Stock Exchange and the Channel Islands Stock Exchange. The Company's ordinary shares and S shares can be held in an ISA. The warrants are not eligible for inclusion in an ISA.

HISTORICAL PERFORMANCE

	31 March 2009	31 March 2008	31 March 2007	31 March 2006[1]	20 July 2005[2]	Change % 2009/08	Change % 2008/07	Change % 2007/06	Change % 2006/05
Undiluted net asset value per ordinary share	**107.76p**	168.39p	146.45p	119.48p	98.36p	**(36.0)**	15.0	22.6	21.5
Diluted net asset value per ordinary share	**106.51p**	157.20p	138.80p	116.23p	98.36p[3]	**(32.2)**	13.3	19.4	18.2
Ordinary share price	**95.50p**	153.75p	137.25p	126.00p	100.00p	**(37.9)**	12.0	8.9	26.0
(Discount)/premium[4]	**(10.3%)**	(2.2%)	(1.1%)	8.4%	1.7%	**n/a**	n/a	n/a	n/a
Earnings per ordinary share (basic)									
– Capital	**(60.28p)**	17.89p	34.19p	19.50p	n/a	**n/a**	(47.7)	75.3	n/a
– Revenue	**5.08p**	5.24p	2.96p	1.62p	n/a	**(3.1)**	77.0	82.7	n/a
– Total	**(55.20p)**	23.13p	37.15p	21.12p	n/a	**n/a**	(37.7)	75.9	n/a
Dividends per ordinary share									
– Interim	**4.00p**	3.50p	2.00p	–	n/a	**14.3**	75.0	n/a	n/a
– Final	**0.80p[5]**	1.30p	0.70p	1.50p	n/a	**(38.5)**	85.7	(53.3)	n/a
– Total	**4.80p**	4.80p	2.70p	1.50p	n/a	**–**	77.8	80.0	n/a
Equity holders' funds (£m)	**230.7**	359.5[7]	241.6[6]	89.7	73.8	**(35.8)**	48.8	169.4	n/a
Gross assets (£m)[8]	**272.5**	439.4[7]	286.6[6]	107.2	73.8	**(38.0)**	53.3	167.4	n/a
Cash (£m)	**24.1**	11.9	19.9	1.2	–	**102.5**	n/a	n/a	n/a
Bank debt (£m)	**(41.8)**	(79.9)	(45.0)	(17.5)	–	**(47.7)**	77.5	157.2	n/a
Net debt (£m)	**(17.7)**	(68.0)	(25.1)	(16.3)	–	**(74.0)**	173.5	54.1	n/a
Net debt gearing on gross assets	**6.5%**	15.5%	8.8%	15.2%	–	**n/a**	n/a	n/a	n/a
Management and administration fees (£m)[9]	**2.7**	3.1	2.1	0.8	n/a	**(12.9)**	47.6%	n/a	n/a
Total expense ratio[10]	**0.7%**	0.8%	0.9%	0.9%	n/a	**n/a**	n/a	n/a	n/a

(1) Period from 9 June 2005, the date of incorporation of the Company to 31 March 2006
(2) Date of admission to trading on AIM
(3) There was no dilution
(4) Based on diluted net asset value
(5) The dividend declared has not been included as a liability in these accounts
(6) Includes the £100.0m fund raising in May 2006
(7) Includes the £85.0m fund raising in December 2007
(8) Gross assets less liabilities excluding loans
(9) Excluding performance fee, including other expenses
(10) Management and administration fees over monthly average gross assets

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