UTILICO

UTILICO INVESTMENTS LIMITED
(formerly Utilico Limited)

Report and Accounts for the year to 30 June 2011

managed by
ICM Ltd

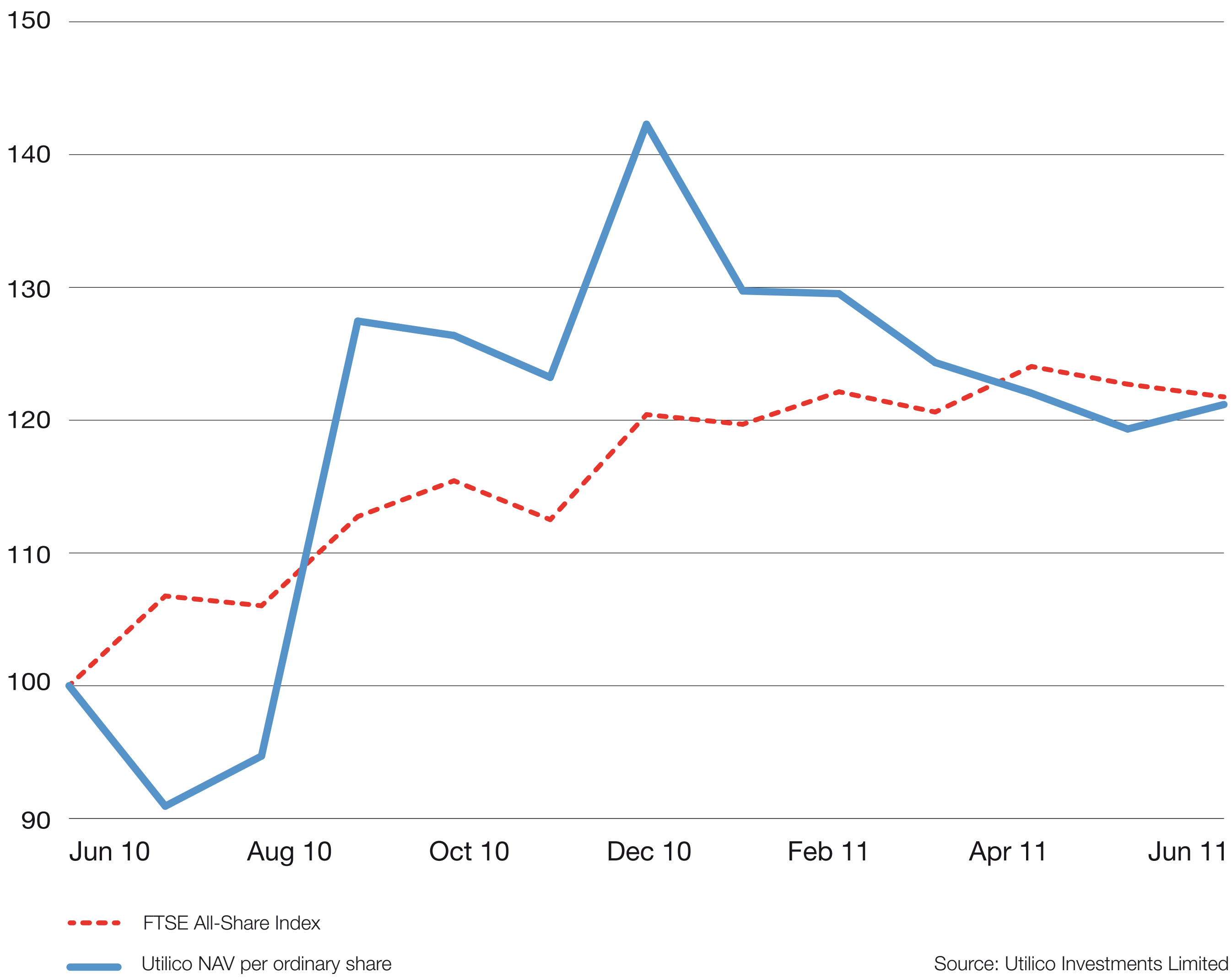
FINANCIAL HIGHLIGHTS – YEAR TO 30 JUNE 2011

- Revenue return per ordinary share 7.65p (10.49p)
- Capital return per ordinary share 26.05p (21.13p)
- Total return per ordinary share 33.70p (31.62p)
- Ordinary dividend per share 6.50p (nil)
- Special dividend per share 1.75p (12.00p)[1]
- Share price increase of 30.75p, up 26.4%

(1) 2010 paid as a cash distribution.
Figures in brackets are for the prior year.

Utilico Investments Limited one year performance vs FTSE All-Share Index

from 30 June 2010 to 30 June 2011 (rebased to 100)



Source: Utilico Investments Limited

FINANCIAL HIGHLIGHTS – SINCE INCEPTION

Total return per ordinary share of 123.86p

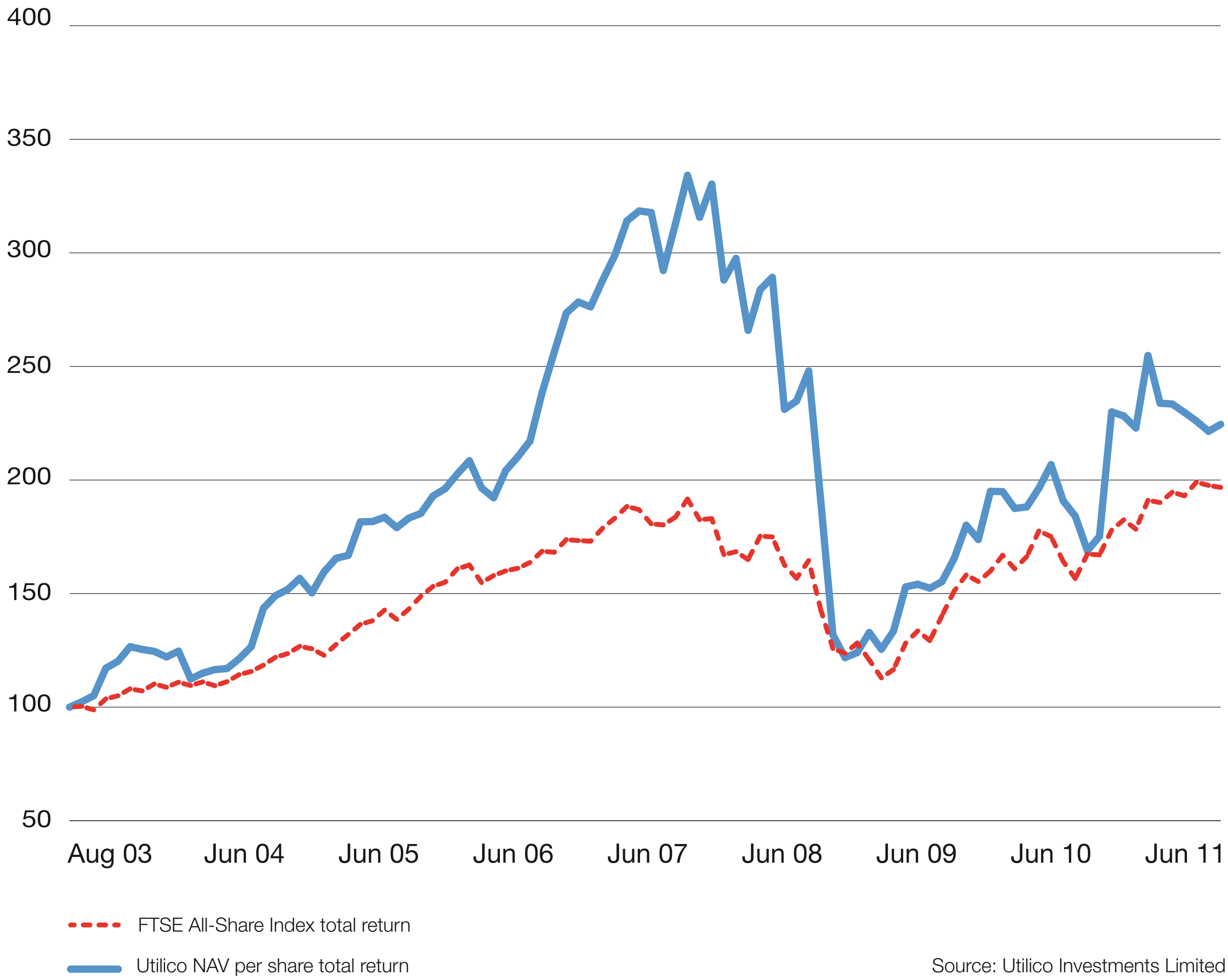
Average annual compound total return of 11.2%

Gross assets increased from £133.5m to £408.7m

Utilico Investments Limited ("Utilico" or "the Company") was incorporated under the name Utilico Limited on 17 January 2007 and began trading on 20 June 2007. All performance data relating to periods prior to 20 June 2007 are in respect of Utilico Investment Trust plc ("UIT"), Utilico's predecessor. UIT started trading in August 2003. On 18 January 2011 Utilico Limited changed its name to Utilico Investments Limited.

Utilico Investments Limited historic performance

from 14 August 2003 to 30 June 2011 (rebased to 100)



Source: Utilico Investments Limited

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FINANCIAL CALENDAR

AGM	30 November 2011
Half year December 2011 announcement	February 2012

CONSOLIDATED PERFORMANCE SUMMARY

	30 June 2011	30 June 2010	Change 2010/11
Ordinary shares			
Total return (annual)[(1)]	24.2%	21.5%	n/a
Annual compound total return (since inception)	11.2%	9.5%	n/a
Net asset value per ordinary share	201.63p	166.39p	21.2%
Share prices and indices			
Ordinary share price	147.25p	116.50p	26.4%
Discount	27.0%	30.0%	n/a
FTSE All-Share Index	3,097	2,543	21.8%
Returns and dividends			
Revenue return per ordinary share	7.65p	10.49p	(27.1%)
Capital return per ordinary share	26.05p	21.13p	23.3%
Total return per ordinary share	33.70p	31.62p	6.6%
Dividend per ordinary share (includes special dividend of 1.75p)	8.25p	–	n/a
Cash distribution per ordinary share	–	12.00p	n/a
Zero dividend preference (ZDP) shares[(2)]			
2012 ZDP shares			
Capital entitlement per ZDP share	162.15p	151.55p	7.0%
ZDP share price	168.50p	159.75p	5.5%
2014 ZDP shares			
Capital entitlement per ZDP share	132.69p	123.72p	7.3%
ZDP share price	142.75p	129.50p	10.2%
2016 ZDP shares			
Capital entitlement per ZDP share	132.69p	123.72p	7.3%
ZDP share price	133.50p	108.75p	22.8%
Warrants			
2012 warrant price	0.55p	2.00p	(72.5%)
Equity holders funds (£m)			
Gross assets[(3)]	408.7	334.2	22.3%
Bank debt	30.9	29.3	5.5%
ZDP debt	172.8	161.2	7.2%
Other debt	3.5	–	n/a
Equity holders' funds	201.5	143.7	40.2%
Revenue account (£m)			
Income	11.9	13.8	(13.8%)
Costs (management and other expenses)	2.9	2.4	20.8%
Finance costs	2.0	1.4	42.9%
Financial ratios of the Group			
Revenue yield on average gross assets	3.1%	4.2%	n/a
Total expense ratio[(4)] on average gross assets	0.8%	0.7%	n/a
Bank loans, other loans and ZDP shares gearing on gross assets	50.7%	57.0%	n/a

1. Total return is calculated as change in NAV per ordinary share plus dividends re-invested.
2. Issued by Utilico Finance Limited, a wholly owned subsidiary of Utilico Investments Limited in June 2007. 2012 ZDP shares previously issued by Utilico Investment Trust plc.
3. Gross assets less current liabilities excluding loans.
4. Excluding performance fee.

The Company's investment objective is to maximise shareholder returns by identifying and investing in investments when the underlying value is not reflected in the market price.

Utilico seeks to invest in undervalued investments and under its investment policy has the flexibility to make investments in a wide range of sectors and markets.

The Company will identify and invest in opportunities where the underlying value is not reflected in the market price. This perceived undervaluation may arise from any number of factors including technological, market motivation, prospective financial engineering opportunities, competition or shareholder apathy.

In the short to medium term it is anticipated that the Company will continue to have a significant proportion of its gross assets invested in developed markets in existing infrastructure, utility and related sectors, including (but not limited to) water and sewerage companies, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and in any new utilities which may arise. The Company may also invest this segment of its portfolio in businesses which supply services to or otherwise support the infrastructure, utility and related sectors.

Subject to compliance with the Listing Rules in force from time to time, Utilico may invest in other investment companies or vehicles, including any managed by the Investment Manager, where such investment would be complementary to the Company's investment objective and policy.

The Company continues to have 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 American Depositary Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options and warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments.

The Company has the flexibility to invest in markets worldwide although investments in the utilities and infrastructure sectors are principally made in the developed markets of Australasia, Western Europe and North America, as Utilico's exposure to the emerging markets infrastructure and utility sectors is primarily through its holding in Utilico Emerging Markets Limited. Utilico has the flexibility to invest directly in these sectors in emerging markets with the prior agreement of Utilico Emerging Markets Limited.

The Company believes it is appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging the organisation of capital structure and business efficiencies. The Investment Manager's investment team maintains regular contact with investee companies and Utilico may often be among the largest shareholders. There are no limits on the proportion of an investee company that Utilico may hold and Utilico may take legal or management control of a company from time to time.

The Company aims to maximise value for shareholders through a relatively concentrated portfolio of investments. There will be no fixed limits on the allocation of investments between sectors and markets, however the following investment limits apply:

- investments in unlisted companies will in aggregate not exceed 20% of gross assets at the time that any new investment is made; and
- no single investment will exceed 30% of gross assets at the time such investment is made, save that this limit shall not prevent the exercise of warrants, options or similar convertible instruments acquired prior to the relevant investment reaching the 30% limit.

Under the Bye-laws, the Group is permitted to borrow an aggregate amount equal to 100% of the Group's gross assets. Borrowings may be drawn down in any currency appropriate for the portfolio.

However, the Board has set a current limit on gearing (being total borrowings excluding ZDP shares measured against gross assets) not exceeding 33.3% at the time of draw down. Borrowings may be drawn down in Sterling, US Dollars or any currency for which there is a corresponding asset within the portfolio (at the time of draw down, the value drawn must not exceed the value of the relevant asset in the portfolio).

As required by the Listing Rules, there will be no material change to the investment policy without prior approval of shareholders. Any such change would also require the approval of the ZDP shareholders in accordance with the Subscription Agreement.

Utilico Investments Limited achieved a total return per ordinary share of 24.2% in the year to 30 June 2011. The Board is declaring a final dividend of 3.25p, making a total dividend of 6.50p.

Clearly there remain a number of significant economic challenges which are unresolved. These include unsustainably high sovereign debt, artificially low interest rates, the prospect of inflation and weakening economic activity.

I am very pleased to report that Utilico Investments Limited ("Utilico" or "the Company") achieved a total return per ordinary share of 24.2% in the year to 30 June 2011. This is a good performance in challenging markets. The performance was broadly in line with the FTSE All-Share index which rose 25.6% over the year.

Since August 2003 Utilico's net asset value ("NAV") per ordinary share plus cumulative dividends of 21.70p has gained 124.5%, resulting in an average annual compound total return per ordinary share of 11.2%. The FTSE All-Share total return index achieved 8.8% compound growth during this period. The increase in Utilico's NAV was driven by the continuing gains on the portfolio which amounted to £50.2m in the year to 30 June 2011. The revenue earnings per share reduced to 7.65p mainly as a result of lower total income.

The Board is declaring a final dividend of 3.25p making a total ordinary dividend of 6.50p. By adding the special dividend paid in April 2011, the total dividend rises to 8.25p for the year to June 2011. The 6.50p represents a yield of 4.4% on the 30 June 2011 ordinary share price.

During the year Utilico acquired the assets of Eclectic Investment Company, adopted a wider investment mandate and changed its name to Utilico Investments Limited. These steps increased our asset base, ability to pay dividends and provided wider flexibility to invest. Today we have 22% of our assets in a gold-mining company, Resolute Mining Limited ("Resolute"), 29% of our assets in Australasia and 22% in emerging markets. On balance and in the current market this is considered a good position to be in.

The redemption date for the 2012 zero dividend preference ("ZDP") shares arises in October 2012. The Company is finalising proposals to offer the holders of these 2012 ZDP shares the opportunity to elect to roll part of their investment into a new 2018 ZDP share. Any 2012 ZDP shares not rolled over will be redeemed on their redemption date for cash. To provide funds for this redemption, the Company proposes to put in place arrangements to enable the issue of additional 2014 ZDP shares, 2016 ZDP shares and 2018 ZDP shares to raise cash in advance of the redemption. Details of these proposals will be set out in a prospectus which is expected to be published in due course.

In view of the increased time commitments and escalating demands placed on the Board, the remuneration committee has resolved to increase the directors' fees by £2,500 to £27,500 per annum and the Chairman's fee by £3,500 to £38,500 per annum.

Utilico was pleased to be part of the consortium that acquired control of Bermuda Commercial Bank Limited ("BCB"). Utilico today holds an equity interest of 34.0% in BCB. Over the course of the year I have taken on the Executive Chairmanship of BCB and the Investment Manager has deepened its relationship with the bank. I have been encouraged by the bank's progress but the changes may result in ongoing issues as regards your Board's independence. To appropriately address any concern, I am today stepping down as Chairman of this Board so that I can fully support BCB. I am delighted that Roger Urwin, a long standing and extremely well qualified Board member, has agreed to become Chairman of Utilico's Board with immediate effect. I will continue to be a Director and for my part remain fully committed to Utilico.

It is my pleasure to welcome Peter Burrows to the Board as an independent Director. Peter has had an impressive stockbroking career in Australia. He founded his own independent specialist private client firm which was taken over by Merrill Lynch in 1997. Since 2001 he has been a director of Bell Potter Securities Ltd and is a former director of the Australian Stock Exchange and Eclectic Investment Company.

Finally I would like to thank Warren McLeland for his substantial and valuable contribution to the Board of Utilico. Warren, who is vice Chairman of BCB is regarded as a non-independent board member of Utilico. He stepped down from the Board as a Director on 16 September 2011 to facilitate the appointment of Peter Burrows as an independent Director but will still remain involved with Utilico as he has been appointed an alternate director to Susan Hansen.

It is with deep sadness I must report that Rupert Stevenson, of Westhouse Securities, passed away earlier this year. Rupert was an outstanding broker to Utilico and a true friend. We will all miss his ability, energy, enthusiasm and drive.

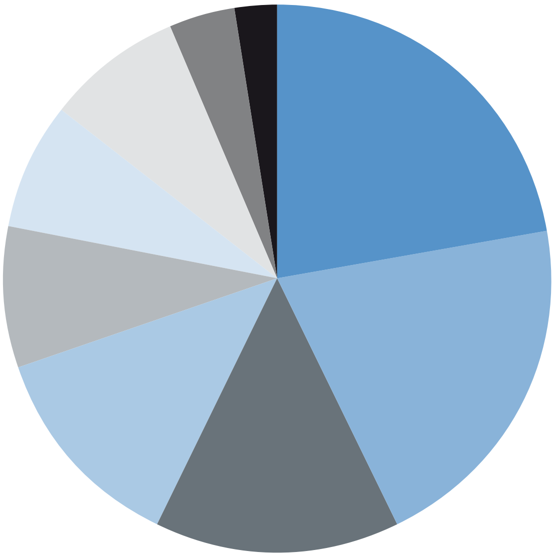
Most of our investee companies made good progress in the year to 30 June 2011 and delivered improving results. Clearly there remain a number of significant economic challenges in global markets which are unresolved. These include unsustainably high sovereign debt, artificially low interest rates, the prospect of inflation and weakening economic activity. However, our portfolio looks well positioned to meet these challenges and deliver value for the longer-term.

J. Michael Collier
23 September 2011

GEOGRAPHICAL AND SECTORAL BREAKDOWN

Geographical split of investments*

as at 30 June 2011

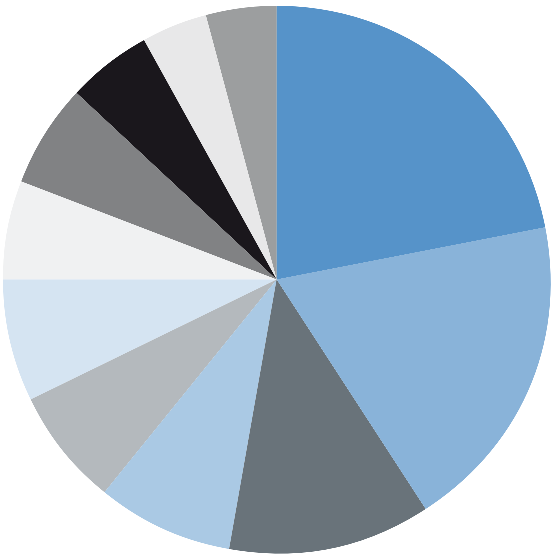


	2011	2010
Gold Mining[1]	22%	15%
New Zealand	21%	22%
Asia & Far East	14%	14%
UK & Channel Islands	13%	16%
Latin America	8%	7%
Bermuda	8%	9%
Australia	8%	8%
Europe excluding UK	4%	5%
North America	2%	4%

(1) Australian and African activities

Sectoral split of investments*

as at 30 June 2011



	2011	2010
Gold Mining	22%	15%
Renewables	19%	21%
Electricity	12%	14%
Infrastructure IT	8%	9%
Other	7%	8%
Airports	7%	9%
Ports	6%	5%
Water & Waste	6%	6%
Toll Roads	5%	6%
Banks	4%	–%
Telecoms	4%	7%

*Basis: based on look through consolidated portfolio.

Source: Utilico Investments Limited

Over the twelve month period under review, investors have been focused on the debt markets and in particular sovereign debt, the prospects for growth in the developed markets and inflation and asset bubbles in the developing markets.

While the current investment climate is a challenge, it presents a good opportunity to build a longer term portfolio based on fundamental values.

Over the twelve month period under review, investors have been focused on the debt markets and in particular sovereign debt, the prospects for growth in the developed markets and inflation and asset bubbles in the developing markets. While we have seen some progress on all these issues, concerns have escalated over these continuing issues, especially in recent months.

Against all this, Utilico has performed well, achieving a total return of 24.2% in the year to 30 June 2011.

Since inception of Utilico Investment Trust plc in August 2003, Utilico's total return (NAV per share adding back dividends and other distributions) has increased by 124.5%. This equates to an average annual compound return of 11.2% per annum. This compares well with the FTSE All-Share total return index which has increased by 94.3% over the same period.

Portfolio

While the portfolio continues to reflect a strong bias towards infrastructure and utilities, it has shifted in the year. Gold mining has increased and we have added to our investment in banking. Over time and in line with the widened investment mandate this shift to greater diversity is expected to continue.

During the year we invested £85.1m which includes the portfolio acquired from Eclectic of £14.7m and the asset injection of £17.5m in the form of Resolute ordinary shares from our majority shareholder General Provincial Life Pension Fund ("GPLPF") in return for new shares. The two key cash investments during the year were Resolute £32.3m and BCB £6.5m.

Disposals in the year amounted to £49.5m, the two largest being Infratil Limited ("Infratil") at £6.6m and further returns from Vix Technology Pty Ltd of £5.1m.

The geographic allocation moved as a result of the above. Gold mining has increased to 22% up from 15% due to both investment and performance. The UK and Channel Islands reduced from 16% to 13% with the main mover being a realisation of part of our Jersey Electricity plc holding combined with neutral performances by our other UK investments.

Sectoral exposure changed as well. As noted above gold mining increased to 22% from 15%. Airports decreased by 2% to 7% mainly as a result of the reduced holding in Infratil.

At the year end Utilico held unlisted and untraded investments of £30.7m, equal to 7.5% of gross assets, down from £39.2m, 12.2% last year end and £49.8m or 17.7% the previous year.

Major Investments

Utilico's three major investments Infratil, Utilico Emerging Markets Limited ("UEM") and Resolute accounted for 71.8% of the portfolio, up from 65.0% last year. This increase results from further investment combined with strong gains in valuations. These three investments rose by £57.6m in valuation terms, a gain of 27.7% on opening values.

Infratil performed well during the year with its share price appreciating from $1.61 to $1.80, an increase of 11.8% or £10.5m in Sterling terms. Add to this the stronger New Zealand Dollar and those gains rose to £22.2m in our portfolio. Against this strengthening background we raised £6.6m through disposals of Infratil shares in the market. Since the year end we have exited a further £28.2m of our holding through a placing with a US institution and a placing with Infratil's investment manager. The £28.2m is based on year end exchange rates of NZ$1.9439 to £1.00 Sterling and average placing prices of $1.825.

UEM outperformed during the twelve months, gaining £19.5m, a rise of 27.0% on the opening position of £72.1m. This gain, together with further net investment of £5.8m on the exercise of Warrants and S Shares, took Utilico's holding in UEM to £97.3m at year end. UEM's performance was underpinned by good performance by its underlying investments. UEM's earnings per share rose 20.1% and total return was 21.4% in the year to 31 March 2011.

Resolute is our third largest holding and on a look through basis our top investment at £90.4m. This has arisen as a result of net investments of £27.8m and gains of £15.9m. Resolute continues to make significant progress and looks well placed to deliver further gains to investors.

Resolute was at the outset a classic, deep discounted, structured investment by Utilico. This was part driven by the desire to hold gold but much more importantly by the fundamental investment attractions of Resolute itself. Today, given the hedge gold offers against market turmoil, this investment is increasingly a part corporate recovery, part hedge investment.

Following the format established in prior years, we review the major sectors to which Utilico is exposed, and the major holdings therein. In order to provide a better understanding of Utilico's underlying investments, the ten largest holdings and the sector and geographical analysis are presented on a 'look through' basis as though investments held indirectly through Infratil and UEM were held directly by Utilico itself. We have only looked at subsectors in which one of the top ten is included. Further details on the top ten are set out on pages 12 to 15.

Gold mining – 22%

Our sole investment in gold mining is in Resolute. As noted above Resolute continues to make strong progress at an operational level. For the year to 30 June 2011 Resolute reported increased gold sales up 30% to A$445.1m and saw net profit rise to A$61.4m versus a loss of A$54.2m in the previous year. The average cost of production was A$908 per ounce and the average revenue per ounce was A$1,337. During the year Resolute unhedged its gold position and reduced its bank debt. Resolute also expanded its gold reserves significantly by 80% to 5.24m ounces. In July 2011, Resolute forecast that production would rise to 410,000 ounces at an average net cost of A$730 per ounce for the year to 30 June 2012. Based on the current gold price of A$1,750 this equals a gross profit of A$426.4m for one year.

Resolute's total market capitalisation is A$849.3m and its debt is A$120.8m. We regard Resolute as being fundamentally undervalued.

Renewables – 19%

Renewables remains a desirable asset class and investments in this sector continue to be made. The political will, especially in regard to nuclear energy has wavered or in the case of Germany reversed. This is to be expected as politicians wrestle with both a lack of capital and in some cases an anti-nuclear electorate. As a result we envisage continued major developments of wind and solar power and enhanced value for existing hydro power.

Utilico's main exposure to renewables is through TrustPower Limited ("TrustPower") and Renewable Energy Generation Limited ("REG").

TrustPower continues to make sound progress with further power generation set to be added to the existing capacity. We expect continued steady progress by TrustPower. Over the last five years TrustPower has increased its electricity generation volume by 46% to 2,615 GW and has seen its earnings grow by a compound annual growth rate of 6.6%. All of TrustPower's generation capacity is hydro or wind. This is a good position to be in over the longer term.

REG continues to make substantial progress. During the year to 30 June 2011 REG doubled its generation capacity to 41.2MW. This is expected to generate some 106,000 MWh per year and, more significantly, to have substantially moved REG to a positive EBITDA and cash generation position in its second half to June 2011. REG continues to add to its consented portfolio and has 28.0MW in procurement or awaiting construction which will add to its generation capacity this year. REG also expects to submit a further 140MW for planning permission over the next twelve months.

REG has successfully financed 13.9MW of existing capacity with the Co-operative Bank releasing £12.0m at an all-in rate of 6.038%. REG expects to release a further £20.0m from similar financings this year taking REG's reinvestment capacity to £40.0m. REG's current market capitalisation is only £46.5m. This substantially undervalues the business.

Despite the obvious progress being made, plus the rejection of an indicative takeover approach received in March 2011 at 65.0p, the shares fell in value by 9.3% in the year, to end the year at 46.25p.

Electricity – 12%

Jersey Electricity plc ("JEL") reported good bottom line results with an increase in normalised earnings of 17.0% in the year to September 2010 and 9.0% in the six months to March 2011. However, we remain concerned about the proposals to build a third electricity interconnector to France at a cost of £60.0m and more importantly the ability to reward shareholders with an appropriate return on this investment.

On a fundamental valuation basis this investment remains stubbornly undervalued with EV/EBITDA of only 4.1x. JEL's market cap is £105.7m.

Infratil Energy Australia Pty Ltd ("IEA") The management team at Infratil have delivered a strong performance at IEA during the year. Customers were about level with the previous year at 410,000, but generation capacity increased by 177% from 99MW to 275MW.

This outstanding achievement was rewarded with profits rising strongly from A$9.0m to A$43.0m, up 377.8%. A good result.

Infrastructure IT – 8%

Vix Technology Pty Ltd ("Vix") has made progress both in reducing its working capital book and returning cash to shareholders. Utilico received £5.1m in cash from Vix. We have encouraged the formation of a technology business in Bermuda under the Vix umbrella. As such Vix was established in Bermuda and a number of operating entities in which Utilico was an investor, were transferred in under common ownership. This will give our technology investments strong focus and support. We are excited about the improving outlook for this business and its world class technologies.

Airports – 7%

Wellington International Airport Ltd ("WIAL") made modest progress. During the year WIAL opened a new international terminal "The Rock" and despite a challenging environment passenger numbers improved by 0.3%. This investment is mature in nature and it is difficult to see a step change. We would encourage Infratil to seek an exit from WIAL.

Ports – 6%

This is an exciting sector underpinned by strong global growth. The only exposure is through UEM which as at 30 June 2011 has 25.9% of its assets invested in ports. These include Ocean Wilsons Holdings Limited ("Ocean Wilsons"), International Container Terminals Services, Inc. and Santos Brazil Participacoes S.A. all disclosed in UEM's top ten. On a look through basis Ocean Wilsons is in our top ten.

As at 30 June 2011 Ocean Wilsons represented 10.4% of the UEM's portfolio. Ocean Wilsons is a long standing investment of UEM which has performed well; in the twelve months to 30 June 2011 the shares were up 53.3% to £13.65. While revenue in its last reported full year was up 20.4% to US$575.5m the results were held back by the strong Brazilian Real. Most of Ocean Wilsons's income is based in US Dollars.

Since the year-end UEM has sold 25.7% of its investment in Ocean Wilsons at £14.35 per share, well above the year-end share price of £13.65. We remain excited about Wilson Sons Ltd ("Wilson Sons"), a 58.3% owned listed Brazilian maritime services provider, and their substantial exposure to the Brazilian offshore oil and gas markets.

We are not convinced that Ocean Wilsons has the appropriate corporate structure and will continue to push for change and the demerger of Wilson Sons. The net asset value of Ocean Wilsons is £18.73 per ordinary share. Ocean Wilsons ordinary shares trade at a discount of over 27%, a frustrating position.

Banks – 4%

BCB is one of four Bermuda based banks. The BCB investment was made late last year and increased through the acquisition of Eclectic this year. Today Utilico holds 34.0% of BCB's ordinary shares. BCB has made good progress this year in an extremely challenging environment. This includes returning to a profit in the half year to 31 March 2011 of $1.35m. This was achieved by a reallocation of the $64.0m of the bank's balance sheet into a liquid investment portfolio. In addition significant steps have been taken to strengthen the operating environment and capabilities of the bank, including new software systems.

BCB has an enviable balance sheet and strong capital ratios. The Tier 1 capital adequacy ratio stands at circa 20.0%. The bank is well placed to benefit from the continuing turbulence in the wider markets.

Other – 7%

Z Energy Limited ("Z Energy") is the company that owns and manages the acquired Shell New Zealand downstream assets and is a new investment by Infratil. Infratil continues to demonstrate their ability to buy well and this looks to fit their investment approach well. They were able to bid aggressively for a business out of favour with the wider industry. As a result we expect Z Energy to achieve above average returns over the coming few years.

Derivatives

Over the years there have been two parts to Utilico's hedging. First, hedging the portfolio against losses, mainly through S&P put options. Second, hedging the currency within Utilico's portfolio.

Utilico's market hedging was greatly reduced in the first six months under review and has remained that way in the second half. Utilico has maintained significant currency hedges to partly protect the Sterling value of certain investments. At the period end, forward currency sale contracts were in place for nominal NZ$89.3m, A$33.1m, US$32.2m and €11.9m.

Debt

The level of bank debt utilised by Utilico remained broadly unchanged ending the year at £30.9m, up £1.6m. Utilico established a new £30.0m bank facility with ScotiaBank Europe PLC which expires in March 2013. The facility was fully drawn in New Zealand dollars at year end.

The Company also holds two smaller loans. An on-demand loan of £0.6m with Newtel Holdings Limited and a £3.0m interest bearing loan with OneLink Holdings Pty. Ltd. which is repayable on 7 April 2012.

Revenue Returns

The revenue returns are down in the twelve months to 30 June 2011 compared to prior year, as a result of the timing of the 2009 Infratil dividend which fell into the interim period to December 2009, flattering the revenue income total last year. Other dividends remained strong with UEM increasing its dividend to Utilico by 8.3% to 5.2p per UEM share.

Management and administration fees and other expenses increased as a result of higher gross assets. Finance costs increased as a result of higher interest on the new debt facility together with costs of establishing the facility.

The combined effect of the above resulted in the revenue EPS falling by 27.1% to 7.65p.

Capital Return

Capital returns were up significantly to £24.1m versus £18.3m in the year to June 2010 due mostly to gains on investments of £50.2m, compared to £36.9m in the year to June 2010. Losses on derivatives at £13.0m were high in the main due to losses on currency hedges. The resulting capital EPS return was 26.05p, up from 21.13p last year.

Way forward

We will continue to broaden the asset base and take advantage of the opportunities to invest in the markets. As part of this process we would expect the concentration in our portfolio to reduce. The sale of 20.0% of our position in Infratil was a good first step.

We will look to provide the 2012 ZDP holders with the opportunity to roll a substantial proportion of their investment into a new series of 2018 ZDP shares and maintain a resilient leveraged basis from which we can invest longer term.

While the current investment climate is a challenge it presents a good opportunity to build a longer term portfolio based on fundamental values.

Forward–looking statements

This annual report may contain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company and the Group. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this report. Nothing in this publication should be construed as a profit forecast.

TEN LARGEST HOLDINGS(1) ON A LOOK THROUGH BASIS

At 30 June

2011	*2010*	Company *(Country)*	Fair value £'000s	% of total investments
1	*2*	**Resolute Mining Limited** *(Australia)* Gold mining company	90,372	22.2%
2	*1*	**TrustPower Limited** *(New Zealand)* Electricity company	48,081	11.8%
3	*3*	**Jersey Electricity plc** *(Jersey)* Electricity company	17,450	4.3%
4	*7*	**Infratil Energy Australia Pty Ltd** *(Australia)* Electricity generation and supply	15,733	3.9%
5	*4*	**Vix Technology Pty Ltd** *(Australia)* Transport systems operator	15,711	3.8%
6	–	**Bermuda Commercial Bank Limited** *(Bermuda)* Banking services	15,160	3.7%
7	–	**Z Energy Limited** *(New Zealand)* Oil & Gas assets	13,090	3.2%
8	*5*	**Wellington International Airport Ltd** *(New Zealand)* Airport operator	12,461	3.1%
9	–	**Ocean Wilsons Holdings Limited** *(Brazil)* Port operator	10,217	2.5%
10	*6*	**Renewable Energy Generation Limited** *(UK)* Wind power	10,163	2.5%
		Ten largest holdings	248,438	61.0%
		Other investments	159,122	39.0%
		Total Investments	407,560	100.0%

Notes

(1) The values of the ten largest holdings are based on a look through basis. To achieve this, the underlying assets of Infratil and UEM are consolidated with that of Utilico on a proportionate basis, based on those companies' valuations of their own holdings.

The country shown is the location of the major part of the company's business.

The ten largest direct holdings of the Group can be viewed on page 70.

REVIEW OF THE TEN LARGEST HOLDINGS ON A LOOK THROUGH BASIS

Resolute Mining Limited (Australia)

www.resolute-ltd.com.au

Resolute is an unhedged gold producer with three operating gold mines in Australia and Africa. Resolute is the second largest gold producer by volume listed on the ASX and has forecast FY12 production of 410,000 ounces at a cash cost of A$730 per ounce. Its gold projects have yielded over 5.5 million ounces of gold in the past 20 years.

In the year to June 2011 Resolute's various operations yielded in excess of 330,000 ounces of gold at cash cost of A$908 per ounce. During the year an internal scoping study was completed to assess the financial benefit of expanding the Sarsfield open cut pit at Ravenswood gold mine in North Queensland, and has resulted in a 174% increase in the reserves, with total reserves now in excess of 1.5 million ounces. At Syama reserves were also up 104% on the year to June 2010, with total reserves now at 2.9 million ounces.

Revenue from gold sales increased 30% to A$445.1m in the year to June 2011 with net income of A$61.4m. In the 12 months to June 2011 Resolute's ordinary share price increased by 9.5%.

Resolute's market capitalisation is A$849.3m, debt is A$120.8m and Resolute's EV/EBITDA is 7.4x.

TrustPower Limited (New Zealand)

www.trustpower.co.nz

TrustPower is a New Zealand generator and supplier of electricity. Utilico's investment is held indirectly, via its investment in Infratil, which in turn holds 50.5% of TrustPower's share capital. TrustPower supplies electricity to 221,000 New Zealand retail customers, plus owns and operates 621MW of electricity generation capacity in New Zealand and a further 99MW in Australia, all of which is carbon free, being hydro or wind based. Their portfolio includes the 161MW Tararua Wind Farm, the largest wind farm in the Southern Hemisphere. During the year to March 2011 TrustPower completed construction of the 36MW stage 1 Mahinerangi wind farm. TrustPower has consents for a further 364MW of NZ wind projects, and 113MW over two hydro schemes. Electricity generation volumes increased by 13% due to a return to more normal levels of precipitation which improved hydro generation, although wind speeds were lower which reduced wind farm output. However milder weather reduced electricity sales to clients with the net effect being an almost unchanged level of both operating profit and earnings. New Zealand's wholesale electricity prices are below international norms, any longer term increase will be beneficial for the company. TrustPower's share price increased by 0.5% during the year.

TrustPower's market capitalisation is NZ$2,250m and debt is NZ$795m. TrustPower's EV/EBITDA is 10.3x and dividend yield is 5.6%.

Jersey Electricity plc (Jersey)

www.jec.co.uk

JEL is the integrated electricity company serving the Island of Jersey. While JEL has standby generation capacity, it sources its energy from EDF in France via two subsea electric transmission lines.

Following a period of increasing European wholesale electricity prices, plus a fall in the value of Sterling against the Euro, the past couple of years have seen a little more stability with the result that JEL has not been required to implement substantial price increases. Rather, a 5% tariff cut was implemented in January 2010, and tariffs have been maintained at that level since.

JEL is taking steps to further upgrade and strengthen Jersey's distribution network, and is now beginning the process of installing a third interconnection to France.

Financially, JEL increased normalised earnings by 17.0% in the year to September 2010, and 9.0% in the interim 6 month period to March 2011. It should be noted that these improvements have come about not just through the core electricity business, but also from the electrical retailing and property businesses, illustrating the relative strength of the Jersey economy.

We have been disappointed in the past by the wholesale price increases not being accurately reflected in tariffs resulting in poor returns to shareholders.

However, JEL's key challenge for the next few years will be firstly to successfully deliver the third power interconnector to France, at a cost in the region of £60m, and secondly to ensure that the company receives an appropriate return on this investment. JEL's share price increased by 3.0% during the 12 months to June 2011.

JEL's market capitalisation is £105.7m and debt is £23m. JEL's EV/EBITDA is 4.1x and dividend yield is 3.3%.

Infratil Energy Australia Pty Ltd (Australia)

www.infratil.com / www.lumoenergy.com.au

IEA is a business which Infratil started from scratch in 2005 to exploit Australia's deregulating power markets. Utilico's investment is held indirectly via its investment in Infratil. Since then through its brand, Lumo Energy, IEA has grown strongly to achieve a client base at 31 March 2011 of 410,000 customers, a level almost unchanged on 2010 as a result of churning of the customer base. This flattening of client growth following a period of gains, comes as a result of IEA seeking to maximise margin rather than customer numbers, and it has become increasingly selective regarding the quality of retail client it is prepared to supply. Two new power stations were commissioned during the period, increasing generation capacity from 99MW to 275MW. IEA's generation assets are "peaking" power stations which produce electricity at times of high demand and high prices, thus sheltering the energy retailing business from spikes in wholesale energy prices. Profits (stated prior to non-cash depreciation, interest, and taxation) increased from A$9m to March 2010, to A$43m, a new record for this company. Infratil increased its valuation of IEA by 82% in the year to NZ$375m as a result of improved trading, the completion of new generation investments, and an improvement in the value of the company's electricity hedge positions.

Vix Technology Pty Ltd (Australia)

www.vixtechnology.com

Vix is an international provider of market-leading products and services to both the public and private sectors. Vix builds market-leading product development and services businesses that develop and operate specialised, mission-critical solutions for the payments, telecommunications and transportation industries.

Vix has enjoyed a year of consolidation recording global revenue of A$150m and EBITDA from continuing operations of A$7.8m (5% ROS) and A$3m after impacts from restructure and discontinued operations (unaudited). This is down from the previous year primarily due to investments made in the start up phase of a new business in Communications and Payments as well as costs for restructure on the acquisition of ACIS.

The outlook for FY11/12 is for revenue growth of 20% on the strength of new business in Asia and Cape Town and EBITDA from continuing operations of 5% to 6% ROS.

During the year Vix completed the acquisition of Advanced Communication Information Systems (ACIS), a UK based business specialising in Intelligent Transportation Systems (ITS). This ITS business complements the existing transportation solutions within Vix.

The Vix business has also undergone geographical rationalisation allowing the rollout of a consistent mobility offer across the globe. The company is also embarking on a transformation program to reinforce global consistency and efficiency.

As anticipated, substantial returns were made to Utilico during the year on the back of outstanding project receivables being receipted.

Operation Highlights

Vix continued to achieve solid sales results throughout its global regions. Below are the key operational highlights for the 2010-2011 year:

Seattle, USA In January 2010, Vix officially received Full System Acceptance (FSA) for the ORCA smartcard system. This completes the original contracted Beta and Phase II scope of work agreed to in 2003.

Bangkok, Thailand Vix will design and deliver a smartcard clearing house solution for micropayments for Bangkok Smartcard System (BSS). The system will provide support for an integrated payments solution for the Bangkok Mass Transit System Company Limited (BTSC) and Bangkok Metro Company Limited (BMCL) transit systems.

Cape Town, South Africa Vix has won the contract to supply the ticketing system for the City of Cape Town's new Bus Rapid Transit system.

Bolzano, Italy Vix was successful in a tender to supply its iVal products to the Provincia di Bolzano in Italy's northern alps.

King Abdullah Financial District, Saudi Arabia Bombardier Transportation awarded Vix the contract to supply its automated fare collection system for the King Abdullah Financial District Monorail Project in Saudi Arabia.

Dorset, United Kingdom Vix has commenced the rollout of Dorset's new Real Time Passenger Information system in preparation for the 2012 Olympic Games.

Manchester, United Kingdom In partnership with Stagecoach, Vix launched the StagecoachSmart travel card, making Manchester the largest city in the UK outside of London to have a live, commercial smart ticketing scheme on buses.

Sydney, Australia Vix was awarded the contract to maintain cash deposit and coin dispensing machines for State Transit, New South Wales' largest bus operator.

Launch of the CR6000 low cost card reader Vix successfully launched the CR6000 and its variants known as the Cobra family. Sales of this unit have been made throughout Europe and will be used in projects to be carried out in Bangkok and Cape Town.

UITP 2011 Innovation Award Vix won the UITP 2011 Innovation and Technology Award for the SISMO project carried out in the Oise Valley region of France.

Bermuda Commercial Bank Limited (Bermuda)

www.bcb.bm

BCB is one of Bermuda's four licensed banks, established in 1969 and listed on the Bermuda Stock Exchange. BCB is a corporate and private wealth bank, offering a range of services to its customers.

The bank recorded a net profit of $1.35m for the half year to March 2011, equating to a fully diluted earnings per share of $0.20. This compares to a net loss of $1.47m for the six months to March 2010. In addition an unrealised gain of $5.52m was achieved on BCB's investment portfolio. Interest income was up substantially to $4.84m driven by a relocation of a portion of the bank's balance sheet into a liquid investment portfolio. BCB's Tier 1 capital ratio, which is a measure of liquidity and stability, was 18.6% at the period end, significantly higher than general industry standards and an indication of the strength of BCB's balance sheet.

Overall the bank has seen steady growth and profitability since the completion of the sale to the ICM-managed group of companies.

BCB's market capitalisation is BM$73.2m. BCB's dividend yield is 1.8%. NAV per ordinary share is BM$12.41.

Z Energy Limited (New Zealand)

www.infratil.com / www.z.co.nz

Z Energy is the trading name given to Shell NZ's mid and downstream New Zealand assets purchased by Infratil and the New Zealand Superfund in April 2010 for NZ$420m. Infratil has a 50% share in this business which operates retail fuel stations, owns and operates fuel storage and distribution assets, and supplies fuel to the marine sector. The business has an approximate 30% share of the New Zealand fuels market. Z Energy also holds a 17% stake in listed company, New Zealand Refining Limited, which owns and operates the Marsden Point oil refinery, supplying 70% of New Zealand's fuel requirements. Infratil has spent the past year changing Z Energy from being a small part of a global multi-national, to a standalone business with its own identity. We believe Infratil has acquired this business at an attractive price and is implementing several initiatives to improve performance and enhance returns.

Wellington International Airport Ltd (New Zealand)

www.wellington-airport.co.nz

WIAL is New Zealand's second largest airport behind Auckland. Utilico's investment is held indirectly via its investment in Infratil, which in turn holds 66.0% of WIAL.

WIAL primarily serves the domestic New Zealand aviation market.

Over the year to March 2011, total passenger numbers improved slightly by 0.3% to 5.1m, with growth being primarily driven by a 4.5% increase in international passengers on the back of the opening of the new international terminal "The Rock". Reported EBITDA was also up by 4.8% to NZ$57.1m, due to an increase in passenger services income as average earnings per passenger has risen from NZ$5.08 to NZ$5.65 (up 11.2%). Given the difficult year New Zealand has had, such stable numbers illustrate the resilience of the business model.

In FY12, WIAL will be fully participating in the region's welcome for the Rugby World Cup and has been assisting the airlines in their scheduling of services over the tournament. As a result, we can expect an additional uplift in next year's numbers.

WIAL is valued by Infratil at NZ$450.0m and has debt of NZ$256.5m.

Ocean Wilsons Holdings Limited (Brazil)

www.oceanwilsons.bm

Ocean Wilsons is a Bermuda company listed on the London and Bermuda Stock Exchanges and has a 58.3% stake in Wilson Sons, a quoted Brazilian maritime services provider. Utilico holds an indirect investment in Ocean Wilsons via its holding in UEM. In addition, Ocean Wilsons owns a managed investment portfolio. Wilson Sons operates a broad span of maritime support services from port operation (Tecon Rio Grande and Tecon Salvador) to ship building and currently has a leading market position as a towage operator. During 2010, revenues increased by 20.4% driven by higher yielding imports as well as increased activity at the port terminals. EBITDA and net income however decreased 8.3% and 20.9% respectively, partly due to the formation of an offshore joint venture in FY10 and partly due to lower margins in several divisions due to wage inflation and cost being denominated in Reals and revenues in US dollars. The absolute dividend per share remained constant at US$0.42 per share. During the year the share price has increased by 24.5%.

Ocean Wilsons owns 58.3% of Wilson Sons which has a market value of BRL2,171.0m. Adding this to the investment portfolio of US$258.0m, the net asset value of Ocean Wilsons is £18.73 per ordinary share. The shares of Ocean Wilsons currently trade at £13.65 a discount of 27%.

Ocean Wilsons's market capitalisation is US$485.0m and debt is US$356.0m. Ocean Wilsons's EV/EBITDA is 10.5x and dividend yield is 2.0%.

Renewable Energy Generation Limited (UK)

www.renewableenergygeneration.co.uk

REG is a generator of renewable energy through ownership and operation of smaller sized wind farms in the United Kingdom. REG has 41.5MW of operational capacity spread over 10 sites, plus consented sites awaiting construction of a further 28MW. The year to June 2011 was a successful year for REG as it secured permits over several sites, and secured attractive bank financing for further development. REG expects to submit a further 140 MW into the planning system in financial year to June 2012.

Utilico has a leveraged balance sheet structure, with the ordinary shares leveraged by the ZDP shares, bank debt and other loans.

Utilico has a leveraged balance sheet structure, with the ordinary shares leveraged by the ZDP shares, bank debt and other loans. In addition Utilico has outstanding warrants.

Ordinary shares

99,926,452 ordinary shares were in issue at 30 June 2011. The ordinary shares are entitled to all the revenue profits of the Company available for distribution and resolved to be distributed by the Directors by way of a dividend. The Directors consider the payment of dividends on a semi-annual basis.

On a winding up, holders of ordinary shares will be entitled, after payment of all debts and the satisfaction of all liabilities of the Company, to the winding up revenue profits of the Company and thereafter, after paying to Utilico Finance Limited for its ZDP shareholders their accrued capital entitlement, to all the remaining assets of the Company.

Zero dividend preference shares

The ZDP shares are issued by Utilico Finance Limited, a wholly-owned subsidiary of Utilico. The ZDP shares carry no entitlement to income and the whole of any return will take the form of capital.

2012 ZDP shares

45,486,200 2012 ZDP shares were in issue at 30 June 2011. The 2012 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profits on a winding up) and the 2014 and 2016 ZDP shares but rank behind the bank debt for the capital repayment of 177.52p per ZDP share on 31 October 2012. The capital repayment is equivalent to a redemption yield of 7.0% per annum based on the initial capital entitlement of 100p.

2014 ZDP shares

37,500,000 2014 ZDP shares were in issue at 30 June 2011. The 2014 ZDP shares rank for payment in priority to the ordinary shares (save for an undistributed revenue profit on a winding up) and the 2016 ZDP shares, but rank behind the bank debt and the 2012 ZDP shares for capital repayment of 167.60p per 2014 ZDP share on 31 October 2014. The capital repayment is equivalent to a redemption yield of 7.25% per annum based on the initial capital entitlement of 100p.

2016 ZDP shares

37,500,000 2016 ZDP shares were in issue at 30 June 2011. The 2016 ZDP shares rank for payment in priority to the ordinary shares (save for an undistributed revenue profit on a winding up) but rank behind the bank debt, 2012 and 2014 ZDP shares for capital repayment of 192.78p per 2016 ZDP share on 31 October 2016. The capital repayment is equivalent to a redemption yield of 7.25% per annum based on the initial capital entitlement of 100p.

Bank debt

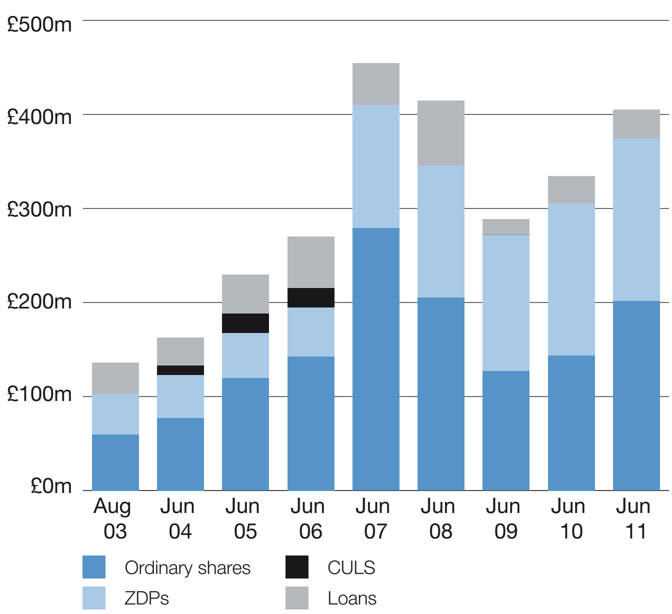
Utilico has a £30.0m multi-currency loan facility provided by ScotiaBank Europe PLC, secured against the Company's assets by way of a debenture. The facility is in one tranche, with maturity extending to March 2013.

2012 Warrants

3,587,646 2012 warrants were outstanding on 30 June 2011. Each warrant entitles the holder to subscribe for 1.090909 ordinary share at a subscription price of 288.75p with the final exercise in April 2012.

The warrants can be exercised on 31 October 2011 and 30 April 2012.

Allocation of Gross Assets
From 14 August 2003 to 30 June 2011

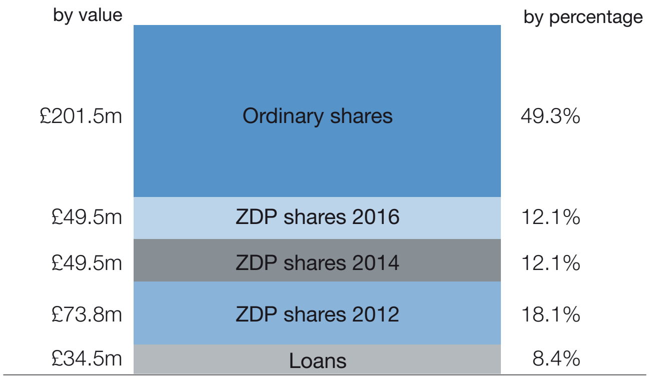


Source: Utilico Investments Limited

Ordinary shares rank behind the ZDP shares and bank debt such that they represent a geared instrument.

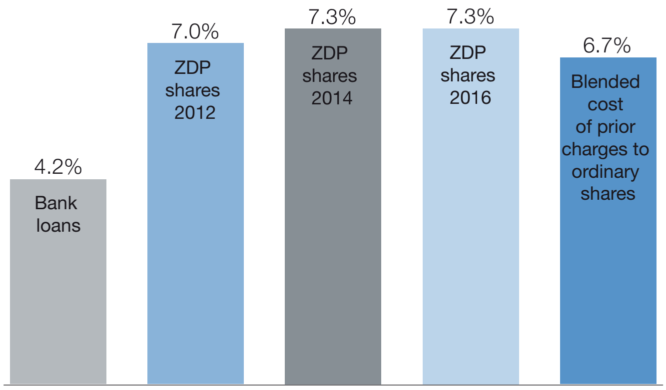
A 1.0% movement in gross assets would change the NAV attributable to ordinary shares by 2.0%.

Split of Gross Assets
as at 30 June 2011



Source: Utilico Investments Limited

Utilico's consolidated funding cost structure
as at 30 June 2011



Source: Utilico Investments Limited

SENSITIVITY OF RETURNS AND RISK PROFILES

Ordinary shares

Ordinary shares rank behind the ZDP shares (save for any undistributed revenue on a winding up) and bank debt such that they represent a geared instrument. For every £100 of gross assets of the Company at 30 June 2011, the ordinary shares could be said to be interested in £49.30 of those assets after deducting the prior claims as above. This makes the ordinary shares more sensitive to movements in gross assets. Based on these amounts, a 1.0% movement in gross assets would change the NAV attributable to ordinary shares by 2.0%.

The interest cost of Utilico's bank debt, combined with the annual accruals in respect of ZDP shares, currently represents a blended cost to the ordinary shares of 6.7%.

ZDP shares

2012 ZDP shares

Based on their final entitlement of 177.52p per share, the final entitlement of the 2012 ZDP shares were covered 3.63x times by gross assets on 30 June 2011. Should gross assets fall by 72.4% over the remaining life of the 2012 ZDP shares, then the 2012 ZDP shares would not receive their final entitlements in full. Should gross assets fall by 92.4%, equivalent to an annual fall of 85.4%, the ZDP shares would receive no payment at the end of their life.

2014 ZDP shares

Based on their final entitlement of 167.60p per share, the final entitlement of the 2014 ZDP shares were covered 2.32x times by gross assets on 30 June 2011. Should gross assets fall by 56.9% over the remaining life of the 2014 ZDP shares, then the 2014 ZDP shares would not receive their final entitlements in full. Should gross assets fall by 72.4%, equivalent to an annual fall of 32.1% the 2014 ZDP shares would receive no payment at the end of their life.

2016 ZDP shares

Based on their final entitlement of 192.78p per share, the final entitlement of the 2016 ZDP shares were covered 1.64x times by gross assets on 30 June 2011. Should gross assets fall by 39.1% over the remaining life of the 2016 ZDP shares, then the 2016 ZDP shares would not receive their final entitlements in full. Should gross assets fall by 56.9%, equivalent to an annual fall of 14.6% the 2016 ZDP shares would receive no payment at the end of their life.

2012 Warrants

The 2012 warrants are exercisable at 288.75p per warrant. Their value is a function of the ordinary share price and as such is very volatile. Should the ordinary share price remain where it is today the warrants will expire worthless in April 2012.

INVESTMENT TEAM

The Investment Manager, ICM Limited ("ICM"), is responsible for the investment portfolio in conjunction with Mr Charles Jillings.

ICM represented by Mr Duncan Saville

Mr Saville, aged 54, is a director of ICM. He is a chartered accountant with experience in corporate finance and corporate investment. His companies have invested in the utility sector for over twenty years. He was formerly a non-executive director of Utilico Investment Trust plc, The Special Utilities Investment Trust PLC, East Surrey Water plc, Dee Valley Water plc, Glasgow Prestwick International Airport Limited and Wellington International Airport Ltd and is currently a non-executive director of Infratil Limited and Vix ERG Ltd.

Mr Charles Jillings

Mr Jillings, aged 55, is an employee of the Company. He is responsible for the day-to-day running of the Company and the investment portfolio in conjunction with ICM. Mr Jillings qualified as a chartered accountant and previously was a corporate finance director at Hill Samuel. He has been a director of several listed companies and is currently a director of UEM, Newtel Holdings Limited and East Balkan Properties plc.

Assisting them are a team, including:

Ms Jacqueline Broers

Jacqueline Broers, aged 31, has been involved in the running of Utilico and UEM since September 2010. Prior to joining the investment team, Ms Broers worked in the Corporate Finance team at Lehman Brothers/Nomura. Ms Broers is also a qualified chartered accountant.

Mr Jonathan Chi

Jonathan Chi, aged 41, has been involved in the running of Utilico and UEM since December 2005 and is based in Singapore. Prior to joining the investment team Mr Chi was a financial accountant for a funds management company and is a Fellow of the Institute of Chartered Accountants in Australia.

Mr Jonathan Groocock

Jonathan Groocock, aged 33, has been involved in the running of Utilico and UEM since February 2011. Prior to joining the investment team Mr Groocock was an equity research analyst at Investec and is a CFA charterholder.

Mr Mark Lebbell

Mark Lebbell, aged 39, has been involved with Utilico since its inception and before that with The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is an associate member of the Institute of Engineering and Technology.

Mr James Smith

James Smith, aged 39, has been involved with Utilico since its inception and before that with 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 John Michael Collier (Chairman)

Mr J M Collier, aged 65 and appointed on 3 May 2007, was educated in Bermuda, the UK and North America. He joined the Bank of Butterfield in Bermuda in 1963 and retired in 1996 as president and chief operating officer. He is currently chairman of the Ascendant Group Limited (formerly Belco Holdings Limited), chairman and managing director of Bermuda Commercial Bank Limited, chairman of Permanent Investments Limited and a director of RESIMAC Limited. He also serves as a director of a number of US and Bermuda incorporated companies.

Mr Peter Burrows AO†*

Mr P Burrows, aged 64 and appointed on 16 September 2011, is a Bachelor of Economics and is currently a Director of Bell Potter Securities Ltd, based in Australia. Mr Burrows has many years' experience as a stockbroker and founded his own independent specialist private client firm, Burrows Limited, in 1986. Mr Burrows was previously the Chairman of Garratt's Limited, ASC Limited and Rabbit Photo Holdings Ltd and was previously a Director of a number of other listed and unlisted companies. Mr Burrows has also been made an officer in the Order of Australia (AO) for his services to medical research, tertiary education and finance.

Ms Susan Hansen

Ms S Hansen, aged 50 and appointed on 3 May 2007, is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking, and is a Director of RESIMAC Limited, a securitisation company, as well as the principal of a financial training organisation in New Zealand. She is a member of the Institute of Chartered Accountants in Australia.

Mr Eric Stobart†*

Mr E Stobart, aged 63 and appointed on 3 May 2007, is a chartered accountant and MBA graduate from London Business School. He spent most of his career in merchant and commercial banking, lately as Director of Public Policy and Regulation for Lloyds TSB Group plc (now Lloyds Banking Group plc). Non-executive director of Norwich & Peterborough Building Society, Capita Managing Agency Limited, The Throgmorton Trust plc and Falcon Property Trust. Trustee of the Lloyds TSB Group Pension Schemes, chairing its Investment and Funding Committee, Lloyds Your Tomorrow Trustees, Dixons Retail Pension Scheme and Lloyd's Superannuation Fund.

Dr Roger Urwin CBE†*

Dr R Urwin, aged 65 and appointed on 3 May 2007, has many years experience in the international utility sector, playing a major role in the restructuring and privatisation of the UK electricity industry. He was previously chief executive of National Grid plc, a non-executive director of Utilico Investment Trust plc and a former chairman of Alfred McAlpine plc. He is a director of Canadian Utilities Limited.

Mr Warren McLeland (alternate to Ms Susan Hansen)

Mr W McLeland, aged 65 is an alternate Director to Susan Hansen. He is a science and MBA graduate and was formerly a stockbroker and investment banker. He is now Chief Executive Officer of RESIMAC Limited, a securitisation company. In addition, he acts as an adviser in funds management and business strategy to companies operating in the Asia Pacific region. He is a non-executive director of Trust Company of Australia, Intellect Holdings Limited, Wilsons HTM Investment Group Limited and Permanent Investments Limited.

† Independent Director.

* All the independent Directors are members of the Audit Committee and Management Engagement Committee.

The Directors present their report and the Accounts of the Company and the Group for the year to 30 June 2011. The subsidiaries of the Company are set out in note 12 to the Accounts.

Results and Dividend

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

The Company paid an interim dividend of 3.25p and a special dividend of 1.75p per ordinary share on 26 April 2011. The Directors have declared a final dividend of 3.25p per ordinary share payable on 28 October 2011 to ordinary shareholders on the register as at the close of business on 7 October 2011.

Principal Activity and Status

The Company is a Bermuda exempted, closed ended investment company with company registration number 39480. It is listed on the main market of the London Stock Exchange and is a member of the Association of Investment Companies ("AIC") in the UK.

The Company's subsidiary undertaking, Utilico Finance Limited ("UFL"), carries on business as an investment company. The Company holds shares linked to a segregated account in GERP, an unquoted Bermuda segregated accounts company incorporated on 4 May 2006. This account, which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivatives transactions on behalf of the Company. In accordance with the IASB's interpretation SIC-12, the segregated account in GERP is classified as a special purpose entity of the Company and its financial results are included within the Accounts of the Group. Details of the subsidiary undertaking and GERP and the interest in those undertakings are given in note 12 to the Accounts.

Business Review

The business review is designed to provide shareholders with an insight into the operations of the Group and the Company during the year. In particular, it gives information on:

- the Company's objective and investment policy;
- the regulatory and competitive environment within which the Company operates;
- the Board's strategy for achieving its stated objective;
- principal risks and risk mitigation; and
- shareholders' returns measured against key performance indicators.

Investment Policy and Corporate Changes

A series of resolutions voted on by the Company's shareholders on 7 January 2011 resulted in the Company acquiring the assets of Eclectic Investment Company plc, acquiring further ordinary shares in Resolute Mining Limited from General Provincial Life Pension Fund, cancelling its share premium account, increasing the Company's authorised share capital and amending the Company's name. Importantly, as a result of these proposals being passed the Company's investment mandate was widened; the new investment objective is described below.

Objective

The Company's investment objective is to maximise shareholder returns by identifying and investing in investments when the underlying value is not reflected in the market price.

Investment Policy

The Company seeks to invest in undervalued investments and has the flexibility to make investments in a wide range of sectors and markets.

The Company seeks to identify and invest in opportunities where the underlying value is not reflected in the market price. This perceived undervaluation may arise from any number of factors including technological, market motivation, prospective financial engineering opportunities, competition or shareholder apathy.

In the short to medium term it is anticipated that the Company will continue to have a significant proportion of its gross assets invested in developed markets in existing utilities and related stocks, including (but not limited to) water and sewerage companies, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and in any new utilities which may arise. The Company may also invest this segment of its portfolio in any businesses which supply services to or otherwise support the infrastructure, utility and related sectors.

Subject to compliance with the London Stock Exchange Listing Rules in force from time to time, Utilico may invest in other investment companies or vehicles, including any managed by the Investment Manager, where such investment would be complementary to the Company's investment objective and policy.

The Company continues to have the flexibility to invest in shares, bonds, convertibles and other types of securities, and to invest in unlisted securities. The Company may also use derivative instruments such as American Depositary Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options and warrants and similar instruments for investment purposes and efficient portfolio management, including protecting the Company's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments.

The Company has the flexibility to invest in markets worldwide although investments in the utilities and infrastructure sectors are principally made in the developed markets of Australasia, Western Europe and North America, as Utilico's exposure to the emerging markets, infrastructure and utility sectors is primarily through its holding in UEM. Utilico has the flexibility to invest directly in these sectors in emerging markets with the prior agreement of UEM.

The Company believes it is appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging the organisation of capital structure and business efficiencies. The Investment Manager's investment team maintains regular contact with investee companies and Utilico may often be among the largest shareholders. There are no limits on the proportion of an investee company that Utilico may hold and Utilico may take legal or management control of a company from time to time.

The Company aims to maximise value for shareholders through a relatively concentrated portfolio of investments. There are no fixed limits on the allocation of investments between sectors and markets, however the following investment limits apply:

- investments in unlisted companies will in aggregate not exceed 20% of gross assets at the time that any new investment is made; and
- no single investment will exceed 30% of gross assets at the time such investment is made, save that this limit shall not prevent the exercise of warrants, options or similar convertible instruments acquired prior to the relevant investment reaching the 30% limit.

Under Utilico's Bye-laws, the Group is permitted to borrow an aggregate amount equal to 100% of the Group's gross assets. Borrowings will be drawn down in any currency appropriate for the portfolio.

However, the Board has set a current limit on gearing (being total borrowings, excluding ZDP shares, measured against gross assets) not exceeding 33.3% at the time of draw down. Borrowings may be drawn down in Sterling, US Dollars or any currency for which there is a corresponding asset within the portfolio (at the time of draw down, the value drawn must not exceed the value of the relevant asset in the portfolio).

As required by the Listing Rules, there will be no material change to the investment policy without prior approval of shareholders. Any such change would also require the approval of the ZDP shareholders in accordance with the Subscription Agreement.

Regulatory and Competitive Environment

The Company is a closed ended investment company and is obliged to comply with Bermuda law, the rules of the UK Listing Authority and IFRS. The financial statements are also presented, where relevant, in compliance with the Statement of Recommended Practice (SORP) for Investment Trusts issued by the AIC in January 2010. The Company is exempt from taxation, except insofar as it is withheld from income received. Under Bermuda law, the Company may not distribute income by way of a dividend unless, after distribution of the dividend, the realisable value of the Company's assets would be greater than the aggregate of its liabilities and its issued share capital and share premium account.

In addition to annual and interim accounts published under these rules the Company announces net asset values per share weekly via the London Stock Exchange's Regulatory News Service and provides more detailed statistical information on a monthly basis to the AIC in order to allow investors and brokers to review its performance. The Company also reports to shareholders on performance against the investment objective, Directors' activities, corporate governance, investment activities and share buybacks. A monthly factsheet is published and is available on the Company's website.

Strategy for Achieving Objectives

As part of its strategy, the Board has contractually delegated the management of the investment portfolio to ICM Limited ("ICM" or the "Investment Manager"), which was appointed investment manager to Utilico on 22 September 2010.

The Company's performance in pursuing its objective is measured against key performance indicators as set out on page 22. A review of the Company's returns during the year, the position of the Company at the year end and the outlook for the coming year is contained within the Chairman's Statement on page 5 and Investment Manager's report on pages 7 to 10.

Principal Risks and Risk Mitigation

The Board carefully considers the Company's principal risks and seeks to mitigate these risks through continual and regular review, policy setting, compliance with and enforcement of contractual obligations and active communication with the Investment Manager and the Company's Administrator (F&C Management Limited ("F&C" or the "Administrator")).

The Board applies the principles and recommendations of the UK Code on Corporate Governance and the AIC's Code on Corporate Governance as described on page 27. The Company's internal controls are described in more detail on page 30.

The Company's assets consist mainly of listed and quoted securities and its principal risks are therefore market related or currency related. A more detailed explanation of these risks and the way this is managed are contained in note 32 to the Accounts. Other risks faced by the Group include the following:

External: any events or developments which can affect the general level of share prices including, for instance, terrorism, disease, inflation or deflation, economic recessions and movements in interest rates;

Key Staff: loss by the management of key staff could affect investment returns. The quality of the management team is a crucial factor in delivering good performance. There are training and development programs in place for employees and the recruitment and remuneration package has been developed in order to retain key staff;

Strategy: an inappropriate investment strategy including country and sector allocation, stock selection and the use of gearing could all lead to poor returns to shareholders. The Board regularly reviews strategy in relation to a range of issues including the balance between quoted and unquoted stocks, the allocation of assets between geographic regions and industrial sectors and gearing;

Regulatory: breach of regulatory rules could lead to suspension of the Company's London Stock Exchange listing, financial penalties or a qualified audit report. The Administrator monitors the Company's compliance with the Listing Rules of the UK Listing Authority and compliance with the principal rules is reviewed by the Directors at each Board Meeting and Appleby Services (Bermuda) Ltd ensures that the Company adheres to Bermuda law;

Operational: failure of the Investment Manager's or the Administrator's systems, or those of third party service providers could lead to an inability to provide accurate reporting. The Board reviews operational issues at each Board Meeting and the Audit Committee receives reports on the operation of internal controls, as explained in more detail within Internal Controls on page 30;

Financial: inadequate controls by the Investment Manager or Administrator or third party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations. The Board reviews financial reports in detail at each Board Meeting; and

Banking: a breach of the Company's loan covenants might lead to funding being summarily withdrawn. At each Board Meeting the Board reviews compliance with the banking covenants.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in pursuing its objective. The key performance indicators are as follows:

- NAV total return against the benchmark index;
- Share price total return;
- Discount of the share price to NAV;
- Total expense ratio.

An historical record of those indicators is contained in the Performance Summary on page 73.

The total expense ratio for the year ended 30 June 2011 was 0.8%.

Outlook

The outlook for the Company is reported in the Chairman's Statement on page 5.

Directors

The Board of Directors of Utilico and UFL are responsible for overall stewardship of the Company and the Group, including corporate strategy, corporate governance, risk and controls assessment, overall investment policy and gearing limits. Details of the Directors can be found on page 19.

Mr W McLeland retired as a Director of the Company on 16 September 2011. Mr P Burrows was appointed as a Director of the Company on the same date. Mr Burrows will retire at the Annual General Meeting being the first such meeting following his appointment, and, being eligible, offers himself for election (Resolution 5).

Dr R Urwin will retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election (Resolution 8). Mr M Collier and Ms S Hansen retire annually and will do so at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election (Resolutions 6 and 7).

The Board has considered the re-election of Mr M Collier, Ms S Hansen and Dr R Urwin and following an appraisal of their performance, the Board believes that these Directors make a valuable contribution based on their individual skills, knowledge and experience that they have committed to the role and their re-election would be in the interests of the Company.

Each Director has signed a letter of appointment setting out the terms of their engagement as Directors, but does not have a service agreement with Utilico or UFL.

Mr McLeland has been appointed as an alternate director to Ms Hansen, with effect from 16 September 2011, able to act as a Director in her place as appropriate. He is not a Director of the Company, but will receive a fee of £27,500 in recognition of his services.

Directors' Remuneration and Shareholding

The Directors' Remuneration Report, which can be found on page 32, provides detailed information on the remuneration arrangements for the Directors of Utilico and UFL. Shareholders will be asked to approve the Directors' Remuneration Report at the Annual General Meeting for Utilico (Resolution 4). 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 Utilico and UFL were:

2011	**Ordinary shares**	**Warrants**	**ZDP shares**
J M Collier	120,000	–	–
S Hansen	37,000	–	–
W McLeland	–	–	–
E Stobart	15,000	136	–
R Urwin	144,371	5,294	52,029

2010	Ordinary shares	Warrants	ZDP shares
J M Collier	20,000	–	–
S Hansen	7,000	–	–
W McLeland	–	–	–
E Stobart	10,000	136	–
R Urwin	144,371	5,294	52,029

There have been no changes in the Directors' interests in the shares of Utilico and UFL between 30 June 2011 and 23 September 2011.

Management

Utilico has an investment management agreement dated 22 September 2010 (the "Investment Management Agreement") with ICM. The Investment Manager provides portfolio monitoring, research and other investment management services to the Group and is entitled to receive a fee equal to 0.5% per annum of the Group's gross assets after deducting current liabilities (excluding borrowings incurred for investment purposes) payable semi-annually 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 upon one year's notice in writing given by Utilico and not less than six months' notice given by ICM.

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

In the process of its governance of the Group, the Board reviews regular reports from the Investment Manager to assess the on-going performance of the Group as well as to assess the impact of national and international economic and political issues affecting the Group. Income forecasts are reviewed to enable costs to be controlled within budget. Other regularly reviewed reports include those covering the list of investments, the level of gearing and the shareholder register. The Board's assessment of the major risks faced by the Group, together with the principal controls in place to mitigate the risks, is set out later in this review.

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 performance and with the way the Group 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

Utilico and UFL and the Investment Manager also have an administration agreement (the "Administration Agreement") with F&C dated 16 September 2011, under which the Administrator provides company secretarial, financial and general administrative services to the Utilico and UFL for a fee, payable monthly in arrears, of £295,000 per annum. The Administrator and any of its delegates are also entitled to reimbursement of certain expenses incurred by it in connection with its duties. Any party may terminate the Administration Agreement upon six months' notice in writing.

Relations with Shareholders

The Company welcomes the views of shareholders and places great importance on communication with shareholders. The Investment Manager holds meetings with the Company's largest shareholders and reports back to the Board on these meetings. The Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and the Investment Manager of the Company. The notice of the forthcoming Annual General Meeting for Utilico to be held on 30 November 2011 is set out on pages 68 and 69.

A separate Annual General Meeting will be held for shareholders of UFL immediately following the Annual General Meeting of Utilico on 30 November 2011. In accordance with the Bye-Laws of UFL, ZDP shareholders have the right to receive a notice of, but shall not have the right as such to attend or vote at any Annual General Meeting of UFL. A separate Notice accompanies this report for shareholders in UFL.

Directors Authority to Allot Shares

Resolution 11 will, if passed by the requisite 75% majority, give the Directors authority to disapply pre-emption rights in respect of new share issues of up to 10% of the ordinary shares in issue as at the date of this Report. The authority granted by this resolution will, if granted, expire on the earlier of eighteen months from the date of the resolution or at the conclusion of the Annual General Meeting to be held in 2012. The Directors current intention is to seek renewal of this authority annually.

If the resolution is passed new ordinary shares will not be issued at a price less than the prevailing net asset value per ordinary share, after taking into account any costs incurred by the Company in connection with such issue.

Authority for Utilico to Purchase its Own Shares

Resolution 12 authorises Utilico to purchase in the market initially up to a maximum of 14,978,975 ordinary shares (equivalent to approximately 14.99% of the ordinary share capital at the date of this Report). This authority will expire on 30 May 2013 unless it is varied, revoked or renewed prior to that date at the Company's Annual General Meeting in 2012 or at any other general meeting by ordinary resolution. The price paid for the ordinary share will be within the maximum price permitted by the UK Listing Authority and in accordance with the Bermuda Companies Act, and in any event no purchase of ordinary shares will be made at a price in excess of the diluted net asset value per ordinary share (at a date determined by the Directors falling not more than 10 days before the date of purchase). Any ordinary shares may only be purchased at a price such that immediately after such purchase the ZDP Cover (as defined in the Company's Bye-Laws) would be at least 1.4 times.

A separate resolution is being put to shareholders of UFL to buy back its own ZDP shares.

The Directors would use this authority with the objective of enhancing shareholder value. Purchases will only be made within guidelines established from time to time by the Board, through the market for cash at prices below the prevailing diluted net asset value of the relevant share.

Bermuda companies are permitted to hold shares acquired by way of market purchase in treasury rather than having to cancel them. Such shares may be subsequently cancelled or sold for cash. Accordingly, Utilico and UFL may hold each class of share purchased pursuant to share buy backs in treasury. This will give Utilico and UFL the ability to sell shares from treasury quickly and in a cost efficient manner and would provide Utilico and UFL with additional flexibility in the management of its capital base. The Board has recommended that ordinary shares held in treasury would not be re-issued at a price below the prevailing diluted net asset value and ZDP shares would not be re-issued at a price below their accrued capital entitlement.

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 and shall not be available for re-issue.

It is proposed that any purchases of shares would be funded from Utilico's or UFL's own cash resources or, if appropriate, from short-term borrowing.

Amendment of Bye-laws

The existing Bye-laws of the Company permit the Directors of the Company to refuse to register a transfer of shares, or require the transfer of shares owned or which appear to be owned, directly by any person who, by virtue of his holding, may in the opinion of the Directors, give rise to a breach of any applicable law or regulatory requirement in any jurisdiction or may cause or be likely to cause the Company or the shareholders some legal, pecuniary or material disadvantage. These provisions also apply where such holding would or might require the Company to register or qualify under the US Investment Companies Act of 1940, as amended, or any other US law. In light of recent regulatory developments in the United States and elsewhere, including in the European Union, relating to the provision of investment management or advisory services, the Board considers that it is appropriate that these provisions should be amended so that they would also apply where such holding would give rise to a breach of any applicable law or regulatory requirement in any jurisdiction by the Investment Manager or may cause or be likely to cause the Investment Manager some legal, pecuniary or material disadvantage, including having to register or qualify under any applicable US law. Accordingly, Resolution 13 if passed would amend the existing Bye-laws to extend the Directors existing authority to refuse to register a transfer of shares or to require the transfer of shares in these circumstances.

An identical resolution is also being put to shareholders of UFL.

Auditor

The auditor has 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 (Resolutions 9 and 10).

The auditor provides 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 Group has adequate resources to continue in operation for the foreseeable future and its assets consist mainly of securities that are readily realisable.

Individual Savings Accounts

The Company's shares are eligible for inclusion in an Individual Savings Account in the United Kingdom. It is the current intention of the Directors that the Company will continue to conduct its affairs to satisfy this requirement.

Share Capital

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

During the year under review the Company purchased no ordinary shares to be cancelled.

Substantial Share Interests

As at 23 September 2011, the following holdings, representing 3% or more of the issued share capital, had been notified to the Company:

	Number of ordinary shares held	% held
General Provincial Life Pension Fund (L) Limited	58,767,393	58.8
Foreign & Colonial Investment Trust plc	10,452,260	10.5

Creditor Payment Policy

The Company's principal suppliers are the Investment Manager and the Administrator. The Investment Manager is paid semi-annually in arrears in accordance with the terms of the Investment Management Agreement. The Administrator is paid monthly in arrears in accordance with the terms of the Administration Agreement. 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.

There were no trade creditors at the year end.

Duration of the Company

As Utilico and UFL are intended as long term investment vehicles they will have no termination date or any periodic continuation votes.

Recommendation

The Directors consider that the passing of the Resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of the Resolutions.

By order of the Board
F&C Management Limited,
Company Secretary
23 September 2011

Bermuda does not have its own corporate governance code. As a Bermuda incorporated company with a premium listing on the Official List, however, the Company is required to comply with the UK Corporate Governance Code issued by the Financial Reporting Council. The Board has considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") issued in October 2010 by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues which are of specific relevance to investment companies. Both the AIC Guide and the AIC Code have been amended to include the text of the June 2010 version of the UK Corporate Governance Code.

Except as disclosed below, the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code and it is the intention of the Board that the Company will comply with those provisions throughout the year ending 30 June 2012. Since all Directors are Non-Executive, and in accordance with the AIC Code and the preamble to the UK Corporate Governance Code, the provisions of the UK Corporate Governance Code on the role of the chief executive and, except in so far as they apply to Non-Executive Directors, on Directors remuneration are not relevant to the Company and are not reported on further.

The Board

The Directors' biographical details on page 19 of this Report demonstrate the wide range of skills and experience that the Directors bring to the Board. The Directors have each signed a letter of appointment to formalise in writing the terms of their engagement as Directors. Copies of these letters 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. Mr Collier and Ms Hansen retire annually.

The Board consists solely of Non-Executive Directors. Mr Collier is Chairman as at 23 September 2011, the date of the signing of the Accounts, and has been responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role. Mr Collier is being replaced as Chairman by Dr Urwin, the accounts having been signed. Given the size and composition of the Board it is not felt necessary to appoint a Senior Independent Director. Mr Burrows, Mr Stobart and Dr Urwin are considered by the Board to be independent of the Company's Investment Manager; each of these Directors is independent in character and judgement, and there are no relationships, or circumstances which the Board considers likely to affect the judgement of the independent Directors.

In view of the requirement of the Company's 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. The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of services of any of the Company's Directors, including the Chairman, has been imposed. The Board has, however, put into place a policy whereby Directors who have served for nine years or more will be subject to annual re-election. The Company has no executive Directors or employees.

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.

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 Secretary and other appropriate persons. All Directors receive other relevant training as necessary. All appointments are subject to subsequent confirmation by shareholders.

The UK Corporate Governance 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 performance of the Chairman is evaluated by the other Directors. 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. The Board confirms that the performance of each of the Directors continues to be effective and demonstrates commitment to the role and recommends to shareholders the approval of Resolutions 6, 7 and 8 contained in the Notice of Annual General Meeting relating to those Directors seeking re-election, being Mr Collier, Ms Hansen and Dr Urwin.

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; however, this will 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 objective and is directly responsible for investment strategy 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.

	Board	TBd	AC	MEC
No of meetings	4	3	2	1
J M Collier	3	2	1	–
P Burrows*	–	–	–	–
S Hansen	4	1	2	1
W McLeland	4	–	2	1
E Stobart	4	–	2	1
R Urwin	4	–	2	1

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

* Mr Burrows was appointed as a Director on 16 September 2011.

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 an Investment Management Agreement with ICM, which provides portfolio monitoring, research and other investment management services to the Group. Under the terms of this Agreement, ICM procures the services of three employees.

The operation of custodial services has been delegated to JPMorgan Chase Bank and Bermuda Commercial Bank Limited 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 E Stobart, 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.utilico.bm.

The Audit Committee is comprised of the independent Directors of the Company 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 duties of the Audit Committee in discharging its responsibilities include reviewing the Annual and Interim Accounts, the system of internal controls and the terms of appointment of the auditor together with their remuneration. It also ensures that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditor. It provides a forum through which the auditor may report to the Board of Directors and meets at least twice yearly. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees. Such fees amounted to £27,000 for the year ended 30 June 2011 (2010: £38,000) and related principally to the share issue in January 2011 and to review activity; more details are included in Note 4. Notwithstanding such services the Audit Committee considers Grant Thornton UK LLP to be independent of the Group and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

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 Group. 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 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.

Auditor

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

The Audit Committee has reviewed the audit plan and findings of the work carried out by Grant Thornton UK LLP for the audit of the annual Accounts. On the basis of this and their experience in auditing the affairs of the Group, 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 auditor has 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.

Management Engagement Committee

The Board has appointed a Management Engagement Committee, chaired by Mr E Stobart, 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 at www.utilico.bm.

The Management Engagement Committee is comprised of the independent 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 system of internal controls for Utilico and UFL 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 Group 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 investment policy and restrictions under which the Investment Manager operates and Investment Manager 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 Investment Manager 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 Investment 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 2010, 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 Group.

The systems of internal controls are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, 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, whose controls are monitored by the Board and which include audit and risk assessment. 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.

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 at www.utilico.bm.

Shareholders wishing to communicate with the Chairman 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 72.

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 ensures that all Directors are made aware of the issues and concerns raised by shareholders. The Chairman and other Directors meet regularly with the major shareholders to discuss governance and strategy and to understand their issues and concerns. Proxy voting figures are announced to shareholders at the Annual General Meeting.

Corporate Governance, Socially Responsible Investment and Voting Policy

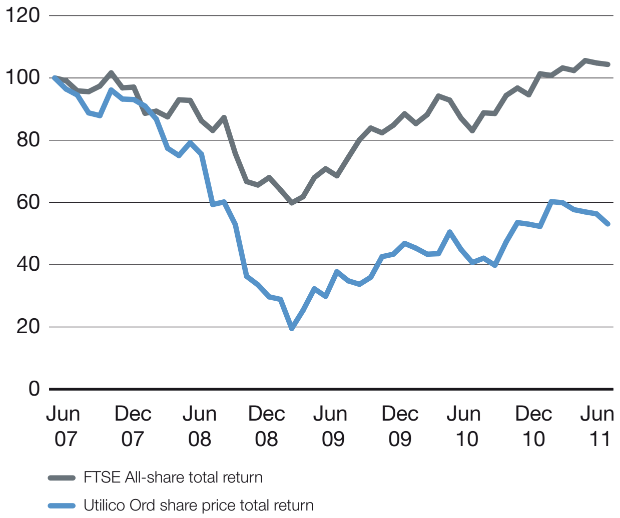
The Company has developed a policy on corporate governance, socially responsible investment and voting. The Company believes that the interests of its shareholders are served by investing in companies that adopt best practice in corporate governance and social responsibility. Where the Investment Manager 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.

The Boards of Utilico and UFL consist mainly of independent Directors and consider, at least annually or more frequently as required, the level of Directors' fees. The Company Secretary provides information on comparative levels of Directors' fees in advance of each review. There is no Remuneration Committee.

Utilico Share Price Total Return

from 20 June 2007 to 30 June 2011
(rebased 20 June 2007)



Source: Datastream

In light of the change in the investment mandate made in January 2011, the DJ World Utilities is no longer an appropriate benchmark for Utilico Investments. It has been decided to use the FTSE All-Share Index, due to the broad range of industries within its member companies.

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.

The Bye-Laws of Utilico and UFL 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 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.

None of the Directors has a service agreement, but each has signed a letter of appointment setting out the terms of their engagement as Directors.

In the year under review, the Chairman received a fee of £35,000 and the other Directors each received £25,000. The Chairman of the Audit Committee, Mr E Stobart, received an additional £7,500 for the year to 30 June 2011; this was to reflect the work undertaken by Mr E Stobart during the audit process.

Following a review, the Remuneration Committee concluded that, in view of the increased time commitment and escalating demands placed on the Board, Board fees should be increased by £2,500 to £27,500 and the Chairman's fee by £3,500 to £38,500 for the 2011/2012 year.

No Director has received any fees for services to the subsidiaries or special purpose entity.

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

	Fees for services to the Company	
Director	Year to 30 June 2011 £'000s	Year to 30 June 2010 £'000s
J M Collier (Chairman)	35	35
P Burrows[1]	–	–
S Hansen	25	25
W McLeland[2]	25	25
E Stobart[3]	33	33
R Urwin	25	25
Total	143	143

1. Appointed 16 September 2011.
2. Resigned 16 September 2011.
3. Mr E Stobart's fee includes £7,500 for being Chairman of the Audit Committee (2010: fees include £7,500 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 34).

By order of the Board
F&C Management Limited,
Secretary
23 September 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts of the Group and Company in accordance with applicable Bermuda law and IFRSs.

The Directors are required to prepare Group and Company accounts for each financial period which present fairly the financial position of the Group and the Company and the financial performance and cash flows of the Group and the Company for that period. In preparing those Group and Company 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 a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Group and Company accounts comply with Bermuda law. They are also responsible for safeguarding the assets of the Group and 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 profit of the Group and the Company, in accordance with IFRSs; the Chairman's Statement and Investment Manager's report includes a fair review of development and performance of the business; and the Report of the Directors contains a description of the principal risks and uncertainties that the Group and the Company face.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

The accounts are published on the Company's website, **www.utilico.bm**, the maintenance and integrity of which is the responsibility of the Company. The work carried out by the auditor does not involve consideration of the maintenance and integrity of the website and accordingly, the auditor accepts no responsibility for any changes that have occurred to 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 accounts may differ from legislation in their jurisdiction.

Approved by the Board on 23 September 2011 and signed on its behalf by:

J Michael Collier
Chairman

REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF UTILICO INVESTMENTS LIMITED

We have audited the accounts of Utilico Investments Limited for the year ended 30 June 2011 which comprise the Group and Utilico Investments Limited (Parent Company) statements of comprehensive income, the Group and Parent Company statements of changes in equity, the Group and Parent Company balance sheets, the Group and Parent Company cash flow statements and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In addition to our audit of the accounts, the Directors of Utilico Investments Limited have engaged us to report as to whether the information in the Directors' Remuneration Report, described as having been audited, has been properly prepared in accordance with the United Kingdom Companies Act 2006 and the related regulations, as if those requirements were to apply to the Parent Company.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 90(2) of the Companies Act 1981 of Bermuda. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 33, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information on pages ii to 33, to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion:

- the accounts give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2011 and of the Group's and Parent Company's profit for the year then ended; and
- the Group and Parent Company's accounts have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Group and Parent Company accounts have been prepared in accordance with the Companies Act 1981 of Bermuda.

Opinion on other matters

In our opinion the part of the Directors' Remuneration Report, which we were engaged to audit, has been properly prepared in accordance with the United Kingdom Companies Act 2006, as if those requirements were to apply to Utilico Investments Limited.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 25, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Grant Thornton UK LLP
Registered Auditor
London
23 September 2011

GROUP STATEMENT OF COMPREHENSIVE INCOME

Notes		Year to 30 June 2011			Year to 30 June 2010		
		Revenue return £'000s	Capital return £'000s	Total return £'000s	Revenue return £'000s	Capital return £'000s	Total return £'000s
11	Gains on investments	–	50,200	50,200	–	36,852	36,852
14	Losses on derivative instruments	–	(12,960)	(12,960)	–	(8,510)	(8,510)
	Exchange (losses)/gains	(1)	(1,594)	(1,595)	23	1,068	1,091
2	Investment and other income	11,935	43	11,978	13,758	–	13,758
	Total income	11,934	35,689	47,623	13,781	29,410	43,191
3	Management and administration fees	(1,796)	–	(1,796)	(1,573)	–	(1,573)
4	Other expenses	(1,085)	(13)	(1,098)	(819)	(22)	(841)
	Profit before finance costs and taxation	9,053	35,676	44,729	11,389	29,388	40,777
5	Finance costs	(1,962)	(11,602)	(13,564)	(1,356)	(10,764)	(12,120)
6	Loss on ZDP shares	–	–	–	–	(374)	(374)
	Profit before taxation	7,091	24,074	31,165	10,033	18,250	28,283
7	Taxation	(18)	–	(18)	(971)	–	(971)
	Profit for the year	7,073	24,074	31,147	9,062	18,250	27,312
8	**Earnings per ordinary share (basic) – pence**	7.65	26.05	33.70	10.49	21.13	31.62
8	**Earnings per ordinary share (diluted) – pence**	7.65	26.05	33.70	10.49	21.13	31.62

The total column of this statement represents the Group's Income Statement and the Group's Statement of Comprehensive Income, prepared in accordance with IFRS.

The supplementary revenue return and capital return are prepared under guidance published by the Association of Investment Companies in the UK.

The Group does not have any income or expense that is not included in the profit for the year, and therefore the 'profit for the year' is also the 'total comprehensive income for the year', as defined in International Accounting Standard 1 (revised).

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.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

Notes		Year to 30 June 2011 Revenue return £'000s	Year to 30 June 2011 Capital return £'000s	Year to 30 June 2011 Total return £'000s	Year to 30 June 2010 Revenue return £'000s	Year to 30 June 2010 Capital return £'000s	Year to 30 June 2010 Total return £'000s
11	Gains on investments	–	45,113	45,113	–	35,362	35,362
14	Losses on derivative instruments	–	(7,810)	(7,810)	–	(6,706)	(6,706)
	Exchange (losses)/gains	–	(1,626)	(1,626)	–	1,039	1,039
2	Investment and other income	11,928	43	11,971	13,756	–	13,756
	Total income	11,928	35,720	47,648	13,756	29,695	43,451
3	Management and administration fees	(1,796)	–	(1,796)	(1,573)	–	(1,573)
4	Other expenses	(1,053)	(13)	(1,066)	(772)	(22)	(794)
	Profit before finance costs and taxation	9,079	35,707	44,786	11,411	29,673	41,084
5	Finance costs	(2,028)	(11,602)	(13,630)	(1,356)	(10,838)	(12,194)
	Profit before taxation	7,051	24,105	31,156	10,055	18,835	28,890
7	Taxation	(9)	–	(9)	(972)	–	(972)
	Profit for the year	7,042	24,105	31,147	9,083	18,835	27,918
8	**Earnings per ordinary share (basic) – pence**	7.62	26.08	33.70	10.51	21.81	32.32
8	**Earnings per ordinary share (diluted) – pence**	7.62	26.08	33.70	10.51	21.81	32.32

The total column of this statement represents the Company's Income Statement and the Company's Statement of Comprehensive Income, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies in the UK.

The Company does not have any income or expense that is not included in the profit for the year, and therefore the 'profit for the year' is also the 'total comprehensive income for the year', as defined in International Accounting Standard 1 (revised).

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 30 June 2011

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special Reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2010	8,637	223,501	10,365	3,050	32,068	(138,218)	4,317	143,720
	Profit for the year	–	–	–	–	–	24,074	7,073	31,147
9	Ordinary dividends paid	–	–	–	–	–	–	(4,996)	(4,996)
	Conversion of warrants	–	2	–	(1)	1	–	–	2
	Transfer to special reserve	–	(223,501)	223,501	–	–	–	–	–
19	Issue of ordinary shares	1,356	30,867	–	–	–	–	–	32,223
	Issue costs of ordinary share capital	–	(619)	–	–	–	–	–	(619)
	Transfer on loss of control of subsidiary	–	–	–	–	–	311	(311)	–
	Balance at 30 June 2011	**9,993**	**30,250**	**233,866**	**3,049**	**32,069**	**(113,833)**	**6,083**	**201,477**

for the year to 30 June 2010

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special Reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2009	8,637	233,951	–	3,051	32,067	(156,168)	5,320	126,858
	Profit for the year	–	–	–	–	–	18,250	9,062	27,312
	Conversion of warrants	–	3	–	(1)	1	–	–	3
19	Bonus issue of ordinary shares	785	(785)	–	–	–	–	–	–
19	Ordinary shares repurchased by the Company	(785)	(9,580)	–	–	–	–	–	(10,365)
	Transfer on share issue and buyback	–	–	10,365	–	–	–	(10,365)	–
	Issue costs of ordinary share capital	–	(88)	–	–	–	–	–	(88)
	Transfer on loss of control of subsidiary	–	–	–	–	–	(300)	300	–
	Balance at 30 June 2010	8,637	223,501	10,365	3,050	32,068	(138,218)	4,317	143,720

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year to 30 June 2011

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special Reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2010	**8,637**	**223,501**	**10,365**	**3,050**	**32,068**	**(138,043)**	**4,142**	**143,720**
	Profit for the year	**–**	**–**	**–**	**–**	**–**	**24,105**	**7,042**	**31,147**
9	Ordinary dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(4,996)**	**(4,996)**
	Conversion of warrants	**–**	**2**	**–**	**(1)**	**1**	**–**	**–**	**2**
	Transfer to special reserve	**–**	**(223,501)**	**223,501**	**–**	**–**	**–**	**–**	**–**
19	Issue of ordinary shares	**1,356**	**30,867**	**–**	**–**	**–**	**–**	**–**	**32,223**
	Issue costs of ordinary share capital	**–**	**(619)**	**–**	**–**	**–**	**–**	**–**	**(619)**
	Balance at 30 June 2011	**9,993**	**30,250**	**233,866**	**3,049**	**32,069**	**(113,938)**	**6,188**	**201,477**

for the year to 30 June 2010

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special Reserve £'000s	Warrant reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2009	8,637	233,951	–	3,051	32,067	(156,878)	5,424	126,252
	Profit for the year	–	–	–	–	–	18,835	9,083	27,918
	Conversion of warrants	–	3	–	(1)	1	–	–	3
19	Bonus issue of ordinary shares	785	(785)	–	–	–	–	–	–
19	Ordinary shares repurchased by the Company	(785)	(9,580)	–	–	–	–	–	(10,365)
	Transfer on share issue and buyback	–	–	10,365	–	–	–	(10,365)	–
	Issue costs of ordinary share capital	–	(88)	–	–	–	–	–	(88)
	Balance at 30 June 2010	8,637	223,501	10,365	3,050	32,068	(138,043)	4,142	143,720

Notes	at 30 June	GROUP 2011 £'000s	GROUP 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
	Non-current assets				
11	Investments	**407,560**	321,708	**408,005**	328,107
	Current assets				
13	Other receivables	**1,623**	1,615	**1,623**	1,566
14	Derivative financial instruments	**1,625**	6,368	**1,251**	1,235
	Cash and cash equivalents	**1,293**	6,495	**1,206**	6,362
		4,541	14,478	**4,080**	9,163
	Current liabilities				
15	Loans	**(3,555)**	(29,320)	**(3,555)**	(29,320)
16	Other payables	**(1,362)**	(1,000)	**(174,108)**	(163,878)
14	Derivative financial instruments	**(2,002)**	(986)	**(2,002)**	(352)
		(6,919)	(31,306)	**(179,665)**	(193,550)
	Net current liabilities	**(2,378)**	(16,828)	**(175,585)**	(184,387)
	Total assets less current liabilities	**405,182**	304,880	**232,420**	143,720
	Non-current liabilities				
17	Bank loans	**(30,943)**	–	**(30,943)**	–
18	Zero dividend preference shares	**(172,762)**	(161,160)	**–**	–
	Net assets	**201,477**	143,720	**201,477**	143,720
	Equity attributable to equity holders				
19	Ordinary share capital	**9,993**	8,637	**9,993**	8,637
20	Share premium account	**30,250**	223,501	**30,250**	223,501
21	Special reserve	**233,866**	10,365	**233,866**	10,365
22	Warrant reserve	**3,049**	3,050	**3,049**	3,050
23	Non-distributable reserve	**32,069**	32,068	**32,069**	32,068
24	Capital reserves	**(113,833)**	(138,218)	**(113,938)**	(138,043)
25	Revenue reserve	**6,083**	4,317	**6,188**	4,142
	Total attributable to equity holders	**201,477**	143,720	**201,477**	143,720
26	**Net asset value per ordinary share**				
	Basic – pence	**201.63**	166.39	**201.63**	166.39

Approved by the Board on 23 September 2011 and signed on its behalf by

J Michael Collier Eric Stobart

CASH FLOW STATEMENTS

Notes	year to 30 June	GROUP 2011 £'000s	GROUP restated (see note 31) 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
27	Cash flows from operating activities	**(3,919)**	(5,909)	**(3,874)**	(925)
	Cash flows from investing activities	**–**	–	**–**	–
	Cash flows before financing activities	**(3,919)**	(5,909)	**(3,874)**	(925)
	Financing activities				
	Equity dividends paid	**(4,996)**	–	**(4,996)**	–
	Movements on loans	**1,758**	11,567	**1,758**	11,567
	Cash flows from ZDP shares	**–**	4,948	**–**	–
	Proceeds from warrants exercised	**2**	3	**2**	3
	Proceeds from issue of ordinary shares	**126**	–	**126**	–
	Cost of share buy back	**–**	(10,452)	**–**	(10,452)
	Cash flows from financing activities	**(3,110)**	6,066	**(3,110)**	1,118
	Net (decrease)/increase in cash and cash equivalents	**(7,029)**	157	**(6,984)**	193
	Cash and cash equivalents at the beginning of the year	**6,495**	4,496	**6,362**	4,355
	Effect of movement in foreign exchange	**1,827**	1,842	**1,828**	1,814
	Cash and cash equivalents at the end of the year	**1,293**	6,495	**1,206**	6,362

1. ACCOUNTING POLICIES

The Company is an investment company incorporated in Bermuda and quoted on The London Stock Exchange. The Company commenced trading on 20 June 2007.

The consolidated Accounts comprise the results of the Company and its subsidiary, Utilico Finance Limited ("UFL"), its special purpose entity, Global Equity Risk Protection Limited ("GERP") and Utilico NZ Limited ("UNZL") a subsidiary of Utilico until 28 February 2011 when UNZL was sold, (together referred to as the "Group") (2010: UFL, GERP and UNZL). Details of the subsidiary and special purpose entity are included in note 12 to the Accounts. The Group is engaged in a single segment of business, focusing on maximising shareholder returns by identifying and investing in investments when the underlying value is not reflected in the market price.

(a) Basis of accounting

The Accounts have been prepared in accordance with IFRSs, 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.

There have been no significant changes to the accounting policies during the year to 30 June 2011.

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

Where presentational recommendations set out in the revised 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 and listed in the United Kingdom.

In accordance with the SORP, the Statement of Comprehensive Income 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 note 1(j) and 1(k). Net revenue returns are allocated via the revenue return to the Revenue Reserve, out of which dividends are payable.

Capital returns include, but are not limited to, profits and losses on the disposal and the valuation of non-current investments and derivative instruments and on cash and borrowings. 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
Amendments to IAS 24 – Related Party Disclosures	1 January 2011
IFRS 9 Financial Instruments	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 27 (Revised), Separate Financial Statements	1 January 2013
IAS 28 (Revised), Investments in Associates and Joint Ventures	1 January 2013
Disclosures – Transfers of Financial Assets - Amendments to IFRS 7	1 July 2011
Presentation of Items of Other Comprehensive Income – Amendments to IAS 1	1 July 2012
IASB Improvements project	Remaining changes effective 1 January 2011

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 Group's Accounts in the period of initial application.

In the process of applying the Group's accounting policies, judgements relating to investments have had the most significant effect on the amounts recognised in the Accounts, and details of those judgements are set out in accounting policy 1(d).

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(d).

1. ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

The consolidated Accounts include the Accounts of the Company, its subsidiary undertakings and its special purpose entity. All intra group transactions, balances, income and expenses are eliminated on consolidation. Associate undertakings held as part of the investment portfolio (see 1(d) 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 IAS39 Financial Instruments: Recognition and Measurement.

(c) Financial instruments

Financial Instruments include non current assets, derivative assets and liabilities, and long-term debt instruments. For those financial instruments carried at fair value, accounting standards recognise a hierarchy of fair value measurements for Financial Instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of Instruments depends on the lowest significant applicable input, as follows:

Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on any recognised stock exchange or quoted on any secondary market.

Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such Instruments would be those for which the quoted price has been recently suspended, forward exchange contracts and certain other derivative instruments.

Level 3 – External inputs are unobservable. Value is the Directors' best estimate of fair value, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar Instrument. Included in Level 3 are investments in private companies or securities, whether invested in directly or through pooled Private Equity vehicles.

(d) Valuation of investments and derivative financial instruments held at fair value through profit or loss

Investment purchases and sales are accounted for on the trade date, inclusive of transaction costs. As the Group'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. The Company accounts for its subsidiaries and special purpose entity as investment holdings at cost less impairment.

The gains and losses on investments and derivatives are analysed within the Statement of Comprehensive Income as they arise, as capital return. Quoted investments are shown at fair value using bid market prices. The fair value of unquoted investments is determined by the Board. The Board makes use of recognised valuation techniques and takes into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors.

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

(e) Cash and cash equivalents

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

(f) Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. No debt instruments held during the year required hierarchical classification.

Finance charges, including interest, are accrued using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year. See 1(k) below for allocation of finance charges between revenue and capital return within the Statement of Comprehensive Income.

(g) Zero dividend preference shares

The ZDP shares, due to redeem in 2012, 2014 and 2016 at a redemption value of 177.52 pence per share, 167.60 pence per share and 192.78 pence per share respectively, have been classified as liabilities, as they represent an obligation on behalf of the Group to deliver to their holders a fixed and determinable amount at the redemption date. They are accordingly accounted for at amortised cost, using the effective interest method. ZDP shares held by the Company are deemed cancelled for Group purposes.

1. ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency

The functional and reporting currency is pounds Sterling because that is the currency the Group operates in and is the currency most relevant to the Company's shareholders. 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 Statement of Comprehensive Income and analysed as capital or revenue as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates. The Statement of Comprehensive Income and Cash Flow Statement of the overseas subsidiaries are translated at weighted average rates of exchange for the relevant reporting period, other than material exceptional items which are translated at the rate on the date of the transaction and assets and liabilities are translated at exchange rates prevailing at the relevant balance sheet date.

(i) Investment and other income

Dividends receivable are brought into the Statement of Comprehensive Income and analysed as revenue return (except where, in the opinion of the Directors, their nature indicates they should be recognised as capital) on the ex-dividend date or, where no ex-dividend date is quoted, when the Group's right to receive payment is established.

Where the Group or 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 recognised as revenue return. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital return.

Interest on debt securities is accrued on a time basis using the effective interest applicable. Bank and short-term deposit interest is recognised on an earned basis. These are brought into the Statement of Comprehensive Income and analysed as revenue returns.

(j) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Statement of Comprehensive Income and analysed under revenue return except for those expenses incidental to the acquisition or disposal of investments and performance related advisory fees (calculated under the terms of the management agreement), which are analysed under the capital return, as the Directors believe such fees arise from capital performance.

(k) Finance costs

Finance costs are accounted for using the effective interest basis, recognised through the Statement of Comprehensive Income and analysed under the revenue return except those financial costs of the ZDP shares which are analysed under the capital return.

(l) Dividends payable

Dividends paid by the Company are accounted for in the year in which the Company is liable to pay them. Dividends paid are reflected in the Statement of Changes in Equity. Under Bermuda Law, the Company is unable to pay dividends unless it has revenue and other reserves (excluding share capital and share premium) which together are positive in value.

(m) Capital reserves

The following items are allocated to capital reserves:

Capital reserve – arising on investments sold

- gains and losses on the disposal of investments and derivative instruments
- exchange differences of a capital nature
- expenses allocated in accordance with notes 1(j) and 1(k) together with any associated tax relief

Capital reserve – arising on investments held

- increases and decreases in the valuation of investments held at the year end

2. INVESTMENT AND OTHER INCOME

GROUP	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Investment income:						
Dividends	9,074	–	9,074	10,693	–	10,693
Interest	2,850	–	2,850	2,821	–	2,821
	11,924	–	11,924	13,514	–	13,514
Other income						
Interest on cash and short-term deposits	11	–	11	9	–	9
Underwriting commission	–	–	–	235	–	235
Liquidation distribution from Utilico Investment Trust plc ("UIT")	–	43	43	–	–	–
Total income	11,935	43	11,978	13,758	–	13,758
Total income comprises:						
Dividends	9,074	–	9,074	10,693	–	10,693
Interest from investments	2,850	–	2,850	2,821	–	2,821
Other income	11	43	54	244	–	244
	11,935	43	11,978	13,758	–	13,758

COMPANY	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Investment income:						
Dividends	9,074	–	9,074	10,693	–	10,693
Interest	2,850	–	2,850	2,821	–	2,821
	11,924	–	11,924	13,514	–	13,514
Other income						
Interest on cash and short-term deposits	4	–	4	7	–	7
Underwriting commission	–	–	–	235	–	235
Liquidation distribution from Utilico Investment Trust plc ("UIT")	–	43	43	–	–	–
Total income	11,928	43	11,971	13,756	–	13,756
Total income comprises:						
Dividends	9,074	–	9,074	10,693	–	10,693
Interest from investments	2,850	–	2,850	2,821	–	2,821
Other income	4	43	47	242	–	242
	11,928	43	11,971	13,756	–	13,756

3. MANAGEMENT AND ADMINISTRATION FEES

GROUP AND COMPANY	2011 Revenue £'000s	2011 Capital £'000s	2011 Total £'000s	2010 Revenue £'000s	2010 Capital £'000s	2010 Total £'000s
Management fees	**1,501**	**–**	**1,501**	1,278	–	1,278
F&C Management Limited – administration fee	**295**	**–**	**295**	295	–	295
	1,796	**–**	**1,796**	1,573	–	1,573

Management fee

The Company agreed with Ingot Capital Management Pty Limited ("ICM Pty") on 22 September 2010 for investment management services to the Company to be provided by ICM Limited (the "Investment Manager" or "ICM"), an associated company of ICM Pty, with effect from 22 September 2010. This change has had no impact on the Company since there were no changes to the terms of the investment management agreement or investment management personnel.

ICM is appointed as investment manager for which it is entitled to a management fee and a performance fee. The management fee of 0.5% per annum is based on total assets less current liabilities (excluding borrowings and excluding the value of all holdings in companies managed or advised by the Investment Manager or any of its subsidiaries), payable semi-annually in arrears. The agreement with ICM may be terminated upon one year's notice given by the Company and not less than six months notice given by ICM.

Included within the fees of £1,501,000 (2010: £1,278,000) paid to ICM is £99,000 (2010: £101,000) salary and PAYE costs relating to full time employees of the Company. These costs were deducted from the management fee payable by the Company to ICM. The average number of employees of the Company in the year was three.

In addition, ICM is entitled to a performance fee payable in respect of each financial period, equal to 15% of the amount by which the Company's net asset value attributable to the holders of ordinary shares, outperforms the real after tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years index during the period. The opening equity funds for calculation of the performance fee are the higher of the equity funds on the last day of a calculation period in respect of which a performance fee was last paid and the equity funds on the last day of the previous calculation period increased by the real percentage yield on the reference index during the calculation period. A performance fee was last paid in respect of the 12 month period to 30 June 2007. As at that date the Equity holder's funds were £279.0m. In calculating any performance fee payable, the holding in UEM is removed from the calculation in order that any such fee is charged solely on the performance of the portfolio excluding the investment in UEM. For the year to 30 June 2011 the attributable shareholders' funds were below the high watermark and therefore no performance fee is payable.

Administration fee

F&C provides accounting, secretarial, dealing and administration services to the Company for a fixed fee of £295,000 per annum, payable monthly in arrears. The agreement with F&C may be terminated upon six months' notice given by either party in writing.

4. OTHER EXPENSES

GROUP	2011 Revenue £'000s	2011 Capital £'000s	2011 Total £'000s	2010 Revenue £'000s	2010 Capital £'000s	2010 Total £'000s
Auditor's remuneration:						
– for audit services	**62**	**–**	**62**	84	–	84
– for other services*	**7**	**–**	**7**	38	–	38
Directors' fees:						–
– fees for services to the Company (see Directors' Remuneration Report on page 32)	**143**	**–**	**143**	143	–	143
Directors' travel expenses	**147**	**–**	**147**	113	–	113
Professional and legal fees	**311**	**–**	**311**	93	–	93
Sundry expenses	**415**	**13**	**428**	348	22	370
	1,085	**13**	**1,098**	819	22	841

4. OTHER EXPENSES (CONTINUED)

COMPANY	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Auditor's remuneration:						
– for audit services	58	–	58	71	–	71
– for other services*	7	–	7	38	–	38
Directors' fees:						–
– fees for services to the Company (see Directors' Remuneration Report on page 32)	143	–	143	143	–	143
Directors' travel expenses	147	–	147	113	–	113
Professional and legal fees	311	–	311	93	–	93
Sundry expenses	387	13	400	314	22	336
	1,053	13	1,066	772	22	794

* Total Auditor's remuneration for other services amounts to £27,000. £7,000 was for reviewing interim statements and loan covenants and £20,000 was charged to share premium account in connection with the share issue on 18 January 2011 (2010: £38,000 for reviewing interim statements, loan covenants. warrant conversion, unquoted investments and internal procedures).

Auditor's remuneration in respect of the subsidiaries for audit services amounts to £7,000 of which £7,000 was paid by the Company (2010: £16,000 of which £7,000 was paid by the Company) and for the special purpose entity £4,000 (2010: £5,000).

5. FINANCE COSTS

GROUP	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Loans and bank overdrafts	1,962	–	1,962	1,356	–	1,356
ZDP shares	–	11,602	11,602	–	10,764	10,764
	1,962	11,602	13,564	1,356	10,764	12,120

COMPANY	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Loans and bank overdrafts	1,962	–	1,962	1,356	–	1,356
Intra-group loans	66	11,602	11,668	–	10,838	10,838
	2,028	11,602	13,630	1,356	10,838	12,194

6. LOSS ON ZDP SHARES

GROUP	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Loss on 2016 ZDP shares sold as an investment by the Company	–	–	–	–	(374)	(374)

7. TAXATION

GROUP	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Overseas taxation	**(18)**	**–**	**(18)**	(971)	–	(971)

COMPANY	Revenue £'000s	Capital £'000s	2011 Total £'000s	Revenue £'000s	Capital £'000s	2010 Total £'000s
Overseas taxation	**(9)**	**–**	**(9)**	(972)	–	(972)

Taxation suffered on income in UNZL is New Zealand income tax. Profits of the Company and subsidiaries for the year are not subject otherwise to any other taxation within their countries of residence.

8. EARNINGS PER ORDINARY SHARE

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

	GROUP 2011 £'000s	GROUP 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
Revenue	**7,073**	9,062	**7,042**	9,083
Capital	**24,074**	18,250	**24,105**	18,835
Total	**31,147**	27,312	**31,147**	27,918
	Number	Number	**Number**	Number
Weighted average number of shares in issue during the year for basic earnings per share calculations	**92,425,809**	86,373,529	**92,425,809**	86,373,529

Diluted earnings per ordinary share

Diluted earnings per share have been calculated in accordance with IAS 33 "Earnings per share", under which the Company's warrants 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 warrant holders would have received on exercise as compared with the number of ordinary shares which the subscription proceeds would have purchased in the open market:

GROUP AND COMPANY	2011 Number	2010 Number
Weighted average number of shares in issue during the year for basic earnings per share calculations	**92,425,809**	86,373,529
Dilutive potential shares	**–**	–
Weighted average number of shares for diluted earnings per share calculations	**92,425,809**	86,373,529

9. DIVIDENDS

GROUP AND COMPANY	Record date	Payment date	2011 £'000s	2010 £'000s
2011 Interim of 3.25p	25 March 2011	26 April 2011	3,247	–
2011 Special of 1.75p	25 March 2011	26 April 2011	1,749	–
			4,996	–

The Directors have declared a final dividend of 3.25p per ordinary share in respect of the year ended 30 June 2011 payable on 28 October 2011 to all ordinary shareholders on the register at close of business on 7 October 2011. The total cost of the dividend which has not been accrued in the results for the year to 30 June 2011, is £3,248,000 based on 99,926,452 ordinary shares in issue at the date of this report.

10. TRANSFER ON LOSS OF CONTROL OF SUBSIDIARY

			2011			2010
GROUP	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Reclassification of previous intra-group transactions on derecognition of control of Utilico NZ Limited (2010: UEM Holdings Limited) (see note 12)	(311)	311	–	300	(300)	–

11. INVESTMENTS

				2011				2010
GROUP	Level 1 £'000s	Level 2* £'000s	Level 3 £'000s	Total £'000s	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Investments brought forward								
Cost	350,325	669	66,737	417,731	339,094	669	70,552	410,315
Losses	(67,789)	(669)	(27,565)	(96,023)	(107,838)	(669)	(20,777)	(129,284)
Valuation bought forward	282,536	–	39,172	321,708	231,256	–	49,775	281,031
Movements in the year:								
Purchases at cost	71,256	–	13,867	85,123	33,314	–	12,852	46,166
Transfer from level 3**	–	–	–	–	4,909	–	(4,909)	–
Sales								
– proceeds	(26,733)	–	(22,738)	(49,471)	(27,917)	–	(14,424)	(42,341)
– realised net (losses)/gains on sales	(22,888)	–	(2,528)	(25,416)	925	–	2,666	3,591
Gains/(losses) on investments held at year end	72,728	–	2,888	75,616	40,049	–	(6,788)	33,261
Valuation at 30 June	376,899	–	30,661	407,560	282,536	–	39,172	321,708
Analysed at 30 June								
Cost	371,960	–	56,007	427,967	350,325	669	66,737	417,731
Gains/(losses)	4,939	–	(25,346)	(20,407)	(67,789)	(669)	(27,565)	(96,023)
Valuation	376,899	–	30,661	407,560	282,536	–	39,172	321,708

*Transferred to level 3 (at nil value).
**2010: The Company converted an unquoted loan note to a quoted loan note in the year.

Level 1 includes investments listed on any recognised stock exchange or quoted on any secondary market.

Level 2 includes investments for which the quoted price has been recently suspended.

Level 3 includes investments in private companies, and other unquoted securities.

11. INVESTMENTS (CONTINUED)

COMPANY	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2011 Total £'000s	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2010 Total £'000s
Investments brought forward								
Cost	330,458	6,935	90,988	428,381	322,741	2,896	93,651	419,288
Losses	(47,922)	(2,317)	(50,035)	(100,274)	(86,975)	(509)	(43,405)	(130,889)
Valuation bought forward	282,536	4,618	40,953	328,107	235,766	2,387	50,246	288,399
Movements in the year:								
Purchases at cost	71,256	1,003	13,867	86,126	33,591	4,039	14,005	51,635
Transfer from Level 3*	–	–	–	–	4,909	–	(4,909)	–
Sales								
– proceeds	(26,733)	–	(24,608)	(51,341)	(32,865)	–	(14,424)	(47,289)
– realised net (losses)/gains on sales	(3,021)	–	(24,909)	(27,930)	2,081	–	2,666	4,747
Gains/(losses) on investments held at year end	52,861	(5,176)	25,358	73,043	39,053	(1,808)	(6,630)	30,615
Valuation at 30 June	376,899	445	30,661	408,005	282,536	4,618	40,953	328,107
Analysed at 30 June								
Cost	371,960	7,269	56,007	435,236	330,458	6,935	90,988	428,381
Gains/(losses)	4,939	(6,824)	(25,346)	(27,231)	(47,922)	(2,317)	(50,035)	(100,274)
Valuation	376,899	445	30,661	408,005	282,536	4,618	40,953	328,107

*2010: The Company converted an unquoted loan note to a quoted loan note in the year.

Level 1 includes investments listed on any recognised stock exchange or quoted on any secondary market.

Level 2 includes investments for which the quoted price has been recently suspended.

Level 3 includes investments in private companies, and other unquoted securities.

Gains on investments

	GROUP 2011 £'000s	GROUP 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
Losses/(gains) on investments sold	(25,416)	3,591	(27,930)	4,747
Gains on investments held	75,616	33,261	73,043	30,615
Total gains on investments	50,200	36,852	45,113	35,362

11. INVESTMENTS (CONTINUED)

Associate undertakings

The associate undertakings are held as part of the investment portfolio and consequently, in accordance with IAS28, are not accounted for in the Group accounts using the equity method of accounting.

The Company had the following associate undertakings at 30 June 2011:

	AK Jensen Group Limited *("AK Jensen")*[1]	Bermuda Commercial Bank Limited *("BCB")*[2]	Newtel Holdings Limited *("Newtel")*[3]	OneLink Holdings Pty. Ltd. *("OneLink")*[4]	Renewable Energy Generation Limited *("REG")*[5]	Renewable Energy Holdings plc *("REH")*[6]	Sasial Vehicle Technologies Limited *("Sasial")*[7]	Utilico Emerging Markets Limited *("UEM")*[8]	Videlli Ltd *("Videlli")*[9]	Vix Technology Pty Ltd *("Vix Australia")*[10]	Vix Technology Pty Limited *("Vix Bermuda")*[11]
Country of registration and incorporation	Bermuda	Bermuda	Jersey	Australia	Jersey	Isle of Man	Cyprus	Bermuda	Australia	Australia	Bermuda
Region of operations	Europe	Bermuda	Jersey	Australia	UK	Europe	Europe	Emerging Markets	Australia	Australia	Europe
Number of ordinary shares held	17,497,410	2,264,001	18,667	1,366,800	21,973,682	19,987,092	460	59,259,303	205,244,617	44,327,352	3,981
Percentage of ordinary shares held	49.0%	34.0%	14.6%	34.0%	21.3%	28.7%	23.0%	27.5%	24.0%	39.8%	39.8%
Income from associate undertaking included in the revenue account of the Group ('000s)	–	–	–	–	–	–	–	–	–	–	–
Value of interest in associated undertaking included in the balance sheet of the Group ('000s)	£2,725	£15,160	£18,667	£756	£10,163	£2,998	£1,000	£97,333	–	£10,057	£5,654[12]
Financial Summary											
Gross assets ('000s)	US$14,410	BM$409,657	£3,785	A$17,452	£81,049	£30,790	€471	£407,424	n/a	A$111,654	BM$9,158
Gross liabilities ('000s)	US$2,346	BM$334,702	£8,257	A$11,484	£4,589	£3,126	€1,992	£24,273	n/a	A$2,005	BM$9,174
Gross revenues ('000s)	US$11,384	BM$10,434	£4,129	A$46,212	£6,196	–	€750	£79,702	n/a	A$123	–
Net profit/Loss before tax ('000s)	(US$2,616)	BM$1,180	(£1,095)	A$1,762	£1,951	(£6,869)	€209	£68,347	n/a	(A$393)	(BM$10)
Share of taxation charge ('000s)	(US$4)	–	–	(A$180)	£508	£640	(€8)	(£476)	n/a	n/a	n/a
Share of retained profits/(losses) ('000s)	(US$1,286)	BM$401	(£159)	A$419	£524	(£1,788)	(£48)	£18,046	n/a	(A$156)	(BM$4)
Share of net assets/(liabilities) ('000s)	US$5,911	BM$25,485	(£653)	A$2,029	£16,286	£7,940	(£350)	£103,834	n/a	A$43,644	(BM$6)

(1) Financials based on the latest AK Jensen accounts for the year to 31 December 2010 – shares held are non voting
(2) Financials based on the latest BCB accounts for the year to 30 September 2010
(3) Financials based on the latest Newtel management accounts for the year to 31 December 2010 – Newtel is considered an associate, despite the ordinary share holding being below 20%, due to holdings in convertible notes which if converted would result in a shareholding above 20%
(4) Financials based on the latest OneLink accounts for the year to 30 June 2010
(5) Financials based on the latest REG accounts for the year to 30 June 2010
(6) Financials based on the latest REH accounts for the year to 31 December 2010
(7) Financials based on the latest Sasial accounts for the year to 31 December 2010
(8) Financials based on the latest UEM accounts for the year to 31 March 2011
(9) Videlli does not produce statutory accounts
(10) Financials based on the latest Vix Australia management accounts for the year to 30 June 2011
(11) Financials based on the latest Vix Bermuda management accounts for the year to 30 June 2011
(12) Value is holding of a loan note.

11. INVESTMENTS (CONTINUED)

Transactions with Associate Undertakings

AK Jensen	13,841,096 shares issued on conversion of convertible loan 12,200,000 shares purchased at a cost of US$4,000,000 8,895,559 shares sold to Polycrest
BCB	Exercise of 75,187 call options at a cost of BM$376,000 Purchase of 942,750 shares from Eclectic Investment Company plc ("Eclectic") BM$9,286,000 Purchase of 125,313 $5.70 31/12/12 call options at a cost of BM$520,000 from Eclectic Purchase of 100,250 $7.05 30/12/11 call options at a cost of BM$280,000 from Eclectic Conversion of PIL loan into 1,246,064 ordinary shares in BCB
Newtel	Purchase of 151,166 series 1 loan notes at a cost of £47,000 Purchase of 340,124 series 2 loan notes at a cost of £100,000 Purchase of 222,563 loan notes at a cost of £57,000 Loan from Newtel to Utilico of £600,000
OneLink	During the year OneLink returned capital of A$3,022,000
REG	No transactions
REH	No transactions
Sasial	No transactions
UEM	Sale of 2,187,204 S shares for proceeds of £700,000 Sale of 2,812,796 warrants for proceeds of £975,000 Exercise of 7,475,879 warrants into ordinary shares
Videlli	No transactions
Vix – Australia	Capital returned of A$11,694,000 Additional loans of A$1,155,000 and £800,000 advanced to subsidiaries of Vix – Australia and fully repaid during the year
Vix – Bermuda	On 30 June 2011, the Company sold certain of its unlisted assets at their fair value of A$8.5m to Vix – Bermuda in return for a loan note with a value of AS$8.5m which will not accrue interest. As part of the terms of the consideration, the Company will retain a call option to repurchase any of the assets sold to Vix – Bermuda at the sale price plus a premium of 10% per annum from the date of the sale to the date of any repurchase

Significant interests

The Group at 30 June 2011 had a holding of 3% or more of any class of share capital of the following undertakings, which are material in the context of the accounts:

Undertaking	Country of registration and incorporation	Class of instrument held	% of class of instrument held
Jersey Electricity plc	Jersey	A shares*	46.1%
Infratil Limited	New Zealand	Ordinary shares	18.7%
Infratil Limited	New Zealand	2012 warrants	17.5%
Keytech Limited	Bermuda	Ordinary shares	14.6%
Resolute Mining Limited	Australia	Ordinary shares	10.2%
Ascendant Group Limited	Bermuda	Ordinary shares	7.7%

*Represents 17.5% of total share capital and 5.0% of the voting rights of the company.

12. SUBSIDIARY UNDERTAKINGS INCLUDING SPECIAL PURPOSE ENTITY

The following were subsidiary undertakings of the Company at 30 June 2011 and 30 June 2010.

	Country of operation, registration and incorporation	Number & class of shares held	Holdings & voting rights %
Utilico Finance Limited	Bermuda	10 ordinary shares of 10p nil paid share	100

The subsidiary was incorporated, and commenced trading, on 17 January 2007 to carry on business as an investment company.

The Company holds 3,920 Class A shares linked to a segregated account in GERP, an unquoted Bermuda segregated accounts company incorporated on 4 May 2006. The segregated account, which is structured as the Bermuda law equivalent of a protected cell, exists for the sole purpose of carrying out derivative transactions on behalf of the Company. The holding represents 100% of the issued Class A shares, and on 27 November 2010 the voting rights of the shares were removed (2010: represented 19.9% of the voting rights of GERP). Under the IASB's interpretation SIC-12 the segregated account in GERP, represented by the A 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)).

At 30 June 2010 the Company held 1,000,001 ordinary shares of NZ$1 each representing 100% of the issued shares and voting rights in Utilico NZ Limited. The subsidiary was incorporated in New Zealand and commenced trading on 9 September 2004 to carry on business as an investment company. On 28 February 2011 the Company sold all the ordinary shares held to a third party at net asset value.

13. OTHER RECEIVABLES

		GROUP		COMPANY
	2011 £'000s	2010 £'000s	**2011 £'000s**	2010 £'000s
Accrued income	**259**	626	**259**	626
Other debtors	**1,364**	989	**1,364**	940
	1,623	1,615	**1,623**	1,566

14. DERIVATIVE FINANCIAL INSTRUMENTS

GROUP	**Current assets £'000s**	**Current liabilities £'000s**	**2011 Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	2010 Net current assets/ (liabilities) £'000s
Forward foreign exchange contracts – GBP/NZD	**–**	**(987)**	**(987)**	605	–	605
Forward foreign exchange contracts – USD/NZD	**–**	**(90)**	**(90)**	–	(82)	(82)
Forward foreign exchange contracts – GBP/USD	**–**	**(381)**	**(381)**	89	–	89
Forward foreign exchange contracts – GBP/EUR	**–**	**(119)**	**(119)**	–	–	–
Forward foreign exchange contracts – AUD/EUR	**–**	**–**	**–**	–	(30)	(30)
Forward foreign exchange contracts – USD/EUR	**–**	**–**	**–**	6	–	6
Forward foreign exchange contracts – GBP/AUD	**–**	**(425)**	**(425)**	535	–	535
Forward foreign exchange contracts – USD/AUD	**–**	**–**	**–**	–	(47)	(47)
Total forward foreign exchange contracts	**–**	**(2,002)**	**(2,002)**	1,235	(159)	1,076
Call options – Bermuda Commercial Bank Limited	**1,251**	**–**	**1,251**	–	–	–
Call options – Ebet Limited	**374**	**–**	**374**	–	–	–
S&P futures and options – USD	**–**	**–**	**–**	5,133	(634)	4,499
Interest rate SWAPs – USD	**–**	**–**	**–**	–	(193)	(193)
Total derivative financial instruments	**1,625**	**(2,002)**	**(377)**	6,368	(986)	5,382

Classified (see note 1(c)) as:	**£'000s**	£'000s
Level 1	**–**	4,499
Level 2	**(377)**	883
	(377)	5,382

COMPANY	**Current assets £'000s**	**Current liabilities £'000s**	**2011 Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	2010 Net current assets/ (liabilities) £'000s
Forward foreign exchange contracts – GBP/NZD	**–**	**(987)**	**(987)**	605	–	605
Forward foreign exchange contracts – USD/NZD	**–**	**(90)**	**(90)**	–	(82)	(82)
Forward foreign exchange contracts – GBP/USD	**–**	**(381)**	**(381)**	89	–	89
Forward foreign exchange contracts – GBP/EUR	**–**	**(119)**	**(119)**	–	–	–
Forward foreign exchange contracts – AUD/EUR	**–**	**–**	**–**	–	(30)	(30)
Forward foreign exchange contracts – USD/EUR	**–**	**–**	**–**	6	–	6
Forward foreign exchange contracts – GBP/AUD	**–**	**(425)**	**(425)**	535	–	535
Forward foreign exchange contracts – USD/AUD	**–**	**–**	**–**	–	(47)	(47)
Total forward foreign exchange contracts	**–**	**(2,002)**	**(2,002)**	1,235	(159)	1,076
Call options – Bermuda Commercial Bank Limited	**1,251**	**–**	**1,251**			
Interest rate SWAPs – USD	**–**	**–**	**–**	–	(193)	(193)
Total derivative financial instruments	**1,251**	**(2,002)**	**(751)**	1,235	(352)	883

The above derivatives are classified as level 2 as defined in note 1(c).

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Changes in derivatives

Total net current derivative financial instruments are as follows:

	GROUP 2011 £'000s	GROUP 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
Valuation brought forward	**5,382**	1,069	**883**	(1,242)
Net acquisitions	**9,162**	19,073	**1,055**	–
Settlements	**(1,961)**	(6,250)	**5,121**	8,831
Losses	**(12,960)**	(8,510)	**(7,810)**	(6,706)
Valuation carried forward	**(377)**	5,382	**(751)**	883

15. LOANS – CURRENT LIABILITIES

GROUP AND COMPANY	30 June 2011 £'000s	30 June 2010 £'000s
Newtel Holdings Limited Loan	**600**	–
OneLink Holdings Pty. Ltd. Loan	**2,955**	–
Bank loans		
NZ$50.954 million repaid November 2010	**–**	23,420
£5.900 million repaid November 2010	**–**	5,900
	3,555	29,320

Newtel has loaned £0.6m to Utilico with the right to repayment of the loan within seven days of requesting the funds. Interest is charged at the same rate that Newtel receives interest on their bank deposit account. The loan has no maturity date.

OneLink has loaned A$4,432,000 to Utilico. This loan is repayable on 7 April 2012 and bears interest at the cash rate applied by Australian and New Zealand Banking Group Limited to money market deposits as advised by the lender to the borrower in writing from time to time.

16. OTHER PAYABLES

	GROUP 2011 £'000s	GROUP 2010 £'000s	COMPANY 2011 £'000s	COMPANY 2010 £'000s
Accrued finance costs	**16**	169	**16**	169
Intra-group loans	**–**	–	**172,762**	162,904
Accrued expenses	**1,346**	831	**1,330**	805
	1,362	1,000	**174,108**	163,878

17. BANK LOANS – NON CURRENT LIABILITIES

GROUP AND COMPANY	2011 £'000s	2010 £'000s
NZ$60.150m repayable March 2013	**30,943**	–

The Company has a committed loan facility of £30,000,000 from ScotiaBank Europe PLC ("Scotia") which expires on 21 March 2013 (2010: £30,000,000 from Royal Bank of Scotland which expired on 29 November 2010). 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.

Scotia has a floating rate charge over the assets of the Company in respect of amounts owing under the loan facility.

18. ZERO DIVIDEND PREFERENCE "ZDP" SHARES

ZDP shares are issued in UFL and the figures below are for the Group.

Three classes of ZDP shares have been issued as follows:

2011	**Number**	**2012 £'000s**	**Number**	**2014 £'000s**	**Number**	**2016 £'000s**	**Total £'000s**
Authorised							
Utilico Finance ZDP shares of 10p each	**60,592,190**	**6,059**	**50,000,000**	**5,000**	**50,000,000**	**5,000**	**n/a**
Balance at 30 June 2010	**45,486,200**	**68,936**	**37,500,000**	**46,112**	**37,500,000**	**46,112**	**161,160**
Finance costs (see note 5)	**–**	**4,820**	**–**	**3,420**	**–**	**3,362**	**11,602**
Balance at 30 June 2011	**45,486,200**	**73,756**	**37,500,000**	**49,532**	**37,500,000**	**49,474**	**172,762**

2010	Number	£'000s	Number	£'000s	Number	£'000s	£'000s
Authorised							
Utilico Finance ZDP shares of 10p each	60,592,190	6,059	50,000,000	5,000	50,000,000	5,000	n/a
Balance at 30 June 2009	45,486,200	64,430	37,500,000	42,946	32,915,000	37,698	145,074
Issue of ZDP shares sold by the Company	–	–	–	–	4,585,000	5,322	5,322
Finance costs (see note 5)	–	4,506	–	3,166	–	3,092	10,764
Balance at 30 June 2010	45,486,200	68,936	37,500,000	46,112	37,500,000	46,112	161,160

2012 ZDP shares

ZDP shares with a redemption date of 31 October 2012 were issued in UIT on 7 May 2004. As part of the scheme of reconstruction implementing the proposals for the voluntary winding-up and reconstruction of UIT, each UIT ZDP shareholder received one UFL ZDP share for every UIT ZDP share held on 8 June 2007. Based on the initial entitlement of a UIT ZDP share of 100p on 7 May 2004, a 2012 ZDP share will have a final capital entitlement at the end of its life on 31 October 2012 of 177.52p, equating to a 7% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2012 ZDP share at 30 June 2011 is 162.15p (2010: 151.55p).

2014 ZDP shares

Based on the initial entitlement of a 2014 ZDP share of 100p on 15 June 2007, a 2014 ZDP share will have a final capital entitlement at the end of its life on 31 October 2014 of 167.60p equating to a 7.25% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2014 ZDP share at 30 June 2011 is 132.69p (2010: 123.72p).

2016 ZDP shares

Based on the initial entitlement of a 2016 ZDP share of 100p on 15 June 2007, a 2016 ZDP share will have a final capital entitlement at the end of its life on 31 October 2016 of 192.78p equating to a 7.25% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2016 ZDP share at 30 June 2011 is 132.69p (2010: 123.72p).

The ZDP shares are listed on the London Stock Exchange and are stated at amortised cost using the effective interest method. The ZDP shares carry no entitlement to income however they have a pre-determined final capital entitlement which ranks behind all other liabilities and creditors of UFL and Utilico but in priority to the ordinary shares of the Company save in respect of certain winding up revenue profits.

The growth of each ZDP accrues daily and is reflected in the capital return and net asset value per ZDP share on an effective interest rate basis.

The ZDP shares do not carry any voting rights at general meetings of the Company. However the Company will not be able to carry out certain corporate actions unless it obtains the separate approval of the ZDP shareholders (treated as a single class) at a separate meeting. Separate approval of each class of ZDP shareholders must be obtained in respect of any proposals which would affect their respective rights, including any resolution to wind up the Company. In addition the approval of ZDP shareholders by the passing of a special resolution at separate class meetings of the ZDP shareholders is required in relation to any proposal to modify, alter or abrogate the rights attaching to any class of the ZDP shares and in relation to any proposal by UFL which would reduce the cover of the existing ZDP shares below 1.5 times.

18. ZERO DIVIDEND PREFERENCE "ZDP" SHARES (CONTINUED)

On a liquidation of Utilico and/or UFL, to the extent that the relevant classes of UFL ZDP shares have not already been redeemed, the shares shall rank in the following order of priority in relation to the repayment of their accrued capital entitlement as at the date of liquidation:

(i) the UFL 2012 ZDP shares shall rank in priority to the UFL 2014 ZDP shares and the UFL 2016 ZDP shares; and

(ii) the UFL 2014 ZDP shares shall rank in priority to the UFL 2016 ZDP shares.

The entitlement of UFL ZDP shareholders of a particular class shall be determined in proportion to their holdings of UFL ZDP shares of that class.

19. ORDINARY SHARE CAPITAL

	Number	£'000s
Equity share capital:		
Ordinary shares of 10p each with voting rights		
Authorised	127,479,500	12,748

2011	**Total shares in issue Number**	**Total shares in issue £'000s**
Balance at 30 June 2010	**86,373,863**	**8,637**
Issued during the year	**13,551,531**	**1,356**
Issued on exercise of warrants	**1,058**	**–**
Balance at 30 June 2011	**99,926,452**	**9,993**

2010	Total shares in issue Number	Total shares in issue £'000s
Balance at 30 June 2009	86,372,957	8,637
Bonus issue of ordinary shares	7,851,907	785
Ordinary shares repurchased by the Company	(7,851,907)	(785)
Issued on exercise of warrants	906	–
Balance at 30 June 2010	86,373,863	8,637

In addition to receiving the income distributed by way of dividend, the ordinary shareholders will be entitled to any balances on the revenue reserve at the winding up date, together with the assets of the Company remaining after payment of the ZDP shareholders' entitlement. The ordinary shareholders participate in all general meetings of the Company on the basis of one vote for each share held.

Pursuant to the Special Resolution passed at a Special General meeting of the Company held on 17 January 2011, the Company issued 6,120,888 ordinary shares in consideration of acquiring the investment portfolio and assets of Eclectic Investment Company plc, valued at £14,703,000. The Company also issued 7,430,643 ordinary shares to General Provincial Life Pension Fund (L) Limited in consideration for 19,965,369 Resolute Mining Limited ordinary shares which were valued at £17,520,000.

Warrants

At 30 June 2010 3,588,617 Utilico 2012 warrants were in issue. On 7 April 2011, 712 Utilico 2012 warrants were exercised and on 27 June 2011, 346 Utilico 2012 warrants were exercised. At 30 June 2011 3,587,646 Utilico 2012 warrants were in issue.

Pursuant to the cash distribution of the 12.00p per ordinary share and in accordance with the terms of the 2012 Warrant Instrument an adjustment was made to the Warrant subscription price and subscription terms of the existing Warrants. With effect from 21 April 2010 the existing subscription price of 315.0p was reduced to 288.75p and the existing subscription terms that each Warrant holder may subscribe for one Ordinary Share in respect of each Warrant held was adjusted so that each Warrant holder may subscribe for 1.090909 ordinary shares per Warrant held. The Warrant holders have the right to subscribe on 31 October 2011 or on 30 April 2012.

20. SHARE PREMIUM ACCOUNT

GROUP AND COMPANY	2011 £'000s	2010 £'000s
Balance brought forward	**223,501**	233,951
Transfer to special reserve	**(223,501)**	–
Premium received on issue of ordinary shares	**30,867**	–
Issue costs of ordinary share capital	**(619)**	(88)
Premium on conversion of warrants	**2**	3
Purchase of ordinary shares	**–**	–
Bonus issue of ordinary shares	**–**	(785)
Cost of paying up bonus shares	**–**	(9,580)
Balance carried forward	**30,250**	223,501

This is a non-distributable reserve arising on the issue of share capital. Pursuant to the Special Resolution passed at a Special General meeting of the Company held on 17 January 2011, the Company cancelled the share premium account and transferred the balance to the special reserve.

21. SPECIAL RESERVE

GROUP AND COMPANY	2011 £'000s	2010 £'000s
Balance brought forward	**10,365**	–
Transfer from share premium account	**223,501**	–
Transfer from revenue reserve on share issue and buyback	**–**	10,365
Balance carried forward	**233,866**	10,365

The special reserve can be used to purchase the Company's own shares in accordance with Bermuda law. The reserve is not available for payment of dividends and will not constitute winding up revenue profits in the event of the Company's liquidation, but it constitutes a capital reserve under Bermuda law for assessing the sufficiency of reserves for the purpose of making dividend payments to ordinary shareholders.

22. WARRANT RESERVE

GROUP AND COMPANY	2011 £'000s	2010 £'000s
Balance brought forward	**3,050**	3,051
Transfer to non-distributable reserve on exercise of warrants	**(1)**	(1)
Balance carried forward	**3,049**	3,050

The imputed net proceeds on initial issue of warrants, based on the market value of the warrants on the first day of listing, were 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. Under Bermuda law, the warrant reserve constitutes a reserve for the purposes of assessing the sufficiency of reserves for the purpose of making dividend payments to ordinary shareholders.

23. NON-DISTRIBUTABLE RESERVE

GROUP AND COMPANY	**2011 £'000s**	2010 £'000s
Balance brought forward	**32,068**	32,067
Transfer from warrant reserve	**1**	1
Balance carried forward	**32,069**	32,068

The non-distributable reserve constitutes a reserve for the purpose of assessing the sufficiency of reserves for the purpose of making dividend payments to ordinary shareholders.

24. CAPITAL RESERVES

			2011			2010
GROUP	**Capital reserve (including amounts arising on investments sold) £'000s**	**Capital reserve (including amounts arising on investments held) £'000s**	**Capital reserves total £'000s**	Capital reserve (including amounts arising on investments sold) £'000s	Capital reserve (including amounts arising on investments held) £'000s	Capital reserves total £'000s
(Losses)/gains on investments sold	**(25,416)**	**–**	**(25,416)**	3,591	–	3,591
Gains on investments held	**–**	**75,616**	**75,616**	–	33,261	33,261
Losses on derivative financial instruments sold	**(8,361)**	**–**	**(8,361)**	(19,615)	–	(19,615)
(Losses)/gains on derivative financial instruments held	**–**	**(4,599)**	**(4,599)**	–	11,105	11,105
Exchange (losses)/gains	**(1,594)**	**–**	**(1,594)**	1,068	–	1,068
Loss on ZDP shares sold	**–**	**–**	**–**	(374)	–	(374)
Other capital income	**43**	**–**	**43**	–	–	–
Other capital charges	**(13)**	**–**	**(13)**	(22)	–	(22)
ZDP shares finance charges	**(11,602)**	**–**	**(11,602)**	(10,764)	–	(10,764)
	(46,943)	**71,017**	**24,074**	(26,116)	44,366	18,250
Transfer on loss of control of subsidiary	**311**	**–**	**311**	(300)	–	(300)
Balance brought forward	**(44,781)**	**(93,437)**	**(138,218)**	(18,365)	(137,803)	(156,168)
Balance at 30 June	**(91,413)**	**(22,420)**	**(113,833)**	(44,781)	(93,437)	(138,218)

24. CAPITAL RESERVES (CONTINUED)

COMPANY	2011 Capital reserve (including amounts arising on investments sold) £'000s	Capital reserve (including amounts arising on investments held) £'000s	Capital reserves total £'000s	2010 Capital reserve (including amounts arising on investments sold) £'000s	Capital reserve (including amounts arising on investments held) £'000s	Capital reserves total £'000s
(Losses)/gains on investments sold	(27,930)	–	(27,930)	4,747	–	4,747
Gains on investments held	–	73,043	73,043	–	30,615	30,615
Losses on derivative financial instruments sold	(5,122)	–	(5,122)	(8,831)	–	(8,831)
(Losses)/gains on derivative financial instruments held	–	(2,688)	(2,688)	–	2,125	2,125
Exchange (losses)/gains	(1,626)	–	(1,626)	1,039	–	1,039
Other capital income	43	–	43	–	–	–
Other capital charges	(13)	–	(13)	(22)	–	(22)
Intra-group loan account finance charges	(11,602)	–	(11,602)	(10,838)	–	(10,838)
	(46,250)	70,355	24,105	(13,905)	32,740	18,835
Balance brought forward	(38,651)	(99,392)	(138,043)	(24,746)	(132,132)	(156,878)
Balance at 30 June	(84,901)	(29,037)	(113,938)	(38,651)	(99,392)	(138,043)

Group and Company

Included within the capital reserve movement for the year is £0.3m (2010: £1.1m) of dividend receipts recognised as capital in nature, £25,000 (2010: £43,000) of transaction costs on purchases of investments and £51,000 (2010: £47,000) of transaction costs on sales of investments.

25. REVENUE RESERVE

	GROUP 2011 £'000s	2010 £'000s	COMPANY 2011 £'000s	2010 £'000s
Amount transferred to revenue reserve	7,073	9,062	7,042	9,083
Dividends paid in the year	(4,996)	–	(4,996)	–
Transfer on loss of control of subsidiary (see note 12)	(311)	300	–	–
Transfer to special reserve on share issue and buyback	–	(10,365)	–	(10,365)
Balance brought forward	4,317	5,320	4,142	5,424
Balance at 30 June	6,083	4,317	6,188	4,142

26. NET ASSET VALUE PER SHARE

(a) Net asset value per ordinary share is based on net assets at the year end of £201,477,000 for the Group and the Company (2010: £143,720,000) and on 99,926,452 ordinary shares in issue at the year end (2010: 86,373,863).

(b) Diluted net asset value per ordinary share is based on net assets at the year end and assumes the receipt of proceeds arising from the exercise of warrants outstanding: At 30 June 2011 and 30 June 2010 the diluted net asset value is not applicable as the market price of the ordinary shares at the year end is lower than the exercise price of the warrants.

27. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
	Year to 30 June 2011 £'000s	Year to 30 June 2010 £'000s	**Year to 30 June 2011 £'000s**	Year to 30 June 2010 £'000s
Profit before taxation	**31,165**	28,283	**31,156**	28,890
Adjust for non-cash flow items:				
Gains on investments	**(50,200)**	(36,852)	**(45,113)**	(35,362)
Losses on derivative financial instruments	**12,960**	8,510	**7,810**	6,706
Exchange losses/(gains)	**1,595**	(1,091)	**1,626**	(1,039)
Stock interest	**(1,105)**	(2,109)	**(1,105)**	(2,109)
Movement of ZDP share liability	**–**	374	**–**	–
Decrease/(increase) in accrued income	**201**	(380)	**201**	(380)
Decrease in other debtors	**27**	668	**27**	714
Increase in creditors	**78**	196	**66**	188
ZDP share finance costs	**11,602**	10,764	**–**	–
Intra-group loan account finance costs	**–**	–	**11,668**	10,838
Tax on overseas income	**(18)**	(971)	**(9)**	(972)
	(24,860)	(20,891)	**(24,829)**	(21,416)
Adjust for cash flow items not within Statement of Comprehensive Income				
Cash flows on investments*	**(3,023)**	(478)	**(4,025)**	432
Cash flows on derivatives	**(7,201)**	(12,823)	**(6,176)**	(8,831)
	(10,224)	(13,301)	**(10,201)**	(8,399)
Cash flows from operating activities	**(3,919)**	(5,909)	**(3,874)**	(925)

*Excludes the transactions of January 2011 detailed in note 19.

28. ULTIMATE PARENT UNDERTAKING

In the opinion of the Directors, the Group's ultimate parent undertaking is General Provincial Life Pension Fund (L) Limited that is incorporated in Malaysia.

29. RELATED PARTY TRANSACTIONS

Transactions during the year to 30 June 2011, between the Company, its subsidiary (UFL) and its special purpose entity (GERP) are disclosed below.

Loans from UFL to Utilico of £161.2m at 30 June 2010 were increased by £11.6m, the amount of interest payable on the loans, to £172.8m at 30 June 2011. Interest is payable at 7% and 7.25% per annum. The loans are repayable on demand.

During the year Utilico made payments to GERP of £1.0m in settlement of investment transactions.

On consolidation, transactions between the Company, its subsidiaries and its special purpose entity have been eliminated.

The following are considered related parties of the Group: General Provincial Life Pension Fund (L) Limited ("GPLPF"), which holds 58.8% of the Company's ordinary shares; the associates of the Group set out under note 11, being AK Jensen Group Limited, Bermuda Commercial Bank Limited, Newtel Holdings Limited, OneLink Holdings Pty. Ltd., Renewable Energy Generation Limited, Renewable Energy Holdings PLC, Sasial Vehicle Technologies Limited, Utilico Emerging Markets Limited, Videlli Limited, Vix Technology Pty Ltd and Vix Technology Pty Limited; the Board of Utilico Investments Limited and ICM, Utilico's investment manager; Mr D Saville, Mr J M Collier and Mr W McLeland are on the Board of BCB.

There were no transactions during the year nor any outstanding balances with GPLPF other than the transaction disclosed in note 19. There were no transactions between the above associates and the Company other than investments in the ordinary course of Utilico's business (see note 11).

There were no transactions with ICM or Mr Saville other than investment management and performance fees as set out in note 3. At the year end £726,000 (2010: £608,000) of the management fee remained outstanding.

The Directors received the following dividends in the year to 30 June 2011 and cash distribution in the year to 30 June 2010 from the Company:

	2011 **£'000s**	2010 £'000s
J. Michael Collier (Chairman)	**6**	2
Peter Burrows (appointed 16 September 2011)	**–**	–
Susan Hansen	**2**	1
Warren McLeland (resigned 16 September 2011)	**–**	–
Eric Stobart	**1**	1
Roger Urwin	**7**	17

There were no further transactions with the Board other than aggregate remuneration of £143,000 included within "Other expenses" for services as Directors, and there are no outstanding balances with any Director at the year end.

30. OPERATING SEGMENTS

Operating segments are considered to be secondary reporting segment. The Directors are of the opinion that the Group's activities comprise a single operating segment, is that of investing in equity, debt and derivative securities to produce a long-term capital appreciation.

31. RESTATEMENT OF THE GROUP STATEMENT OF CASH FLOWS FOR THE YEAR TO 30 JUNE 2010

	Previously reported £'000s	Effect of re-classification of ZDP cash share flow £'000s	Restated £'000s
Cash flows from operating activities	(961)	(4,948)	(5,909)
Cash flows from investing activities	–	–	–
Cash flows before financing activities	(961)	(4,948)	(5,909)
Financing activities:			
Movement on loans	11,567	–	11,567
Cash flows from ZDP shares	–	4,948	4,948
Proceeds from warrants exercised	3	–	3
Cost of share buyback	(10,452)	–	(10,452)
Cash flows from financing activities	1,118	4,948	6,066
Net increase in cash and cash equivalents	157	–	157
Cash and cash equivalents at the beginning of the period	4,496	–	4,496
Effect of movement in foreign exchange	1,842	–	1,842
Cash and cash equivalents at the end of the period	6,495	–	6,495

The Group cash flows from ZDP shares were classified in the Report and Accounts for the year to 30 June 2010 within Operating activities as cash flows on investments. These cash flows have been reclassified to Financing Activities as cash flows from ZDP shares.

32. FINANCIAL RISK MANAGEMENT

The Group's investment objective is to maximise shareholder returns by identifying and investing in investments when the underlying value is not reflected in the market price.

The Group seeks to meet its investment objective 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 Group has the power to take out both short and long term borrowings. In pursuing the objective, 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 Investment 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 risks include the risks within the 100% owned subsidiary and special purpose entity (see note 12) and therefore only the Group risks are analysed below as the differences are not considered to be significant.

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 IFRSs and best practice, and include the valuation of financial assets and liabilities at fair value except as noted in (d) below and in note 18 in respect of ZDP shares. The Group 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 objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Investment 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 Investment 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.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 were the Australian Dollar, Euro, New Zealand Dollar and US Dollar. The exchange rates applying against Sterling at 30 June and the average rates for the year were as follows:

	2011	Average	2010
AUD – Australian Dollar	**1.4996**	**1.6123**	1.7713
BMD – Bermuda Dollar	**1.6055**	**1.5883**	1.4961
EUR – Euro	**1.1073**	**1.1656**	1.2214
NZD – New Zealand Dollar	**1.9439**	**2.0932**	2.1757
USD – US Dollar	**1.6055**	**1.5883**	1.4961

The Group's assets and liabilities at 30 June 2011 and 30 June 2010 (shown at fair value, except derivatives at gross exposure value and ZDP shares which are carried at amortised cost), by currency based on the country of primary operations, are shown below:

2011	**AUD £'000s**	**BMD £'000s**	**EUR £'000s**	**GBP £'000s**	**NZD £'000s**	**USD £'000s**	**Other £'000s**	**Total £'000s**
Other receivables	**32**	**264**	**126**	**1,193**	**1**	**7**	**–**	**1,623**
Derivative financial instruments – assets	**11,002**	**3,021**	**–**	**79,891**	**–**	**6,340**	**–**	**100,254**
Cash and cash equivalents	**–**	**2**	**–**	**1,205**	**–**	**84**	**2**	**1,293**
Short-term borrowings	**(2,955)**	**–**	**–**	**(600)**	**–**	**–**	**–**	**(3,555)**
Other payables	**–**	**–**	**–**	**(1,000)**	**(359)**	**(3)**	**–**	**(1,362)**
Derivative financial instruments – liabilities	**(22,093)**	**(1,770)**	**(10,747)**	**–**	**(45,952)**	**(20,069)**	**–**	**(100,631)**
Long term borrowings	**–**	**–**	**–**	**–**	**(30,943)**	**–**	**–**	**(30,943)**
Net monetary assets/(liabilities)	**(14,014)**	**1,517**	**(10,621)**	**80,689**	**(77,253)**	**(13,641)**	**2**	**(33,321)**
Investments	**122,735**	**30,768**	**16,278**	**51,800**	**83,573**	**9,019**	**93,387**	**407,560**
Zero dividend preference shares	**–**	**–**	**–**	**(172,762)**	**–**	**–**	**–**	**(172,762)**
	108,721	**32,285**	**5,657**	**(40,273)**	**6,320**	**(4,622)**	**93,389**	**201,477**
Percentage of net total	**54.0%**	**16.0%**	**2.8%**	**(20.0%)**	**3.1%**	**(2.3%)**	**46.4%**	**100.0%**

2010	AUD £'000s	BMD £'000s	EUR £'000s	GBP £'000s	NZD £'000s	USD £'000s	Other £'000s	Total £'000s
Other receivables	16	283	373	881	55	7	–	1,615
Derivative financial instruments – assets	2,017	–	–	60,421	–	63,489	–	125,927
Cash and cash equivalents	–	–	–	5,904	20	570	1	6,495
Short term unsecured loan	–	–	–	(5,900)	(23,420)	–	–	(29,320)
Other payables	–	–	–	(943)	(17)	(40)	–	(1,000)
Derivative financial instruments – liabilities	(26,358)	–	(4,094)	–	(41,596)	(25,792)	–	(37,419)
Net monetary assets/(liabilities)	(24,325)	283	(3,721)	60,363	(64,958)	38,234	1	66,298
Investments	70,972	27,026	15,745	51,637	72,099	14,376	69,853	321,708
Zero dividend preference shares	–	–	–	(161,160)	–	–	–	(161,160)
	46,647	27,309	12,024	(49,160)	7,141	52,610	69,854	166,425
Percentage of net total	28.0%	16.4%	7.2%	(29.5%)	4.3%	31.6%	42.0%	100.0%

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Based on the financial assets and liabilities held, and exchange rates applying, at 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

					2011					2010
	AUD £'000s	**BMD £'000s**	**EUR £'000s**	**NZD £'000s**	**USD £'000s**	AUD £'000s	BMD £'000s	EUR £'000s	NZD £'000s	USD £'000s
Statement of Comprehensive Income return after tax										
Revenue return	**272**	**128**	**15**	**469**	**34**	267	112	33	552	1
Capital return	**12,080**	**3,558**	**615**	**702**	**(514)**	5,183	3,003	1,336	793	2,822
Total return	**12,352**	**3,686**	**630**	**1,171**	**(480)**	5,450	3,115	1,369	1,345	2,823
NAV per share										
Basic – pence	**12.36**	**3.69**	**0.63**	**1.17**	**(0.48)**	6.31	3.61	1.59	1.56	3.27
Diluted – pence	**12.36**	**3.69**	**0.63**	**1.17**	**(0.48)**	6.31	3.61	1.59	1.56	3.27

Strengthening of Sterling

					2011					2010
	AUD £'000s	**BMD £'000s**	**EUR £'000s**	**NZD £'000s**	**USD £'000s**	AUD £'000s	BMD £'000s	EUR £'000s	NZD £'000s	USD £'000s
Statement of Comprehensive Income return after tax										
Revenue return	**(272)**	**(128)**	**(15)**	**(469)**	**(34)**	(267)	(112)	(33)	(552)	(1)
Capital return	**(12,080)**	**(3,558)**	**(615)**	**(702)**	**514**	(5,183)	(3,003)	(1,336)	(793)	(2,822)
Total return	**(12,352)**	**(3,686)**	**(630)**	**(1,171)**	**480**	(5,450)	(3,115)	(1,369)	(1,345)	(2,823)
NAV per share										
Basic – pence	**(12.36)**	**(3.69)**	**(0.63)**	**(1.17)**	**0.48**	(6.31)	(3.61)	(1.59)	(1.56)	(3.27)
Diluted – pence	**(12.36)**	**(3.69)**	**(0.63)**	**(1.17)**	**0.48**	(6.31)	(3.61)	(1.59)	(1.56)	(3.27)

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

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest Rate exposure

The exposure of the financial assets and liabilities to interest rate risks at 30 June is shown below:

	Within one year £'000s	**More than one year £'000s**	**2011 Total £'000s**	Within one year £'000s	More than one year £'000s	2010 Total £'000s
Exposure to floating rates						
Cash	**1,293**	**–**	**1,293**	6,488	–	6,488
Borrowings	**(3,555)**	**(30,943)**	**(34,498)**	(29,320)	–	(29,320)
	(2,262)	**(30,943)**	**(33,205)**	(22,832)	–	(22,832)
Exposure to fixed rates						
Zero dividend preference shares	**–**	**(172,762)**	**(172,762)**	–	(161,160)	(161,160)
	–	**(172,762)**	**(172,762)**	–	(161,160)	(161,160)
Net exposures						
At year end	**(2,262)**	**(203,705)**	**(205,967)**	(22,832)	(161,160)	(183,992)
Maximum in year	**(2,262)**	**(203,705)**	**(205,967)**	(25,113)	(160,261)	(185,374)
Minimum in year	**(21,077)**	**(162,139)**	**(183,216)**	4,496	(162,074)	(157,578)

	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	**(33,205)**	**(172,762)**	**(205,967)**	4,549	(189,923)	(185,374)
Minimum in year	**8,344**	**(191,560)**	**(183,216)**	4,496	(162,074)	(157,578)

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. Finance costs on ZDP shares are fixed (see note 18). Interest paid on borrowings of £30.9m is at ruling market rates (2010: fixed at 3.1% using an interest rate SWAP that matured on 30 November 2010). 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 Statement of Comprehensive Income revenue and capital returns after tax and on the NAV per share.

		2011		2010
	Increase in rate £'000s	**Decrease in rate £'000s**	Increase in rate £'000s	Decrease in rate £'000s
Revenue return	**26**	**n/a***	130	n/a*
Capital return	**(619)**	**619**	(319)	319
Total return	**(593)**	**619**	(189)	319
NAV per share				
Basic – pence	**(0.59)**	**0.62**	(0.22)	0.37
Diluted – pence	**(0.59)**	**0.62**	(0.22)	0.37

* Interest rates on cash balances are negligible at 30 June 2011 and 2010

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

Other Market Risk exposures

The portfolio of investments, valued at £404,605,000 at 30 June 2010 (2010: £321,708,000) is exposed to market price changes. The Group enters into currency and index options in managing its exposure to other market risks.

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 on page 11. A description of the derivative positions together with the Investment Manager's and Board's strategies for using these positions for efficient portfolio management is contained within the Investment Manager's Report under "Derivatives" on page 9.

Based on the portfolio of investments at the 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 Statement of Comprehensive Income Capital Return after tax and on the NAV per share:

	2011		2010	
	Increase in value £'000s	**Decrease in value £'000s**	Increase in value £'000s	Decrease in value £'000s
Statement of Comprehensive Income capital return	**81,601**	**(81,601)**	64,342	(64,342)
NAV per share				
Basic – pence	**81.66**	**(81.66)**	74.49	(74.49)
Diluted – pence	**81.66**	**(81.66)**	74.49	(74.49)

(b) Liquidity risk exposure

The Group and the Company are required to raise funds to meet commitments associated with financial instruments including ZDP shares. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Group or the Company 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, 46 at 30 June 2011 (36 at 30 June 2010); 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 Investment Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Group has bank loan facilities of £30.0m as set out in note 17 to the accounts, other loans of £3.6m as set out in note 15 and ZDP share liabilities of £172.8m as set out in note 18. The remaining contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

				2011				2010
	Three months or less £'000s	**More than three months but less than one year £'000s**	**More than one year £'000s**	**Total £'000s**	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Current liabilities								
Other creditors	**1,362**	**–**	**–**	**1,362**	1,000	–	–	1,000
Derivative financial instruments	**100,631**	**–**	**–**	**100,631**	37,419	–	–	37,419
Bank loans	**600**	**2,955**	**33,179**	**36,734**	–	29,819	–	29,819
ZDP shares	**–**	**–**	**215,890**	**215,890**	–	–	215,890	215,890
	102,593	**2,955**	**249,069**	**354,617**	38,419	29,819	215,890	284,128

32. 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. Cash and deposits are held with reputable banks. The Group 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 Group are received and reconciled monthly. To the extent that ICM and F&C carry out duties (or cause similar duties to be carried out by third parties) on the Group's behalf, the Group is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with management and internal auditors of F&C. In summary, compared to the amounts included in the balance sheet, the maximum exposure to credit risk was as follows:

Current assets	2011 Balance sheet £'000s	2011 Maximum exposure £'000s	2010 Balance sheet £'000s	2010 Maximum exposure £'000s
Cash at bank	**1,293**	**8,718**	6,495	15,526
Financial assets through profit and loss				
– derivatives (put options and call options)	**3,395**	**65,506**	65,506	83,912
– derivatives (forward foreign exchange contracts)	**96,859**	**104,312**	80,475	100,726

None of the Group's financial assets is past due or impaired. The Group's principal custodian is JPMorganChase Bank. BCB acts as custodian for certain Bermuda investments. Utilico has a direct interest in BCB and Michael Collier, Eric Stobart and Warren McLeland are on the Board of BCB.

(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 except for ZDP shares which are carried at amortised cost using effective interest method in accordance with IAS39 (see note 18). 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.

The fair values of ZDP shares derived from their quoted market price at 30 June, were:

	2011 £'000s	2010 £'000s
2012 ZDP shares	**76,644**	72,664
2014 ZDP shares	**53,531**	48,563
2016 ZDP shares	**50,063**	40,781

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 Investment Manager to those valuations to ensure they comply with the Group's accounting policies and with fair value principles.

(e) Capital Risk Management

The Objective of the Group is stated as being to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price. In pursuing this long term Objective, 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. Dividends are set out in note 9 to the Accounts. Borrowings are set out in notes 15 and 17 to the Accounts. ZDP shares are set out in note 18 to the Accounts.

NOTICE OF ANNUAL GENERAL MEETING FOR SHAREHOLDERS OF UTILICO

Notice is hereby given that the 2011 Annual General Meeting of Utilico Investments Limited will be held at Capella Hotel, Sentosa Island, 1 The Knolls, Singapore 098297 on Monday, 30 November 2011 at 9:00 am for the following purposes:

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

1. Minutes of the last General Meeting to be read and confirmed.
2. Minutes of the Special General Meeting held on 7 January 2011 to be read and confirmed.
3. To receive and adopt the Directors' report and Auditor's report and accounts for the year ended 30 June 2011.
4. To approve the Directors' Remuneration Report for the year ended 30 June 2011.
5. To elect Mr P Burrows as a Director.
6. To re-elect Mr J M Collier, who retires annually, as a Director.
7. To re-elect Ms S Hansen, who retires annually, as a Director.
8. To re-elect Dr R Urwin, who retires by rotation, as a Director.
9. To re-appoint the Auditor.
10. To authorise the Directors to determine the Auditor's remuneration.
11. THAT the Company may issue Relevant Securities (as defined in the Bye-Laws) representing up to a maximum amount of 9,992,645 shares, being 10% of the total number of shares in issue as at the date of the notice of this meeting, provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting by Special Resolution (as defined in the Bye-Laws)) at the earlier of the conclusion of the annual general meeting of the Company to be held in 2012 or eighteen months from the date of this resolution but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require Relevant Securities to be issued after such expiry and the directors of the Company may issue Relevant Securities in pursuance of any such offer or agreement as if such expiry had not occurred.
12. 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 the notice of this meeting, being 14,978,975;

(b) the maximum price which may be paid for an Ordinary Share is the lower of:

I. the higher of:

(i) the amount determined by the rules of the UK Listing Authority at the time of purchase (which currently set the maximum equal to 5% above the average of the market values for an Ordinary Share taken from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase); and

(ii) the higher of the price quoted for (A) the last independent trade of, and (B) the highest current independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out; and

II. the net asset value per Ordinary Share on the date determined by the Directors being not more than 10 days before the date of purchase;

(c) Ordinary Shares may only be purchased at a price such that immediately after such purchase, on the basis of the Company's net asset value on a date determined by the Directors being not more than 10 days before the date of purchase, the ZDP Share cover would be at least 1.4 times (account being taken of any related purchase of ZDP Shares) by the Company or UFL;

(d) the maximum price payable referred to in paragraphs (b) and (c) above is exclusive of any expenses payable by the Company in connection with such purchase;

(e) such purchases shall be made in accordance with the Bermuda Companies Act;

(f) the authority hereby conferred shall expire on 31 May 2013 unless it is varied, revoked or renewed prior to that date at the Company's 2012 annual general meeting or any other special general meeting by special resolution; and

(g) 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.

13. THAT the existing Bye-laws of the Company be amended by deleting Bye-law 15.5 in its entirety and replacing it with the following new Bye-law 15.5:

"15.5 The Board may furthermore refuse to register a transfer of shares, or may require the transfer of shares owned or which appear to be owned, directly by any person who, by virtue of his holding, may in the opinion of the Directors, give rise to a breach of any applicable law or requirement in any jurisdiction by the Company or its Investment Manager or may cause or be likely to cause the Company, or shareholders or its Investment Manager some legal, pecuniary or material disadvantage or cause or be likely to cause the assets of the Company to be considered "plan assets" within the meaning of the regulations adopted under the US Employment Retirement Income Security Act of 1974, as amended ("ERISA"), or which holding would or might result in the Company or its Investment Manager being required to register or qualify under the US Investment Companies Act of 1940, as amended, or any other applicable US law."

By order of the Board
F&C Management Limited, Secretary
23 September 2011

Notes:

Only the holders of ordinary shares registered on the register of shareholders of the Company at 1:00 am on 28 November 2011 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 1:00 am on 28 November 2011 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 (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, 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 by not later than 1:00 am on 28 November 2011.

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.

TEN LARGEST HOLDINGS HELD DIRECTLY BY THE GROUP

At 30 June

2011	*2010*	Company *(Country)*	Fair value £'000s	% of total investments
1	*1*	**Infratil Limited** *(New Zealand)* Investment company	104,680	25.7%
2	*2*	**Utilico Emerging Markets Limited** *(Bermuda)* Investment company	97,333	23.9%
3	*3*	**Resolute Mining Limited** *(Australia)* Gold mining company	90,372	22.2%
4	*4*	**Jersey Electricity plc** *(Jersey)* Electricity company	17,450	4.3%
5	*5*	**Vix Technology Pty Ltd** *(Australia)* Transport systems operator	15,711	3.8%
6	–	**Bermuda Commercial Bank Limited** *(Bermuda)* Banking services	15,160	3.7%
7	*6*	**Renewable Energy Generation Limited** *(UK)* Wind power	10,163	2.5%
8	*7*	**Keytech Limited** *(Bermuda)* Telecoms company	8,037	2.0%
9	*10*	**Ascendant Group Limited** *(Bermuda)* Electricity and gas provider	6,821	1.7%
10	–	**Renewable Energy Holdings plc** *(UK)* Wind power	5,498	1.3%
		Ten largest holdings	371,225	91.1%
		Other investments	36,335	8.9%
		Total Investments held directly by the Group	407,560	100.0%

Notes

The country shown is the location of the major part of the company's business. The value of the convertible securities represents 14.5% (2010: 19.4%) of the Group's portfolio and the value of fixed income securities represents 2.0% (2010: 1.6%) of the Group's portfolio.

GLOSSARY

Compound Annual Growth Rate ("CAGR")	The average annual growth over a specified period of time
Capital Shares	The class of shares offered by a split capital fund that has the opportunity for capital appreciation but does not offer the holder any portion of the income earned within the portfolio, and usually ranks behind all other classes of share for repayment
Company	Utilico Investments Limited
Close Company	A company in which the directors control more than half the voting shares, or where such control is exercised by five or fewer people
CULS	The Convertible Unsecured Loan stock issued by UIT
Dilution	A reduction in NAV per share that arises through the issuance of additional shares or the conversion of convertible loan stock or the exercise of warrants
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EV	Enterprise value
F&C (or the Administrator)	F&C Management Limited
FTSE	Financial Times Stock Exchange
Gearing	The term applied to the effect of borrowings and prior charge share capital on assets that will increase the return on investment when the value of the Company's investments is rising but reduce the return when values are declining
GERP	Global Equity Risk Protection Limited
GPLPF	General Provincial Life Pension Fund (L) Limited
Gross Assets	Total assets less current liabilities excluding loans.
Group	Consists of Utilico Investments Limited, Utilico Finance Limited and GERP
ICM	ICM Limited
IFRS	International Financial Reporting Standards as adopted by the European Union
Investment Manager	ICM Limited
IRR	Internal rate of return, being the annualised rate of return recovered from holding an investment over a given period
NAV	Net asset value
Non-Executive Director	Directors who do not hold a service contract with the Company and as a Board of Directors their responsibilities are defined on page 33
S&P Index	Standard & Poor's 500 Index
TER	Total expense ratio. The total expenses, excluding interest, incurred by the Company, including expenses charged to capital, as a percentage of average gross assets
UEM	Utilico Emerging Markets Limited
UFL	Utilico Finance Limited
UIT	Utilico Investment Trust plc (Utilico's predecessor)
Unquoted	Investments in companies which are not listed on a investment exchange
UNZL	Utilico NZ Limited
Utilico	Utilico Investments Limited
Yield	The annual dividend income per share received from a company divided by its share price
ZDP	The Zero Dividend Preference shares/shareholders

COMPANY INFORMATION

Utilico Investments Limited
Company Registration Number: 39480
www.utilico.bm

Directors
J. Michael Collier (Chairman)
Peter Burrows AO
Susan Hansen
Eric Stobart
Roger Urwin CBE

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

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ICM Limited
1st Floor
19 Par-la-Ville Road
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Bermuda

Stockbrokers
Westhouse Securities Limited
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Authorised and regulated in the UK
by the Financial Services Authority

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PERFORMANCE SUMMARY

	14 August 2003	30 June 2004	30 June 2005[1]	30 June 2006	30 June 2007[2]	30 June 2008[3]	30 June 2009	30 June 2010	30 June 2011	Change 2003/04	Change 2004/05	Change 2005/06	Change 2006/07	Change 2007/08	Change 2008/09	Change 2009/10	Change 2010/11
Ordinary shares																	
Capital Value																	
Net asset value per ordinary share (undiluted)	99.47p	120.20p	186.07p	222.35p	350.29p	225.20p	146.87p	166.39p	201.63p	20.8%	54.8%	19.5%	57.5%	(35.7%)	(34.8%)	13.3%	21.2%
Net asset value per ordinary share (diluted)	99.47p	114.39p	162.84p	187.68p	312.06p	225.20p	146.87p	166.39p	201.63p	15.0%	42.4%	15.3%	66.3%	(27.8%)	(34.8%)	13.3%	21.2%
Share prices and indices																	
Ordinary share price	85.67p	107.50p	159.25p	180.25p	299.00p	234.00p	117.00p	116.50p	147.25p	25.5%	48.1%	13.2%	65.9%	(21.7%)	(50.0%)	(0.4%)	26.4%
Discount/ (premium) (based on diluted NAV per ordinary share)	13.9%	6.0%	2.2%	4.0%	4.2%	(3.9%)	20.3%	30.0%	27.0%								
FTSE All-Share Index	2,062	2,229	2,560	2,968	3,404	2,856	2,172	2,543	3,097	8.1%	14.8%	15.9%	14.7%	(16.1%)	(23.9%)	17.1%	21.8%
Returns and dividends																	
Revenue return per ordinary share (undiluted)	n/a	1.68p	1.65p	0.89p	1.84p	3.56p	2.77p	10.49p	7.65p	n/a	(1.8%)	(46.1%)	106.7%	93.5%	(22.2%)	278.7%	(27.1%)
Capital return per ordinary share (undiluted)	n/a	36.45p	65.48p	35.50p	178.01p	(103.32p)	(82.62p)	21.15p	26.05p	n/a	n/a	n/a	n/a	n/a	n/a	n/a	23.2%
Total return per ordinary share (undiluted)	n/a	38.13p	67.13p	36.39p	179.85p	(99.76p)	(79.85p)	31.62p	33.70p	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6.6%
Dividend per ordinary share	n/a	1.60p	1.90p	0.40p	0.80p	–	–	–	8.25p	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash distribution per ordinary share	–	–	–	–	–	–	–	12.00p	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zero dividend preference (ZDP) shares[4]																	
2012 ZDP shares																	
Capital entitlement per ZDP share	n/a	101.01p	108.07p	115.63p	123.71p	132.39p	141.65p	151.55p	162.15p	n/a	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
ZDP share price	n/a	96.75p	115.25p	118.50p	126.75p	135.50p	150.75p	159.75p	168.50p	n/a	19.1%	2.8%	7.0%	6.9%	11.3%	6.0%	5.5%
2014 ZDP shares																	
Capital entitlement per ZDP share	n/a	n/a	n/a	n/a	100.29p	107.57p	115.37p	123.72p	132.69p	n/a	n/a	n/a	n/a	7.3%	7.3%	7.2%	7.3%
ZDP share price	n/a	n/a	n/a	n/a	103.25p	108.50p	116.50p	129.50p	142.75p	n/a	n/a	n/a	n/a	5.1%	7.4%	11.2%	10.2%
2016 ZDP shares																	
Capital entitlement per ZDP share	n/a	n/a	n/a	n/a	100.29p	107.57p	115.37p	123.72p	132.69p	n/a	n/a	n/a	n/a	7.3%	7.3%	7.2%	7.3%
ZDP share price	n/a	n/a	n/a	n/a	103.00p	103.75p	102.50p	108.75p	133.50p	n/a	n/a	n/a	n/a	0.7%	(1.2%)	6.1%	22.8%
Warrants																	
2008 warrant price	19.50p	27.75p	62.75p	86.00p	260.00p	n/a[5]	n/a[5]	n/a[5]	n/a[5]	42.3%	126.1%	37.1%	93.5%[6]	n/a	n/a	n/a	n/a
2012 warrant price	n/a	n/a	n/a	n/a	88.25p	79.50p	3.50p	2.00p	0.55p	n/a	n/a	n/a	n/a	(9.9%)	(95.6%)	(42.9%)	(72.5%)
Equity holders funds (£m)																	
Gross assets[7]	133.5	163	229.8	270.1	454.6	414.6	288.9	334.2	408.7	22.1%	41.0%	17.5%	68.3%	(8.8%)	(30.3%)	15.7%	22.3%
Bank debt	33.7	30.2	41.8	55.0	44.8	69.2	17.0	29.3	30.9	(10.4%)	38.4%	31.6%	(18.5%)	54.5%	(75.4%)	72.4%	5.5%
ZDP debt	–	45.6	48.3	51.8	130.8	140.2	145.1	161.2	172.8	n/a	5.9%	7.2%	152.5%	7.2%	3.5%	11.1%	7.2%
Other debt	–	–	–	–	–	–	–	–	3.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CULS[8]	–	10.0	20.3	20.6	–	–	–	–	–	n/a	103.0%	1.5%	n/a	n/a	n/a	n/a	n/a
Equity holders' funds	99.8	77.2	119.4	142.7	279.0	205.2	126.8	143.7	201.5	(22.6%)	54.7%	19.5%	95.5%	(26.5%)	(38.2%)	13.3%	40.2%
Revenue account (£m)																	
Income	n/a	3.8	6.5	6.9	8.4	10.5	8.5	13.8	11.9	n/a	71.1%	6.2%	21.7%	25.0%	(19.0%)	62.4%	(13.8%)
Costs (management and other expenses)[9]	n/a	1.3	1.9	2.2	2.6	3.1	2.4	2.4	2.9	n/a	46.2%	15.8%	18.2%	19.2%	(22.6%)	0.0%	20.6%
Finance costs	n/a	1.2	3.2	3.6	4.1	3.6	2.6	1.4	2.0	n/a	166.7%	12.5%	13.9%	(12.2%)	(27.8%)	(46.2%)	42.9%
Financial ratios of the Group																	
Revenue yield on average gross assets	n/a	2.8%	3.1%	2.8%	2.3%	2.3%	2.6%	4.2%	3.1%								
Total expense ratio[10] on average gross assets	n/a	1.0%	0.9%	0.9%	0.7%	0.7%	0.8%	0.7%	0.8%								
Bank loans, other loans, CULS and ZDP shares gearing on gross assets	n/a	41.1%	47.2%	46.5%	38.6%	50.5%	56.1%	57.0%	50.7%								

1. Restated for changes in accounting policies.
2. Utilico Investments Limited ("Utilico") began trading on 20 June 2007. An investment update was produced for the year ended 30 June 2007 which includes figures from Utilico's predecessor Utilico Investment Trust plc. As such these numbers are neither audited nor reviewed under auditing standards.
3. Restated consolidating GERP.
4. Issued by Utilico Finance Limited, a wholly owned subsidiary of Utilico in June 2007. 2012 ZDP shares previously issued by Utilico Investment Trust plc.
5. 2008 Warrants expired July 2008.
6. Adjusted for June 2007 corporate action.
7. Gross assets less current liabilities excluding loans.
8. CULS converted June 2007 into ordinary shares.
9. Excluding CULS equity component.
10. Excluding performance fee and income not receivable.