UTILICO
INVESTMENTS LIMITED

REPORT AND ACCOUNTS
2015

MANAGED BY ICM

Utilico Investments Limited

Utilico Investments Limited's investment objective is to maximise shareholder returns by identifying and investing in investments worldwide where the underlying value is not reflected in the market share price.

Nature of the Company

Utilico Investments Limited ("UIL" or the "Company") is a Bermuda exempted company incorporated with limited liability. The Company is a closed end investment company, whose ordinary shares are listed on the premium segment of the Official List of the Financial Conduct Authority ("FCA") and are traded on the Main Market of the London Stock Exchange. The business of the Company consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, generating an accceptable return for shareholders and spreading the investment risk. The Company has borrowings and zero dividend preference ("ZDP") shares ("gearing"), the proceeds from which can also be invested with the aim of enhancing returns to shareholders. This gearing increases the potential risk to ordinary shareholders should the value of the investments fall.

Until 13 April 2015, the Company had contracted with an external investment manager, ICM Limited ("ICM"), to manage its investments and for the company secretarial function. On 13 April 2015 ICM Investment Management Limited ("ICMIM"), a company authorised and regulated by the FCA as an alternative investment fund manager ("AIFM") pursuant to the AIFM Rules, was appointed to act as the Company's AIFM and as joint portfolio manager alongside ICM; ICMIM was also appointed as the Company's secretary. ICM and ICMIM are collectively referred to as the "Investment Managers".

The Company's general administration is undertaken by F&C Management Limited (the "Administrator" or "F&C"); other administrative functions are contracted to external service providers.

The Company has a Board of non-executive directors who oversee and monitor the activities of the Investment Managers and the other service providers and ensure that the investment policy is adhered to.

The Company's shares are traded on the Main Market of the London Stock Exchange.

The Company's ordinary shares can be held in an ISA.

The Company's shares qualify to be considered as a mainstream investment product suitable for ordinary retail investors.

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Utilico Investments Limited

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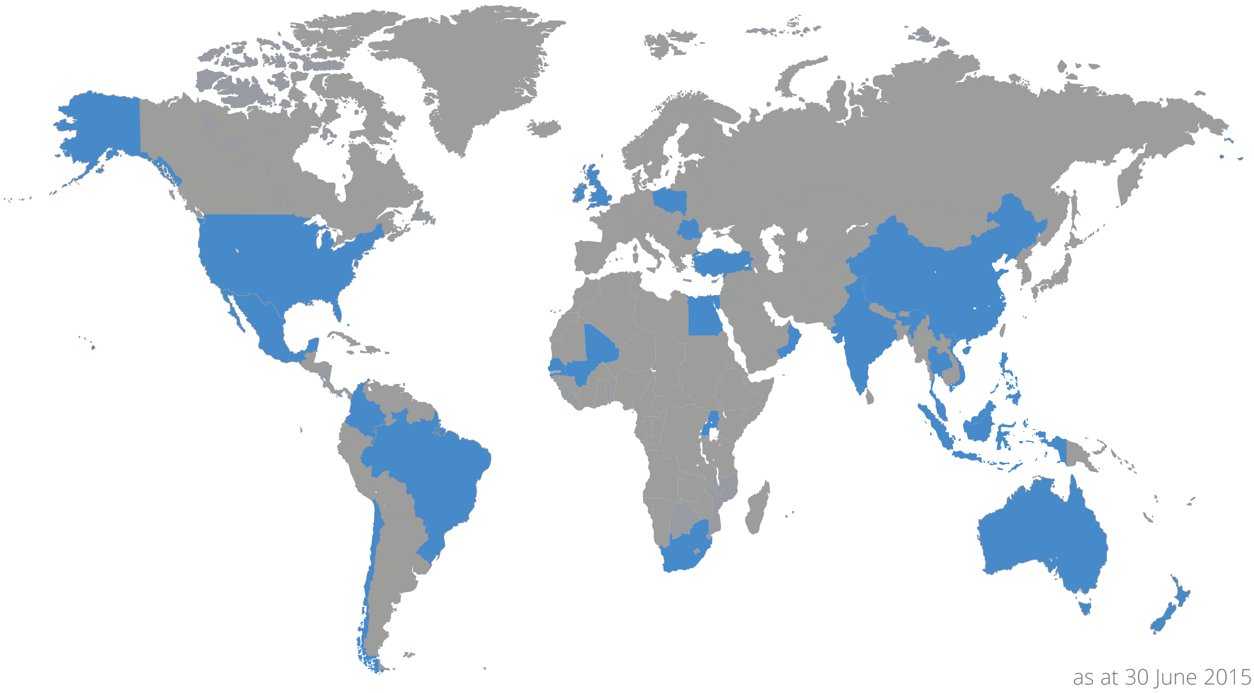
Geographic investment exposure



as at 30 June 2015

Financial calendar

Year end	30 June
Annual General Meeting	16 November 2015
Half year	31 December
Quarterly dividends, payable in	September, December, March and June
Q4 interim dividend – Ex-dividend	20 August 2015
– Paid	16 September 2015

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 views and on information known to them at the date of this report. Nothing in this publication should be construed as a profit forecast.

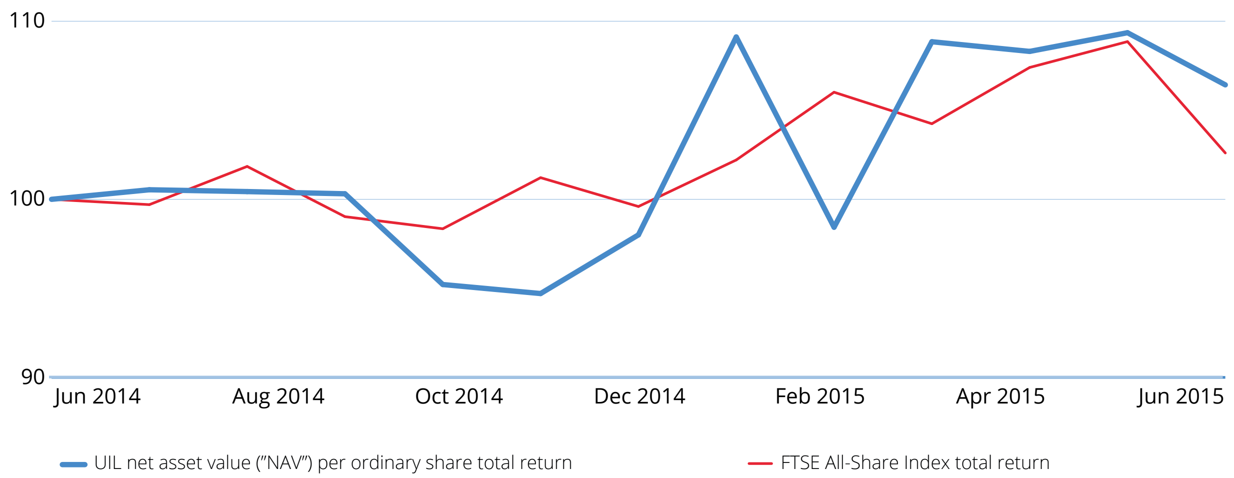
Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested

Current Year Performance

Total return of 6.4%

Dividend per ordinary share maintained at 7.50p

UIL one year performance vs FTSE All-Share Index
From 30 June 2014 to 30 June 2015 (rebased to 100)



Source: UIL

Financial and investment attributes

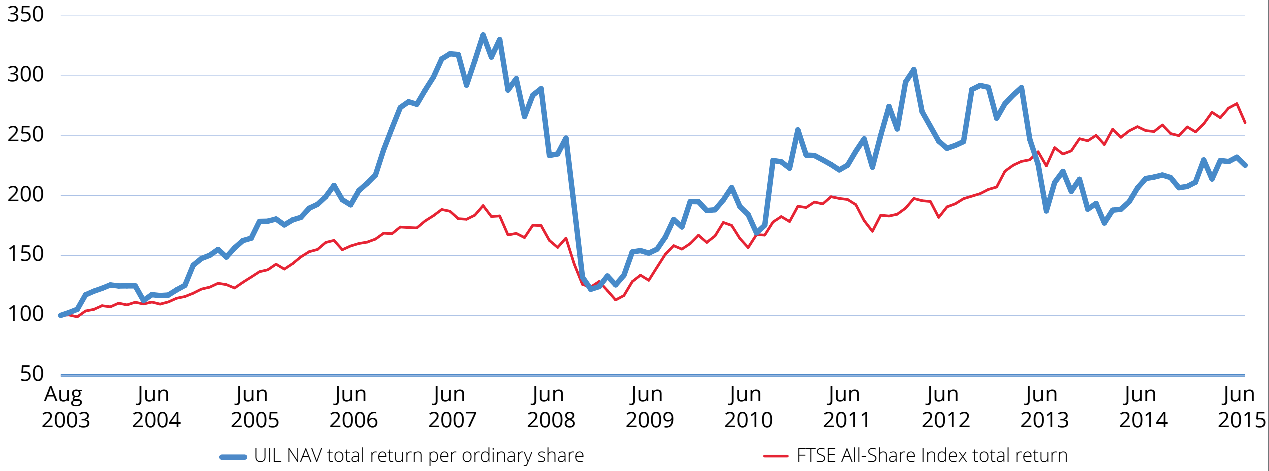
- Invested £55.2m and realised £97.1m
- Bank borrowings peaked at £50.0m
- 2014 ZDP shares redeemed for £76.9m
- Gearing reduced from 144.4% to 124.1%
- Unlisted investments are 15.5% of the total portfolio
- Touchcorp Limited ("Touchcorp") initial public offering ("IPO")
- Technology investments 15.7% of the total portfolio
- Ongoing charges 2.0%
- Management fee 0.25%

Twelve Year Performance

Average annual compound total return since inception of 7.8%

Dividends per ordinary share have increased from 1.60p to 7.50p

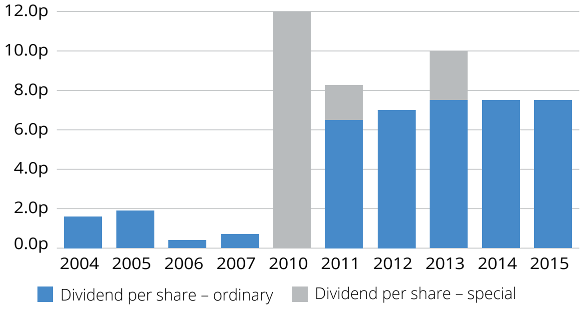
UIL historic performance
From 14 August 2003* to 30 June 2015 (rebased to 100)



*Inception of Utilico Investment Trust PLC

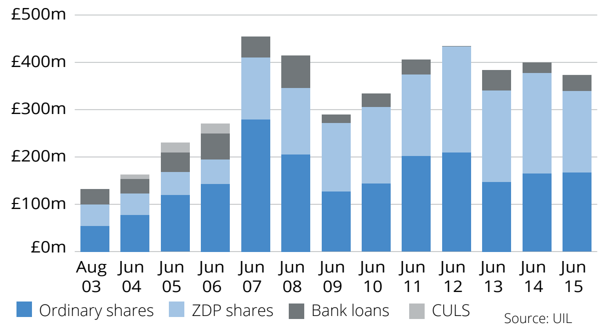
Source: UIL

UIL dividends per share
from 2004 to 2015



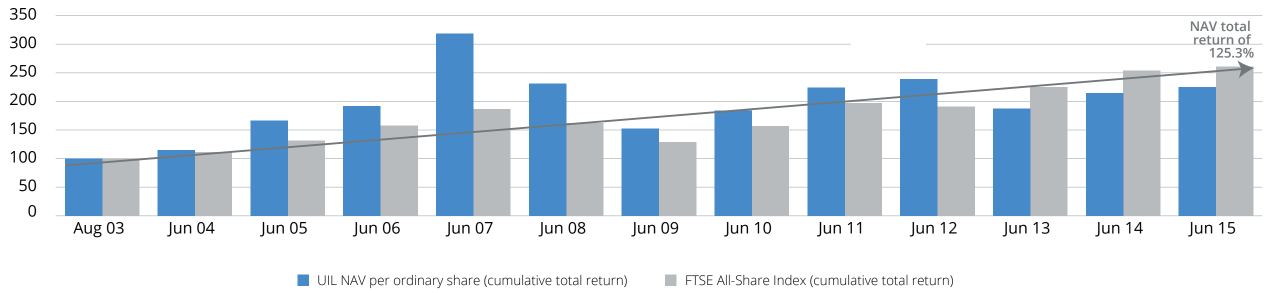
Source: UIL

Allocation of gross assets
from 14 August 2003 to 30 June 2015



Source: UIL

Cumulative total return comparative performance from 14 August 2003*
(rebased to 100)



*Inception of Utilico Investment Trust PLC

Source: UIL

Group Performance Summary

	30 June 2015	30 June 2014	Change % 2015/14
Total return[1] (annual) (%)	**6.4**	18.1	n/a
Annual compound total return (since inception) (%)	**7.8**	7.9	n/a
Net asset value per ordinary share (pence)	**169.00**	165.84	1.9
Ordinary share price (pence)	**117.00**	128.00	(8.6)
Discount (%)	**30.8**	22.8	n/a
FTSE All-Share Total Return Index	**5,614**	5,471	2.6
Returns and dividends (pence)			
Revenue return per ordinary share	**7.84**	7.03	11.5
Capital return per ordinary share	**2.47**	19.85	(87.6)
Total return per ordinary share	**10.31**	26.88	(61.6)
Dividend per ordinary share	**7.50**	7.50	0.0
ZDP shares[2] (pence)			
2014 ZDP shares (repaid 31 October 2014)			
Capital entitlement per ZDP share	**n/a**	163.70	n/a
ZDP share price	**n/a**	166.25	n/a
2016 ZDP shares			
Capital entitlement per ZDP share	**175.55**	163.70	7.2
ZDP share price	**184.63**	177.13	4.2
2018 ZDP shares			
Capital entitlement per ZDP share	**127.09**	118.50	7.2
ZDP share price	**141.75**	128.25	10.5
2020 ZDP shares			
Capital entitlement per ZDP share	**106.61**	n/a	n/a
ZDP share price	**122.38**	n/a	n/a
Equity holders' funds (£m)			
Gross assets[3]	**373.4**	399.1	(6.4)
Bank debt	**34.4**	22.2	55.0
ZDP shares	**172.4**	212.5	(18.9)
Equity holders' funds	**166.6**	164.4	1.3
Revenue account (£m)			
Income	**11.2**	10.4	7.7
Costs (management and other expenses)	**1.8**	2.1	(14.3)
Finance costs	**1.1**	0.9	22.2
Financial ratios of the Group (%)			
Revenue yield on average gross assets	**2.9**	2.6	n/a
Ongoing charges figure excluding performance fees[4]	**2.0**	2.2	n/a
Ongoing charges figure including performance fees[4]	**2.4**	3.1	n/a
Bank loans, overdraft and ZDP shares gearing on net assets	**124.1**	144.4	n/a

(1) Total return is calculated as change in NAV per ordinary share, plus dividends reinvested
(2) Issued by Utilico Finance Limited ("UFL"), a wholly owned subsidiary of UIL
(3) Gross assets less current liabilities excluding loans and ZDP shares
(4) Expressed as a percentage of average net assets. Ongoing charges comprise all operational, recurring costs that are payable by the Group or suffered within underlying investee funds, in the absence of any purchases or sales of investments

Chairman's Statement

I am pleased to report that UIL achieved a total return of 6.4% over the year to 30 June 2015, outperforming the FTSE All Share Total Return of 2.6%. This was mainly comprised of dividends paid of 7.50p plus a gain on NAV from 165.84p to 169.00p.

Over the 12 years since Utilico Investment Trust PLC was launched in August 2003, which rolled into UIL in June 2007, we have distributed £40.7m in dividends, invested £12.8m in share buybacks and added net gains to our NAV of some £66.0m for a total return of 125.3%. This represents an average annual compound total return of 7.8%; marginally behind the FTSE All Share average annual compound total return of 8.4%.

At the interim stage, in the six months to 31 December 2014, we noted rising market volatility and expected this to continue. This has definitely been the case and is a feature of the markets as the world's economies continue to decouple. The US Dollar has been stronger, as has Sterling and both the US and UK central banks head tentatively towards interest rate normalisation. The US equity markets have increased in the year to 30 June 2015, with the S&P 500 gaining 5.2% mainly driven by technology companies. We have seen weaker commodity prices and in particular it is notable that oil has fallen to a low of US$63.59 per barrel at 30 June 2015 from US$112.36 per barrel in June last year. Similarly other commodities have been weak, with gold declining by 11.7% to US$1,172.35/oz at the year end.

For UIL the resources and mining companies in our portfolio were weak and ended the year significantly down: Zeta Resources Limited ("Zeta") was down by 39.4% and Resolute Mining Limited ("Resolute") was down by 51.2%. Against this UIL's financial technology ("FinTech") investments reported strong revenue and EBITDA gains and increases in valuations.

Our move to establish UIL as a broader based investor in 2007, with a consequent change in the mandate, has enabled the establishment of several investment platforms which have generally benefited from a sharper focus and in-depth knowledge of segments of the market. Infratil Limited ("Infratil") and Utilico Emerging Markets Limited ("UEM") set the precedent and continue to perform well. In the year to 31 March 2015 Infratil reported an adjusted EBITDAF from continuing activities of NZ$453.4m, an increase of 10.3% and recorded a gain of NZ$337m on the sale of wholly owned Infratil Energy Australia for NZ$671.0m. This was an outstanding result enabling Infratil to pay an increased ordinary dividend and a special dividend. Infratil's total return to UIL over the 12 months was some 52.9%. Pleasingly UEM also reported a strong total return for the year to 31 March 2015 of 12.2%, again an outstanding performance given the tough environment for emerging markets.

Over the last three years UIL has supported the formation of Somers Limited ("Somers") (financial services); Zeta (commodities); and Bermuda First Investment Company Limited ("BFIC") (Bermuda centric assets). In addition, UIL has established a strong track record of investing in the FinTech space and is looking to establish a "platform" to capitalise on this position. Our platforms have made significant progress over the last 12 months.

UIL has, generally, through the Vix Group of companies, taken strategic investments in a number of FinTech companies. Operationally these companies have performed well over the 12 months to 30 June 2015, strengthening their gains over recent years. These investments continue to grow significantly. Touchcorp is the most visible demonstration of the value these businesses can deliver. Touchcorp, which provides payment solutions for a range of mobile applications, listed in March 2015 at A$1.40 and as at 30 June 2015 the shares were trading at A$1.60. At the time of the listing UIL realised A$11.7m of its existing Touchcorp shareholding and now holds 20.7% of Touchcorp's issued share capital.

Vix Technology Limited ("VixTech") has improved the quality of its earnings over recent years and reported an EBITDA from continuing businesses of A$11.6m, up 20.0% year on year on turnover of A$146.6m, which was largely flat. Going forward, VixTech has secured a number of contracts which should result in both a substantial uplift in turnover and further increases in EBITDA margins. The most recent contract won by VixTech was a US$27.0m contract in Malaysia to build a unified public transit ticketing system with the ability to use a single smartcard across all modes of transport.

A negative of the platforms is the discount on discount. UEM's share price on 30 June 2015 was 189.75p, a discount of 6.7% to the reported NAV for UEM of 203.46p. A look-through valuation of UEM, Somers, Zeta and BFIC would increase UIL's NAV by 13.2% to 191.30p per share. If the brokers' look-through valuation for Infratil of some NZ$4.00 per share was reflected in UIL's NAV, this would increase the look-through valuation by a further 7.7% to 204.30p.

This discount encouraged the Investment Managers, supported by the Board, to buy back 0.6m shares during the year at 110.00p and a further 7.9m shares after the year end at 116.00p. All of these buybacks were significantly accretive to UIL's NAV per share. Further buybacks need to be balanced against the need to maintain adequate cover for the ZDP shares in issue and liquidity for the redemption of the ZDP shares when due.

Given the continued diversification of the portfolio away from utilities, the Board considers it appropriate for UIL to change its name from Utilico Investments Limited to UIL Limited. A resolution to achieve this will be proposed at the AGM.

It is pleasing to note that Group revenue return per share is up 11.5% from 7.03p to 7.84p. This has enabled the Board to maintain total dividends at 7.50p per share and represents a yield on the closing share price of 6.4%. Looking forward the Board expects to maintain the current dividend profile. Undistributed revenue reserves carried forward are some 11.78p.

The ZDP liability and bank debt was reduced again this year to £206.8m, down from £234.7m in 2014. This has enabled UIL to buy back shares and to start to look at the 2016 ZDP redemption. Proposals will be put forward to the 2016 ZDP shareholders ahead of the redemption of the 2016 ZDPs on 31 October 2016 which are expected to include the establishment of a new 2022 ZDP class. It is pleasing to see the ZDP shares trade well above their accrued capital entitlements.

UIL has appointed ICMIM as its AIFM, with ICMIM becoming joint portfolio manager with ICM. As explained in the Report of the Directors on page 35; ICMIM is a UK regulated investment manager controlled by Charles Jillings. The existing Investment Management Agreement ("IMA") with ICM was terminated and replaced with a new agreement (the "AIFM Agreement") on 13 April 2015. There has been no change in the individuals responsible for managing the Company as a consequence of the new arrangements. The management fees remain unchanged and ICM and ICMIM will continue to manage UIL at the reduced annual management fee of 0.25% until such time as the NAV high watermark of 247.58p is regained, when it will revert back to 0.5%.

Ongoing charges, excluding and including performance fees payable by the other companies managed by ICM, were 2.0% and 2.4% respectively. These include operational, recurring costs payable by the Group and a proportion of costs incurred in other investment companies held within the portfolio.

We were saddened to hear the news that Gareth Horner, our former KPMG audit partner, passed away in May.

After 22 years on the boards of UIL and its predecessor companies Utilico Investment Trust PLC and the Special Utilities Investment Trust PLC, including being Chairman of the Board since 2011, I have decided to stand down from the Chairmanship and the Board at the Annual General Meeting ("AGM") in November. It has been a very rewarding and enjoyable experience and I thank my Board colleagues for their support and encouragement over the years. I would also thank Duncan Saville and Charles Jillings who have ably led the management team at ICM. I am delighted that Peter Burrows has agreed to become Chairman of UIL when I retire. Peter will bring his immense knowledge of the investment and broking profession to the Chairmanship. I wish all stakeholders the best for the coming years.

Graham Cole has advised the Board he will not be seeking re-election at the forthcoming AGM. I thank Graham for his valuable contribution to the Board.

The Board is intending to appoint additional Directors in due course.

OUTLOOK

Market volatility has continued to rise throughout the last twelve months and even more so recently. As the US and UK central banks head tentatively towards interest rate normalisation and the introduction of gradual interest rate increases, most other central banks are moving in the opposite direction. The central banks of Europe and Japan have introduced Quantitative Easing ("QE") and China has adopted an accommodative stance towards its markets, as have Australia's and New Zealand's central banks. Against this backdrop global gross domestic product ("GDP") and in particular China's GDP has weakened. This has resulted in weak demand for commodities which, coupled with their oversupply, has seen most commodity prices sharply down. Lower commodity prices and weaker GDP have together driven lower inflation and in some cases deflation. We have seen Switzerland decouple the Franc from the Euro and countries such as Switzerland, Denmark and Sweden move to a negative interest rate environment. These are not normal markets and the fallout from the Global Financial Crisis remains with us and is yet to play out in full. We expect the stresses to result in increased volatility going forward and wider dislocations.

Dr Roger Urwin
Chairman
21 September 2015

UIL achieved a total return of 6.4% for the twelve months to 30 June 2015, which was a good result in difficult markets.

As noted in the outlook section of the Chairman's statement, market volatility has continued to rise throughout the twelve months. .

The effects of this volatility can be seen both in commodities and currencies. Oil, nickel, iron ore, copper and gold were down by 43.4%, 37.1%, 36.9%, 17.7% and 11.7% respectively over the year to 30 June 2015. The US Dollar has been strong as has Sterling, but the New Zealand Dollar, Australian Dollar and Japanese Yen were all down significantly against Sterling by 15.9%, 11.0% and 9.9% respectively.

The stand out performer in these markets has been technology shares. These stocks have driven the US equity markets higher, while mining shares in comparison have moved sharply lower. This is discussed further below.

For UIL, our technology investments have risen in value as a result of continued good progress at an operating level, with rising EBITDA combined with higher market valuations for our listed technology companies. The uplift has been equally significant. Against this the resource declines measured in Sterling have been significant. This is discussed in detail below.

UIL has continued its move towards core platform investments, which offer the following benefits:

- Focused strategy. Each platform has a narrow mandate and as such is driven by the need to find and make investments within its mandate.
- Dedicated research analysts. The research analysts for each platform are focused on both understanding their portfolio businesses and identifying compelling investments.
- The platforms can draw on UIL's support and financial backing.
- The platforms can utilise the Investment Managers' wide knowledge across many jurisdictions to optimise investment structures and undertake corporate finance led transactions.

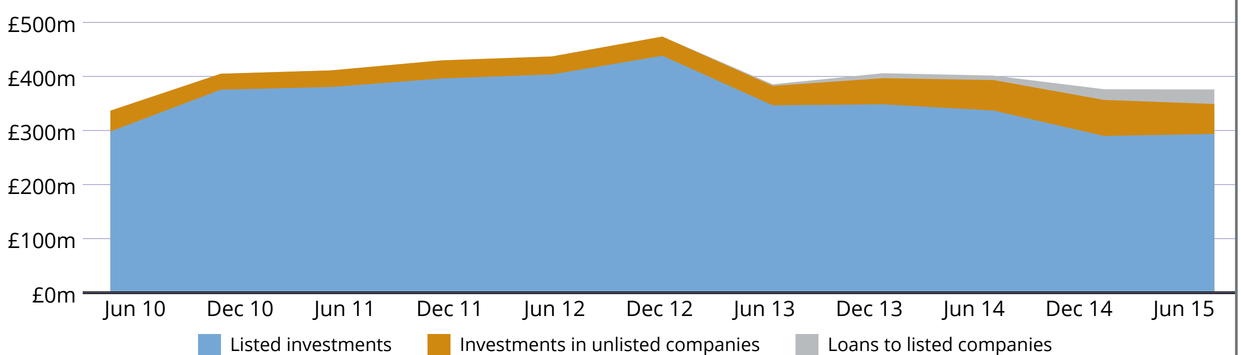
In short, the platforms have been set up to provide sharper focus leading to better investment opportunities and decisions within their sectors.

We first articulated the platform approach in early 2012 and today these represent 68.4% of the portfolio, amounting to £251.3m.

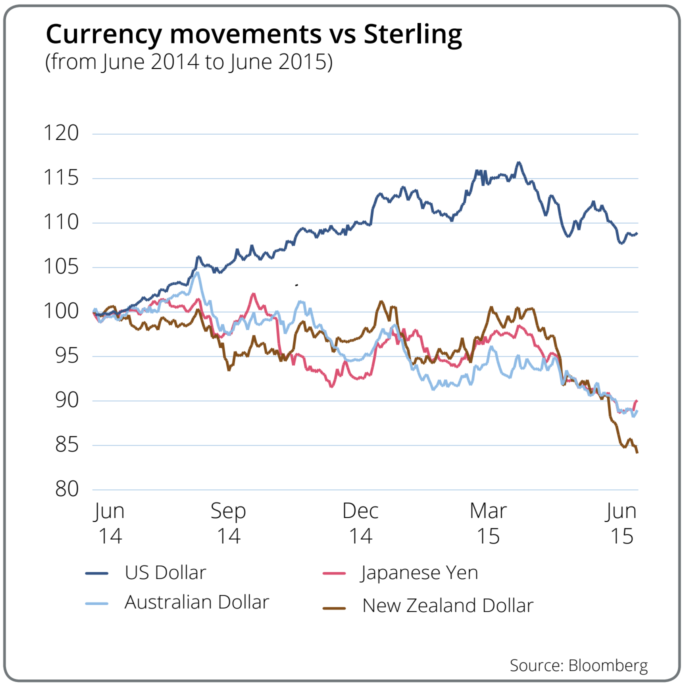
During the year to 30 June 2015, UIL withdrew £34.2m net from its platform investments, realising £58.8m and investing £24.6m. Key realisations included £24.8m from UEM, £21.7m from Infratil and net £10.7m from Vix Limited. Key investments were £4.1m into Somers, £17.9m debt to Zeta and £1.6m into BFIC. These investments are each reviewed in detail below.

It must be noted that UIL has suffered a discount drag on the platform investments. The initial investments made were based on NAV. Following this, the shares in the platform companies have traded at a discount. As UIL marks

UIL investments
from 30 June 2010 to 30 June 2015



Source: UIL



these investments to market there is an immediate negative effect from investments made and this has dragged UIL's NAV performance down.

As at 30 June 2015 there were discounts to published NAVs of 6.7% for UEM (some £6.0m); 20.3% for Somers (some £13.1m); and 6.3% for Zeta (some £2.7m). In addition, Infratil's shares were trading at NZ$3.15, significantly below the brokers' valuation of NZ$4.00, a discount of 21.3% (some £13.0m). Together this amounts to a discount on these investments of some £34.8m. Adding this back would see UIL's shareholders' funds increase to £201.4m. We hope that as these platforms demonstrate consistent long term returns, the demand for the listed companies' shares will increase, resulting in a narrowing of the discounts.

UNLISTED INVESTMENTS

Unlisted investments were valued at £56.6m, 15.5% of the portfolio, as at 30 June 2015, up from £56.3m, 13.9% of the portfolio, as at 30 June 2014. In addition, UIL has made loans to listed platform companies totalling £25.8m, some 7.0% of the portfolio, up from £8.3m, 2.1% at the previous year end. As these companies are listed, these loans are not regarded as an investment in an unlisted company.

Given our FinTech performance and track record we are reviewing how better to achieve value from these investments to maximise our investment opportunity and the establishment of a FinTech platform may be the logical conclusion.

PORTFOLIO

The portfolio continues to move away from infrastructure and utilities with 39.4% invested in these sectors. This has been driven mainly by realisations, as UIL realised 23.2% of its opening holding in UEM for £24.8m and 35.3% of its opening holding in Infratil for £21.7m. Together these accounted for a significant reduction in UIL's utilities and infrastructure exposure. The key investments were loans to Zeta of £17.9m and a Resolute convertible note of £4.9m. The other key change has been the rise in value of UIL's technology company investments.

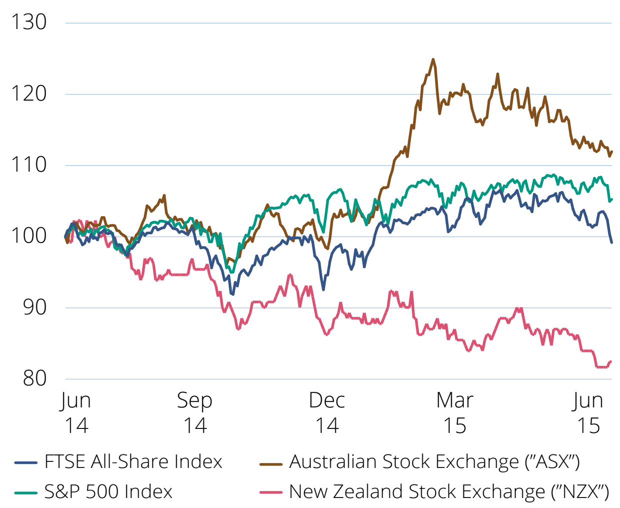
The effect of the above has seen technology investments almost double to 15.7% of the portfolio versus prior year at 8.8%, (mainly on increased valuations); oil & gas stood still at 13.0%, as increased investment offset declines in valuations; renewables decreased from 12.3% to 8.6% as UIL sold down Infratil and Renewable Energy Generation plc; gold mining reduced from 11.2% to 7.3% mainly as a result of the fall in Resolute's share price. Within geographic allocations, Australia increased from 10.4% to 18.0%, nearly all as a result of the uplift in technology investment valuations, partly offset by the decrease in the Australian Dollar.

As at 30 June 2015 the top ten investments accounted for 87.5% of the portfolio versus prior year 88.2%. It should be noted that for both sector and geographic analysis, we continue to present the portfolio on a look-through basis both as to sector and geographic split.

PLATFORM INVESTMENTS

UIL currently has six platform investments – UEM, Somers, Infratil, Zeta, BFIC and Vix Investments Limited. Together these investments represent six out of the top 10 investments and account for 68.4% of the portfolio at 30 June 2015, unchanged as a percentage over the year.

Indices movements
(from June 2014 to June 2015)



Source: Bloomberg

UEM is UIL's largest investment accounting for 22.7% of the portfolio at the year end. In the year to 30 June 2015, UEM delivered another solid result, achieving a total return of 4.8%, ahead of the MSCI Emerging Markets Total Return Index (GBP adjusted) which grew by 3.1%. The Investment Managers' stock selection has again been recognised with UEM's performance garnering industry recognition, with the fund winning the Moneywise Investment Trust Awards 2015 for the Global Emerging Markets category for the second year running. UEM was highly commended at the Money Observer Trust Awards 2015 for the Best Diversified Emerging Markets Trust and was one of Money Observer's rated funds for 2015. UEM celebrated its tenth year since flotation in 2015, with a ten-year total return to March 2015 of 159.8%, ahead of the MSCI Emerging Markets Total Return (GBP adjusted) at 149.5%.

Emerging markets indices and currencies were volatile in the period under review, and exceptionally so in the Chinese mainland A-share markets. In what could be justifiably termed "irrational exuberance", retail investors and margin traders pushed the Shanghai Composite up by an astonishing 152.0% in the year, before an abrupt collapse of 17.0% in the final two weeks of June 2015.

Other key emerging markets indices were up both in local currency and Sterling terms, with many currencies reversing most of their weakness from the previous twelve months. In the year to 30 June 2015 the Philippine Peso and Thai Bhat gained 5.4% and 4.5% respectively against Sterling, and the USD-linked Hong Kong Dollar appreciated by 8.9%. By comparison the Malaysian Ringgit and the Brazilian Real were down 7.4% and 28.8% respectively versus Sterling.

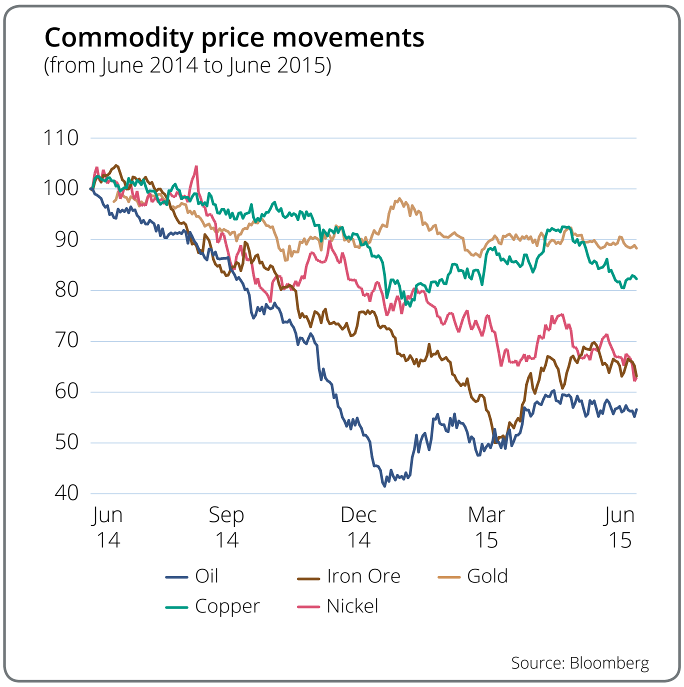
In early July 2014, UIL sold 13.8m shares in UEM at 180.00p, reducing its shareholding by almost a quarter. This reflects a re-balancing of the UIL portfolio following a period of outperformance by UEM relative to other constituents of UIL's portfolio and reduced UIL's emerging market exposure back to a level which we believe is appropriate for the Company for the long term.

Somers reported NAV per share had risen to US$17.56 as at 31 March 2015, up from US$16.25 as at 31 March 2014, an increase of 8.1%. Adding back dividends over the 12 months to 31 March 2015 the Somers total return was 10.5%. Somers, a financial services investment company, is listed on the Bermuda Stock Exchange ("BSX") and its share price has remained virtually unchanged in the 12 months to 30 June 2015, decreasing slightly from US$14.25 to US$14.00 and the discount to the NAV has widened to 25.4% from 18.8% last year. Somers has moved to reporting its results as an investment company under IFRS 10 and has valued its investments at fair value.

Somers' two biggest investments remain Bermuda Commercial Bank Limited ("BCB") and Waverton Investment Management Limited ("Waverton"). BCB reported net profit for the six months to 31 March 2015 of US$2.1m (2014: US$7.9m) on shareholders' funds of US$105.1m. Total customer deposits were US$486.5m.

Waverton's assets under management ("AUM") were £4.6bn as at 31 March 2015 (30 September 2014: £5.2bn). In the first half of the year, Waverton's AUM were impacted by the loss of its European Fund which moved with its fund manager to a specialist fund management business. This was partially offset by the continued strong performance in the global equity markets, particularly in Europe and for the six months ended 31 March 2015, Waverton earned revenue of £16.6m, EBITDA of £5.2m and recorded profit before tax of £3.7m.

Private & Commercial Finance Group plc ("PCFG"), Somers third largest investment, continues to progress well. For the 12 months to 31 March 2015 profit before tax was up by 69.0% to £2.1m (2014: £1.3m) placing PCFG ahead



of its targeted 2.0% return on average assets at 2.2%, while its total portfolio grew by 13.0% to £100m. The shares have responded accordingly and over the 12 months to 30 June 2015 had risen by 63.6%.

Infratil has had an exceptional year, with its share price increasing by 29.4% in the year to 30 June 2015 and achieving a total return of 52.9% once dividends are included. This reflects a combination of strong operational performance and further asset realisations at valuations well above market expectations. Infratil's surplus nearly doubled to NZ$384m, while net debt was cut by almost a third following the divestments. Dividends paid totalled NZ$0.33 (including a special dividend) compared to NZ$0.10 in 2014.

It has been a busy year for Infratil. Following the successful IPO of Z Energy in August 2013, Infratil announced a strategic review of its Australian energy assets which resulted in the sale of 100% of Lumo Energy and Direct Connect to Snowy Hydro Ltd for net cash proceeds of NZ$670m. At more than two times the March 2014 carrying value, Infratil realised a net gain on sale of NZ$337m, and part of the proceeds were returned to shareholders through a NZ$0.15 special dividend and an on-market buyback.

In December 2014 Infratil completed the acquisition of 50% of RetireAustralia, the largest privately-held pure-play retirement operator in Australia. RetireAustralia has over 3,700 independent living units and apartments across 28 villages in New South Wales, South Australia and Queensland. Infratil provided cash consideration of NZ$215m, with its partner, the New Zealand Superannuation Fund, acquiring the other 50%.

In its financial year to March 2015, Infratil reported adjusted EBITDAF up 10.3% year-on-year, with a strong performance at Trustpower offsetting slightly weaker financial contributions from Wellington Airport and NZ Bus. Trustpower has now commissioned the Snowtown II wind farm, which saw electricity generation in Australia nearly triple. Meanwhile its New Zealand electricity sales increased by 12% in volume to 8% more customers. By comparison passenger throughput at Wellington Airport was flat year-on-year with a small decline in income per passenger. Wellington Airport and the Wellington City Council have agreed to fund jointly a review of an extension of the runway, and are targeting mid-2016 to have construction consented.

In the year to 30 June 2015 UIL reduced its holding in Infratil by 28.0% with the sale of 13.8m shares at an average price of NZ$3.15, realising £21.7m.

Zeta's net tangible assets ("NTA") per share in the year to 30 June 2015 fell by 55.3%. Over this same period Zeta's share price fell by 39.4%, from A$0.66 to A$0.40. The share price discount to NTA at the end of June 2015 was 6.3%. Zeta's investments were affected by the fall in commodity prices, with the largest exposures being to oil, nickel and gold, which were down over the year by 43.4%, 37.1%, and 11.7% respectively. As Zeta employs debt capital, changes in share prices of its underlying investments have a leveraged effect on Zeta's NTA.

Zeta's three largest investments are Australian nickel producer Panoramic Resources Limited ("Panoramic"), New Zealand oil and gas producer, New Zealand Oil and Gas Limited ("NZOG") and Bermudan oil and gas exploration company, Seacrest L.P. ("Seacrest"). In the wake of the fall in the price of nickel, Panoramic's shares were down by 43.9% during the year; however, the company has experienced exploration success, and has also moved to reduce costs in order to continue to produce positive cashflows. NZOG's shares declined by 28.2%; during the year the company returned an effective NZ$0.15 per share via a buy-back. Seacrest is unlisted, but Zeta's directors determined that a 25% reduction in fair value was appropriate given the fall in the oil price.

BFIC's share price was unchanged over the year to 30 June 2015. BFIC's investee companies continue to face significant challenges as the Bermudan economy remains weak. However, there are signs that the economy is starting to pick up and with events such as the America's Cup due in 2017 there is hope that growth will flow through to BFIC's investee companies.

BFIC's two major investments, KeyTech Limited ("KeyTech") and Ascendant Group Limited ("Ascendant"), both reported tough trading conditions and sharply lower profits. As at 30 June 2015, BFIC had total assets of BM$23.6m and reported an operating loss for the twelve months of BM$1.2m.

During the year KeyTech announced a transformative transaction involving the disposal of its fixed line business, Bermuda Telephone Company ("BTC") and the acquisition of British Overseas Territory Cable & Telecommunications Limited ("BOTCAT"). BOTCAT owns WestStar TV Limited in Cayman and a significant interest in CableVision Holding Limited ("Cablevision") in Bermuda. Post the year end KeyTech acquired the minority interests in Cablevision and has merged Cablevision with its Internet service provider business, Logic Communications Limited.

Vix Investments Limited is an unlisted investment company holding a number of unlisted investments in technology companies, primarily related to FinTech.

The primary holding, accounting for 96.0% of Vix Investments' gross assets, is Optal Limited (formerly PSP International Limited) ("Optal") which continues to perform well with revenues increasing by 82.6% in the year to December 2014 and an almost five-fold increase in profit. Optal provides payment solutions and allows agents to secure and pay through the Mastercard system, using a virtual card number linked to an individual transaction. In the six months to 30 June 2015 Optal saw like for like revenues increase by 62.0% and total revenues increase to £23.4m with EBITDA nearly doubling to £4.4m.

Two of Vix Investments previous holdings, Touchcorp and DTI Group, listed on the ASX during the year. Both shareholdings were distributed by Vix Investments pro rata to its shareholders and UIL now holds these two companies directly. Touchcorp is now in the top ten and is reviewed in more detail below.

DIRECT INVESTMENTS

UIL has four direct investments in the top ten: Resolute, Touchcorp, VixTech and Augean plc ("Augean").

Resolute is an Australian domiciled gold mining company and its share price in the year ended 30 June 2015 fell by 51.2% to A$0.30. Production in the year to 30 June 2015 of c.329,000/oz of gold was down on the previous year's production of c.343,000/oz following the planned closure of the Golden Pride mine in Tanzania. The company continues to firm up prospects at its Bibiani project in Ghana, with positive results from its underground scoping study set to support a feasibility study at the project in 2016.

Resolute's principal producing assets include the Syama gold mine in Mali and Ravenswood in Australia. Gold ounces produced at Syama increased by 35.9% to 224,911/oz following the successful commissioning of a new oxide circuit, which saw cash costs simultaneously fall by 20.4% to A$800/oz. At Ravenswood gold ounces produced fell by 25.5% to 103,773oz due to increasing hardness of ore requiring greater processing, as well as maintenance of plant. Cash costs per ounce at Ravenswood increased by 13.0% to A$940/oz.

At 30 June 2015 Resolute had cash and bullion on hand of A$54m and total borrowings of A$118m, including the A$15m convertible note offering which was completed in December 2014 and underwritten by ICM and partially sub-underwritten by UIL. Gross cash inflows for the year totalled A$182m, though the majority of this cashflow was re-invested in development capex.

In June 2015 Resolute announced the completion of a pre-feasibility study at Syama which resulted in a material increase in the underground ore reserve to 2.3M/oz, extending the life of the mine to at least 2028. Following the decline in the gold price, Resolute has conducted a review of operations at Syama and determined that the planned Stage 2 mining of the ore body will be best achieved by underground, rather than open pit, mining. The switch to underground mining is expected to result in a significantly smoother cash flow profile and higher return on capital of the project.

Resolute has provided guidance for gold production of 315,000oz at an average cash cost of A$990/oz for the year to 30 June 2016.

Touchcorp is a Bermuda domiciled FinTech company headquartered in Australia, operating in Scandinavia, Europe, South–East Asia and the Australia Pacific regions. Touchcorp provides value-added products and services, including payment services, to retailers and to the providers of prepaid mobile phones, prepaid cards and to health and government organisations, through channels including the internet, mobile devices and retail agents (e.g. convenience stores, newsagents and petrol stations) as well as directly to consumers on behalf of product and service owners.

Touchcorp, which as at 30 June 2014 was held as an unlisted investment by Vix Investments, successfully listed on the ASX in March 2015. Under the IPO, a proportion of the shares in Touchcorp were sold at the IPO price of A$1.40 and the remaining shares held by Vix Investments were distributed to its shareholders, including UIL. UIL received a cash payment of A$11.7m and holds a direct investment of 24.0m shares (representing 20.7% of the issued capital of Touchcorp).

In its financial year to 31 December 2014, the company reported revenue growth of 30.0% to A$24.8m and an increase in pre-tax profits of 59.4% to A$11.7m.

In the six months to 30 June 2015, the company reported revenue growth of 69.0% to A$18.4m and an increase in pre-tax profits (excluding government grants and IPO costs) of 79.3% to A$4.2m.

VixTech is an unlisted company in which UIL has a 39.8% holding. VixTech is a global leader in smart booking, ticketing, payments, real-time information and data management solutions for large-scale transport networks, working with more than 200 customers worldwide. VixTech leverages more than 25 years of industry experience designing, operating and maintaining proven next-generation ticketing, payment and loyalty platforms to help governments and businesses manage around five billion transactions a year and create new ways to connect with their customers. Harnessing the latest technologies, VixTech now also works with major sporting clubs, mining communities and event venues to boost engagement, save resources and enable powerful data-driven loyalty and reward schemes through simple solutions that achieve measurable growth and increase customer satisfaction. VixTech has a long history of successful transit ticketing and payment solutions in regions including Singapore, Hong Kong, USA, UK, Sweden, and France. VixTech developed the world's largest payment central clearing house in Beijing before the 2008 Olympics, capable of processing more than 10 million passenger journeys per day.

Over the year to 30 June 2015, VixTech continued to deliver on its short term objectives to improve the quality of the order book, control costs and expand margins. In the year to 30 June 2015, VixTech reported an EBITDA from continuing businesses of A$11.6m, up 19.9% on the prior year on turnover of A$146.6m, although revenue was largely flat. It was pleasing to see VixTech make significant progress on its medium term objectives to both expand geographic and product offering. To this end, recently winning the US$27.0m contract in Malaysia to build a unified public transit ticketing system with the ability to use a single smartcard across all modes of transport was a significant step forward. The announced launch by VixTech, in partnership with National Rugby League club Melbourne Storm, of Australia's first 'smart-stadium' loyalty and fan engagement technology is a demonstration of VixTech's ability to expand its product base. The Vix SmartSite stadium solution integrates payment, access, loyalty rewards and patron analytics technology at Melbourne's AAMI Park stadium.

VixTech's project pipeline remains robust with core business lines developing a number of material opportunities with major clients. Major contract wins to date should deliver a substantial uplift in turnover and continued cost controls should support further margin expansion in the coming year. Looking forward and based on VixTech's pipeline, VixTech is forecasting a substantial uplift, which if delivered and sustained, would result in a significant revaluation upwards.

In the year to 30 June 2015, VixTech paid a dividend of A$4.0m to its shareholders. In addition, VixTech disposed of its 11.2% stake in Hong Kong listed transportation solutions provider China City Rail Transportation Technology ("CCRTT"), recording a one off gain of A$13.4m, the majority of which was distributed to VixTech shareholders. Together these resulted in distributions to UIL of A$6.5m.

The share price of **Augean**, a waste treatment company, has strengthened further in the 12 months to June 2015, increasing by 17.8% on the back of continued operational and financial progress after the restructuring of the business in the previous year. In its financial year to December 2014, total revenues increased by 26.5% and EBITDA increased by 27.6% on the back of a recovery in landfill volumes and a robust performance of its North Sea Services business. Dividends were increased by 43.0% on the previous year.

The core Energy & Construction business saw total landfill volumes increase by 14.2% year-on-year to December 2014, boosted by higher-value air pollution control residues ("fly ash"). This reflects Augean's strategy to focus the business away from short-term contracts to higher-value waste streams with longer-term contracts, improving the forward visibility of the order book. Volumes of low level radioactive waste treated declined by 8.4% due to fluctuations in amounts released by the UK nuclear estate, offset by effective rates up by 22.7%. This business line remains heavily reliant on the pace of decommissioning of former nuclear facilities by the Nuclear Decommissioning Authority.

Augean North Sea Services significantly exceeded expectations, with revenues in the year to December 2014 up by 56.7% and EBITDA up by 44.0% following strong traction in moving up the supply chain and directly contracting drilling waste management services with tier-1 oil and gas companies. Recent concerns over the impact of the lower oil price on this business line have been largely dispelled by the operation's continued growth in rigs serviced and a positive trading update to end-June 2015.

Augean's Industry & Infrastructure (oil and solvent recovery) and Integrated Services (total waste management) divisions continue to make progress, with losses narrowing in both business lines. After experiencing operational issues in the previous year, the high temperature incinerator facility in Kent saw improved reliability.

In the year ended 30 June 2015 UIL increased its shareholding in Augean by 6.0%, investing £0.6m at an average price of 45.30p per share.

SECTOR REVIEWS

Technology – 15.7%, prior year 8.8%

UIL holds a number of investments in the technology sector, both directly and through Vix Investments Limited. UIL's largest technology investment is Touchcorp, the sixth largest holding in the portfolio at 30 June 2015 which successfully listed in Australia in March 2015 and is reviewed above.

VixTech provides ticketing payment solutions and is UIL's seventh largest investment and is reviewed above.

Vix Investments is UIL's tenth largest holding and has a number of investments in unlisted companies, principally in the FinTech space. Two former holdings by Vix Investments, Touchcorp and DTI Group, listed during the year and UIL now holds these investments direct.

Outside of the top ten, UIL holds shares in a small number of listed and unlisted technology companies which offer a range of software, hardware and specialist engineering solutions.

Financial Services – 15.1%, prior year 13.1%

UIL's largest investment in financial services is in Somers, which accounts for 14.0% of UIL's portfolio; Somers is reviewed above.

Oil & Gas – 13.0%, prior year 13.0%

UIL's largest investment in oil & gas is through Zeta which accounts for 11.0% of UIL's portfolio; Zeta is reviewed above.

Renewables – 8.6%, prior year 12.3%

Much of the investment in renewables is through Infratil whose hydro and windfarm assets fall into this category; Infratil is reviewed above. There are two other key investments in this sector, both in the UK. Renewable Energy Generation plc and Renewable Energy Holdings plc. Both of these holdings have reduced in value significantly, partly through disposals of investments by UIL of £7.7m and partly through share price movements. Over the year the value of these two investments has reduced from £15.8m to £3.4m.

Renewable subsidies in the UK over the past year have become increasingly politicised, with their impact on household energy bills being heavily featured in mainstream media. The government's Electricity Market Reform (EMR) policy to incentivise investment in low-carbon electricity and improve affordability for consumers sought to shift the subsidy mechanism from Renewables Obligation Certificates (ROCs) to capacity auctions under Contracts for Difference ("CFD") from 31 March 2017. But following the election of a majority Conservative government, it was announced that the ROCs would no longer be available to new onshore wind power projects after 31 March 2016. Further, Energy Secretary Amber Rudd has made public statements that onshore wind will not be allocated CFDs either, effectively removing all subsidies for onshore wind in the UK. This has dramatically shifted the economics of new-build wind farms effectively making them unviable, and has severely affected the sentiment and prospects of all UK wind farm companies, with commensurate declines in market valuations.

Gold Mining – 7.3%, prior year 11.2%

UIL's largest investment in gold mining is Resolute which is held directly through UIL (6.0% of the portfolio) and indirectly, including through Zeta. Resolute is reviewed above.

DERIVATIVES

Equity: A modest market derivatives portfolio, mainly through S&P500 index options, has resulted in a small loss of £76,000 for the year to 30 June 2015.

Foreign exchange: Currency positions within UIL's portfolio made significant gains of £6.4m. UIL has hedged a mixture of New Zealand Dollar, Australian Dollar and Euro's over the year which realised a net gain in the 12 months to 30 June 2015. At the period end UIL's forward currency sale contracts in place were for nominal NZ$60.0m, €12.0m and A$10.0m. However, Sterling's appreciation against most major currencies has created significant headwinds on UIL's NAV performance. Had exchange rates remained constant throughout the year, the portfolio valuation would have been £13.1m higher. This cost to the Company due to UK Sterling's ongoing strength was reduced by UIL's foreign exchange hedging. However due to UIL's leverage, the movements in currencies represent a 4.0% loss for ordinary shareholders.

GEARING

Gearing (including through the ZDP shares) reduced from 160.4% two years ago to 144.4% last year and to 124.1% at 30 June 2015. This reflects a debt reduction of some £27.9m in the year to 30 June 2015 from £234.7m to £206.8m, together with a small increase in shareholders' equity to £166.6m from £164.4m.

Since the year end UIL has bought back 7.9m ordinary shares at a price of 116.00p, costing £9.2m. Bank debt has been increased and therefore the gearing will also have increased. Notwithstanding this, UIL has a goal of reducing gearing to 100.0%.

ZDP SHARES

UIL started the year with £212.5m ZDP shares including £76.2m of 2014 ZDP shares, which were redeemed in full in October 2014 by a mixture of asset sales, bank debt and 2020 ZDP issuance.

Following the 2014 ZDP redemption and allowing for the issuance of 25.0m 2020 ZDP shares and their collective compounding annual growth of 7.25%, at the year end the ZDP shares stood at £172.4m, a reduction over the prior year of £40.1m.

UIL will aim to put forward proposals to the 2016 ZDP shareholders ahead of the 2016 ZDP share redemption on 31 October 2016, which is likely to include the issuance of a new class of 2022 ZDP shares.

DEBT

Bank debt increased in the year from £22.2m to £50.0m at the time of the 2014 ZDP redemption and subsequently reduced to £34.4m. At year end this was drawn as £20.5m, NZ$21.5m and €6.5m.

The facility is provided by Scotiabank Europe plc ("Scotiabank") and expires on 22 March 2016.

REVENUE RETURNS

Income was £11.2m, up by 7.6% on the prior year. Management fees were significantly lower as a result of ICM voluntarily halving its annual fee to 0.25% until such time as the high watermark is regained. Other expenses were up by 6.3% at £1.0m. Finance costs were 16.0% higher than last year at £1.1m reflecting higher average bank debt levels. Tax was £0.5m, prior year £0.4m.

The profit for the year arising from the above was £7.8m, up 11.4% on prior year. The resultant EPS was 7.84p, up 11.5% on the prior year.

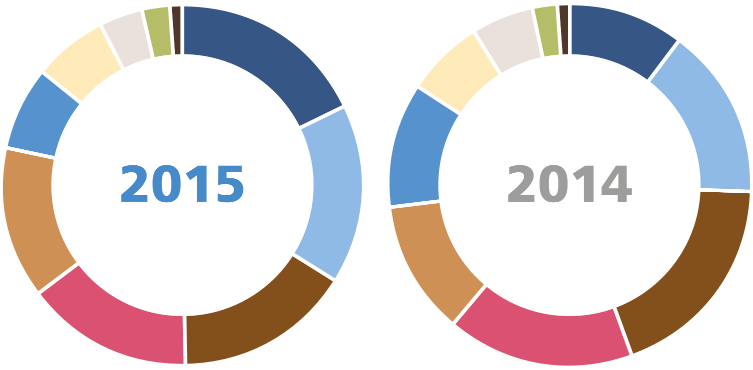
CAPITAL RETURNS

Capital returns were positive in the year to 30 June 2015; this comprised income of £15.6m being a gain on investments of £6.3m, together with gains on derivative financial instruments of £6.3m and foreign exchange gains of £3.0m. This income was reduced by finance costs of £13.2m (7.9% lower than in 2014 due to the reduction in the number of ZDP shares in issue), to a profit for the year of £2.4m.

ICM Limited and ICM Investment Management Limited
Investment Managers
21 September 2015

Geographical & Sector Split of Investments (on a look-through basis)

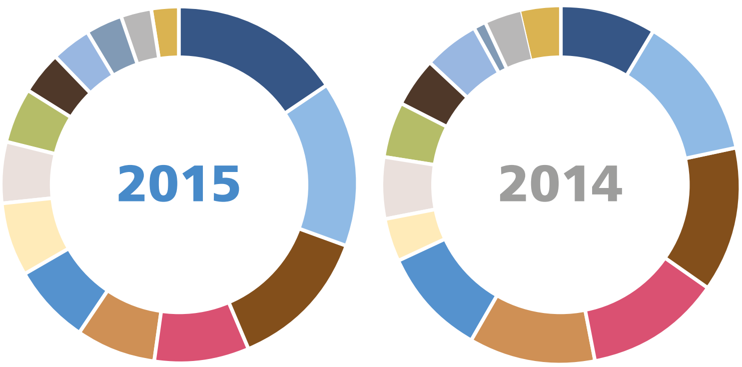
Geographical split of investments



Country	% of total 2015	2014
Australia	18.0	10.4
Bermuda	16.1	15.4
Asia	15.7	18.9
New Zealand	15.0	16.6
UK and Channel Islands	13.8	11.9
Gold mining	7.3	11.2
Europe excluding UK	6.6	6.8
Latin America	3.9	5.5
Africa	2.6	2.3
North America	1.0	1.0

Source: UIL

Sector split of investments



Sector	% of total 2015	2014*
Technology	15.7	8.8
Financial Services	15.1	13.1
Oil & Gas	13.0	13.0
Renewables	8.6	12.3
Gold mining	7.3	11.2
Other	7.0	9.9
Telecoms	6.9	3.9
Water & waste	5.5	5.5
Electricity	4.9	5.0
Airports	4.0	4.3
Ports	3.5	5.1
Infrastructure	3.4	1.1
Resources	2.8	3.2
Toll roads	2.3	3.6

* numbers restated for the new sectors

Source: UIL

UIL is an investment company holding investments with gross assets of £373.4m as at 30 June 2015 and its investment objective is set out below. The strategy the Board follows to achieve that objective is to appoint an investment manager to deliver investment performance, with the Board setting investment policy and risk guidelines, together with investment limits and monitoring how they are applied.

ICM solely managed the portfolio until 13 April 2015, when ICMIM, an English incorporated company which is regulated by the FCA, was appointed to act as the Company's AIFM with sole responsibility for risk management and ICMIM and ICM were appointed with joint responsibility for portfolio management. The investment team responsible for the management of the portfolio is headed by Duncan Saville and Charles Jillings.

The Investment Managers manage the portfolio in accordance with the Board's strategy of generating a capital and income return. Successful implementation of the investment strategy is achieved by identifying undervalued stocks, which generally generate an income stream, with the aim of maximising value for shareholders through a relatively concentrated portfolio of investments. This model, combined with the use of gearing, should crystallise financial returns, generating a total return through both capital and income.

The Board, together with the Investment Managers, consider how the business strategy and model has to be adapted to comply with new legislation and regulations. For example, as indicated above, the Board has reviewed its previous decision to remain outside of the EU Alternative Investment Fund Managers Directive ("AIFMD") and decided to appoint ICMIM as its AIFM.

F&C has been appointed to undertake general administration services, including dealing.

INVESTMENT OBJECTIVE AND POLICY

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY AND RISK

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 factors such as technological change, market motivation, prospective financial engineering opportunities, competition, underperforming management or shareholder apathy.

The Company aims to maximise value for shareholders through a relatively concentrated portfolio of investments.

Historically the Company had invested a significant proportion of its gross assets in existing infrastructure, utility and related sectors but, following the change in mandate in 2007, this direct exposure has reduced as the Company has, in addition, invested in other sectors.

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

The Company has the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.

The Company may also use derivative instruments such as 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. These investments will be long term in nature.

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 UIL's exposure to the emerging markets infrastructure and utility sectors is primarily through its holding in UEM. UIL 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 whilst at the same time maintaining an active and constructive shareholder approach through encouraging a review of the capital structure and business efficiencies. The Investment Managers' team maintains regular contact with investee companies and UIL may often be among the largest shareholders. There are no limits on the proportion of an investee company that UIL may hold and UIL may take legal or management control of a company from time to time.

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

INVESTMENT LIMITS

The Board has prescribed the following limits on the investment policy, all of which are at time of investment unless otherwise stated.

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 unlisted investment is made;
- 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; and
- derivative transactions are carried out by Global Equity Risk Protection Limited ("GERP") on behalf of the Company to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investment risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50% of the value of UIL's segregated portfolio in index options and GERP may not hold more than 100% of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

None of the above restrictions will require the realisation of any assets of the Company where any restriction is breached as a result of an event outside of the control of the Investment Managers which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant restriction can again be complied with.

VALUATION METHODOLOGY

Investments are measured at the Board's estimate of fair value at the reporting date, in accordance with IAS 39 – Financial Instruments: Recognition and Measurement.

Fair value is the amount for which an asset (or liability) could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Publicly traded securities

Investments listed in an active market are valued at their closing bid price on the reporting date. When a bid price is not available, the price of the most recent reported transaction would normally be used.

Market bid prices are used even in situations where the Company holds a large position and a sale could reasonably affect the quoted price.

Unquoted securities

The determination of fair value for unquoted securities where there is little, if any, market activity, is achieved by the application of a valuation technique that is appropriate for the circumstances. This will make the maximum use of market based information and is consistent with methodology generally used by market participants.

Valuation is normally determined by using one of the following valuation methodologies:

Start up and early stage investments:

In the absence of revenues, profits, assets or cash flows, the approach used will be cost combined with set milestones to measure expectations and fair value.

Established investments:

There are three approaches to valuing established investments: multiples; discounted earnings; and recent investments. Depending on the investment and relevance of the approach, any or all of these valuation methods could be used.

Appropriate market multiples will vary by instrument, but would typically be by reference to one or more of, but not limited to, net earnings ratio, EV/EBITDA ratio, dividend yield, discount to net asset value or yield to maturity.

Discounted earnings multiples will use maintainable earnings discounted at appropriate rates to reflect the value of the business. Generally, the latest historical accounts are used unless reliable forecast results for the current year are available. Earnings are adjusted where appropriate for exceptional or non-recurring items. Where there has been a recent investment in an investee company, the price of that investment will provide a basis of the valuation.

BORROWING AND GEARING POLICY

The Board carefully considers the Company's policy in respect of the level of equity exposure. The Board takes responsibility for the Company's gearing strategy and sets guidelines to control it, which it may change from time to time. The Company may use bank borrowings for both medium-term and short-term liquidity purposes. In addition it has longer term borrowings in the form of the ZDP shares that its subsidiary UFL has issued. Details of the ZDP shares in issue and any changes during the year are included in note 15 to the accounts.

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

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

The Company has a £50m multicurrency revolving facility with Scotiabank; as at 30 June 2015 £34.4m was drawn down under the facility. Further details of this loan facility are included in note 13 to the accounts.

DERIVATIVES

The Investment Managers may follow a policy of actively hedging the market and balance sheet risks faced by the Company.

A review of the investment portfolio, borrowings and hedging is included in the Investment Managers' report and also within the notes to the accounts.

KEY PERFORMANCE INDICATORS

Delivery of shareholder value is achieved through the increase in capital value of the Company's shares and by its income return.

The Board reviews performance by reference to a number of Key Performance Indicators that include the following:

- Net asset value total return relative to the FTSE All-Share Index
- Share price
- Discount to net asset value
- Revenue earnings
- Ongoing charges figure

While some elements of performance against KPIs are beyond management control, they provide measures of the Group's absolute and relative performance and are therefore monitored by the Board on a regular basis.

30 June	2015	2014
Net asset value total return (%)	6.4	18.1
FTSE All-Share Index total return (%)	2.6	13.1
Share price (pence)	117.0	128.0
Discount to net asset value (%)	30.8	22.8
Percentage of issued shares bought back during the year (based on opening share capital) (%)	0.6	None
Revenue earnings per share (pence)	7.84	7.03
Ongoing charges figure (%)	2.0	2.2

The Company achieved a positive performance in the year reflecting successful implementation of the business strategy by the Investment Managers.

A graph showing the historic NAV total return performance compared to the FTSE All-Share Index can be found on page 3. The Investment Managers' Report, which comprises the first part of this Strategic Report, provides a commentary on how this performance was achieved.

Discount to net asset value: The Board monitors the premium/discount at which the Company's shares trade in relation to the assets. During the year the Company's shares traded at a discount relative to NAV in a range of 21.7% to 34.2% and an average discount of 28.6%. The Board and the Investment Managers closely monitor both movements in the Company's share price and significant dealing in the shares. In order to avoid substantial overhangs or shortages of shares in the market the Board asks shareholders to approve resolutions which allow for the buyback of shares and their issuance which can assist in the management of the discount. However, it also has to have regard to the percentage of shares in public hands, which must not fall below 25%. The Company bought back, and cancelled, 600,000 ordinary shares during the year. Subsequent to the year end, the Company has bought back and cancelled a further 7,903,425 ordinary shares at attractive prices, which were significantly accretive to UIL's NAV per share.

Earnings and dividends per share: The Board's objective is to maintain or increase the total annual dividend, as the Board and the Investment Managers attach great importance to maintaining dividends per share. The Board has the flexibility to pay dividends from capital reserves.

Dividends form a key component of the total return to shareholders, and the level of potential dividend payable and income from the portfolio is reviewed at every Board meeting. The Company has declared four quarterly interim dividends, each of 1.875p, in respect of the year ended 30 June 2015. The fourth quarterly interim dividend was declared on 4 August 2015 and was paid on 16 September 2015 to shareholders on the register at 21 August 2015. The total dividend for the year was 7.50p, the same as in the previous year.

Ongoing charges: these are the industry measure of costs as a percentage of net asset value. The expenses of the Company are reviewed at every Board meeting, with the aim of managing costs incurred and their impact on performance. The ongoing charges figure appears high when compared to other investment companies as the expenses are expressed as a percentage of average net assets (after the deduction of the ZDP shares) and comprises all operational, recurring costs that are payable by the Company or suffered within underlying investee funds. This ratio is sensitive to the size of the Company as well as the level of costs.

The historical performance on page 95 shows both ongoing charges and dividends.

FINANCIAL POSITION

At 30 June 2015, the Company's net assets were valued at £166.6m (2014: £164.5m). These comprised a portfolio of mainly equity investments and net current assets.

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

Scotiabank facility

As at the year end, the Company had a £50m secured multicurrency revolving facility with Scotiabank, repayable on 22 March 2016.

Due to the readily realisable nature of the Company's assets, cash flow does not have the same significance as for an industrial or commercial company. The Company's principal cash flows arise from the purchase and sale of investments and the income from investments against which must be set the costs of borrowing and management expenses.

As at 30 June 2015, the Company's ordinary shares were geared by borrowings in the form of drawings under the facility from Scotiabank of £34.4m (2014: £22.2m).

ZDP shares

The ZDP shares are issued by UFL, a wholly owned subsidiary of UIL. Details of the ZDP shares in issue and any changes during the year are set out in note 15 to the accounts.

OUTLOOK AND FUTURE TRENDS

The main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Managers' Report section of this Strategic Report. Further details as to the risks affecting the Company are set out below under "Principal Risks and Risk Mitigation".

PRINCIPAL RISKS AND RISK MITIGATION

ICMIM has been appointed as the Company's alternative investment fund manager with effect from 13 April 2015 and has sole responsibility for risk management subject to the overall policies, supervision, review and control of the Board.

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 Managers and F&C.

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 46. The Company's internal controls are described in more detail on page 41. Through these procedures, and in accordance with Internal Control: Revised Guidance for Directors on the Combined Code (the "FRC guidance"), the Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and has regularly reviewed the effectiveness of the internal control systems for the year. This process has been in place throughout the year under review and to the date hereof and will continue to be regularly reviewed by the Board going forward.

Most of the Company's principal risks are market-related and similar to those of other investment companies which invest globally in various currencies around the world. The principal ongoing risks and uncertainties currently faced by the Company, and the controls and actions to mitigate those risks are described below. Further details of risks and risk management policies as they relate to the financial assets and liabilities of the Company are detailed in note 27 to the accounts.

Investment risk – the risk that the investment strategy does not achieve long-term total returns for the Company's shareholders

The Board monitors the performance of the Company and has established guidelines to ensure that the investment policy is pursued by the Investment Managers.

The investment process employed by the Investment Managers combines assessment of economic and market conditions in the relevant countries with stock selection. Fundamental analysis forms the basis of the Company's stock selection process, with an emphasis on sound balance sheets, good cash flows, the ability to pay and sustain dividends, good asset bases and market conditions. The political risks associated with investing in these countries are also assessed. Overall, the investment process is aiming to achieve absolute returns through an active fund management approach.

The Company's results are reported in Sterling, whilst the majority of its assets are priced in foreign currencies. The impact of adverse movements in exchange rates can significantly affect the returns in Sterling of both capital and income. Such factors are out of the control of the Board and the Investment Managers and may give rise to distortions in the reported returns to shareholders. It can be difficult and expensive to hedge some currencies.

In addition, the ordinary shares of the Company may trade at a discount to their NAV. The Board monitors the price of the Company's shares in relation to their NAV and the premium/discount at which they trade. The Board may buy back shares if there is a significant overhang of stock in the market, having regard to the percentage of shares in public hands.

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 sectors and gearing. Periodically the Board holds a separate meeting devoted to strategy, the most recent one being held in November 2014.

A fuller review of economic and market conditions is included in the Investment Managers' Report section of this Strategic Report.

There is no guarantee that the Company's strategy and business model will be successful in achieving its investment objective. The value of an investment in the Company and the income derived from that investment may go down as well as up and an investor may not get back the amount invested. Past performance of the Company is not necessarily indicative of future performance.

No change in overall risk in the year to 30 June 2015.

Gearing: the risk that the use of gearing may adversely impact on the Company's performance

The ordinary shares rank behind the bank debt and ZDP shares, making them a geared instrument.

The gearing level is high due to the capital structure of the balance sheet. Whilst the gearing should enhance total return where the return on the Company's underlying securities is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling. As at 30 June 2015, gearing on net assets, including bank loans, any overdrafts and ZDP shares, was 124.1%.

No change in overall risk in the year to 30 June 2015.

Banking: a breach of the Company's loan covenants might lead to funding being summarily withdrawn

ICMIM monitors compliance with the banking covenants when each drawdown is made and at the end of each month. The Board reviews compliance with the banking covenants at each Board meeting.

No change in overall risk in the year to 30 June 2015.

Key staff: loss by the Investment Managers 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 of the Investment Managers and the recruitment and remuneration packages have been developed in order to retain key staff.

Any changes in the senior management team is considered by the Board at its next meeting; the Board discusses succession planning with the Investment Managers at regular intervals.

No change in overall risk in the year to 30 June 2015.

Reliance on the Investment Managers and other service providers: inadequate controls by the Investment Managers or Administrator or other third party service providers could lead to misappropriation of assets

Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its investment policy. The Company's main service providers are listed on page 94. The Audit Committee monitors the performance of the service providers.

All listed investments are held in custody for the Company by JPMorgan Chase Bank NA, Jersey ("JPMorgan"); the unlisted investments are held in custody by BCB (together "the Custodians").

Following the appointment of J.P. Morgan Europe Limited ("JPMEL") as the Company's Depositary services provider, JPMEL also monitors the movement of cash and assets across the Company's accounts.

The Audit Committee reviews the Administrator's annual internal control report which details the controls around the reconciliation of the Administrator's records to those of the Custodians. The Administrator reviews the control reports published by JP Morgan Chase and draws any issues to the attention of the Board.

The Board reviews operational issues at each Board meeting and the Audit Committee receives reports on the operation of internal controls, and the risk of cybercrime, as explained in more detail within "Internal Controls" on page 41. The risk of cybercrime is high, as it is with most organisations, but the Board regularly seeks assurances from the Investment Managers and other service providers on the preventative steps that they are taking to reduce this risk.

Although there has been no change in overall risk in the year, the possibility of cybercrime continues to be a concern. The Company's assets are considered to be relatively secure, so the risk is the inability to transact investment decisions for a period of time and reputational risk.

This Business Review was approved by the Board of Directors on 21 September 2015.

ICM Investment Management Limited
Company Secretary

Investment Managers and Team

ICM, a Bermuda based global fund manager, was the sole investment manager of UIL until 13 April 2015. ICM has some £1.5bn directly under management and has indirect involvement in a range of mandates valued at over £7.5bn. The ICM team consists of more than 40 people based in Bermuda, Cape Town, London, Dublin, Hong Kong, Melbourne, Singapore and Wellington.

On 13 April 2015, UIL appointed ICMIM to act as the Company's AIFM. ICMIM is authorised and regulated by the FCA as an AIFM pursuant to the AIFM Rules. ICMIM has the responsibility for risk management, subject to the overall policies, supervision, review and control of the Board, and acts as joint portfolio manager alongside ICM. Mr Jillings effectively owns and controls ICMIM. There has not been any change in the individuals responsible for managing the Company as a consequence of the new management structure.

The Investment Managers are focused on finding investments at valuations that do not reflect their true long term value. Their investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. The Investment Managers are long term investors and see markets as a place to exchange assets.

UIL has a broad investment opportunity. To better execute the mandate UIL has set up a number of platforms to focus the investment process and decisions. The Investment Managers have mirrored these platforms in establishing investment teams dedicated to each.

The investment teams are led by Duncan Saville and Charles Jillings.

Duncan Saville, a director of ICM, is a chartered accountant with extensive experience in corporate finance and asset management. He was formerly a non-executive director of Utilico Investment Trust plc and is an experienced director having previously been a non-executive director of a number of utility, financial services and technology companies. He is currently a director of Infratil, NZOG, Touchcorp, VixTech, Somers, West Hamilton Holdings Limited and GERP.

Charles Jillings, a director of ICM and chief executive of ICMIM, is responsible for the day-to-day running of UIL and the investment portfolio. He qualified as a chartered accountant and has extensive experience in corporate finance and asset management. He is an experienced director having previously been a non-executive director in the water, waste and financial services sectors. His current portfolio of directorships include Keytech, Somers, Waverton, Westhouse Holdings plc, Merrion Limited, Vix Investments Limited and GERP.

Core teams assisting them at a senior level, including consultants, are:

UTILITIES & INFRASTRUCTURE

Jacqueline Broers has been involved in the running of UIL and UEM since September 2010. Prior to joining the investment team, Mrs Broers worked in the corporate finance team at Lehman Brothers and Nomura. Mrs Broers is focused on the transport sector worldwide with particular emphasis on emerging markets. She is a qualified chartered accountant.

Jonathan Groocock has been involved in the running of UIL and UEM since February 2011. Mr Groocock is focused on the utilities sector worldwide with particular emphasis on emerging markets. Prior to joining the investment team Mr Groocock had nine years' experience in sell side equity research, covering telecoms stocks at Investec. Mr Groocock qualified as a CFA charterholder in 2005.

Mark Lebbell has been involved in the running of UIL and UEM since their inception and before that was involved with Utilico Investment Trust plc and The Special Utilities Investment Trust PLC since 2000. Mr Lebbell is focused on the communications sector worldwide with particular emphasis on emerging markets. Mr Lebbell is an associate member of the Institute of Electrical Engineering and Technology.

FIXED INCOME

Gavin Blessing joined ICM in 2012. He has over 20 years of experience working in the financial markets, both investment grade and high yield. He worked as a credit research analyst and portfolio manager at Goldman Sachs Asset Management in London for 10 years and subsequently as head of credit origination at ISTC in Dublin, Ireland. Prior to joining ICM he was head of bond credit esearch at Canaccord Genuity in Dublin. Mr Blessing is a qualified chartered accountant and chartered financial analyst.

RESOURCES

Dugald Morrison, based in Wellington, New Zealand, is responsible for ICM New Zealand. He is an experienced investment analyst, having worked in stockbroking, investment banking and investment management firms in New Zealand, the United Kingdom and the United States since 1987. Mr Morrison is a non-executive director of Pan Pacific Petroleum NL, RESIMAC Financial Services Limited and Brightwater Group Limited. Mr Morrison is a member of the New Zealand Institute of Directors.

TECHNOLOGY

Michael Walters is a portfolio manager and director of Vix Investments Limited, and has over 25 years' experience in payments, payment cards and financial services. Mr Walters has worked in both leadership and advisory roles within a wide range of organisations, from start-ups through consultancies to multi-nationals, with engagements in Asia Pacific, Europe and North America. He is a director of several portfolio companies and a non-executive director of MyClear (the national payments clearing and settlement subsidiary of Bank Negara Malaysia). Mr Walters is a Member of the Australian Institute of Company Directors.

CORPORATE FINANCE

Alasdair Younie is a director of ICM, based in Bermuda. Mr Younie has extensive experience in financial markets and corporate finance. Mr Younie worked for six years within the corporate finance department of Arbuthnot Securities Limited in London. He is a director of Ascendant, BCB, BFIC, Somers, Cablevision and West Hamilton Holdings Limited. Mr Younie is a member of the Institute of Chartered Accountants in England and Wales.

Sandra Pope is a director of ICMIM. She has over 25 years' experience in corporate finance, having previously worked in corporate finance at Deloitte Haskins & Sells, Hill Samuel Bank and Close Brothers for 10 years and has worked for the ICM Group since 1999. Mrs Pope is a director of several private companies, including Westhouse Holdings plc. Mrs Pope is a qualified chartered accountant and holds the Securities & Investment Institute Certificate of Corporate Finance.

OPERATIONS

Brad Goddard has over 25 years' experience in international markets and finance and their related operations. Mr Goddard has been involved with UIL since its inception and prior to that, he was also involved with The Special Utilities Investment Trust plc. He was involved in the establishment of GERP. Mr Goddard is currently working closely with Somers' investee companies to achieve greater operational synergies across the Somers' group.

Werner Van Kets has managed various operational aspects of ICM since its inception. He manages ICM Corporate Services (Pty) Ltd, which provides accounting and other corporate support services to the ICM group. His previous work experience includes Deloitte (South Africa) and Credit Suisse First Boston (UK). Mr Van Kets is a qualified chartered accountant.

COMPANY SECRETARY, ICM Investment Management Limited

With effect from 13 April 2015, ICMIM has been appointed as company secretary of UIL, in place of ICM.

Amanda Marsh, a chartered secretary, joined the team in March 2012 and provides company secretarial services for the Company and UEM. Miss Marsh has over 30 years' experience administering closed-end investment companies, most recently heading the former Merrill Lynch Investment Management investment trust company secretarial team until her departure in 2005.

Ten Largest Holdings

2015	*2014*	Company Description	Listed in:	Fair Value £'000s	% of total investments
1	*1*	**Utilico Emerging Markets Limited** Utility and infrastructure investments	UK	83,418	22.7%
2	*3*	**Somers Limited** Financial services investments	Bermuda	51,525	14.0%
3	*2*	**Infratil Limited** Infrastructure investments	New Zealand	48,114	13.1%
4	*5*	**Zeta Resources Limited** Resources investments	Australia	40,404	11.0%
5	*4*	**Resolute Mining Limited** Gold mining	Australia	22,026	6.0%
6	-	**Touchcorp Limited** Electronic payment services	Australia	18,755	5.1%
7	*6*	**Vix Technology Limited** Automated fare collection systems	Unlisted	17,894	4.9%
8	*7*	**Bermuda First Investment Company Limited** Bermuda investments	Bermuda	17,614	4.8%
9	*10*	**Augean plc** Waste treatment	UK	11,217	3.1%
10	–	**Vix Investments Limited** Technology investments	Unlisted	10,237	2.8%
		Ten largest holdings		321,204	87.5%
		Other investments		45,724	12.5%
		Total investments		366,928	100.0%

www.uem.bm
Market Cap £404.6m

UEM's ordinary shares are traded on the Main Market of the London Stock Exchange. UEM invests predominantly in emerging markets with a focus on publicly-listed infrastructure and utility assets.

In the twelve months to 30 June 2015 UEM's NAV increased by 4.8% on a total return basis, ahead of the MSCI Emerging Markets Total Return Index (GBP adjusted) which grew by 3.1%. This return reflects a solid underlying performance from the portfolio constituents, aided in a small way by currency fluctuations, reversing some of the material negative headwinds seen in the prior year. Revenue earnings per share also increased by 3.8%, with many portfolio constituents increasing dividend payments during the year. In the year to 30 June 2015 UEM's share price increased by 3.4%, while dividends remained flat at 6.10p per share.

UEM celebrated its tenth year since flotation in 2015, with a ten-year total return to 31 March 2015 of 159.8%, ahead of the MSCI Emerging Markets Total Return (GBP adjusted) at 149.5%.

Utilico Emerging Markets Limited

www.somers.bm
Market Cap US$161.1m

Somers is a financial services investment holding company whose shares are listed on the Bermuda Stock Exchange ("BSX").

Its two major investments are its wholly owned subsidiary, BCB (one of the four licensed banks in Bermuda) and a 62.5% interest in Waverton (a UK private wealth manager with over £4.6bn in assets under management). Other investments include an economic interest of approximately 68.0% in Private & Commercial Finance Group plc, an 84.6% interest in Westhouse Holdings plc and a diluted 32.5% interest in Ascot Lloyd Holdings Limited ("Ascot Lloyd"). Post the year end Somers completed an additional £4.0m investment in Ascot Lloyd, increasing its economic interest to 44.0%.

For the six months ended 31 March 2015, Somers reported a NAV per share of US$17.56 on shareholders' funds of US$205.0m. As at 30 June 2015 Somers' market capitalisation was US$161.1m and its dividend yield was 2.7%. In the year to 30 June 2015, Somers' share price decreased by 1.8%.

Somers Limited

www.infratil.com
Market Cap NZ$1,772.8m

Infratil is a NZX listed company managed by H.R.L. Morrison & Co, with its main business lines focused in the renewable energy, airport and public transportations sectors. Principal assets in New Zealand include a 66% stake in Wellington Airport, a 51% stake in Trustpower, a 20% stake in Z Energy, 100% ownership of NZ Bus, and a 19.9% holding in Metlifecare. In Australia principal assets include a 50% stake in RetireAustralia and an 80% stake in Perth Energy.

In its financial year to 31 March 2015 Infratil reported adjusted EBITDAF up 10.3% year-on-year, with a strong performance at Trustpower offsetting a weaker financial contribution from Wellington Airport and NZ Bus. In December 2014 Infratil completed the acquisition of 50% of RetireAustralia, the largest privately-held pure-play retirement operator in Australia.

In the year to end-June 2015 Infratil's share price increased by 29.4%, achieving a total return of 52.9% once dividends are included. Special dividends were paid out following the sale of 100% of Lumo Energy and Direct Connect to Snowy Hydro Ltd for net cash proceeds of NZ$670m.

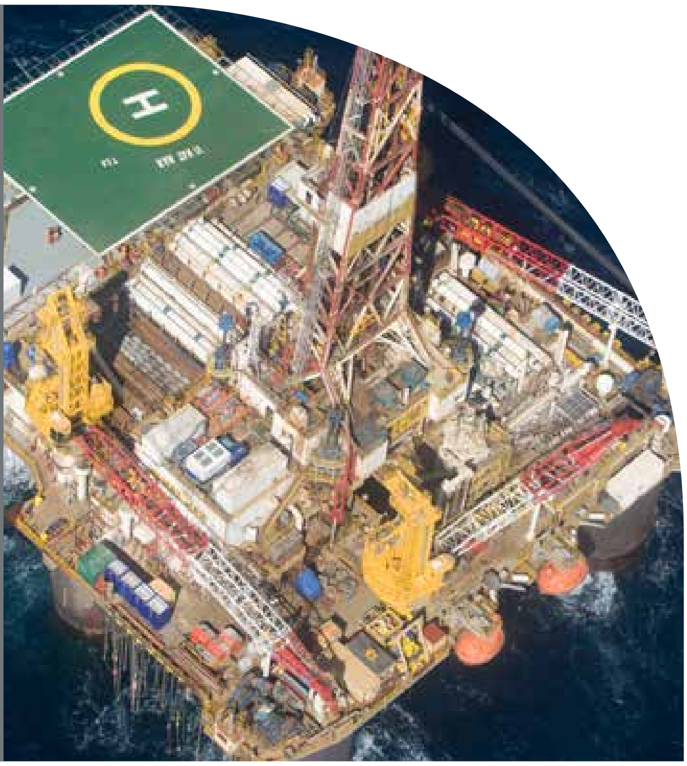
Infratil Limited

www.zetaresources.co
Market Cap A$37.3m

Zeta is an ASX listed investment company, focused on investing in resource companies. As at 30 June 2015, its five largest holdings were: Panoramic, an Australian nickel producer; NZOG, a New Zealand based oil and gas exploration and production firm with operations in New Zealand and Indonesia; Seacrest, an unlisted specialist oil and gas seismic exploration firm; Pan Pacific Petroleum NL ("PPP"), an ASX listed oil junior with an interest in producing oil in New Zealand; and Resolute.

As resource commodity prices fell, Zeta added to its holdings, with UIL providing debt funding in order for Zeta to take advantage of some historically low share prices. During the year, Zeta launched a successful on market takeover for PPP, ending up with a 46.5% stake in the company. Nonetheless, the market price of all Zeta's listed investments ended the year lower, with the price of oil, gold and nickel all down significantly during the year.

In the year ended 30 June 2015, Zeta's net assets per share fell by 55.3%, and its share price fell by 39.4%. The share price discount to net tangible assets at the end of June 2015 was 6.3%.



Zeta Resources Limited

Review of the Ten Largest Holdings (continued)

www.resolute-ltd.com.au
Market Cap A$195.7m

Resolute is a gold producer listed on the ASX with two operating mines, one in southern Mali and the other in northeast Australia. In addition, the company owns a gold project in Ghana. Production in the year to June 2015 of c. 329,000/oz of gold was down on the previous year's production of c. 343,000/oz, but average cash costs fell from A$922/oz in the previous year to A$845/oz in the year ended June 2015.

In a climate of lower gold prices, Resolute has focused on lowering costs. It has also worked on developing an underground approach at Syama that will extend that mine's life to 2028 at operating cash costs well below current gold prices. At Resolute's new gold project at Bibiani in Ghana, the company has conducted a scoping study which concludes the mine can be developed at a relatively low capital cost and with a short payback; a fuller feasibility study will be completed by mid-2016.

The gold price closed at US$1,172/oz as at 30 June 2015, down 11.7% from the prior year. During the year ended 30 June 2015, Resolute's share price fell by 51.2%.

Resolute Mining Limited

www.touchcorp.com
Market Cap A$187.9m

Touchcorp is an Australian managed FinTech company that provides value added products, such as mobile phone top-ups, tolls and tickets. Touchcorp also provides services, including payment services to retailers, health and government. The company provides solutions to allow these products to be sold through retailers, with the company servicing outlets in Australia and a number of European countries, as well as online and through mobile phones.

In its financial year to 31 December 2014, the company reported revenue growth of 30.0% and an increase in pre-tax profits of 59.4%.

The company successfully listed on the ASX in March 2015.

Touchcorp Limited

www.vixtechnology.com
unlisted

VixTech is an unlisted, integrated payment solutions company with a global footprint. The company's products are the cornerstone of some of the world's largest smartcard payment and billing systems and include flagship transportation solutions such as the Hong Kong Octopus Card, Singapore EzLink, Beijing ACC and Melbourne Metcard.

Vix Technology has developed solutions for over 200 cities and regions in 25 countries, enabling millions of people worldwide to experience the convenience of low-cost, smartcard travel via integrated systems processing billions of transactions per annum.

In the year ended 30 June 2015, Vix Technology disposed of its 11.2% holding in Hong Kong listed transportation solutions provider CCRTT, realising a one-off gain of A$13.36m. The core business registered another solid performance with recurring EBITDA up 7.9% on margin expansion.

Vix Technology

www.bfic.bm
Market Cap BM$17.1m

BFIC is an investment holding company whose shares and loan notes are listed on the BSX. It has a number of investments in local Bermudan companies that are listed on the BSX. Its two main investments are a 27.1% holding in KeyTech, a holding company for a number of telecommunications companies in Bermuda and a 12.5% holding in Ascendant, Bermuda's main energy company. In addition to these holdings, BFIC has interests in insurance companies and a service company. BFIC's investments have been affected by the continued contraction of the Bermuda economy following the global financial crisis. As at 30 June 2015, BFIC had total assets of BM$23.6m and reported an operating loss for the twelve months of BM$1.2m.

BFIC's share price remained the same over the year to 30 June 2015.

Bermuda First Investment Company Limited

Vix Investments
unlisted

Vix Investments is an unlisted investment company holding a number of unlisted investments in technology companies, primarily related to FinTech.

The largest holding by value is Optal. Optal provides payment solutions to travel agents, principally as an issuer of single use Mastercard numbers. This allows agents to secure and pay for bookings through the Mastercard system, using a virtual card number linked to an individual transaction.

In the year to December 2014, Optal grew revenues by 82.6% and profit before tax was almost five times larger than that reported for 2013.

Other smaller holdings in Vix Investments include Cohort Solutions, which provides payment solutions for international students and Fusion Payments, which provides an integrated suite of services for banking payments and authentication on all mobile and PC channels in Australia and South East Asia.

Two of the company's holdings, Touchcorp and DTI Group, listed on the ASX during the year and are now held directly by UIL.

Vix Investments Limited

www.augeanplc.com
Market Cap £55.1m

Augean is a leading UK hazardous waste management company which is listed on AIM. It operates five business lines providing waste treatment, disposal and recovery services to the energy, construction, pharmaceutical and infrastructure sectors through its network of facilities in the UK. Following a restructuring of the business in 2013-14, Augean has focused on higher-value waste streams with longer-term contracts, improving the forward visibility of the order book.

In its financial year to December 2014, total revenues increased by 26.5% and EBITDA by 27.6%.

In the year to end-June 2015 Augean's share price increased by 17.8%.

Augean plc

Directors

Dr Roger Urwin CBE* (Chairman)

Dr Urwin, appointed in 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 ATCO Limited and Canadian Utilities Limited.

Peter Burrows AO*

Mr Burrows, appointed as a Director in September 2011, 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 a director of a number of other listed and unlisted companies. Mr Burrows was made an officer in the Order of Australia (AO) for his services to medical research, tertiary education and finance.

Graham Cole CBE

Mr Cole was appointed to the Board on 11 September 2014. Mr Cole has worked for many years in the aerospace industry, both in the UK and internationally. He has recently retired as chairman of Agusta Westland Ltd, having previously been managing director for a number of years. He stood down from the board of Finmeccanica UK during the year and since the year end, from VixTech, where he was chairman. He has sat on various Ministerial Committees and was awarded the CBE in 2004 for Services to Industry. He has recently chaired the Cole Commission on Exports.

Warren McLeland

Mr McLeland, appointed in September 2013, was formerly a stockbroker and investment banker and 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 chairman of Somers and an experienced non-executive director.

Eric Stobart*

Mr Stobart, appointed in May 2007, is a chartered accountant. He spent most of his career in merchant and commercial banking. He is a non-executive director of Capita Managing Agency Limited and Blackrock Throgmorton Trust plc. He is a trustee of the Lloyds Bank Pension Schemes, chairing its Investment and Funding Committee, Lloyds Your Tomorrow Trustees, Anglian Water Group Pension Scheme, Dixons Retail Pension Scheme and chairman of Lloyd's Superannuation Fund.

* Independent Director and member of the Audit Committee and Management Engagement Committee

The Directors submit the Annual Report and Accounts of the Company and Group for the year ended 30 June 2015. The Corporate Governance Statement commencing on page 45, the Report of the Audit Committee on page 53 and the Remuneration Policy and Remuneration Report on page 49 all form part of this Report of the Directors. There are no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4R.

STATEMENT REGARDING ANNUAL REPORT AND ACCOUNTS

The Directors consider that, following advice from the Audit Committee, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

STATUS OF THE COMPANY

The Company is a Bermuda exempted closed end investment company with company registration number 39480. The Company's ordinary shares are listed on the premium segment of the Official List of the FCA and are traded on the Main Market of the London Stock Exchange. It is a member of the Association of Investment Companies ("AIC") in the UK.

The Company's subsidiary undertaking, UFL, carries on business as an investment company. The Company holds shares in a segregated account in GERP, an unquoted Bermuda segregated accounts company. This 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 segregated account in GERP is classified as a subsidiary of the Company and its financial results are included within the accounts of the Group.

Details of the subsidiary companies are given in note 10 to the accounts.

As at the year-end, the Company also held over 50% of BFIC, a company listed on the BSX which invests in Bermuda companies and of Zeta, a resources focused holding and development company, listed on the ASX. Details of these investments are given in note 10 to the accounts.

RESULTS AND DIVIDENDS

Details of the Company's performance in the year to 30 June 2015 are set out in the Chairman's Statement and Investment Managers' Report. The results for the year are set out in the attached accounts; details of the dividends declared in respect of this financial year are included in note 8 to the accounts.

The dividends in respect of the year, which total 7.50p per ordinary share, have been declared and paid as four interim dividends in order to maintain quarterly payments (in December, March, June and September) as the Board and its Investment Managers believe, from discussions with shareholders, that the timely and regular payment of dividends is valued by the Company's shareholders.

GOING CONCERN

The Directors have reviewed the going concern basis of accounting for the Company. The majority of the Company's assets consist of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the accounts.

As at the year end, the Company had a £50m multicurrency loan facility with Scotiabank, which is repayable on 22 March 2016. Drawdowns under the facility are detailed in note 13 to the accounts. The Company will either extend or replace the facility or repay the outstanding debt when due from portfolio realisations.

THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")

The Company is a non-EU Alternative Investment Fund for the purposes of the EU AIFMD. As detailed below under "Fund management arrangements", the Company has appointed ICMIM as its AIFM with effect from 13 April 2015 with sole responsibility for risk management, and ICM and ICMIM jointly to provide portfolio management services. It has also appointed JPMEL as its depositary services provider, with effect from 13 April 2015. This role is a new one introduced by the AIFMD. JPMEL's responsibilities, which are set out in an Investor Disclosure Document on the Company's website at www.utilico.bm, include general oversight over the issue and cancellation of the Company's shares, the calculation of the net asset value, cash monitoring and asset verification and record keeping. JPMEL receives an ad-valorem fee of 2.2bps for its services, subject to a minimum fee of £25,000 per annum, payable monthly in arrears.

The AIFMD requires certain information to be made available to investors in Alternative Investment Funds ("AIFs") before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information, is available on the Company's website at www.utilico.bm

There have been no material changes to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a Regulatory Information Service. As a UK authorised AIFM, ICMIM will make the requisite disclosures on remuneration levels and policies to the FCA at the appropriate time.

FUND MANAGEMENT ARRANGEMENTS

The investment management agreement with ICM (the "IMA") was terminated with effect from 13 April 2015 and replaced with the AIFM Agreement under which ICMIM, an English incorporated company which is regulated by the FCA, was appointed to act as the Company's AIFM with sole responsibility for risk management, and ICMIM and ICM were appointed with joint responsibility for portfolio management. The AIFM Agreement is based substantially on the IMA with changes only to the extent necessary to ensure that the relationship between the Company, ICMIM and ICM is compliant with the requirements of AIFMD and also such other requirements applicable to ICMIM by virtue of its regulation by the FCA. The aggregate fees payable by the Company under the AIFM Agreement are the same as those previously payable under the IMA, namely 0.5% per annum of gross assets after deducting current liabilities (excluding borrowings incurred for investment purposes), payable quarterly in arrears , with such fees to be apportioned between ICMIM and ICM as agreed by them. The Investment Managers have reduced the management fee payable by the Company to 0.25% per annum until such time as the performance fee high watermark is regained. Note 3 to the accounts provides detailed information in relation to the management fee. The Investment Managers may also become entitled to a performance-related fee, the basis of which is unchanged from the IMA.

There has been no change in the individuals responsible for managing the Company as a consequence of the new arrangements.

The AIFM Agreement may be terminated by the Company giving ICM and ICMIM not less than one year's written notice or by the Investment Managers, acting together, giving the Company not less than six months' notice in writing.

Under the terms of the IMA, ICM was obliged to provide the services of individuals to act as employees of the Company; there is no such requirement in the AIFM Agreement and since 13 April 2015 the Company has had no employees. Under the AIFM Agreement, ICMIM has been appointed as company secretary in place of ICM. ICMIM is reimbursed for one-third of the costs of employing a company secretary and for its reasonable out of pocket expenses, including travel and related costs.

The Board continually reviews the policies and performance of the Investment Managers. The Board's philosophy and the Investment Managers' approach are that the portfolio should consist of shares thought attractive irrespective of their inclusion or weighting in any index. Over the long term, the Board expects the combination of the Company's and Investment Managers' approach to generate a positive return for shareholders. The Board is satisfied with the terms of appointment of ICMIM and ICM.

REGULATORY AND COMPETITIVE ENVIRONMENT

The Company is obliged to comply with Bermuda law, the Listing Rules of the FCA and International Financial Reporting Standards ("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 November 2014. The Company is exempt from taxation, except insofar as it is withheld from income received and capital gains taxes in some jurisdictions. Under Bermuda law, the Company may not distribute income or capital reserves 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. It is registered with the IRS in the USA under the Foreign Account Tax Compliance Act.

In addition to annual and half-yearly accounts published under these rules, the Company announces net asset values weekly via the London Stock Exchange's Regulatory News Service and provides more detailed statistical information on a monthly basis on its website and 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' dealings in the shares of the Company, corporate governance, investment activities and share buybacks.

The accounting policies of the Company are detailed in note 1 to the accounts on pages 67 to 69.

DIRECTORS

The Company has a Board of five non-executive directors who oversee and monitor the activities of the Investment Managers and other service providers and ensure that the Company's investment policy is adhered to. Details of the Board's responsibilities and the information it relies upon are set out on page 37. The Board is supported by an Audit Committee and a Management Engagement Committee, which deal with specific aspects of the Company's affairs as summarised on pages 53 and 39 respectively.

The Directors have a range of business, financial and asset management skills as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 33.

As reported in last year's annual report, Mr Collier retired from the Board on 11 September 2014 and Mr Cole was appointed as a Director in his place with effect from the same date.

Under the Company's Bye-Laws, the number of Directors on the Board may not exceed ten.

There is no chief executive position within the Company, as day-to-day management of the Company's affairs has been delegated to the Investment Managers pursuant to the AIFM Agreement as described under "Fund Management Arrangements" above.

Chairman

The Chairman of the Company is Roger Urwin, a non-executive Director, who the Board considers to be independent. Dr Urwin has been Chairman of the Board of Directors throughout the year and is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.

Dr Urwin has advised that he will be retiring from the Board at the AGM in November.

Senior Independent Director

It is considered unnecessary to identify a senior independent director due to the nature of an investment company and the relationship between the Board and the Investment Managers. Any of the Directors are available if shareholders have concerns which have not been resolved through the normal channels of contact with the Chairman or Investment Managers, or for which such channels are inappropriate.

BOARD RESPONSIBILITIES

The Board of Directors is responsible for overall stewardship of the Company, including corporate strategy, corporate governance, risk and controls assessment, overall investment policy and gearing limits. Although the

Company has appointed ICMIM as its AIFM with responsibility for risk management, in performing its services, ICMIM is subject to the overall policies, supervision, review and control of the Board.

Directors have a duty to promote the success of the Company taking into consideration the likely consequences of any decision in the long-term; the need to foster the Company's business relationships with its Investment Managers and advisers; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders of the Company. The Directors are also responsible for the proper conduct of the Company's affairs and for promoting the success of the Company by directing and supervising its affairs within a framework of effective controls which enable risk to be assessed and managed. In addition, the Directors are responsible for ensuring that the Company's policies and operations are in the best interests of all of its shareholders and that the interests of creditors and suppliers to the Company are properly considered.

The Board is committed to the prevention of corruption in the conduct of the Company's affairs and, taking account of the nature of the Company's business and operations, has put in place procedures that the Board considers adequate to prevent persons associated with it from engaging in bribery for and on behalf of the Company.

A formal schedule of matters reserved for decision by the Board and detailing the responsibilities of the Board has been established. The main responsibilities include setting the Company's objectives, policies and standards, considering any major acquisitions or disposals of portfolio companies (more than 15% of the portfolio), ensuring that the Company's obligations to shareholders and others are understood and complied with, approving accounting policies and dividend policy, managing the capital structure, setting long-term objectives and strategy, assessing and managing risk (including supervising and reviewing the performance of ICMIM, as the Company's AIFM with responsibility for risk management), reviewing investment performance, monitoring the net borrowing position, approving recommendations made by the Audit Committee, reviewing Directors' remuneration, undertaking nomination responsibilities and assessing the Investment Managers on an ongoing basis. The Board also seeks to ensure that shareholders are provided with sufficient information in order to understand the risk/reward balance to which they are exposed by holding their shares, through the portfolio details given in the annual and half-yearly financial reports, factsheets and weekly net asset value disclosures.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense, having first consulted with the Chairman.

SUPPLY OF INFORMATION

To enable the Directors to fulfil their roles, the Investment Managers ensure that all Directors have timely access to all relevant management, financial and regulatory information.

On being appointed to the Board, Directors are fully briefed as to their responsibilities and are continually updated throughout their term in office on industry and regulatory matters. The Board and the Investment Managers have also put arrangements in place to address ongoing training requirements of Directors which include briefings from the Investment Managers' staff or external advisers and which ensure that Directors can keep up to date with new legislation and changing risks. The Board holds meetings with various specialists of the auditor at least once a year at which specific topics are addressed.

The Board meets on a regular basis at least four times each year. Additional meetings are arranged as necessary. Regular contact is maintained between the Investment Managers, the Chairman and the other Directors between formal meetings.

Board meetings follow a formal agenda, which includes a review of the investment portfolio with a report from the Investment Managers on the current investment position and outlook, strategic direction, performance against stock market indices and the Company's peer group, asset allocation, gearing policy, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance, regulatory changes and industry and other issues. The Board also receives reports from the Board's Committees (Audit and Management Engagement).

BOARD DIVERSITY, APPOINTMENT, RE-ELECTION AND TENURE

The Board as a whole undertakes the responsibilities which would otherwise be assumed by a nomination committee. It considers the size and structure of the Board, including the balance of expertise and skills brought by individual Directors. It has regard to board diversity and recognises the value of progressive refreshing of, and succession planning for, company boards, which matters are discussed by the Board as a whole at least annually. The Board also seeks to have Directors with knowledge and experience in relevant sectors who understand the key influences on businesses in their area, whether they are economic, political, regulatory or other issues. On the issue of diversity, any new appointment is considered on the basis of the skills and experience that the individual would bring to the Board, regardless of gender.

The Board is of the view that length of service does not necessarily compromise the independence or contribution of directors of an investment company, where continuity and experience can add significantly to the strength of the Board. This is supported by the views on independence expressed in the AIC Code. No limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. The Board has put in place a policy whereby Directors who have served for nine years or more will be subject to annual re-election.

The Board reviews succession planning at least annually. Appointments of new Directors will be made on a formalised basis with the Chairman agreeing in conjunction with his colleagues the skills and expertise required and other relevant selection criteria, and the methods of recruitment (where appropriate using an external recruitment agency), selection and appointment. The potential Director would meet with 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 Investment Managers, the company secretary and other appropriate persons. All appointments are subject to subsequent confirmation by shareholders in general meeting.

In view of the retirement of both Dr Urwin and Mr Cole in November, the Board is reviewing its composition and intends to appoint additional Directors in due course.

The Bye-laws require that a Director shall retire and be subject to re-election at the first AGM after appointment and at least every three years thereafter. One-third of the Board is subject to retirement by rotation each year and in addition, any Director who is not considered to be independent stands down annually and seeks re-election. Mr Stobart will retire by rotation at the forthcoming AGM and, being eligible, offers himself for re-election (Resolution 4). Mr McLeland, who is not considered to be independent due to his directorships of other companies associated with the Investment Managers, retires annually and will do so at the forthcoming AGM and, being eligible, offers himself for re-election (Resolution 5). The Bye-laws provide that the Company may, in a special general meeting, remove any Director from the Board.

The Board has considered the re-election of Mr Stobart and Mr McLeland and has reviewed the composition of the Board as a whole and borne in mind the need for a proper balance of skills and experience. Following an appraisal of the performance of these two Directors, the Board believes that these Directors should be put forward for re-election. The Board feels that both Directors make a valuable contribution based on their individual skills, knowledge and experience. They have commitment to their roles and the Board believes that their re-election would be in the best interests of the Company.

AUDIT COMMITTEE

The composition and activities of the Audit Committee are summarised in the Audit Committee Report on pages 53 to 56. Copies of the terms of reference are available on the Company's website at www.utilico.bm

MANAGEMENT ENGAGEMENT COMMITTEE

The Board has appointed a Management Engagement Committee, chaired by Mr 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 Investment Managers' performance is considered by the Board at every meeting, with formal evaluation by the Management Engagement Committee annually. The Board received detailed reports and views from ICM, and also from ICMIM since 13 April 2015, on investment policy, asset allocation, gearing and risk at each Board meeting in the year ended 30 June 2015, with ad hoc market/company updates if there were significant movements in the intervening period. The Board reviewed the portfolio management services to be provided jointly by the Investment Managers when it considered the new AIFM Agreement.

The Management Engagement Committee also considers the effectiveness of the administration services provided by the Investment Managers and Administrator, including the timely identification and resolution of areas of accounting judgement and implementation of new regulatory requirements, and the performance of other third party service providers. In this regard, the Management Engagement Committee assessed the services provided by the Investment Managers, the Administrator and the other service providers to be good.

REMUNERATION COMMITTEE

The Board as a whole undertakes the work which would otherwise be undertaken by a Remuneration Committee. Its work is summarised in the Directors' Remuneration Report which starts on page 49.

BOARD, COMMITTEE AND DIRECTORS' PERFORMANCE APPRAISAL

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board as a whole, the Audit Committee and the Management Engagement Committee and individual Directors. The performance of the Board, Audit Committee and Management Engagement Committee and Directors has been assessed during the year in terms of:

- attendance at meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees through the range and diversity of skills and experience each Director brings to their role; and
- the Board's ability to challenge the Investment Managers' recommendations, suggest areas of debate and set the future strategy of the Company.

The Board opted to conduct performance evaluation through questionnaires and discussion between the Directors, the Chairman and the chairman of the Committees. This process is conducted by the Chairman, having regard to the performance evaluation questionnaire, 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 Chair of the Audit Committee reviews the performance of the Chairman with the other Directors, taking into account the views of the Investment Managers. 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 result of this year's performance evaluation process was that the Board, the Committees of the Board and the Directors individually were all assessed to have performed satisfactorily. No follow-up actions were required.

It is not felt appropriate currently to employ the services of, or to incur the additional expense of, an external third party to conduct the evaluation process as an appropriate process is in place; this will, however, be kept under review.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Board meets at least quarterly, with additional Board and Board committee meetings being 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. A committee of the Board is constituted to deal with any matters between scheduled Board meetings. The following table sets out the number of formal Board meetings (excluding Board committee meetings) and other committee meetings held during the year under review and the number of meetings attended by each Director.

	Board	Audit Committee	Management Engagement Committee
Number of scheduled meetings	4	3	2
Roger Urwin	4	3	2
Peter Burrows	4	3	2
Graham Cole	4	n/a	n/a
Warren McLeland	3	n/a	n/a
Eric Stobart	4	3	2

Apart from the meetings detailed above, there were a number of meetings held by committees of the Board to approve the final versions of the interim and annual financial statements, the declaration of quarterly dividends and other ad hoc items.

DIRECTORS' REMUNERATION AND SHAREHOLDINGS

The Directors' Remuneration Report, which starts on page 49, contains information on the policy and annual remuneration of the Directors and their share interests in the Company. Shareholders will be asked to approve the Directors' annual report on remuneration on pages 50 to 52 (excluding the remuneration policy which is next due for approval in 2017).

DIRECTORS' INTERESTS

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report on page 51.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end. There are no agreements between the Company and its Directors concerning compensation for loss of office.

A Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Directors have declared any potential conflicts of interest to the Company. Potential conflicts of interest are reviewed regularly by the Board. The Directors have undertaken to advise the company secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains Directors' and officers' liability insurance which provides appropriate cover for any legal action brought against its Directors.

SAFE CUSTODY OF ASSETS

The Company's listed investments are held in safe custody by JPMorgan as custodian, who was appointed on 13 April 2015, in place of JPMorgan Chase, London Branch. Operational matters with JPMorgan are carried out on the Company's behalf by ICMIM and the Administrator in accordance with the AIFM Agreement and the

Administration Agreement. JPMorgan is paid a variable fee dependent on the number of trades transacted and the location of the securities held.

The Company's unlisted investments continue to be held in safe custody by BCB.

INTERNAL FINANCIAL AND NON-FINANCIAL CONTROLS

The Directors acknowledge that they are responsible for ensuring that the Company maintains a sound system of internal financial and non-financial controls ("internal controls") to safeguard shareholders' investments and the Company's assets.

The Company's system of internal control is designed to manage rather than eliminate risk of failure to achieve the Company's investment objective and/or adhere to the Company's investment policy and/or investment limits. The system can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

The Investment Managers, Administrator and Custodians maintain their own systems of internal controls and the Board and the Audit Committee receive regular reports from the Investment Managers and Administrator.

The Board meets regularly, at least four times a year. It reviews financial reports and performance against relevant stock market criteria and the Company's peer group, amongst other things. The effectiveness of the Company's system of internal controls, including financial, operational, compliance and risk management systems is reviewed at least bi-annually against risk parameters approved by the Board. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from its review. No significant failings or weaknesses occurred during the year ended 30 June 2015 or subsequently up to the date of this annual financial report.

The Board has reviewed and accepted the Investment Managers' anti-bribery and corruption and whistleblowing policies. It has also noted the whistleblowing policy of the Administrator.

The Administrator produces an annual report on policies and procedures in operation in respect of Investment Trust Fund Accounting in accordance with AAF (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 committee, which receives regular reports from the Administrator's group audit committee, which receives regular reports from the Administrator's internal audit department. The Company's Audit Committee has received and reviewed the statement for the year ended 31 December 2014, together with a report from the Administrator's group audit committee on the effectiveness of the internal controls maintained on behalf of the Company.

COMPANY SECRETARY

The Board has direct access to the advice and services of the Company Secretary, who is an employee of ICMIM. The company secretary, with advice from the Company's lawyers and financial advisers, is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The company secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. The company secretary is responsible for advising the Board, through the Chairman, on all governance matters.

ADMINISTRATION

The provision of accounting, dealing and administration services to the Company has been delegated to F&C. The Company and the Investment Managers entered into a new administration agreement with the Administrator on 26 June 2015, in place of the previous agreement, under which the Administrator agreed to continue to provide dealing, accounting and general administrative services to the Company and UFL for a fee, payable monthly in arrears, of £310,000 per annum (previously £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. The Company or the Administrator may terminate this agreement upon six months' notice in writing.

Annually, the Management Engagement Committee also considers the ongoing administrative requirements of the Company and assesses the services provided. The Board, based on the recent review of activities by the Management Engagement Committee, believes that the continuing appointments of ICMIM as company secretary and F&C as administrator remain in the best interests of the Company and its shareholders.

SHARE CAPITAL

As at 30 June 2015 the issued share capital of the Company and the total voting rights were 98,557,214 ordinary shares of 10p each.

At the last AGM, the Company was granted authority to make market purchases of up to 14.99% of its ordinary shares. 600,000 ordinary shares were bought back and cancelled during the year. Since the year end, the Company has bought back and cancelled 7,903,425 ordinary shares and as at 21 September 2015 the issued share capital and total voting rights were 90,653,789 ordinary shares of 10p each. Full details of changes to the Company's authorised and issued share capital during the year can be found in note 16 to the accounts.

As reported in last year's annual report, UFL, a wholly owned subsidiary of the Company, issued a total of 25,000,000 2020 ZDP shares on 31 July 2014. The 2014 ZDP shares were redeemed in full on 31 October 2014.

SUBSTANTIAL SHARE INTERESTS

As at 21 September 2015, the Company had received notification of the following holdings of voting rights:

	Number of ordinary shares held	% held
General Provincial Life Pension Fund (L) Limited	56,001,533	61.8
Permanent Mutual Limited	5,784,977	6.4

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 Managers become aware that best practice in corporate governance and social responsibility is not followed, the Company and the Investment Managers will encourage changes towards this goal.

As an investment company, environmental policy has limited application. The Investment Managers consider various factors when evaluating potential investments. While a company's policy towards the environment and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the Investment Managers do not necessarily decide to, or not to, make an investment on environmental and social grounds alone.

The exercise of voting rights attached to shares held by the Company lies with the Investment Managers. Their Stewardship and Voting policy is included on the Company's website at www.utilico.bm. Generally, the Investment Managers will vote in favour of all resolutions at general meetings, unless they see clear investment reasons for doing otherwise. The Board periodically receives a report on instances where the Investment Managers have voted against the recommendation of the management on any resolution. It also expects to be informed of any sensitive voting issues involving the Company's investments.

GREENHOUSE GAS EMISSIONS

The Company has no employees or property and it does not combust any fuel or operate any facility. The Company does not purchase electricity, heat, steam or cooling liquid for its own use. Accordingly, the quantifiable amount of carbon dioxide equivalent produced by the Company annually is zero tonnes. All services are outsourced on a fee basis that is independent of any energy expended on its behalf and it is not practical for the Company to attempt to quantify emissions in respect of such proxy energy use.

FACILITATING RETAIL INVESTMENTS

The Company currently conducts its affairs so that its securities can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because the investment returns received in connection with the shares are wholly or predominantly linked to, contingent on, highly sensitive to or dependent on, the performance of or changes in the value of shares, debentures or government and public securities.

As a consequence, the Company's shares also qualify to be considered as a mainstream investment product suitable for ordinary retail investors.

The Company's ordinary shares are eligible for inclusion in an Individual Savings Account.

RELATIONS WITH SHAREHOLDERS

The Company welcomes the views of shareholders and places great importance on communication with shareholders. The Investment Managers hold meetings with the Company's largest shareholders and reports back to the Board on these meetings. The Chairman and other Directors are available to discuss any concerns with shareholders, if required.

The prime medium by which the Company communicates with shareholders is through the half-yearly and annual financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the calculation and publication weekly, via a Regulatory Information Service, of the net asset value of the Company's ordinary shares and by monthly fact sheets produced by the Investment Managers.

Shareholders can visit the Company's website: www.utilico.bm in order to access copies of half-yearly and annual financial reports, Company factsheets and regulatory announcements.

ANNUAL GENERAL MEETING

The Company's AGM will be held on 16 November 2015.

The notice of the AGM and related notes can be found on pages 91 to 93. All resolutions are ordinary resolutions unless otherwise identified.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

Resolution 8 Change of name to UIL Limited

The Directors are proposing that the name of the Company be changed from Utilico Investments Limited to UIL Limited.

Resolution 9 Increase the aggregate fees payable to Directors

Bye-Law 30.1 of the Company's Bye-laws currently provides that the maximum aggregate fees payable to the Directors is £200,000 per annum or such greater sum as may be determined from time to time by ordinary resolution of the Company. The Directors are proposing to increase the maximum aggregate fees payable to the Directors to £250,000 per annum, which would provide flexibility on appointment of new directors, as well as headroom for future increases in Directors' fees.

Resolution 10 Authority for the Company to purchase its own shares

The Directors' authority to buy back shares was renewed at last year's AGM and will expire at the end of the AGM in 2015.

The Directors are proposing to renew the authority at the forthcoming AGM, and are seeking authority to purchase in the market up to 13,589,000 ordinary shares (equivalent to approximately 14.99% of the issued ordinary shares as at the date of this report) as set out in Resolution 10 in the Notice of AGM. This authority, unless it is varied, revoked or renewed, will expire at the conclusion of the Company's AGM in 2016.

Any purchases will be made at prices below the prevailing net asset value per ordinary share. The maximum price that can be paid is the higher of: (a) 105% of the average of the mid-market quotations of the ordinary shares for the five business days immediately before the date of purchase; and (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. Any ordinary shares purchased by the Company may be held in treasury or cancelled.

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

The Board intends to seek a renewal of such authority at subsequent AGMs.

Resolution 11 Disapplication of pre-emption rights

The Company's Bye-laws provide that, unless otherwise determined by a special resolution, the Company is not able to allot ordinary shares for cash without offering them to existing shareholders first in proportion to their shareholdings. Resolution 11 will grant the Company authority to disapply these pre-emption rights in respect of up to £906,537 of relevant securities in the Group (equivalent to 9,065,370 ordinary shares of 10p each, representing 10% of its ordinary shares in issue as at 21 September 2015). This will allow the Company flexibility to issue further ordinary shares for cash without conducting a rights issue or other pre-emptive offer in circumstances where the Directors believe it may be advantageous to shareholders to do so. Any such issues would only be made at prices greater than net asset value and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

Resolution 11 is a Special Resolution and will require the approval of a 75% majority of votes cast in respect of it.

Resolution 12 Amendments to the Company's Bye-laws relating to transfer restrictions

In order to comply with technical guidance issued by the FCA since the Company's admission to the Official List and to trading on the Main Market of the London Stock Exchange, it is proposed to amend the Company's Bye-laws to remove the discretion of the Board to refuse to register a transfer or require the compulsory transfer of the Company's shares where in the opinion of the Directors the holding of such shares may, inter alia, cause or be likely to cause the Company or Shareholders some legal, pecuniary or material disadvantage. Instead the amended Bye-laws will permit the Directors to refuse to register a transfer of shares in favour of a Non-Qualified Holder (as defined in the amended Bye-laws, as set out in Resolution 12) or require the compulsory transfer of the Company's shares which are owned or appear to be owned by a person which is or is deemed to be a Non-Qualified Holder. In addition, the amended transfer provisions will set out the terms on which the Directors may require the compulsory transfer of shares by a person who is or is deemed to be a Non-Qualified Holder.

RECOMMENDATION

The Board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that shareholders should vote in favour of all the resolutions to be proposed at the AGM.

By order of the Board
ICM Investment Management Limited, Company Secretary
21 September 2015

THE COMPANY'S GOVERNANCE NETWORK

Responsibility for good governance lies with the Board. The Board is committed to maintaining high standards of corporate governance and is accountable to shareholders for the governance of the Company's affairs.

The governance framework of the Company reflects the fact that as an investment company it has no employees and outsources investment management and company secretarial services to the Investment Managers and administration to the Administrator and other external service providers.

THE BOARD

Five non-executive directors (NEDs)

Chairman: Roger Urwin

Key Objectives:

- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- to constructively challenge and scrutinise performance of all outsourced activities.

AUDIT COMMITTEE

All the independent Directors

Chairman: Eric Stobart

Key Objective:

- to oversee the financial reporting and control environment.

MANAGEMENT ENGAGEMENT COMMITTEE

All the independent Directors

Chairman: Eric Stobart

Key Objectives:

- to review the performance of the Investment Managers and the Administrator; and
- to review other service providers.

NOMINATION COMMITTEE FUNCTION

The Board as a whole performs this function

Key Objectives:

- to regularly review the Board's structure and composition; and
- to consider any new appointments.

REMUNERATION COMMITTEE FUNCTION

The Board as a whole performs this function

Key Objective:

- to set the remuneration policy for the Directors of the Company.

INTRODUCTION

As a Bermuda incorporated company with a premium listing on the Official List, 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 Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("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 that are of specific relevance to investment companies. Bermuda does not have its own corporate governance code.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

Corporate Governance Statement (continued)

COMPLIANCE WITH THE AIC CODE

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below. The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- nomination of a senior independent director

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of UIL, being a Bermuda incorporated investment company with external investment managers. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management and administration functions are delegated to the Investment Managers 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 is reviewed annually by the Audit Committee. Action will be taken to remedy any significant failings or weaknesses identified from the review of the effectiveness of the internal control system.

In view of the requirement of the Bye-laws that all Directors retire by rotation, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by the AIC Code. In addition, the Board has considered provision B.7.2 in the UK Corporate Governance Code issued by the Financial Reporting Council published in September 2014 recommending that all directors of FTSE 350 companies should be subject to annual re-election. The Board believes that the current election system, with each Director being re-elected to the Board at least every three years or re-elected annually if they have served more than nine years or are "non-independent", is sufficient, as there could be risks in respect of continuity and stability on the Board with annual re-elections.

The Company does not have a Nomination or Remuneration Committee.

Details of the Company's ten largest investments are published monthly and in this report; a full list of investments is not published.

Information on how the Company has applied the principles of the AIC Code and the UK Corporate Governance Code is provided in the Report of the Directors as follows:

- The composition and operation of the Board and its Committees is summarised on pages 36 to 39, 45 and pages 53 to 56 in respect of the Audit Committee.
- The Company's approach to internal control and risk management is summarised on pages 22 to 24 and page 41.
- The contractual arrangements with, and assessment of, the Investment Managers are summarised on page 35.
- The Company's capital structure and voting rights are summarised on page 42. The substantial shareholders in the Company are listed on page 42.
- Powers to buy back the Company's shares or to issue shares on a non pre-emptive basis, which are sought annually, are summarised on pages 43 and 44.

Details of how the Company communicates with its shareholders are included in the Report of the Directors, under "Relations with Shareholders" on page 43.

By order of the Board
ICM Investment Management Limited, Company Secretary
21 September 2015

Capital Structure

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

ORDINARY SHARES

The number of ordinary shares in issue, and the voting rights, as at 30 June 2015 were 98,557,214 shares. 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. Since the year end, the number of ordinary shares in issue has reduced to 90,653,789 shares.

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 UFL 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 UFL, a wholly-owned subsidiary of UIL. The ZDP shares carry no entitlement to income and the whole of any return will take the form of capital.

2014 ZDP shares

The 2014 ZDP shares were redeemed in full on 31 October 2014.

2016 ZDP shares

47,500,000 2016 ZDP shares were in issue as at 30 June 2015. The 2016 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on a winding up) and the 2018 and 2020 ZDP shares, but rank behind the bank debt 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.

2018 ZDP shares

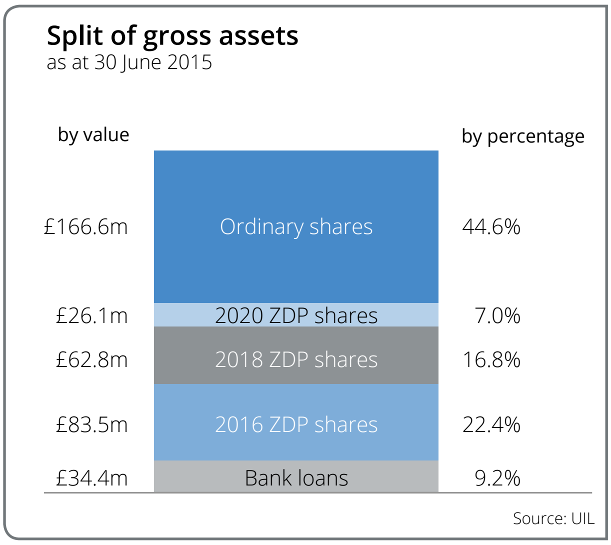
49,842,413 2018 ZDP shares were in issue as at 30 June 2015. The 2018 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) and the 2020 ZDP shares, but rank behind the bank debt and 2016 ZDP shares for capital repayment of 160.52p per 2018 ZDP share on 31 October 2018. The capital repayment is equivalent to a redemption yield of 7.25% per annum based on the initial capital entitlement of 100p.

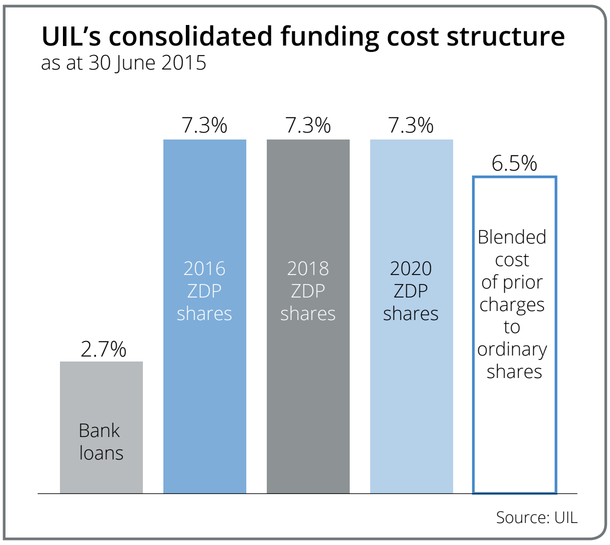
2020 ZDP shares

25,000,000 2020 ZDP shares (issued on 31 July 2014) were in issue as at 30 June 2015. The 2020 ZDP shares rank for payment in priority to the ordinary shares (save for any undistributed revenue profit on winding up) but rank behind the bank debt, 2016 and 2018 ZDP shares for capital repayment of 154.90p per 2020 ZDP share on 31 October 2020. The capital repayment is equivalent to a redemption yield of 7.25% per annum based on the initial capital entitlement of 100p.

Bank debt

At the year-end UIL had a £50.0m multi-currency loan facility provided by Scotiabank, secured against the Company's assets by way of a debenture.





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 as at 30 June 2015, the ordinary shares could be said to be interested in £44.60 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 2.2%.

The interest cost of UIL's bank debt, combined with the annual accruals in respect of ZDP shares, currently represents a blended cost to the ordinary shares of 6.5%.

ZDP shares

2016 ZDP shares

Based on their final entitlement of 192.78p per share, the final entitlement of the 2016 ZDP shares was covered 2.95 times by gross assets on 30 June 2015. Should gross assets fall by 66.1% over the remaining life of the 2016 ZDP shares, then the 2016 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 90.7%, equivalent to an annual fall of 83.1%, the 2016 ZDP shares would receive no payment at the end of their life.

2018 ZDP shares

Based on their final entitlement of 160.52p per share, the final entitlement of the 2018 ZDP shares was covered 1.80 times by gross assets on 30 June 2015. Should the gross assets fall by 44.5% over the remaining life of the 2018 ZDP shares, then the 2018 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 66.1%, equivalent to an annual fall of 27.7%, the 2018 ZDP shares would receive no payment at the end of their life.

2020 ZDP shares

Based on their final entitlement of 154.90p per share, the final entitlement of the 2020 ZDP shares was covered 1.52 times by gross assets on 30 June 2015. Should the gross assets fall by 34.1% over the remaining life of the 2020 ZDP shares, then the 2020 ZDP shares would not receive their final entitlement in full. Should gross assets fall by 44.5%, equivalent to an annual fall of 10.4%, the 2020 ZDP shares would receive no payment at the end of their life.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company, and therefore no remuneration committee has been appointed.

Full details of the Company's policy with regards to Directors' fees and fees paid during the year ended 30 June 2015 are shown below. There were no changes to the policy during the year.

Under company law, the auditor is required to audit certain disclosures provided. Where disclosures have been audited they are indicated as such. The auditor's report is contained on pages 58 to 60.

STATEMENT BY THE CHAIRMAN

The Board's policy on remuneration is set out below. A key element is that fees payable to Directors should reflect the time spent by them on the Company's affairs, and should be sufficient to attract and retain individuals with suitable knowledge and experience.

DIRECTORS' REMUNERATION POLICY

The Board considers the level of the Directors fees at least annually. The Company's Bye-laws currently limit the aggregate fees payable to the Directors to a total of £200,000 per annum. Within that limit, it is the responsibility of the Board as a whole to determine the level of Directors' fees.

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Directors and the chairman of the Audit Committee are taken into account. The policy aims to be fair and reasonable in relation to comparable investment companies. The Board is seeking shareholder approval at the forthcoming AGM to increase the limit on the aggregate fees payable to the Directors to £250,000 per annum.

The fees are fixed and are payable in cash, quarterly in arrears. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board and general meetings and committee meetings. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors are provided with a letter of appointment when they join the Board. There is no provision for compensation upon early termination of appointment. The letters of appointment are available on request at the Company's registered office during business hours and will be available for 15 minutes before and during the forthcoming AGM.

The Directors' Remuneration Policy and Remuneration Report were approved by shareholders at the Company's last AGM, held on 19 November 2014. Over 99% of the votes cast were in favour of both resolutions and less than 1% were against. The Directors' Remuneration Policy will next be put to shareholders for approval at the AGM in 2017 unless changes are proposed to be made in the meantime.

The Board reviews the fees payable to the Chairman and Directors annually and the fees were increased with effect from 1 July 2014 such that the Directors received fees of £30,000 per annum, the chairman of the Audit Committee received £38,500 and the Chairman of the Board received £40,500 in the year to 30 June 2015. The review in respect of 2015/16 has resulted in the fees being increased with effect from 1 July 2015 as detailed in the table opposite.

Annual fee	2016 £'000s	2015* £'000s	2014* £'000s
Chairman	42.0	40.5	39.5
Directors	31.0	30.0	28.5
Chairman of Audit Committee	40.0	38.5	36.5

*Actual

Directors' Remuneration Report (continued)

Based on the levels of fees effective from 1 July 2015, Directors remuneration for the year ending 30 June 2016 would be as follows:

Year ending	2016 £'000s
Roger Urwin (Chairman, retiring 16 November 2015)	17.5
Peter Burrows (Director and Chairman with effect from 16 November 2015)	37.4
Graham Cole (retiring 16 November 2015)	12.9
Warren McLeland	31.0
Eric Stobart	40.0
Total	138.8

DIRECTORS' ANNUAL REPORT ON REMUNERATION

Shareholders will be asked to approve this Directors' annual report on remuneration at the forthcoming AGM.

During the year ended 30 June 2015, the Chairman received a fee of £40,500 per annum and the remaining Directors received a fee of £30,000 per annum. The chairman of the Audit Committee received an additional £8,500 per annum.

The amounts paid to each Director are set out in the table below, which has been audited. These fees were for services to the Company solely in the capacity of non-executive Directors and have no performance related element.

Remuneration for qualifying services to the Company[1] (audited)

Director	2015 £'000s	2014 £'000s
Roger Urwin (Chairman)	40.5	39.5
Peter Burrows	30.0	28.5
Graham Cole[2]	24.0	–
J Michael Collier[3]	6.0	28.5
Susan Hansen[4]	–	6.1
Warren McLeland[5]	30.0	22.4
Eric Stobart[6]	38.5	36.5
Total	169.0	161.5

(1) The Directors' entitlement to fees is calculated in arrears as set out in note 1(j) on page 69.
(2) Appointed 11 September 2014
(3) Retired 11 September 2014
(4) Resigned 17 September 2013.
(5) Appointed as a Director on 17 September 2013. Previously a consultant, receiving a fee of £27,500 per annum.
(6) Mr Stobart's fee includes entitlement of £8,500 (2014, £8,000) for being Chairman of the Audit Committee.

DIRECTORS' INTERESTS AND INDEMNIFICATION

There were no contracts of significance to which the Company was a party and in which a Director is, or was, materially interested during the year.

The Company has insurance in place which indemnifies the Directors against certain liabilities arising in carrying out their duties.

There are no agreements between the Company and its Directors concerning compensation for loss of office.

DIRECTORS' BENEFICIAL SHARE INTERESTS

At 30 June	Ordinary shares at 10p each 2015	2014
Roger Urwin (Chairman)	144,371	144,371
Peter Burrows	76,456	51,747
Graham Cole(1)	12,878	–
J Michael Collier(2)	–	145,000
Warren McLeland	23,879	23,879
Eric Stobart	50,000	32,648

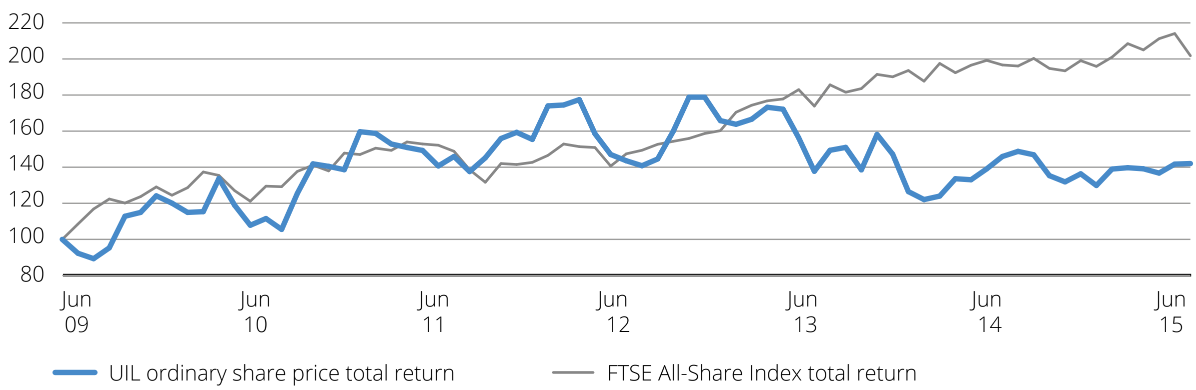
(1) Appointed as a Director on 11 September 2014
(2) Retired as a Director on 11 September 2014

Since the year end, Mr Burrows has bought a further 456,286 ordinary shares and Mr Cole has bought a further 6,286 ordinary shares. No Director held any interest, beneficial or otherwise, in the issued shares of the Company other than as stated in the table.

COMPANY PERFORMANCE

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Managers pursuant to the AIFM Agreement, as referred to in the Report of the Directors' on page 35. The graph below compares, for the six years ended 30 June 2015, the share price total return to ordinary shareholders (assuming all dividends are reinvested) to the FTSE All-Share Index total return (GBP adjusted). An explanation of the performance of the Company for the year ended 30 June 2015 is given in the Chairman's Statement and Investment Manager's Report.

UIL share price total return
From 30 June 2009 to 30 June 2015 (rebased to 100)



Source: UIL

Directors' Remuneration Report (continued)

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table compares the remuneration paid to the Directors with aggregate distributions paid to shareholders in the year to 30 June 2015 and the prior year. This disclosure is a statutory requirement, however the Directors consider that comparison of Directors' remuneration with annual dividends does not provide a meaningful measure relative to the Company's overall performance as an investment company with an objective of providing shareholders with long-term total return.

	2015 £'000s	2014 £'000s	Change £'000s
Aggregate Directors' emoluments	169	162	7
Aggregate shareholder distributions	7,426	9,296	(1,870)

On behalf of the Board
Roger Urwin
Chairman
21 September 2015

Audit Committee Report

As chairman of the Audit Committee, I am pleased to present the Audit Committee's report to shareholders for the year ended 30 June 2015.

ROLE AND RESPONSIBILITIES

The Company has established a separately chaired Audit Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements, and providing an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The terms of reference detailing the scope and duties of the Audit Committee are available on the website www.utilico.bm/investor_relations/other_documents

The Audit Committee meets at least three times a year. Two of the planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Audit Committee receives information from the Investment Managers and Administrator on their internal controls. Representatives of the Investment Managers and the Administrator attend all meetings.

COMPOSITION

The Audit Committee is composed of the independent Directors of the Company. It is chaired by Eric Stobart and the other members are Peter Burrows and Dr Roger Urwin. It is considered that there is a range of recent and relevant financial experience amongst the members of the Audit Committee.

RESPONSIBILITIES AND REVIEW OF THE EXTERNAL AUDIT

During the year the principal activities of the Audit Committee included:

- regular review of the portfolio, particularly of the unlisted investments;
- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report;
- monitoring developments in accounting and reporting requirements that impact on the Company's compliance with relevant statutory and listing requirements;
- considering the narrative elements of the annual financial report, including whether the annual financial report taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders;
- evaluation of reports received from the auditor with respect to the annual financial statements and its review of the interim report;
- management of the relationship with the external auditor, including its appointment and the evaluation of scope, effectiveness, independence and objectivity of its audit, with particular regard to non-audit fees; and
- evaluation of reports received from the Investment Managers and their associates and from the Administrator with respect to internal controls and risk and from the registrar with respect to the maintenance of the Company's share register.

AUDITOR AND AUDIT TENURE

KPMG LLP ("KPMG") has been the auditor of the Company since 2012, following a competitive tender process. During the year, Gareth Horner, the audit partner, stood down due to ill-health and has been replaced by Jatin Patel as audit director. The Audit Committee has met with Mr Patel and considers that he has the requisite skills and experience to fulfil this role. The Audit Committee has considered the independence of the auditor and the objectivity of the audit process and is satisfied that KPMG has fulfilled its obligations to shareholders as independent auditor to the Company.

It is the Company's policy not to seek substantial non-audit services from its auditor, unless they relate to a review of the interim report or reporting on financial information in circulars or prospectuses, as the Board considers the auditor is best placed to provide these services. If the provision of significant non-audit services were to be considered, the Audit Committee would consider whether the particular skills of the audit firm made it a suitable supplier of those services and that there was no threat to the objectivity and independence of the audit. Non-audit fees paid to KPMG during the year amounted to £4,000 for the year ended 30 June 2015 (2014: £4,000) and related to the review of the interim accounts; more details are included in note 4A to the accounts.

The audit director and manager of the audit team at KPMG presented their audit plan to the Audit Committee and subsequently reported on the nature, scope and results of their audit at the meeting when the draft annual financial report was considered. Representatives of the Administrator's investment trust and business risk departments also attended the Audit Committee meetings at which the half yearly and annual financial reports were considered in order to inform the Audit Committee on internal control, risk and regulatory matters that might have a bearing on the Company's business.

The Audit Committee meets *in camera* with the external auditor at least once annually.

The audit plan and timetable were presented by and agreed with the auditor in advance of the financial year end. Items of audit focus were discussed, agreed and given particular attention during the audit process. The auditor reported to the Audit Committee on these items, amongst other matters. This report was considered by the Audit Committee and discussed with the auditor and the Investment Managers prior to approval of the annual financial report.

ACCOUNTING MATTERS AND SIGNIFICANT AREAS

The Audit Committee considered the appropriateness of its accounting policies at the meeting when it reviewed the annual financial statements and agreed with the auditor when discussing the audit plan the more significant accounting matters in relation to the Company's annual financial statements. For the year end the accounting matters that were subject to specific consideration by the Audit Committee and consultation with the auditor where necessary were as follows:

SIGNIFICANT AREA	HOW ADDRESSED
Carrying value of the listed investments	Actively traded listed investments are valued using stock exchange prices provided by third party pricing vendors. The Audit Committee regularly reviews the portfolio. The Audit Committee reviews the annual internal control report produced by the Administrator, which is reported on by independent external accountants and which details the systems, processes and controls around the daily pricing of the securities. The auditor independently tests the pricing of the listed investments.
Value of the unlisted investments	Investments that are unlisted or not actively traded are valued using a variety of techniques to determine a fair value, as set out in note 1(d) to the accounts, and all such valuations are carefully reviewed by the Audit Committee with the Investment Managers. The Audit Committee receives detailed information on all the unlisted investments and it discusses and challenges the valuations with the Investment Managers. It considers market comparables and discusses any proposed revaluations with the Investment Managers. The Audit Committee checks with the auditor that it has reviewed and tested the proposed valuations for reasonableness.

The above was satisfactorily addressed through consideration of reports provided by, and discussed with, the Investment Managers, the Administrator and the auditor. As a result, and following a thorough review process, the Audit Committee advised the Board that it is satisfied that, taken as a whole, the annual financial report for the year to 30 June 2015 is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Audit Committee has assumed that the reader of the report would have a reasonable level of knowledge of the investment company industry.

The Chairman of the Audit Committee will be present at the AGM to respond to any questions relating to the financial statements.

EXTERNAL AUDIT, REVIEW OF ITS EFFECTIVENESS AND AUDITOR REAPPOINTMENT

The Audit Committee advises the Board on the appointment of the external auditor, its remuneration for audit and non-audit work and its cost effectiveness, independence and objectivity.

As part of the review of the effectiveness of the audit process, a formal evaluation process incorporating views from the members of the Audit Committee and relevant personnel at the Investment Managers and Administrator is followed and feedback is provided to the auditor. Areas covered by this review include:

- the calibre of the audit firm, including reputation and industry presence;
- the extent of quality controls including review processes, partner oversight, and annual reports from its regulator;
- the performance of the audit team including skills of individuals, specialist knowledge, partner involvement, team member continuity and quality and timeliness of audit planning and execution;
- audit communication including planning, relevant accounting and regulatory developments, approach to significant accounting risks, communication of audit results and recommendations on corporate reporting;
- ethical standards including independence and integrity of the audit team, lines of communication to the Committee and partner rotation; and
- reasonableness of audit fees.

For the 2015 financial year, the Audit Committee is satisfied that the audit process was effective.

Resolutions proposing the reappointment of KPMG as the Company's auditor and authorising the Directors to determine its remuneration will be put to the shareholders at the forthcoming AGM.

AUDIT INFORMATION

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the UK Companies Act 2006.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Company's risk assessment process and the way in which significant risks are managed is a key area of focus for the Audit Committee. Work here was driven by the Committee's assessment of the risks arising in the Company's operations and identification of the controls exercised by the Board and its delegates, the Investment Managers, the Administrator and other service providers. These are recorded in risk matrices prepared by ICMIM, as the Company's AIFM with responsibility for risk management, and by the Administrator, which continue to serve as effective tools to highlight and monitor the principal risks, details of which are provided in the Business Review. The Committee also received and considered, together with representatives of the Investment Managers, reports in relation to the operational controls of the Investment Managers, Administrator, Custodians and share registrar. These reviews identified no issues of significance.

INTERNAL AUDIT

Due to the nature of the Company, being an externally managed investment company with no executive employees, the Company does not have its own internal audit function.

Through the reviews noted above and by direct enquiry of the Investment Managers, the Administrator, JPMEL and other relevant parties, the Audit Committee and the Board have satisfied themselves that there were no material control failures affecting the Company's operations during the year. Based on the processes and controls in place with the Investment Managers and the Administrator, the Audit Committee has concluded that there is no current need for the Company to have an internal audit function and the Board has concurred.

COMMITTEE EVALUATION

The Audit Committee's activities formed part of the review of Board effectiveness performed in the year. Details of this process can be found under "Board, Committee and Directors' performance appraisal" on page 39.

Eric Stobart
Chairman of the Audit Committee
21 September 2015

Directors' Statement of Responsibilities

The Directors are responsible for preparing the annual report and accounts, which is required to include a Strategic Report, a Corporate Governance Statement, a Directors' Remuneration Report and a Report of the Directors.

The Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company as at 30 June 2015 and of the results for the year then ended. The Directors are also responsible for ensuring that the annual report and accounts is fair, balanced and understandable and that the accounting records are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements and the Directors' annual report on remuneration comply with IFRS. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors of the Company, whose names are shown on page 33 of this report, each confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with applicable Bermuda law and IFRS, as adopted by the European Union, on a going concern basis, give a true and fair view of the assets, liabilities, financial position and net return of the Company and Group;
- the annual financial report includes a fair review of the development and performance of the Company and the important events that have occurred during the financial year and their impact on the financial statements, including a description of the principal risks and uncertainties that it faces; and
- the financial statements and the Report of the Directors' include details of any related party transactions.

Approved by the Board on 21 September 2015 and signed on its behalf by:

Roger Urwin
Chairman

ELECTRONIC PUBLICATION

The annual report and accounts are published on the Company's website, www.utilico.bm, the maintenance and integrity of which is the responsibility of ICMIM. 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 in the financial statements 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILICO INVESTMENTS LIMITED ONLY
OPINIONS AND CONCLUSIONS ARISING FROM OUR AUDIT

1. OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of Utilico Investments Limited for the year ended 30 June 2015 set out on pages 61 to 90. In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2015 and of the group's and parent company's profit for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

2. OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Carrying amount of Unlisted Investments (£82m)

Refer to page 54 (Audit Committee Report), page 68 (accounting policy) and pages 73 to 74 (financial disclosures).

The risk: 22% of the Group's total assets (by value) is held in investments where no quoted market price is available. In measuring these unquoted investments at fair value the Directors utilise valuation techniques that make judgements about the realisable value of the investments. These techniques use measures such as the price of recent orderly transactions, earnings multiples and other valuation multiples of comparable companies and the net assets of the investees. There is a significant risk over the valuation of these investments and this is a key judgemental area that our audit focused on.

Our response: Our procedures over the existence and valuation of the Group's portfolio of unlisted investments included, but were not limited to:

- assessing the processes in place to record investment transactions and to value the unlisted portfolio;
- challenging the Investment Manager on key judgements affecting investee company valuations in the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. In particular, we focussed on the appropriateness of the valuation basis selected as well as underlying assumptions, such as discount factors and the choice of benchmark for earnings multiples.
- comparing key underlying financial data inputs to external sources and investee company audited accounts and management information as applicable.
- challenging the assumptions around the sustainability of earnings based on the plans of the investee companies and whether these were achievable, and obtaining an understanding of existing and prospective investee company cash flows to understand whether borrowings can be serviced or refinancing may be required.
- obtaining an understanding of the circumstances surrounding holdings valued on the basis of recent transactions and challenging whether they were considered to be on an arms-length basis and suitable as an input into a valuation.
- inspected loan documentation supporting loan positions to understand how secure the loans were by looking at performance against covenants where applicable;
- attending the year end Audit Committee meeting where we assessed the effectiveness of the Audit Committee's challenge and approval of unquoted investment valuations;
- consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions; and obtaining confirmation of ownership by inspecting of loan documentation, custodian confirmation or share certificates.

Carrying amount of Listed Investments (£285m)

Refer to page 54 (Audit Committee Report), page 68 (accounting policy) and pages 73 to 74 (financial disclosures).

The risk: The Group's portfolio of listed investments makes up 76% of total Group assets (by value) and is considered to be one of the key drivers of the Group's capital and revenue performance. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement, because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: Our procedures over the existence, valuation and completeness of the Group's portfolio of listed investments included, but were not limited to:

- assessing the processes in place to record investment transactions and to value the portfolio;
- agreeing the pricing of 100% of the listed investments to third party pricing sources; and
- agreeing 100% of the listed investment holdings to independently received third party custodian confirmations.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The materiality for the financial statements as a whole was set at £5.6m. This has been determined with reference to a benchmark of total assets (of which it represents 1.5%). Total Assets, which is primarily composed of the Group's investment portfolio, is considered to be the key driver of the Group's capital and revenue performance and, as such, we consider it to be one of the principal considerations for members of the Company in assessing the financial performance of the Group.

In addition, we applied a materiality of £413,000 to a number of income statement items, including investment and other income, management and administration fees, and other expenses, for which we believe misstatements of lesser amounts than materiality as a whole could be reasonably expected to influence the economic decisions of the members of the Company taken on the basis of the financial statements.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of £300,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit was undertaken to the materiality level specified above and was all performed at the office of the managers, ICM Investment Management Limited, in Epsom, United Kingdom and at our offices in London, United Kingdom.

4. OUR OPINION ON THE DIRECTORS' REMUNERATION REPORT IS UNMODIFIED

In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the Directors have decided to prepare (in addition to that required to be prepared) as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK Companies Act 2006.

In our opinion the part of the Directors' Remuneration Report which we were engaged to audit has been properly prepared in accordance with SI 2008 No. 410 made under the UK Companies Act 2006, as if those requirements were to apply to the Company.

5. WE HAVE NOTHING TO REPORT IN RESPECT OF THE MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Report of the Independent Auditor (continued)

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the Audit Committee Report does not appropriately address matters communicated by us to the audit committee.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement on page 46 relating to the Company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

In addition to our audit of the financial statements, the Directors have engaged us to review certain other disclosures as if the Company were required to comply with the Listing Rules applicable to companies incorporated in the UK. Under the terms of our engagement we are required to review the Directors' statement, set out on page 34, in relation to going concern.

We have nothing to report in respect of the above responsibilities.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 57, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2013. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 90(2) of the Companies Act 1981 of Bermuda and, in respect of the separate opinion in relation to the Directors' Remuneration Report, on terms that have been agreed. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and, in respect of the separate opinion in relation to the Directors' Remuneration Report, those matters that we have agreed to state to them in our report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London E14 5GL
21 September 2015

Group Income Statement

Notes	for the year to 30 June	2015 Revenue return £'000s	2015 Capital return £'000s	2015 Total return £'000s	2014 Revenue return £'000s	2014 Capital return £'000s	2014 Total return £'000s
9	Gains on investments	**–**	**6,308**	**6,308**	–	36,709	36,709
12	Gains/(losses) on derivative financial instruments	**–**	**6,347**	**6,347**	–	(2,247)	(2,247)
	Foreign exchange (losses)/gains	**(74)**	**2,989**	**2,915**	36	(519)	(483)
2	Investment and other income	**11,271**	**–**	**11,271**	10,374	–	10,374
	Total income	**11,197**	**15,644**	**26,841**	10,410	33,943	44,353
3	Management and administration fees	**(846)**	**–**	**(846)**	(1,200)	–	(1,200)
4	Other expenses	**(1,003)**	**(5)**	**(1,008)**	(944)	(4)	(948)
	Profit before finance costs and taxation	**9,348**	**15,639**	**24,987**	8,266	33,939	42,205
5	Finance costs	**(1,082)**	**(13,195)**	**(14,277)**	(933)	(14,234)	(15,167)
	Profit before taxation	**8,266**	**2,444**	**10,710**	7,333	19,705	27,038
6	Taxation	**(500)**	**–**	**(500)**	(360)	(22)	(382)
	Profit for the year	**7,766**	**2,444**	**10,210**	6,973	19,683	26,656
7	**Earnings per ordinary share (basic) – pence**	**7.84**	**2.47**	**10.31**	7.03	19.85	26.88

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 Income Statement

Notes	for the year to 30 June	2015 Revenue return £'000s	2015 Capital return £'000s	2015 Total return £'000s	2014 Revenue return £'000s	2014 Capital return £'000s	2014 Total return £'000s
9	Gains on investments	–	6,233	6,233	–	34,925	34,925
12	Gains/(losses) on derivative financial instruments	–	6,423	6,423	–	(477)	(477)
2	Foreign exchange (losses)/gains	(74)	2,993	2,919	36	(515)	(479)
	Investment and other income	11,271	–	11,271	10,374	–	10,374
	Total income	11,197	15,649	26,846	10,410	33,933	44,343
3	Management and administration fees	(831)	–	(831)	(1,196)	–	(1,196)
4	Other expenses	(996)	(5)	(1,001)	(942)	(4)	(946)
	Profit before finance costs and taxation	9,370	15,644	25,014	8,272	33,929	42,201
5	Finance costs	(1,082)	(13,237)	(14,319)	(933)	(14,380)	(15,313)
	Profit before taxation	8,288	2,407	10,695	7,339	19,549	26,888
6	Taxation	(500)	–	(500)	(360)	(22)	(382)
	Profit for the year	7,788	2,407	10,195	6,979	19,527	26,506
7	**Earnings per ordinary share (basic) – pence**	7.87	2.43	10.30	7.04	19.69	26.73

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 2015

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2014	9,916	29,020	233,866	32,069	(151,699)	11,268	164,440
	Profit for the year	–	–	–	–	2,444	7,766	10,210
8	Ordinary dividends paid	–	–	–	–	–	(7,426)	(7,426)
	Shares purchased by the Company	(60)	(606)	–	–	–	–	(666)
	Balance at 30 June 2015	**9,856**	**28,414**	**233,866**	**32,069**	**(149,255)**	**11,608**	**166,558**

for the year to 30 June 2014

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2013	9,916	29,020	233,866	32,069	(171,382)	13,591	147,080
	Profit for the year	–	–	–	–	19,683	6,973	26,656
8	Ordinary dividends paid	–	–	–	–	–	(9,296)	(9,296)
	Balance at 30 June 2014	9,916	29,020	233,866	32,069	(151,699)	11,268	164,440

Company Statement of Changes in Equity

for the year to 30 June 2015

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2014	9,916	29,020	233,866	32,069	(151,858)	11,442	164,455
	Profit for the year	–	–	–	–	2,407	7,788	10,195
8	Ordinary dividends paid	–	–	–	–	–	(7,426)	(7,426)
	Shares purchased by the Company	(60)	(606)	–	–	–	–	(666)
	Balance at 30 June 2015	**9,856**	**28,414**	**233,866**	**32,069**	**(149,451)**	**11,804**	**166,558**

for the year to 30 June 2014

Notes		Ordinary share capital £'000s	Share premium account £'000s	Special reserve £'000s	Non-distributable reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total £'000s
	Balance at 30 June 2013	9,916	29,020	233,866	32,069	(171,385)	13,759	147,245
	Profit for the year	–	–	–	–	19,527	6,979	26,506
8	Ordinary dividends paid	–	–	–	–	–	(9,296)	(9,296)
	Balance at 30 June 2014	9,916	29,020	233,866	32,069	(151,858)	11,442	164,455

Balance Sheets

Notes	at 30 June	GROUP 2015 £'000s	GROUP 2014 £'000s	COMPANY 2015 £'000s	COMPANY 2014 £'000s
	Non-current assets				
9	Investments	**366,928**	402,538	**367,609**	404,342
	Current assets				
11	Other receivables	**2,583**	783	**2,583**	782
12	Derivative financial instruments	**3,359**	164	**2,658**	41
	Cash and cash equivalents	**1,236**	721	**1,053**	716
		7,178	1,668	**6,294**	1,539
	Current liabilities				
13	Loans	**(34,351)**	(22,239)	**(34,351)**	(22,239)
14	Other payables	**(560)**	(4,045)	**(172,994)**	(218,198)
12	Derivative financial instruments	**(196)**	(989)	**–**	(989)
15	Zero dividend preference shares	**–**	(76,138)	**–**	–
		(35,107)	(103,411)	**(207,345)**	(241,426)
	Net current liabilities	**(27,929)**	(101,743)	**(201,051)**	(239,887)
	Total assets less current liabilities	**338,999**	300,795	**166,558**	164,455
	Non-current liabilities				
15	Zero dividend preference shares	**(172,441)**	(136,355)	**–**	–
	Net assets	**166,558**	164,440	**166,558**	164,455
	Equity attributable to equity holders				
16	Ordinary share capital	**9,856**	9,916	**9,856**	9,916
17	Share premium account	**28,414**	29,020	**28,414**	29,020
18	Special reserve	**233,866**	233,866	**233,866**	233,866
19	Non-distributable reserve	**32,069**	32,069	**32,069**	32,069
20	Capital reserves	**(149,255)**	(151,699)	**(149,451)**	(151,858)
21	Revenue reserve	**11,608**	11,268	**11,804**	11,442
	Total attributable to equity holders	**166,558**	164,440	**166,558**	164,455
22	**Net asset value per ordinary share**				
	Basic – pence	**169.00**	165.84	**169.00**	165.85

Approved by the Board on 21 September 2015 and signed on its behalf by

Dr R J Urwin
Chairman

E St C Stobart
Director

Statements of Cash Flows

Notes	for the year to 30 June	GROUP 2015 £'000s	GROUP 2014 £'000s	COMPANY 2015 £'000s	COMPANY 2014 £'000s
23	Cash flows from operating activities	**3,587**	5,709	**3,613**	5,729
	Investing activities				
	Purchases of investments	**(42,255)**	(75,521)	**(43,746)**	(78,115)
	Sales of investments	**86,466**	84,190	**86,466**	90,735
	Purchases of derivatives	**(887)**	(2,243)	**–**	–
	Sales of derivatives	**3,246**	2,778	**2,817**	1,482
	Cash flows on margin accounts	**1**	–	**–**	–
	Cash flows from investing activities	**46,571**	9,204	**45,537**	14,102
	Cash flows before financing activities	**50,158**	14,913	**49,150**	19,831
	Financing activities				
	Equity dividends paid	**(7,426)**	(9,296)	**(7,426)**	(9,296)
	Movements on loans	**12,634**	(19,251)	**12,634**	(19,251)
	Cash flow from issue of ZDP shares	**8,993**	6,477	**8,993**	(69)
	Cash flows from redemption of ZDP shares	**(62,172)**	(1,683)	**(61,346)**	–
	Cost of shares purchased for cancellation	**(666)**	–	**(666)**	–
	Cash flows from financing activities	**(48,637)**	(23,753)	**(47,811)**	(28,616)
	Net increase/(decrease) in cash and cash equivalents	**1,521**	(8,840)	**1,339**	(8,785)
	Cash and cash equivalents at the beginning of the year	**(2,689)**	7,644	**(2,694)**	7,581
	Effect of movement in foreign exchange	**2,393**	(1,493)	**2,397**	(1,490)
	Cash and cash equivalents at the end of the year	**1,225**	(2,689)	**1,042**	(2,694)

	GROUP 2015 £'000s	GROUP 2014 £'000s	COMPANY 2015 £'000s	COMPANY 2014 £'000s
Comprised of:				
Cash	**1,236**	721	**1,053**	716
Bank overdraft	**(11)**	(3,410)	**(11)**	(3,410)
Total	**1,225**	(2,689)	**1,042**	(2,694)

1. ACCOUNTING POLICIES

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

The Group Accounts comprise the results of the Company, Utilico Finance Limited ("UFL") and Global Equity Risk Protection Limited ("GERP"). Details of the subsidiaries and associates are included in notes 9 and 10 to the Accounts.

The Group is engaged in a single segment of business, focusing on maximising shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.

(a) Basis of accounting

The Accounts have been prepared on a going concern basis in accordance with IFRS, which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect and to the extent that they have been adopted by the European Union.

There have been no significant changes to the accounting policies during the year to 30 June 2015.

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 Income Statement has been analysed between a revenue return (dealing with items of a revenue nature) and a capital return (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income, operating expenses, finance costs and taxation (insofar as they are not allocated to capital, as described in notes 1(j) and 1(k)). Net revenue returns are allocated via the revenue return to the revenue reserve.

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 are allocated via the capital return to capital reserves.

Dividends on ordinary shares may be paid out of the revenue reserve and the 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
IFRS 9 Financial Instruments	1 January 2018

The Directors have chosen not to adopt this standard early as they do not anticipate that it will have a material impact on the Group's Accounts in the period of initial application.

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

(b) Basis of consolidation

The consolidated Accounts include the Accounts of the Company and its operating subsidiaries, UFL and GERP. All intra group transactions, balances, income and expenses are eliminated on consolidation. Other subsidiaries and associate undertakings held as part of the investment portfolio (see 1(d) below) are not accounted for in the Group accounts, but are carried at fair value through profit or loss and accounted for in accordance with IFRS 10 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.

1. ACCOUNTING POLICIES (CONTINUED)

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. Investments used for efficient portfolio management are classified as being at fair value through profit or loss. As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments (including those ordinarily classified as subsidiaries under IFRS 10 but exempted by that financial reporting standard from the requirement to be consolidated) are designated as being at fair value through profit or loss on initial recognition. Derivatives including forward foreign exchange contracts and options are accounted for as a financial asset/liability at fair value through profit or loss. The Company manages and evaluates the performance of these investments and derivatives on a fair value basis in accordance with its investment strategy, and information about the Company is provided internally on this basis to the Company's Directors and key management personnel. Gains and losses on investments and on derivatives are analysed within the Income Statement as capital returns. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board. In exercising its judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, net asset values, earnings multiples, recent orderly transactions in similar securities and other relevant factors.

(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 costs between revenue and capital return within the Income Statement.

(g) Zero dividend preference ("ZDP") shares

The ZDP shares, due to be redeemed in 2016, 2018 and 2020 at a redemption value, including accrued capitalised returns (see note 15) of 192.78 pence per share, 160.52 pence per share and 154.90 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.

(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 Income Statement and analysed as capital or revenue as appropriate. Forward foreign exchange contracts are valued in accordance with quoted market rates.

1. ACCOUNTING POLICIES (CONTINUED)

(i) Investment and other income

Dividends receivable are brought into the Income Statement 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 method. Bank and short-term deposit interest is recognised on an accruals basis. These are brought into the Income Statement and analysed as revenue returns.

(j) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement and analysed under revenue return except for those expenses incidental to the acquisition or disposal of investments and performance related 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 method, recognised through the Income Statement and analysed under the revenue return except those finance 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 and 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 have a positive value exceeding the cost of the dividend.

(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)

Capital reserve – arising on investments held

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

(n) Use of estimates and judgements

The presentation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. INVESTMENT AND OTHER INCOME

Group and Company	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Investment income						
Dividends	**8,858**	**–**	**8,858**	9,343	–	9,343
Interest	**2,412**	**–**	**2,412**	1,026	–	1,026
	11,270	**–**	**11,270**	10,369	–	10,369
Other income						
Interest on cash and short-term deposits	**1**	**–**	**1**	5	–	5
Total income	**11,271**	**–**	**11,271**	10,374	–	10,374

3. MANAGEMENT AND ADMINISTRATION FEES

Group	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Payable to:						
ICM/ICMIM – management fee	**477**	**–**	**477**	845	–	845
ICM/ICMIM – secretarial fee	**55**	**–**	**55**	56	–	56
F&C Management Limited – administration fee	**299**	**–**	**299**	295	–	295
Other administration fees	**15**	**–**	**15**	4	–	4
	846	**–**	**846**	1,200	–	1,200

Company	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Payable to:						
ICM/ICMIM – management fee	**477**	**–**	**477**	845	–	845
ICM/ICMIM – secretarial fee	**55**	**–**	**55**	56	–	56
F&C Management Limited – administration fee	**299**	**–**	**299**	295	–	295
	831	**–**	**831**	1,196	–	1,196

ICM was the Investment Manager and Company Secretary to the Company, for which it was entitled to a management fee, a performance fee and a company secretarial fee.

The existing investment management agreement with ICM was terminated and replaced with a new agreement (the "AIFM Agreement") on 13 April 2015, pursuant to which ICM Investment Management Limited ("ICMIM") was appointed as the Company's Alternative Investment Fund Manager and joint portfolio manager with ICM. The AIFM Agreement is based on the previous agreement with changes only to the extent necessary to ensure that the relationship between the Company, ICMIM and ICM is compliant with the requirements of the EU Alternative Investment Fund Manager Directive and also such other requirements applicable to ICMIM by virtue of its regulation by the Financial Conduct Authority. The aggregate fees payable by the Company under the AIFM Agreement are the same as those previously payable under the previous agreement, with such fees to be apportioned between the joint portfolio managers as agreed by them.

The annual management fee 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 Managers or any of its subsidiaries from which it receives a management fee), payable quarterly in arrears. The agreement with ICM and ICMIM may be terminated upon one year's notice given by the Company and not less than six months' notice given by ICM and ICMIM, acting together.

The annual management fee payable for the year to 30 June 2015, was 0.25% per annum (prior to 1 January 2014 the fee payable was 0.5% per annum). The fee payable will increase to 0.5% per annum once the high watermark of net asset value of 284.81p per share is regained.

Included within the fees of £477,000 (2014: £845,000) paid to the Investment Managers is £32,000 (2014: £49,000) salary and PAYE costs relating to employees of the Company (excluding the costs associated with the Company Secretary). 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 four (30 June 2014: five).

In addition, the Investment Managers are 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 a 12 month period to 30 June 2007. As at that date the equity holders' funds were £279.0m. In calculating any performance fee payable, the value of all holdings in companies managed or advised by the Investment Managers from which they receive a management fee are removed from the calculation in order that any such fee is charged solely on the performance of the portfolio excluding those investments.

As at 30 June 2015, the attributable shareholders' funds were below the high watermark and therefore no performance fee has been accrued (30 June 2014: same).

ICMIM also provides company secretarial services to the Company, with the Company paying one-third of the costs associated with this post.

3. MANAGEMENT AND ADMINISTRATION FEES (CONTINUED)

ICM Limited purchased 100% of ICM Corporate Services (Pty) Ltd on 22 October 2014, making ICM Corporate Services a related party to UIL. ICM Corporate Services provides administration services to GERP for a fee of £15,000 per annum. The agreement is terminable upon one month's notice in writing.

F&C Management Limited ("F&C") provides accounting, dealing and administration services to the Company for a fee of £310,000 per annum (prior to 1 April 2015 the fee was £295,000 per annum), payable monthly in arrears (30 June 2014: £295,000 per annum). The agreement with F&C may be terminated upon six months' notice given by either party in writing.

4. OTHER EXPENSES

Group	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Auditors' remuneration (see note 4A)	**65**	**–**	**65**	71	–	71
Broker and consultancy fees	**56**	**–**	**56**	121	–	121
Custody fees	**131**	**–**	**131**	114	–	114
Directors' fees for services to the Company						
(see Directors' Remuneration Report on pages 49 to 52)	**169**	**–**	**169**	162	–	162
Travel expenses	**234**	**–**	**234**	182	–	182
Professional and legal fees	**108**	**–**	**108**	90	–	90
Sundry expenses	**240**	**5**	**245**	204	4	208
	1,003	**5**	**1,008**	944	4	948

Company	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Auditors' remuneration (see note 4A)	**63**	**–**	**63**	71	–	71
Broker and consultancy fees	**56**	**–**	**56**	121	–	121
Custody fees	**131**	**–**	**131**	114	–	114
Directors' fees for services to the Company						
(see Directors' Remuneration Report on pages 49 to 52)	**169**	**–**	**169**	162	–	162
Travel expenses	**234**	**–**	**234**	182	–	182
Professional and legal fees	**108**	**–**	**108**	90	–	90
Sundry expenses	**235**	**5**	**240**	202	4	206
	996	**5**	**1,001**	942	4	946

4A. AUDITOR'S REMUNERATION

Fees paid to the Group's auditor are summarised below:

Group Auditor – KPMG LLP Annual Audit Fees	2015 £'000s	Group 2014 £'000s	2015 £'000s	Company 2014 £'000s
Audit of the Group and Company's annual financial statements	**55**	63	**55**	63
Audit of financial statements of subsidiaries	**6**	4	**4**	4
Total audit fees	**61**	67	**59**	67
Other non-audit services – review of interim financial statements	**4**	4	**4**	4
Total auditor's remuneration allocated to the income statement	**65**	71	**63**	71

5. FINANCE COSTS

Group	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Loans and bank overdrafts	**1,082**	**–**	**1,082**	933	–	933
ZDP shares	**–**	**13,195**	**13,195**	–	14,234	14,234
	1,082	**13,195**	**14,277**	933	14,234	15,167

Company	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Loans and bank overdrafts	**1,082**	**–**	**1,082**	933	–	933
Intra-group loan account	**–**	**13,237**	**13,237**	–	14,380	14,380
	1,082	**13,237**	**14,319**	933	14,380	15,313

6. TAXATION

Group and Company	Revenue £'000s	Capital £'000s	2015 Total £'000s	Revenue £'000s	Capital £'000s	2014 Total £'000s
Overseas taxation	**500**	**–**	**500**	360	–	360
Bermuda overseas investment taxation	**–**	**–**	**–**	–	22	22
	500	**–**	**500**	360	22	382

Profits of the Company and subsidiaries for the year are not subject to any taxation within their countries of residence (2014: same).

7. EARNINGS PER ORDINARY SHARE

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

	Group		Company	
	2015 £'000s	2014 £'000s	**2015 £'000s**	2014 £'000s
Revenue	**7,766**	6,973	**7,788**	6,979
Capital	**2,444**	19,683	**2,407**	19,527
Total	**10,210**	26,656	**10,195**	26,506
	Number	Number	**Number**	Number
Weighted average number of shares in issue during the year for earnings per share calculations	**99,005,981**	99,157,214	**99,005,981**	99,157,214

8. DIVIDENDS

Group and Company	Record date	Payment date	2015 £'000s	2014 £'000s
2013 Final of 3.75p	04-Oct-13	18-Oct-13	–	3,719
2014 First quarterly of 1.875p	08-Nov-13	22-Nov-13	–	1,859
2014 Second quarterly of 1.875p	07-Mar-14	21-Mar-14	–	1,859
2014 Third quarterly of 1.875p	30-May-14	13-Jun-14	–	1,859
2014 Fourth quarterly of 1.875p	22-Aug-14	08-Sep-14	1,859	–
2015 First quarterly of 1.875p	28-Nov-14	19-Dec-14	1,859	–
2015 Second quarterly of 1.875p	27-Feb-15	20-Mar-15	1,859	–
2015 Third quarterly of 1.875p	15-May-15	16-Jun-15	1,849	–
			7,426	9,296

The Directors declared a fourth quarterly dividend in respect of the year ended 30 June 2015 of 1.875p per share which was paid on 16 September 2015 to all ordinary shareholders on the register at close of business on 21 August 2015. The total cost of the dividend, which has not been accrued in the results for the year to 30 June 2015, is £1,700,000 based on 90,653,789 ordinary shares in issue.

9. INVESTMENTS

Group	**Level 1 £'000s**	**Level 2 £'000s**	**Level 3 £'000s**	**2015 Total £'000s**	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2014 Total £'000s
Investments brought forward								
Cost	**339,358**	**–**	**73,612**	**412,970**	354,620	–	57,740	412,360
Losses	**(1,392)**	**–**	**(9,040)**	**(10,432)**	(20,957)	–	(18,773)	(39,730)
Valuation	**337,966**	**–**	**64,572**	**402,538**	333,663	–	38,967	372,630
Movements in the year:								
Transfer between levels*	**2,514**	**–**	**(2,514)**	**–**	(47)	–	47	–
Purchases at cost	**28,007**	**–**	**27,216**	**55,223**	44,019	–	32,133	76,152
Sales								
proceeds	**(82,416)**	**–**	**(14,725)**	**(97,141)**	(67,457)	–	(15,496)	(82,953)
realised net gains/(losses) on sales	**17,272**	**–**	**815**	**18,087**	8,252	–	(841)	7,411
(Losses)/profits on investments held at year end	**(18,767)**	**–**	**6,988**	**(11,779)**	19,536	–	9,762	29,298
Valuation at 30 June	**284,576**	**–**	**82,352**	**366,928**	337,966	–	64,572	402,538
Analysed at 30 June								
Cost	**303,113**	**–**	**86,026**	**389,139**	339,358	–	73,612	412,970
Losses	**(18,537)**	**–**	**(3,674)**	**(22,211)**	(1,392)	–	(9,040)	(10,432)
Valuation	**284,576**	**–**	**82,352**	**366,928**	337,966	–	64,572	402,538

*Transfer due to investee company listing (2014: delisting of investee company).

9. INVESTMENTS (CONTINUED)

Company	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2015 Total £'000s	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2014 Total £'000s
Investments brought forward								
Cost	**341,041**	**12,444**	**73,612**	**427,097**	360,745	11,532	57,740	430,017
Losses	**(1,389)**	**(12,326)**	**(9,040)**	**(22,755)**	(20,529)	(10,546)	(18,773)	(49,848)
	339,652	**118**	**64,572**	**404,342**	340,216	986	38,967	380,169
Movements in the year:								
Transfer between levels*	**2,514**	**–**	**(2,514)**	**–**	(47)	–	47	–
Purchases at cost	**28,833**	**665**	**27,216**	**56,714**	45,702	912	32,133	78,747
Sales								
proceeds	**(84,955)**	**–**	**(14,725)**	**(99,680)**	(74,003)	–	(15,496)	(89,499)
realised net gains/(losses) on sales	**17,302**	**–**	**815**	**18,117**	8,673	–	(841)	7,832
(Losses)/profits on investments held at year end	**(18,770)**	**(102)**	**6,988**	**(11,884)**	19,111	(1,780)	9,762	27,093
Valuation at 30 June	**284,576**	**681**	**82,352**	**367,609**	339,652	118	64,572	404,342
Analysed at 30 June								
Cost	**303,113**	**13,109**	**86,026**	**402,248**	341,041	12,444	73,612	427,097
Losses	**(18,537)**	**(12,428)**	**(3,674)**	**(34,639)**	(1,389)	(12,326)	(9,040)	(22,755)
Valuation	**284,576**	**681**	**82,352**	**367,609**	339,652	118	64,572	404,342

*Transfer due to investee company listing (2014: delisting of investee company).
Level 1 includes investments listed on any recognised stock exchange or quoted on any secondary market.
Level 2 includes investment in GERP on a look through basis.
Level 3 includes investments in private companies and other unquoted securities.

	Group		Company	
Gains on investments held at fair value	**2015 £'000s**	2014 £'000s	**2015 £'000s**	2014 £'000s
Gains on investments sold	**18,087**	7,411	**18,117**	7,832
(Losses)/gains on investments held	**(11,779)**	29,298	**(11,884)**	27,093
Total gains on investments	**6,308**	36,709	**6,233**	34,925

Associated undertakings

Under IFRS10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, the following associate undertakings at 30 June 2015 are held as part of the investment portfolio and consequently are accounted for as investments at fair value through profit and loss:

	Augean plc ("Augean")	Somers Limited ("Somers")	Touchcorp Limited ("Touchcorp")	Utilico Emerging Markets Limited ("UEM")	Vix Investments Limited ("Vix")	Vix Assets ("Vix Assets")	Vix Technology ("VixTech")
Country of registration and incorporation	UK	Bermuda	Bermuda	Bermuda	Bermuda	Australia	Bermuda
Number of ordinary shares held	21,164,442	5,716,670	23,985,321	44,371,179	477,720	44,327,353	4,061
Percentage of ordinary shares held	20.8%	48.9%	20.7%	20.8%	39.8%	39.8%	39.8%

9. INVESTMENTS (CONTINUED)

Transactions with associated undertakings

Augean	Purchase of 1,400,000 ordinary shares in the market at a cost of £661,444
Somers	Exercise of 240,746 warrants into 240,746 ordinary shares at a cost of £2,180,927 Purchase of 30,000 ordinary shares in the market at a cost of £261,248 Receipt of 87,980 ordinary shares in lieu of dividend of £806,781 Purchase of 1,000,000 Loan notes at a cost of £638,182
Touchcorp	Purchase of 30,962,941 ordinary shares prior to the IPO at a cost of £22,391,187 Sale of 6,977,620 ordinary shares in the IPO receiving £5,040,984
UEM	Sale of 13,835,424 ordinary shares in the market receiving £24,829,052
Vix	Purchase of 360,000 loan notes at a cost of £234,637
VixTech	Dividend of £773,961 of which £394,043 was received and £379,918 lent back to the company
Resolute Mining	Purchase of 6,357,867 shares in the market at a cost of £1,057,017 Purchase of 7,230,900 2017 Convertible Notes at a cost of £3,827,294

Significant interests

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

Company	Country of registration and incorporation	Class of instruments held	2015 % of class of instruments held	2014 % of class of instruments held
Infratil Limited	New Zealand	Ordinary Shares	**6.3%**	8.8%
Resolute Mining Limited	Australia	Ordinary Shares	**19.8%**	18.7%

10. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company at 30 June 2015 and 30 June 2014.

Company	Country of registration and incorporation	Number and class of shares held	Holdings and voting rights %
Utilico Finance Limited(1)	Bermuda	10 ordinary shares of 10p nil paid share	100
Global Equity Risk Protection Limited(2)	Bermuda	3,920 Class A shares linked to a segregated account in GERP	100

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

(2) The subsidiary, an unquoted Bermuda segregated accounts company, was incorporated, and commenced trading, 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 that have no voting rights..

Under IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities, Bermuda First Investment Company Limited and Zeta Resources Limited are subsidiaries of the Company, held as part of the investment portfolio, and are accounted for as investments at fair value through profit and loss.

Details on these undertakings are as follows:

Company	Country of registration and incorporation	2015 Number of ordinary shares held	2015 Holding and voting rights %	2014 Number of ordinary shares held	2014 Holding and voting rights %
Bermuda First Investment Company Limited	Bermuda	1,582,360	**78.8**	1,551,333	90.5
Zeta Resources Limited	Bermuda	77,990,502	**83.7**	76,200,281	81.7

10. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Transactions with subsidiaries held as investments

BFIC	Purchase of 31,027 ordinary shares in the market at a cost of £200,288 Purchase of 1,954,347 Loan notes at a cost of £1,225,925 Redemption of 100,000 Loan Notes for £58,622
Zeta	Purchase of 1,790,221 ordinary shares in the market at a cost of £374,184 Purchase of 22,913,525 Loan notes at a cost of £13,150,266 Redemption of 2,000,000 Loan Notes for £975,300

11. OTHER RECEIVABLES

	Group		Company	
	2015 £'000s	2014 £'000s	**2015 £'000s**	2014 £'000s
Investment debtors	**–**	413	**–**	413
Margin accounts	**–**	1	**–**	–
Accrued income	**2,530**	252	**2,530**	252
Prepayments and other debtors	**53**	117	**53**	117
	2,583	783	**2,583**	782

12. DERIVATIVE FINANCIAL INSTRUMENTS

Group	**Current assets £'000s**	**Current liabilities £'000s**	**2015 Net current assets/ (liabilities) £'000s**	Current assets £'000s	Current liabilities £'000s	2014 Net current assets/ (liabilities) £'000s
Forward foreign exchange contracts – GBP/A$	**191**	**–**	**191**	30	–	30
Forward foreign exchange contracts – GBP/EUR	**287**	**–**	**287**	11	–	11
Forward foreign exchange contracts – GBP/NZ$	**2,180**	**–**	**2,180**	–	(953)	(953)
Forward foreign exchange contracts – US$/NZ$	**–**	**–**	**–**	–	(36)	(36)
Total forward foreign exchange contracts	**2,658**	**–**	**2,658**	41	(989)	(948)
S&P futures and options – US$	**701**	**(196)**	**505**	123	–	123
Total derivative financial instruments	**3,359**	**(196)**	**3,163**	164	(989)	(825)

Classified (see note 1(c)) as:	**£'000s**	**£'000s**	**£'000s**	£'000s	£'000s	£'000s
Level 1	**701**	**(196)**	**505**	123	–	123
Level 2	**2,658**	**–**	**2,658**	41	(989)	(948)
	3,359	**(196)**	**3,163**	164	(989)	(825)

12. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Company	Current assets £'000s	Current liabilities £'000s	2015 Net current assets/ (liabilities) £'000s	Current assets £'000s	Current liabilities £'000s	2014 Net current assets/ (liabilities) £'000s
Forward foreign exchange contracts – GBP/A$	**191**	**–**	**191**	30	–	30
Forward foreign exchange contracts – GBP/EUR	**287**	**–**	**287**	11	–	11
Forward foreign exchange contracts – GBP/NZ$	**2,180**	**–**	**2,180**	–	(953)	(953)
Forward foreign exchange contracts – US$/NZ$	**–**	**–**	**–**	–	(36)	(36)
Total derivative financial instruments	**2,658**	**–**	**2,658**	41	(989)	(948)

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

Changes in derivatives

Changes in total net current derivative financial instruments are as follows:

	Group 2015 £'000s	Group 2014 £'000s	Company 2015 £'000s	Company 2014 £'000s
Valuation brought forward	**(825)**	1,957	**(948)**	1,011
Net acquisitions	**887**	2,243	**–**	–
Settlements	**(3,246)**	(2,778)	**(2,817)**	(1,482)
Gains/(losses)	**6,347**	(2,247)	**6,423**	(477)
Valuation carried forward	**3,163**	(825)	**2,658**	(948)

13. LOANS – CURRENT LIABILITY

Group and Company	2015 £'000s	2014 £'000s
€6.5m repayable March 2016	**4,605**	–
£20.5m repayable March 2016	**20,500**	15,000
NZ$21.5m repayable March 2016	**9,246**	2,560
US$8.0m repaid July 2014	**–**	4,679
	34,351	22,239

The Company has a committed loan facility of £50,000,000 from Scotiabank Europe plc ("Scotiabank") expiring on 22 March 2016. 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. Scotiabank has a floating rate charge over the assets of the Company in respect of amounts owing under the loan facility.

14. OTHER PAYABLES

	Group 2015 £'000s	Group 2014 £'000s	Company 2015 £'000s	Company 2014 £'000s
Investment creditors	**–**	11	**–**	11
Bank overdraft	**11**	3,410	**11**	3,410
Accrued finance costs	**21**	63	**21**	63
Intra-group loans	**–**	–	**172,441**	214,164
Accrued expenses	**528**	561	**521**	550
	560	4,045	**172,994**	218,198

The Directors consider that the carrying values of other payables are equivalent to their fair value.

15. ZERO DIVIDEND PREFERENCE SHARES

ZDP Shares – current liabilities	2015 £'000s	2014 £'000s
2014 ZDP Shares	**–**	76,138
ZDP Shares – non-current liabilities		
2016 ZDP shares	**83,493**	77,928
2018 ZDP shares	**62,816**	58,427
2020 ZDP shares	**26,132**	–
	172,441	136,355
Total ZDP shares liabilities	**172,441**	212,493

Authorised ZDP shares of the Group at 30 June 2015 are as follows:

	Number	£'000s
ZDP shares of 10p each		
2012 ZDP shares	**60,592,190**	6,059
2014 ZDP shares	**50,000,000**	5,000
2016 ZDP shares	**60,000,000**	6,000
ZDP shares of 5.9319p each		
2018 ZDP shares	**59,842,413**	3,550
ZDP shares of 6.0514p each		
2020 ZDP shares	**25,000,000**	1,513

Authorised ZDP shares of the Group at 30 June 2014 are as follows:

	Number	£'000s
ZDP shares of 10p each		
2012 ZDP shares	60,592,190	6,059
2014 ZDP shares	50,000,000	5,000
2016 ZDP shares	50,000,000	5,000
ZDP shares of 5.9319p each		
2018 ZDP shares	49,842,413	2,956

ZDP shares issued by the Group are as follows:

		2014		2016		2018		2020	Total
2015	**Number**	**£'000s**	**Number**	**£'000s**	**Number**	**£'000s**	**Number**	**£'000s**	**£'000s**
Balance at 30 June 2014	46,480,000	76,138	47,500,000	77,928	49,842,413	58,427	–	–	212,493
Issue of ZDP shares	–	–	–	–	–	–	25,000,000	25,000	25,000
Issue costs of ZDP shares	–	–	–	–	–	–	–	(571)	(571)
ZDP shares purchased by UIL and held intra-group in the year	(495,000)	(826)	–	–	–	–	–	–	(826)
Redemption of 2014 ZDP shares	(45,985,000)	(76,850)	–	–	–	–	–	–	(76,850)
Finance costs (see note 5)	–	1,538	–	5,565	–	4,389	–	1,703	13,195
Balance at 30 June 2015	–	–	47,500,000	83,493	49,842,413	62,816	25,000,000	26,132	172,441

15. ZERO DIVIDEND PREFERENCE SHARES (CONTINUED)

		2014		2016		2018	Total
2014	Number	£'000s	Number	£'000s	Number	£'000s	£'000s
Balance at 30 June 2013	47,500,000	72,705	47,500,000	72,734	44,030,037	47,957	193,396
Issue of ZDP shares	–	–	–	–	5,812,376	6,546	6,546
ZDP shares purchased by UIL and held intra-group in the year	(1,020,000)	(1,683)	–	–	–	–	(1,683)
Finance costs (see note 5)	–	5,116	–	5,194	–	3,924	14,234
Balance at 30 June 2014	46,480,000	76,138	47,500,000	77,928	49,842,413	58,427	212,493

Pursuant to the rollover offer made to the holders of the 2014 ZDP shares and to a placing, published by the Company on 2 July 2014, shareholders in respect of a total of 9,382,718 2014 ZDP shares elected to rollover to 2020 ZDP shares. 15,504,888 new 2020 ZDP shares were issued on 31 July 2014, on the basis of each 2014 ZDP share converting into 1.6525 2020 ZDP shares. UFL placed 9,495,112 new 2020 ZDP shares at 100p per share on 31 July 2014, raising gross proceeds of £9.5 million.

The 25,000,000 new 2020 ZDP shares were admitted to the Official List and to trading on the London Stock Exchange on 31 July 2014.

The Board closed the Placing Programme as described in the Prospectus dated 2 July 2014 on 15 September 2014.

On 31 October 2014 the remaining 38,117,282 2014 ZDP shares that were in issue, inclusive of 1,515,000 2014 ZDP shares held intra-group, were redeemed at 167.60p per 2014 ZDP share.

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 2015 was 175.55p (2014: 163.70p).

2018 ZDP shares

Based on the initial entitlement of a 2018 ZDP share of 100p on 26 January 2012, a 2018 ZDP share will have a final capital entitlement at the end of its life on 31 October 2018 of 160.52p equating to a 7.25% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2018 ZDP share as at 30 June 2015 was 127.09p (2014: 118.50p).

2020 ZDP shares

Based on the initial entitlement of a 2020 ZDP share of 100p on 31 July 2014, a 2020 ZDP share will have a final capital entitlement at the end of its life on 31 October 2020 of 154.90p equating to a 7.25% per annum gross redemption yield. The capital entitlement (excluding issue costs) per 2020 ZDP share at 30 June 2020 was 106.61p (2014: n/a).

The ZDP shares are traded 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 UIL 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 the Company or its parent company which would reduce the Group's cover of the existing 2016 ZDP shares and 2018 ZDP shares below 1.5 times and the Group's cover of the existing 2020 ZDP shares below 1.35 times.

On a liquidation of UIL and/or UFL, to the extent that the relevant classes of 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 2016 ZDP shares shall rank in priority to the 2018 ZDP Shares and the 2020 ZDP shares; and

(ii) the 2018 ZDP shares shall rank in priority to the 2020 ZDP shares.

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

16. ORDINARY SHARE CAPITAL

	Number	£'000s
Equity share capital:		
Ordinary shares of 10p each with voting rights		
Authorised	250,000,000	25,000

	Total shares in issue Number	2015 Total shares in issue £'000s
Balance at 30 June 2014	**99,157,214**	**9,916**
Purchased for cancellation	**(600,000)**	**(60)**
Balance at 30 June 2015	**98,557,214**	**9,856**

	Total shares in issue Number	2014 Total shares in issue £'000s
Balance at 30 June 2013 and 30 June 2014	99,157,214	9,916

Since the year end a further 7,903,425 ordinary shares have been bought back for cancellation at a cost of £9.2m.

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.

17. SHARE PREMIUM ACCOUNT

Group and Company	**2015 £'000s**	2014 £'000s
Balance brought forward	**29,020**	29,020
Purchase of ordinary shares	**(606)**	–
Balance carried forward	**28,414**	29,020

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

18. SPECIAL RESERVE

Group and Company	**2015 £'000s**	2014 £'000s
Balance brought forward and carried forward	**233,866**	233,866

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

19. NON-DISTRIBUTABLE RESERVE

Group and Company	**2015 £'000s**	2014 £'000s
Balance brought forward and carried forward	**32,069**	32,069

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.

20. CAPITAL RESERVES

Group	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s
			2015			2014
Gains on investments sold	**18,087**	**–**	**18,087**	7,411	–	7,411
(Losses)/gains on investments held	**–**	**(11,779)**	**(11,779)**	–	29,298	29,298
Gains/(losses) on derivative financial instruments sold	**2,159**	**–**	**2,159**	(2,682)	–	(2,682)
Gains on derivative financial instruments held	**–**	**4,188**	**4,188**	–	435	435
Foreign exchange gains/(losses)	**2,989**	**–**	**2,989**	(519)	–	(519)
Other capital charges	**(5)**	**–**	**(5)**	(4)	–	(4)
ZDP shares finance charges	**(13,195)**	**–**	**(13,195)**	(14,234)	–	(14,234)
Bermuda overseas investment taxation	**–**	**–**	**–**	(22)	–	(22)
	10,035	**(7,591)**	**2,444**	(10,050)	29,733	19,683
Balance brought forward	**(139,586)**	**(12,113)**	**(151,699)**	(129,536)	(41,846)	(171,382)
Balance at 30 June	**(129,551)**	**(19,704)**	**(149,255)**	(139,586)	(12,113)	(151,699)

Company	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s	Capital reserve (arising on investments sold) £'000s	Capital reserve (arising on investments held) £'000s	Capital reserves total £'000s
			2015			2014
Gains on investments sold	**18,117**	**–**	**18,117**	7,832	–	7,832
(Losses)/gains on investments held	**–**	**(11,884)**	**(11,884)**	–	27,093	27,093
Gains on derivative financial instruments sold	**2,817**	**–**	**2,817**	1,482	–	1,482
Gains/(losses) on derivative financial instruments held	**–**	**3,606**	**3,606**	–	(1,959)	(1,959)
Foreign exchange gains/(losses)	**2,993**	**–**	**2,993**	(515)	–	(515)
Other capital charges	**(5)**	**–**	**(5)**	(4)	–	(4)
Intra-group loan account finance charges	**(13,237)**	**–**	**(13,237)**	(14,380)	–	(14,380)
Bermuda overseas investment taxation	**–**	**–**	**–**	(22)	–	(22)
	10,685	**(8,278)**	**2,407**	(5,607)	25,134	19,527
Balance brought forward	**(128,155)**	**(23,703)**	**(151,858)**	(122,548)	(48,837)	(171,385)
Balance at 30 June	**(117,470)**	**(31,981)**	**(149,451)**	(128,155)	(23,703)	(151,858)

Group and Company

Included within the capital reserve movement for the year is £9,199,000 (2014: £223,000) of dividend receipts recognised as capital in nature, £14,000 (2014: £66,000) of transaction costs on purchases of investments and £150,000 (2014: £177,000) of transaction costs on sales of investments.

21. REVENUE RESERVE

	Group 2015 £'000s	Group 2014 £'000s	Company 2015 £'000s	Company 2014 £'000s
Amount transferred to revenue reserve	**7,766**	6,973	**7,788**	6,979
Dividends paid in the year	**(7,426)**	(9,296)	**(7,426)**	(9,296)
Balance brought forward	**11,268**	13,591	**11,442**	13,759
Balance at 30 June	**11,608**	11,268	**11,804**	11,442

22. NET ASSET VALUE PER ORDINARY SHARE

Group and Company

Net asset value per ordinary share is based on net assets at the year end of £166,558,000 for the Group and Company (2014: £164,440,000 for the Group and £164,455,000 for the Company) and on 98,557,214 ordinary shares in issue at the year end (2014: 99,157,214).

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

	Group		Company	
	2015 £'000s	2014 £'000s	**2015 £'000s**	2014 £'000s
Profit before taxation	**10,710**	27,038	**10,695**	26,888
Adjust for non-cash flow items:				
Gains on investments	**(6,308)**	(36,709)	**(6,233)**	(34,925)
(Gains)/losses on derivative financial instruments	**(6,347)**	2,247	**(6,423)**	477
Foreign exchange (gains)/losses	**(2,915)**	483	**(2,919)**	479
Non-cash flow on income	**(1,890)**	(1,617)	**(1,890)**	(1,617)
(Increase)/decrease in accrued income	**(2,278)**	794	**(2,278)**	794
Increase in other debtors	**(5)**	(3)	**(5)**	(3)
Decrease in creditors	**(75)**	(376)	**(71)**	(362)
ZDP share finance costs	**13,195**	14,234	**–**	–
Intra-group loan account finance costs	**–**	–	**13,237**	14,380
Tax on overseas income	**(500)**	(360)	**(500)**	(360)
Overseas investment taxation	**–**	(22)	**–**	(22)
	(7,123)	(21,329)	**(7,082)**	(21,159)
Cash flows from operating activities	**3,587**	5,709	**3,613**	5,729

24. ULTIMATE PARENT UNDERTAKING

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

25. RELATED PARTY TRANSACTIONS

The following are subsidiaries of UIL: UFL, BFIC, Zeta and GERP (see note 10). In addition the following are considered related parties of the Group: General Provincial Life Pension Fund (L) Limited ("GPLPF"), which holds 61.8% of the Company's ordinary shares; the associates of the Group set out under note 9, being Augean plc, Somers, Touchcorp, UEM, Vix Investments Limited, Vix Assets and VixTech, the Board of UIL, ICM and ICMIM (UIL's joint investment managers), Platform Technology Limited ("PTL"), Permanent Investment Limited ("PIL") and Permanent Mutual Limited ("PML") and Mr Saville and Mr Jillings. UEM is also managed by ICM and ICMIM. BFIC, Somers and Zeta are managed by ICM.

The following transactions were carried out during the year to 30 June 2015 between the Company and its related parties above:

UFL

Loans from UFL to UIL of £214.2m as at 30 June 2014 decreased by £41.8m, to £172.4m as at 30 June 2015. Interest is payable at 7.25% per annum. The loans are repayable on demand.

In the year to 30 June 2015, UIL purchased 495,000 2014 ZDP shares in the open market.

GERP

During the year UIL made net payments to GERP of £0.7m in settlement of investment transactions.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

PTL

PTL holds the regulated businesses of Newtel Holdings Limited (“Newtel”). UIL advanced a further £0.7m to Newtel.

PIL and PML

PIL and PML are both 100% owned by Mr Saville and hold 34.1% and 5.4% of Somers ordinary shares respectively.

There were no transactions between the Company and PIL or between the Company and PML in the year.

Somers, UEM, Vix, VixAssets and VixTech

Transactions are disclosed in note 9.

BFIC and Zeta

Transactions are disclosed in note 10.

The Board

As detailed in the Directors’ Remuneration Report on page 50, the Board received aggregate remuneration of £169,000 (2014: £162,000) included within “Other expenses” in note 4 to the Accounts for services as Directors. As at the year-end £42,250 (2014: £40,375) remained outstanding to the Directors. In addition to their fees, the Directors received dividends totalling £24,141 (2014: £36,294) during the year under review in respect of their shareholdings in the Company. There were no further transactions with the Board during the year.

ICM and ICMIM

ICM is the investment manager of BCB, BFIC, Somers, Zeta, GERP and Vix Investments, and joint investment manager with ICMIM of UIL, UFL and UEM. The directors of ICM are Mr Saville, Mr Jillings and Mr Younie; the directors of ICMIM are Mr Jillings and Mrs Pope. Mr Saville is a director of Somers, Touchcorp, VixTech, Vix Investments, GERP, West Hamilton Holdings Limited and PTL. Mr Jillings is a director of Somers, Waverton, Westhouse Holdings plc and GERP. Mr Younie is a director of BCB, BFIC, Somers, West Hamilton, GERP and PTL. Mrs Pope is a director of Westhouse Holdings plc. The fees paid by Somers to Mr Saville, Mr Jillings and Mr Younie at the rate of US$12,000 per director per annum, the fees paid to Mr Younie by BCB of US$18,500 and by BFIC of US$12,000 were all paid direct to ICM. Mr Jillings received a fee of £40,000 from Waverton. None of the other companies paid directors’ fees.

There were no transactions with ICM or ICMIM, BCB or ICM Investment Research Limited and ICM Corporate Services (Pty) Ltd, both wholly-owned subsidiaries of ICM, other than investment management, secretarial costs and administration fees as set out in note 3 and above, and reimbursed expenses included within note 4 of £148,000 (2014: £74,000). At the year end £225,000 (2014: £223,000) remained outstanding to ICM and ICMIM in respect of management and company secretarial fees.

Other

On consolidation, transactions between the Company, UFL and GERP have been eliminated.

There were no transactions during the year or any outstanding balances with GPLPF. There were no other transactions between the above associates and the Company other than investments in the ordinary course of UIL’s business.

Mr McLeland, a Director of the Company, is chairman of Somers and received director’s fees of US$17,000 in the year to 30 June 2015.

Mr Cole, a Director of the Company, is chairman of VixTech and received director’s fees of £125,000.

26. OPERATION SEGMENTS

Operating segments are considered to be secondary reporting segment. The Directors are of the opinion that the Company’s activities comprise a single operating segment, which is investing in equity, debt and derivative securities to maximise shareholder returns.

27. 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 Managers, 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 UFL and GERP 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 IFRS and best practice, and include the valuation of financial assets and liabilities at fair value except as noted in (d) below and in note 15 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 Managers assess 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 Managers and the Board regularly monitor these risks. The Group does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Group's exposure to future changes in exchange rates.

Gearing may be short- or long-term, in Sterling and foreign currencies, and enables the Group to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility. Income earned in foreign currencies is converted to Sterling on receipt. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the Group was exposed were the Australian Dollar, Bermuda 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:

	2015	**Average**	2014
A$ – Australian Dollar	**2.0462**	**1.8962**	1.8116
BM$ – Bermuda Dollar	**1.5727**	**1.5825**	1.7098
EUR – Euro	**1.4115**	**1.3186**	1.2488
NZ$ – New Zealand Dollar	**2.3254**	**2.0486**	1.9529
US$ – US Dollar	**1.5727**	**1.5825**	1.7098

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's assets and liabilities at 30 June (shown at fair value, except derivatives at gross exposure value), by currency based on the country of primary exposure, are shown below:

2015	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s	Other £'000s	Total £'000s
Other receivables	1,706	755	–	–	69	–	2,530
Derivative financial instruments – assets	–	–	–	–	13,353	–	13,353
Cash and cash equivalents	436	9	(6)	–	180	–	619
Short-term borrowings	–	–	(4,605)	(9,246)	–	–	(13,851)
Other payables	(1)	–	–	(1)	–	–	(2)
Derivative financial instruments – liabilities	(4,887)	–	(8,502)	(25,799)	(12,717)	–	(51,905)
Net monetary (liabilities)/assets	(2,746)	764	(13,113)	(35,046)	885	–	(49,256)
Investments	63,543	71,887	24,886	55,825	3,654	109,507	329,302
Net financial assets	60,797	72,651	11,773	20,779	4,539	109,507	280,046

2014	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s	Other £'000s	Total £'000s
Other receivables	501	87	–	–	48	–	636
Derivative financial instruments – assets	–	–	–	–	19,780	–	19,780
Cash and cash equivalents	(25)	–	–	–	(2,435)	1	(2,459)
Short-term borrowings	–	–	–	(2,560)	(4,679)	–	(7,239)
Other payables	(11)	–	–	–	(4)	–	(15)
Derivative financial instruments – liabilities	(11,037)	–	(9,531)	(74,388)	–	–	(94,956)
Net monetary (liabilities)/assets	(10,572)	87	(9,531)	(76,948)	12,710	1	(84,253)
Investments	45,774	74,944	18,883	66,791	7,570	147,904	361,866
Net financial assets	35,202	75,031	9,352	(10,157)	20,280	147,905	277,613

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:

					2015					2014
Weakening of Sterling	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s
Income Statement										
Revenue profit for the year	174	359	–	366	–	63	44	–	393	171
Capital profit for the year	6,566	7,988	1,308	2,309	497	3,902	8,327	1,039	(1,129)	2,248
Total profit for the year	6,740	8,347	1,308	2,675	497	3,965	8,371	1,039	(736)	2,419
NAV per share										
Basic – pence	6.84	8.47	1.33	2.71	0.50	4.00	8.44	1.05	(0.74)	2.44

					2015					2014
Strengthening of Sterling	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s	A$ £'000s	BM$ £'000s	EUR £'000s	NZ$ £'000s	US$ £'000s
Income Statement										
Revenue profit for the year	(174)	(359)	–	(366)	–	(63)	(44)	–	(393)	(171)
Capital profit for the year	(6,566)	(7,988)	(1,308)	(2,309)	(497)	(3,902)	(8,327)	(1,039)	1,129	(2,248)
Total profit for the year	(6,740)	(8,347)	(1,308)	(2,675)	(497)	(3,965)	(8,371)	(1,039)	736	(2,419)
NAV per share										
Basic – pence	(6.84)	(8.47)	(1.33)	(2.71)	(0.50)	(4.00)	(8.44)	(1.05)	0.74	(2.44)

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

Interest rate exposure

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

	Total £'000s	**Within one year £'000s**	**2015 More than one year £'000s**	Total £'000s	Within one year £'000s	2014 More than one year £'000s
Exposure to floating rates						
– Cash	**1,236**	**1,236**	**–**	721	721	–
– Bank overdraft	**(11)**	**(11)**	**–**	(3,410)	(3,410)	–
– Borrowings	**(34,351)**	**(34,351)**	**–**	(22,239)	(22,239)	–
	(33,126)	**(33,126)**	**–**	(24,928)	(24,928)	–
Exposure to fixed rates						
Zero dividend preference shares	**(172,441)**	**–**	**(172,441)**	(212,493)	(76,138)	(136,355)
Net exposures						
– At period end	**(205,567)**	**(33,126)**	**(172,441)**	(237,421)	(101,066)	(136,355)
– Maximum in year	**(237,421)**	**(101,066)**	**(136,355)**	(266,049)	(86,017)	(180,032)
– Minimum in year	**(205,567)**	**(33,126)**	**(172,441)**	(225,993)	(68,264)	(157,729)

	Total £'000s	**Exposure to floating interest rates £'000s**	**2015 Fixed interest rates £'000s**	Total £'000s	Exposure to floating interest rates £'000s	2014 Fixed interest rates £'000s
Net exposures						
– Maximum in year	**(237,421)**	**(24,928)**	**(212,493)**	(266,049)	(60,359)	(205,690)
– Minimum in year	**(205,567)**	**(33,126)**	**(172,441)**	(225,993)	(16,747)	(209,246)

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 the ZDP shares are fixed (see note 15). Interest paid on borrowings is at ruling market rates (2014: same) 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 Group Income Statement revenue and capital returns after tax and on the NAV per share.

	Increase in rate £'000s	**2015 Decrease in rate £'000s**	Increase in rate £'000s	2014 Decrease in rate £'000s
Revenue profit for the year	**(663)**	**663**	(445)	445
Capital profit for the year	**–**	**–**	–	–
Total profit for the year	**(663)**	**663**	(445)	445
NAV per share				
Basic – pence	**(0.67)**	**0.67**	(0.45)	0.45

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Other market risk exposures

The portfolio of investments, valued at £366,928,000 at 30 June 2015 (2014: £402,538,000 restated) is exposed to market price changes. The Group enters into currency and index options in managing its exposure to other market risks.

The Investment Managers assess 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 17. The Investment Managers have operated a strategic market position via the purchase and sale of equity index put and call options, principally on the S&P500 Index. The level of the position is kept under constant review, and will depend upon several factors including the relative performance of markets, the price of options as compared to the market, and the Investment Managers' view of likely future volatility and market movements.

Based on the portfolio of investments at the balance sheet date, and assuming other factors, including derivative financial instrument exposure, remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the Income Statement Capital Return after tax and on the NAV per share:

	2015 Increase in value £'000s	**2015** Decrease in value £'000s	2014 Increase in value £'000s	2014 Decrease in value £'000s
Income Statement capital profit for the year	**73,552**	**(73,522)**	80,868	(80,868)
NAV per share				
Basic – pence	**74.60**	**(74.60)**	82	(82)

(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, 44 at 30 June 2015 (38 at 30 June 2014); the liquid nature of the portfolio of investments; the industrial and geographical diversity of the portfolio (see charts on page 17); and the existence of an on-going loan facility agreement. Cash balances are held with reputable banks.

The Investment Managers review liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting. The Group has bank loan facilities of £50.0m as set out in note 13 to the accounts and ZDP share liabilities of £172.4m as set out in note 15. The contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

2015	**2015** Three months or less £'000s	**2015** More than three months but less than one year £'000s	**2015** More than one year £'000s	**2015** Total £'000s	2014 Three months or less £'000s	2014 More than three months but less than one year £'000s	2014 More than one year £'000s	2014 Total £'000s
Bank overdraft	**11**	**–**	**–**	**11**	3,410	–	–	3,410
Other creditors	**549**	**–**	**–**	**549**	635	–	–	635
Derivative financial instruments	**51,905**	**–**	**–**	**51,905**	94,956	–	–	94,956
Bank loans	**–**	**34,440**	**–**	**34,440**	22,281	–	–	22,281
ZDP shares	**–**	**–**	**210,303**	**210,303**	–	77,900	171,578	249,478
	52,465	**34,440**	**210,303**	**297,208**	121,282	77,900	171,578	370,760

27. 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 the Investment Managers 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	**30 June £'000s**	**2015 Maximum exposure in the year £'000s**	30 June £'000s	2014 Maximum exposure in the year £'000s
Cash at bank	**1,236**	**6,401**	721	7,806
Financial assets through profit and loss				
– derivatives (put options and call options)	**13,353**	**13,353**	10,235	42,499
– derivatives (forward foreign exchange contracts)	**41,846**	**94,008**	94,008	109,868

None of the Group's financial assets is past due or impaired. The Group's principal custodian is JPMorganChase Bank NA, Jersey. BCB acts as custodian for the Group's unlisted investments. UIL has an indirect interest in 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 15). 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:

	2015 £'000s	2014 £'000s
2014 ZDP shares	**–**	77,273
2016 ZDP shares	**87,044**	84,137
2017 ZDP shares	**68,409**	63,923
2018 ZDP shares	**27,125**	–

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.

Level 3 financial instruments

Valuation methodology

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. The Level 3 assets comprise a number of unlisted investments at various stages of development and each has been assessed based on its industry, location and business cycle. Where sensible, the Directors have taken into account observable data and events to underpin the valuations. All unlisted valuations which are based on observable data have been discounted by 20.0% to 30.0% to reflect the unlisted nature of the investment.

The level 3 financial instruments are split between a) unlisted companies and b) loans to listed companies.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Unlisted companies

VIX TECHNOLOGY LIMITED ("VixTech") Bermuda incorporated

Valuation inputs: Current Year to 30 June 2015 and 2016 EV/EBITDA 9.2 times and 8.0 times continuing activities respectively. Unlisted discount applied 20.0%.

Valuation methodology: VixTech has been valued based on peer comparisons and in particular EV/EBITDA for 2015 and 2016. Listed peer valuations averaged 9.2 times (prior year 8.8 times) for 2015 and 8.0 times for 2016. Based on continuing EBITDA for the year to 30 June 2015 of A$11.4m (prior year A$9.7m) and 2016 of A$14.4m and after applying a 20.0% discount (prior year 30.0%) the valuation is A$86.3m to A$99.1m. Based on this, a value of A$90.0m has been used. UIL holds a 39.82% equity interest in VixTech and as at 30 June 2015 carried this investment at A$35.8m, £19.9m.

Sensitivities: Should the EBITDA of VixTech move by A$1.0m the gain or loss in valuation would be £1.1m. Should the peer group multiple ascribed to VixTech's EBITDA be reduced/increased by 1.0 the gain or loss on valuation for UIL would be £1.0m.

VIX INVESTMENTS LIMITED ("Vix") Bermuda incorporated

Valuation inputs: Sum-of-the-parts valuations range from transactions through to peer group matrices. The key asset of Vix is Optal, which accounts for 96.0% of the gross assets. The holding in Optal is included at fair value to Vix, based on a completed sale by Vix of 100,000 shares at A$7.45, valuing Optal at A$453.4m. Unlisted discount applied to Optal of 20.0%. Vix has a 15.7% interest in Optal.

Valuation methodology: UIL has a 39.8% interest in Vix and the investment was valued at A$15.7m at 30 June 2015. UIL has a loan to Vix amounting to A$0.4m; together £10.2m.

Sensitivities: The underlying portfolio is ungeared in nature.

SEACREST LIMITED ("Seacrest") Bermuda incorporated

Valuation inputs: The unlisted investment comprises an equity interest in Seacrest and a carried interest in the management fee for Seacrest. The company's sole asset is its holding in Azimuth, a joint venture between Seacrest and PGS (the listed Norwegian seismic data service company).

The valuation of Azimuth is based on fair value GAAP accounting. Using the General Partner's valuation of the Seacrest portfolio a discount is applied to each Azimuth subsidiary. The extent of the discount depends on whether the assets are in a mature or frontier basin. In addition following the fall in the oil price a further discount was applied thereby calculating a fair value for Azimuth. On this basis Azimuth was valued as at 30 June 2015 at US$101.6m.

Valuation methodology: UIL has used a fair value valuation of Seacrest of US$1.27 per share based on the value of Azimuth, described above; £6.9m.

Sensitivities: Given Azimuth is an exploration company its risks are significant in both directions. Should commercially recoverable oil not be discovered then the value will fall to nil. Should substantial commercially recoverable oil be discovered the valuation uplifts are significant.

RENEWABLE ENERGY HOLDINGS PLC ("REH") Isle of Man incorporated

Valuation inputs: The unlisted holding in REH comprises of two loans which are both carried at significantly written down values. These loans accrue interest and have substantial success fees attached to them. The key asset is the "Sweetlamb" Welsh wind farm development. However, recent government decisions and deliberations have caused significant uncertainty both to the planning environment and the viability of UK onshore wind farm projects. The loans were therefore written down to the see through value of REH's holding in Carnegie, an Australian wave farm technology business. Carnegie is listed and the shares were valued at the closing price on 30 June 2015.

Valuation methodology: UIL's loans amount to £1.6m, prior year £5.0m. The current year valuation is based on the see through value of REH's holding in Carnegie. Should the planning environment improve, there could be a substantial uplift in value. Details for the Welsh wind farm were set out in last years' report and accounts for UIL.

Sensitivities: Each A$0.01 move in Carnegie's share price would result in result in a gain or loss of some £0.3m.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

COLDHARBOUR HOLDINGS LIMITED ("Coldharbour") UK incorporated

Valuation inputs: The holding in Coldharbour is included at fair value to UIL. Fair value has been set at the last round of funding raised by Coldharbour. Unlisted discount of 30.0% is applied.

Valuation methodology: In December 2014 Coldharbour raised £7.5m at £25.29 per share. UIL holds 385,356 shares. Using £25.29 per share and a discount of 30.0%, UIL's investment is valued at £6.8m

Sensitivities: Coldharbour has developed a new technology and is seeking to now commercialise it. Maybe reliant on the adoption of regulations to enforce its use. Should Coldharbour fail to commercialise its technology the downside is significant. Should Coldharbour commercialise its technology the upside is significant.

Other unlisted companies

Valuation methodology: UIL has a further nine unlisted holdings valued from £0.3m to £2.2m each. These holdings were valued at a mixture of book value for recent investments, yield for two dividend distributors and realisable values, together a total value of £13.7m.

(ii) Loans to listed companies

ZETA RESOURCES LIMITED ("Zeta") Bermuda incorporated

Valuation inputs: Gross asset to gross debt cover of over 1.5 times. The prior year loan was valued on a similar basis with debt cover being over 4.0 times.

Valuation methodology: There are two loans to Zeta (US$24.0m and A$11.6m) bearing interest at 7.5% and 10.0% respectively and one to Zeta Energy of A$8.8m bearing interest at 10.0%. These Zeta loans are repayable on 30 September 2016 and Zeta Energy's repayment date is 30 June 2016. The asset cover and nature of Zeta's portfolio is such that the loans are carried at book value plus accrued interest.

Sensitivities: Should Zeta's assets increase/decline by 10.0% there would be no impact on UIL's loans to Zeta.

Other loans to listed companies

Valuation methodology: UIL has a further loan to one of its listed platform companies which is carried at book value together with accrued interest. Gross asset to gross debt cover is 69.0 times. The loan value at 30 June 2015 was £0.6m, prior year £1.0m.

(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 its 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 earnings as well as out of brought forward reserves. Changes to ordinary share capital are set out in note 16 to the accounts.

Dividends are set out in note 8 to the accounts. Borrowings are set out in note 13 to the accounts. ZDP shares are set out in note 15 to the accounts.

28. ALTERNATIVE FUND MANAGERS DIRECTIVE ("AIMFD")

In accordance with the AIFMD, information in relation to the Group's leverage and the remuneration of the Company's AIFM, ICMIM, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy are available on the Company's website or from ICMIM on request. The numerical remuneration disclosures in relation to the AIFM's first relevant accounting period will be made available in due course.

The Group's maximum and actual leverage at 30 June 2015 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum permitted limit	325%	325%
Actual	159%	151%

The leverage limits are set by the AIFM and approved by the Board. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Utilico Investments Limited, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Notice is hereby given that the 2015 Annual General Meeting of Utilico Investments Limited will be held at the Mandarin Oriental, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Monday, 16 November 2015 at 8.00am (local time) for the following purposes:

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

ORDINARY BUSINESS:

1. To confirm the Minutes of the last General Meeting.
2. To receive and adopt the Report of the Directors, the auditor's report and the accounts for the year ended 30 June 2015.
3. To approve the Directors' Remuneration Report for the year ended 30 June 2015.
4. To re-elect Mr E St C Stobart as a Director.
5. To re-elect Mr W McLeland, who retires annually, as a Director.
6. To re-appoint KPMG LLP as auditor of the Company.
7. To authorise the Directors to determine the auditor's remuneration.

SPECIAL BUSINESS:

8. **As an Ordinary Resolution:** That the name of the Company be changed to UIL Limited.
9. **As an Ordinary Resolution:** That the limit on the aggregate fees payable to the Directors in accordance with Bye-law 30.1 be increased to £250,000 per annum.
10. **As an Ordinary Resolution:** That in substitution for the Company's existing authority to make market purchases of ordinary shares of 10p in the Company ("Ordinary Shares"), the Company be and it is generally and unconditionally authorised to make market purchases of Ordinary Shares, provided that:
    (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 13,589,000 (being the equivalent of 14.99% of the issued Ordinary Shares as at the date of this notice);
    (b) the minimum price which may be paid for an Ordinary Share shall be 10p;
    (c) the maximum price (exclusive of expenses payable by the Company) which may be paid for an Ordinary Share shall be the higher of:
        (i) 105% of the average of the middle market quotations of the Ordinary Shares for the five business days prior to the date on which such shares are contracted to be purchased; and
        (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out;
    (d) such purchases shall be made in accordance with the Bermuda Companies Act;
    (e) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting in 2016 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the expiration of such authority.
11. **As a Special Resolution:** That, for the purpose of Bye-law 4A of the Company's Bye-laws, the Company may issue Relevant Securities (as defined in the Bye-laws) representing up to 9,065,370 Ordinary Shares, equivalent to approximately 10% of the total number of Ordinary Shares in issue as at the date of this notice otherwise than on a pre-emptive basis, 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 to be held in 2016 or 18 months from the date of this resolution but so that this power shall enable the Company to make

such offers or agreements before such expiry which would or might otherwise require Relevant Securities to be issued after such expiry and the Directors may issue Relevant Securities in pursuance of such offer or agreement as if such expiry had not occurred.

12. **As an Ordinary Resolution:** That the Company's Bye-laws be amended as follows:

(a) the following new definition be inserted in Bye-law 1.1:

"**Non-Qualified Holder**" means any person: (i) whose ownership of shares may cause the Company's assets to be deemed "plan assets" for the purposes of the regulations adopted under the United States Employee Retirement Income Security Act 1974 ("**ERISA**") or the United States Internal Revenue Code of 1986, as amended (the "**US Internal Revenue Code**"); (ii) whose ownership of shares may cause the Company to be required to register as an "investment company" under the United States Investment Company Act of 1940, as amended (the "**US Investment Company Act**") (including because the holder of the shares is not a "qualified purchaser" as defined in the US Investment Company Act); (iii) whose ownership of shares may cause the Company to register under the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the US Securities Exchange Commission promulgated pursuant to it (the "**US Exchange Act**"), the United States Securities Act of 1933, as amended or any similar legislation; (iv) whose ownership of shares may cause the Company not being considered a "foreign private issuer" as such term is defined in rule 3b4(c) under the US Exchange Act; or (v) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Internal Revenue Code);";

(b) existing Bye-law 14.5 shall be deleted in its entirety and replaced with the following new Bye-laws 14.5A and 14.5B:

"14.5A The Board may furthermore refuse to register a transfer of shares if it is if it is in favour of a Non-Qualified Holder.

"14.5B If it shall come to the notice of the Board that any shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Board may give notice to such person requiring him either (i) to provide the Board within thirty days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his shares to a person who is not a Non-Qualified Holder within thirty days and within such thirty days to provide the Board with satisfactory evidence of such sale or transfer. Pending such sale or transfer the Board may suspend the exercise of any voting or consent rights and rights to receive notice of, or attend, meetings of the Company and any rights to receive dividends or other distributions with respect to such shares, and the holder shall repay the Company any amounts distributed to such holder by the Company during the time such holder held such shares. If any person upon whom such a notice is served pursuant to this Bye-law 14.5B does not within thirty days after such notice either (i) sell or transfer his shares to a person who is not a Non-Qualified Holder and establish to the satisfaction of the Board (whose judgment shall be final and binding) that such a sale or transfer has occurred or (ii) establish to the satisfaction of the Board (whose judgment shall be final and binding) that he is not a Non-Qualified Holder, the Board may, in its absolute discretion, arrange for the Company to sell the shares at the best price reasonably obtainable to any other person so that the shares will cease to be held by a Non-Qualified Holder, in which event the Company may take any action whatsoever that the Board considers necessary in order to effect the transfer of such shares by the holder of such shares and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate or, if no certificate has been issued, such evidence as the Board may reasonably require to satisfy itself as to his former entitlement to the shares and to such net proceeds of sale and the former holder shall have no further interest in the relevant shares or any claim against the Company in respect thereof. No trust will be created and no interest will be payable in respect of such net proceeds of sale"; and

(c) existing Bye-law 51.5 shall be amended by deleting the last paragraph of that Bye-law and inserting the following paragraph in its place:

"If any Shareholder (a "**Defaulting Shareholder**") is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the continued holding of shares in the Company by the Defaulting Shareholder shall be deemed to cause or likely to cause the Company a pecuniary disadvantage and the Defaulting Shareholder shall be deemed to be a Non-Qualifying Holder for the purposes Bye-law 14.5B."

By order of the Board
ICM Investment Management Limited, Company Secretary
21 September 2015

NOTES

1. Only the holders of ordinary shares registered on the register of members of the Company at close of business on 12 November 2015 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 close of business on 12 November 2015 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member 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 member of the Company.
3. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules need not make a separate notification to the Company and the Financial Conduct Authority.
4. Any such person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
5. A form of proxy is provided with this notice of meeting. The return of a form of proxy will not preclude a member 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 (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 10:00am (GMT) on 12 November 2015. Shareholders may also lodge their votes electronically by visiting the website www.eproxyappointment.com (the on-screen instructions will give details on how to complete the voting process).

   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, BS99 6ZY not later than 3:00pm (GMT) on 11 November 2015 or give an instruction via the CREST system as detailed below.

   CREST members who wish to vote through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by not later than 11 November 2015 at 3:00pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. 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.
7. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Company's Bye-laws. The letters of appointment are available for inspection on request at the Company's registered office and at the annual general meeting.
8. The fourth quarterly dividend of 1.875p per ordinary share in respect of the year ended 30 June 2015 was paid on 16 September 2015 to the relevant holders on the register at the close of business on 21 August 2015.

Company Information

DIRECTORS
Dr Roger Urwin, CBE (Chairman)
(retiring on 16 November 2015)

Peter Burrows, AO
(Chairman with effect from 16 November 2015)

Graham Cole (retiring on 16 November 2015)

Warren McLeland

Eric St C Stobart

REGISTERED OFFICE
19 Par-la-Ville Road
Hamilton HM 11
Bermuda
Company Registration Number: 39480

AIFM, JOINT PORTFOLIO MANAGER AND SECRETARY
ICM Investment Management Limited
PO Box 208, Epsom, Surrey, KT18 7YF
United Kingdom
Telephone number 01372 271486
Authorised and regulated in the UK
by the Financial Conduct Authority

JOINT PORTFOLIO MANAGER
ICM Limited
19 Par-la-Ville Road, Hamilton HM11, Bermuda

ASSISTANT SECRETARY
BCB Charter Corporate Services Limited
19 Par-la-Ville Road, Hamilton HM 11, Bermuda

ADMINISTRATOR
F&C Management Limited
Exchange House, Primrose Street
London EC2A 2NY, United Kingdom
Telephone 020 7628 8000
Authorised and regulated in the UK
by the Financial Conduct Authority

BROKER
Westhouse Securities Limited
Beaufort House, 15 St Botolph Street
London EC3A 7BB, United Kingdom
Authorised and regulated in the UK
by the Financial Conduct Authority

LEGAL ADVISOR TO THE COMPANY
(as to English law)
Norton Rose Fulbright LLP
3 More London Riverside, London SE1 2AQ
United Kingdom

LEGAL ADVISOR TO THE COMPANY
(as to Bermuda law)
Appleby (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM EX, Bermuda

REPORTING ACCOUNTANTS AND REGISTERED AUDITOR
KPMG LLP
15 Canada Square, London E14 5GL
United Kingdom

DEPOSITARY SERVICES PROVIDER
J.P. Morgan Europe Limited
25 Bank Street, Canary Wharf, London E14 5JP
United Kingdom

CUSTODIANS
JPMorgan Chase Bank N.A.
JPMorgan House, Grenville Street, St Helier,
Jersey JE4 8QH

Bermuda Commercial Bank Limited
19 Par-la-Ville Road, Hamilton HM 11, Bermuda

REGISTRAR
Computershare Investor Services (Bermuda) Limited
5 Reid Street, Hamilton HM11, Bermuda
Telephone 0370 707 4040

REGISTRAR TO THE DEPOSITARY INTERESTS AND CREST AGENT
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZY, United Kingdom

COMPANY BANKER
Scotiabank Europe plc
201 Bishopsgate, 6th Floor, London EC2M 3NS
United Kingdom

Historical Performance

at 30 June	2015	2014	2013(1)	2012	2011	2010	2009	2008(2)	2007(3)	2006
Net asset value per ordinary share (pence)	**169.00**	165.84	148.33	209.67	201.63	166.39	146.87	225.20	350.29	222.35
Ordinary share price (pence)	**117.00**	128.00	130.00	144.00	147.25	116.50	117.00	234.00	299.00	180.25
Discount/(premium) (based on diluted NAV per share) (%)	**30.8**	22.8	12.4	31.3	27.0	30.0	20.3	(3.9)	4.2	4.0
FTSE All-Share Total Return Index	**5,614**	5,471	4,837	4,101	4,234	3,370	2,782	3,499	4,023	3,396
Returns and dividends (pence)										
Revenue return per ordinary share	**7.84**	7.03	12.06	11.99	7.65	10.49	2.77	3.56	1.84	0.89
Capital return per ordinary share	**2.47**	19.85	(63.65)	2.73	26.05	21.15	(82.62)	(103.32)	178.01	35.50
Total return per ordinary share	**10.31**	26.88	(51.59)	14.72	33.70	31.62	(79.85)	(99.76)	179.85	36.39
Dividend per ordinary share	**7.50**	7.50	10.00(4)	7.00	8.25	0.00	–	–	0.80	0.40
Capital distribution per ordinary share	**–**	–	–	–	–	12.00	–	–	–	–
ZDP shares(5) (pence)										
2014 ZDP shares (repaid 31 October 2014)										
Capital entitlement per ZDP share	**n/a**	163.70	152.64	142.33	132.69	123.72	115.37	107.57	100.29	n/a
ZDP share price	**n/a**	166.25	158.50	154.00	142.75	129.50	116.50	108.50	103.25	n/a
2016 ZDP shares										
Capital entitlement per ZDP share	**175.55**	163.70	152.64	142.33	132.69	123.72	115.37	107.57	100.29	n/a
ZDP share price	**184.63**	177.13	165.50	148.50	133.50	108.75	102.50	103.75	103.00	n/a
2018 ZDP shares										
Capital entitlement per ZDP share	**127.09**	118.50	110.50	103.03	n/a	n/a	n/a	n/a	n/a	n/a
ZDP share price	**141.75**	128.25	113.38	104.00	n/a	n/a	n/a	n/a	n/a	n/a
2020 ZDP shares										
Capital entitlement per ZDP share	**106.61**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ZDP share price	**122.38**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity holders' funds (£m)										
Gross assets(6)	**373.4**	399.1	383.0	434.5	408.7	334.2	288.9	414.6	454.6	270.1
Bank debt	**34.4**	22.2	42.5	0.0	30.9	29.3	17.0	69.2	44.8	55.0
ZDP shares	**172.4**	212.5	193.4	224.4	172.8	161.2	145.1	140.2	130.8	51.8
Other debt	**–**	–	–	1.2	3.5	–	–	–	–	–
Equity holders' funds	**166.6**	164.4	147.1	208.9	201.5	143.7	126.8	205.2	279.0	142.7
Revenue account (£m)										
Income	**11.2**	10.4	16.2	15.9	11.9	13.8	8.5	10.5	8.4	6.9
Costs (management and other expenses)	**1.8**	2.1	3.2	3.0	2.9	2.4	2.4	3.1	2.6	2.2
Finance costs	**1.1**	0.9	0.8	0.8	2.0	1.4	2.6	3.6	4.1	3.6
Financial ratios of the Group (%)										
Revenue yield on average gross sssets	**2.9**	2.6	4.2	4.0	3.1	4.2	2.6	2.3	2.3	2.8
Ongoing charges figure	**2.0(7)**	2.2(7)	1.8(7)	1.7(7)	2.0(7)	0.7	0.8	0.7	0.7	0.9
Bank loans, other loans and ZDP shares gearing on net assets	**124.1**	144.4	160.4	108.0	102.8	132.6	127.9	102.0	62.9	89.3

(1) Restated on adoption of IFRS10 Consolidated Financial Statements

(2) Restated consolidating GERP

(3) UIL began trading on 20 June 2007. An investment update was produced for the year ended 30 June 2007 which included figures from UIL's predecessor Utilico Investment Trust PLC. As such these numbers are neither audited nor reviewed under auditing standards.

(4) Includes the special dividend of 2.50p per share

(5) Issued by Utilico Finance Limited, a wholly owned subsidiary of UIL.

(6) Gross assets less current liabilities excluding loans

(7) The ongoing charges figures is expressed as a percentage of average net assets, ongoing charges comprise all operational, recurring costs that are payable by the Group or suffered within underlying investee funds, in the absence of any purchases or sales of investments, excluding performance fee and income not receivable

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