Aberdeen Standard Investments

Shires Income PLC

An investment trust focusing on high income, investing mainly in UK equities

Annual Report
31 March 2019

Angel of the North,
Gateshead, Tyne and Wear

Front cover
The Kelpies is a 30 metre sculpture in Falkirk, Scotland.
Created by sculptor Andy Scott.
Photo by Nisbet Wylie Photography Ltd.

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Visit our Website

To find out more about Shires Income PLC, please visit: shiresincome.co.uk

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all your Ordinary shares in Shires Income PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Financial Summary

Shires Income PLC (the "Company") was incorporated in 1929 and is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company qualifies as an investment trust for tax purposes and does not have a fixed life.

The Company is governed by a board of directors, all of whom are independent, and has no employees. Like most other investment companies, it outsources its investment management and administration to an investment management group, the Standard Life Aberdeen Group, and other third party providers.

Net asset total return[A]

+4.0%

2018 **+3.3%**

Share price total return[A]

+8.0%

2018 **+12.2%**

Benchmark index total return

+6.4%

2018 **+1.2%**

Earnings per share (revenue)

13.06p

2018 **13.69p**

Dividend per Ordinary share

13.20p

2018 **13.00p**

Dividend yield[A]

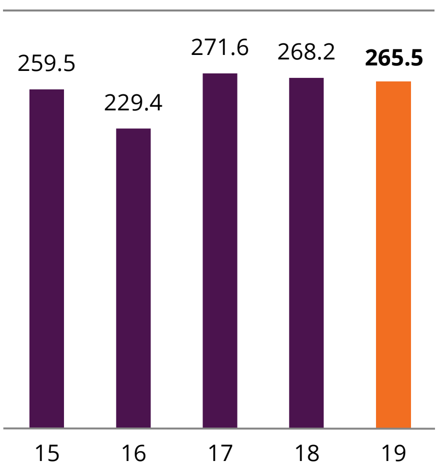
4.9%

2018 **5.0%**

[A] Alternative Performance Measure (see pages 16, 85 and 86).

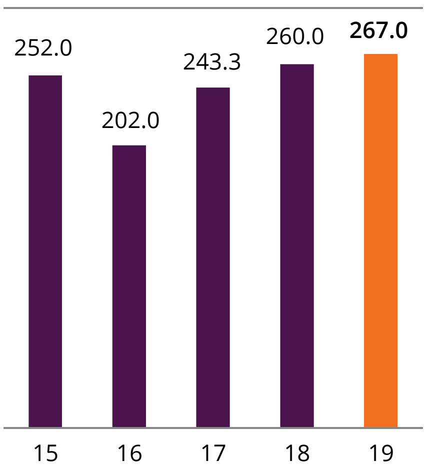
Net Asset Value per Ordinary share

At 31 March – pence



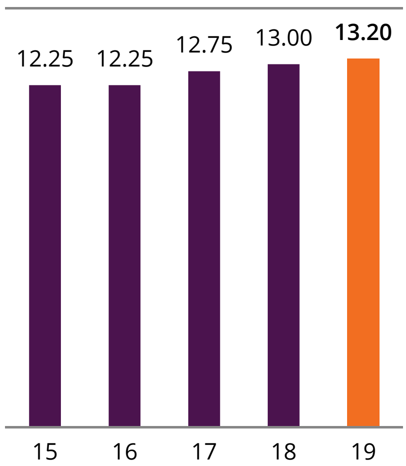
Share price per Ordinary share

At 31 March - pence



Dividends per Ordinary share

For year to 31 March – pence



Investment Objective

The Company's investment objective is to provide shareholders with a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and other fixed income securities.

Benchmark

The Company's benchmark is the FTSE All-Share Index (total return).

Management

The Company's Manager is Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager") which has delegated the investment management of the Company to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are wholly owned subsidiaries of Standard Life Aberdeen plc, which was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc in August 2017. Aberdeen Standard Investments is a brand of the investment businesses of the merged entity.

Financial Calendar

4 July 2019	Annual General Meeting (London, 12 noon)
26 July 2019	Proposed Ordinary shares final dividend 2018/2019 payable
30 September 2019	3.5% Preference shares half year dividend payable
25 October 2019	Ordinary shares first interim dividend 2019/2020 payable
November 2019	Half-Yearly Financial Report announced for the period ending 30 September 2019
24 January 2020	Ordinary shares second interim dividend 2019/2020 payable
31 March 2020	3.5% Preference shares half year dividend payable
24 April 2020	Ordinary shares third interim dividend 2019/2020 payable
May 2020	Annual results announced for the year ending 31 March 2020

Chairman's Statement

Robert Talbut
Chairman

It is my pleasure, in the Company's 90th year, to welcome you to the 2019 Annual Report.

Performance

In the year to 31 March 2019, the Company's net asset value ("NAV") per share increased by 4.0% on a total return basis, compared to a total return from the benchmark, the FTSE All-Share Index, of 6.4%. However, the Ordinary share price total return was stronger, at 8.0%, and at the end of the year the shares were trading at a premium of 0.6% to the NAV per share (including income).

While the overall relative return performance against the benchmark index for the year was disappointing, the Company's longer-term performance record remains good, delivering a positive capital return, outperforming the benchmark over three and five years and delivering an above average and growing dividend income.

The Board was encouraged by the total return of the equity portfolio, of 7.5%, which outperformed the return of 6.4% from the benchmark. However, the overall NAV total return was reduced by the performance of the Company's preference shares which, although continuing to make an important contribution to the Company's revenue stream and providing greater stability to the overall NAV, were impacted during the year by the performance of the underlying sectors.

Following a relatively strong start to the year, markets fell sharply in the final quarter of 2018, driven mainly by concerns over growth prospects across the US, Europe and Asia, and the prospects of a trade war between the US and China. These fears receded during the first quarter of 2019, with some progress on trade discussions between the US and China and a moderation of the outlook for interest rate increases. However, tensions have risen again recently and this looks likely to be a long running dispute. In the UK, there was continuing uncertainty over the outcome of Brexit negotiations between the UK and Europe and whether a deal would be agreed by the UK Parliament. The initial departure date of 29 March 2019 passed without an agreed deal and was extended until later in the year.

More detail on markets and the Company's performance for the year are covered in the Investment Manager's Review.

Earnings

The Company's revenue return for the year was 13.06p per share, compared to 13.69p per share for the previous year. This decrease reflects fewer special dividends received during the year and lower income from option writing.

Dividend

The Board is proposing a final dividend of 4.20p per Ordinary share (2018 – 4.00p), which will be paid on 26 July 2019 to Shareholders on the register on 5 July 2019. This final dividend brings total Ordinary share dividends for the year to 13.20p per share (2018 – 13.00p), slightly higher than the revenue return for the year. The Company has significant accumulated revenue reserves which are available to fund the cost of the dividend to the extent that this exceeds current year earnings. Following the payment of the final dividend, the revenue reserve will represent 1.2 times the current annual Ordinary share dividend cost.

Subject to unforeseen circumstances, it is proposed to continue to pay three quarterly interim dividends of 3.00p each per Ordinary share and, as in previous years, the Board will decide on next year's final dividend having reviewed the full year results.

Discount/Premium

As stated above, at the end of the year the Company's Ordinary shares were trading at a premium of 0.6% to the NAV per share (including income) compared to a discount of 3.1% at the end of the previous year. During the course of the year, with the shares trading at a premium to the NAV and in response to investor demand, the Company was able to issue a total of 157,000 new Ordinary shares on a non-dilutive basis. The Company has continued to issue shares since the year end.

The Board and Manager monitor the discount/premium of the Company's shares on an ongoing basis and will consider future issuance if there is sufficient investor demand. The Board will seek to renew the appropriate authorities at the Annual General Meeting.

Gearing

The Board continually monitors the level of gearing and, although the absolute level may look high as in previous years, strategically we take the view that it is deployed notionally into fixed interest securities which brings diversification to the Company's total revenue stream and with lower volatility than would be expected from a portfolio invested exclusively in equities. The Company's gearing level fell marginally during the year, decreasing from 20.8% to 19.6%. The Board takes the view that the enhanced balance of assets arising from a combination of fixed income securities and equities allows for an appropriate level of risk within the portfolio in order to achieve the overall investment objective.

The Company has a £20 million loan facility, of which £19 million was drawn down at the year end. Details of the loan facility are set out in note 13 to the financial statements.

Annual General Meeting (including Voting Arrangements)

The Annual General Meeting ("AGM") will be held at 12 noon on Thursday 4 July 2019 at the offices of Standard Life Aberdeen in London. The Company's fund manager, Iain Pyle, will make a presentation and lunch will be available following the Meeting. This is a good opportunity for shareholders to meet the Board and Investment Manager, and to ask questions formally or informally, and we would encourage you to attend. The Board is keen to engage with shareholders and encourages those who are not able to attend to complete and return the forms of proxy enclosed with the Annual Report to ensure that their votes are represented at the Meeting.

If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the AGM, then you will need to make arrangements with the administrator of your share plan or platform. For this purpose, investors who hold their shares in the Company via the Aberdeen Standard Investments Plan for Children, Share Plan or ISA will find a Letter of Direction enclosed. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon. Further details on how to attend and vote at Company Meetings for holders of shares via other share plans and platforms can be found on the AIC's website at: theaic.co.uk/aic/shareholder-voting-consumer-platforms.

The Notice of the AGM is contained on pages 88 to 91.

Electronic Communications

The Board is proposing to take advantage of the ability, under the Company's Articles of Association, to communicate electronically with shareholders as well as making documents available on its website instead of sending out paper versions. Increased use of electronic communications will deliver savings to the Company in terms of administration, printing and postage costs, as well as accelerating the provision of information to shareholders. The reduced use of paper will also bring environmental benefits. The Company will therefore be writing to you later in the year seeking your consent to communicate with you electronically noting that shareholders will be provided with regular opportunities to request a paper version.

Board Composition

Having served as a Director since 2008, Andrew Robson will retire from the Board at the Company's AGM in 2020. However, to facilitate a smooth transition of matters pertaining to the Audit Committee, Robin Archibald will be appointed as Chairman of the Audit Committee in place of Andrew immediately following the AGM on 4 July 2019. This will ensure an orderly handover of the Audit Committee Chair responsibilities while continuing to allow us to benefit from Andrew's detailed knowledge of the Company.

The Board has commenced a process to appoint a new independent non-executive Director which it hopes to complete later in the year.

Outlook

Although stockmarkets have performed reasonably well since the start of 2019, there are reasons for caution. Economic data globally continues to indicate uncertainty over the growth and inflation outlook and a lack of confidence from businesses in the UK and in Continental Europe is leading to disappointing investment levels. In the UK, although the prospect of a no-deal exit from the EU seems unlikely, any departure will probably be followed by a new period of uncertainty regarding the UK's future relations with its largest trading partner.

However, as we have stated in previous years, we believe that the Company's portfolio is well diversified in terms of asset class, sector and geographic exposure and that, despite the various uncertainties facing markets at the current time, the Investment Manager's focus on investing in good quality companies with strong fundamentals should benefit the portfolio over the longer term in meeting the Company's income and growth investment objective.

Robert Talbut
Chairman
28 May 2019

Strategic Report

The Company is an investment trust with a premium listing on the London Stock Exchange.

The Company's investment objective is to provide shareholders with a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and other fixed income securities.

1929

Shires Income PLC was incorporated in 1929; investment trusts are the oldest form of collective investment in the world.

Forth Bridge, six miles west of Edinburgh's city entre

Overview of Strategy

Business Model

The business of the Company is that of an investment company which qualifies as an investment trust for tax purposes. The Directors do not envisage any change in this activity in the foreseeable future.

Investment Objective

The Company's investment objective is to provide shareholders with a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and other fixed income securities.

Investment Policy

In pursuit of its objective, the Company's policy is to invest principally in the ordinary shares of UK quoted companies, and in preference shares, convertibles and other fixed income securities with above average yields.

The Company generates income primarily from ordinary shares, preference shares, convertibles and other fixed income securities. It also achieves income by writing call and put options on shares owned, or shares the Company would like to own. By doing so, the Company generates premium income.

Risk Diversification

In order to ensure adequate diversification, the Board sets absolute limits on maximum holdings and exposures in the portfolio from time to time. These limits do not form part of the investment policy and can be changed or over-ridden with Board approval. The current limits are disclosed under the heading "Board Investment Limits" below.

Gearing

The Directors are responsible for determining the gearing strategy of the Company. Gearing is used with the intention of enhancing long-term returns. Gearing is subject to a maximum equity gearing level of 35% of net assets at the time of draw down. Any borrowing, except for short-term liquidity purposes, is used for investment purposes.

Delivering the Investment Policy

The Directors are responsible for determining the investment objective and investment policy of the Company, although any significant changes are required to be approved by shareholders at a general meeting. Day-to-day management of the Company's assets has been delegated, via the AIFM, to the Investment Manager.

Board Investment Limits

In order to ensure adequate diversification, the Board has set absolute limits on maximum holdings and exposures in the portfolio at the time of acquisition. These can only be over-ridden with Board approval. The current limits include the following:

- Maximum 10% of total assets invested in the equity securities of overseas companies;
- Maximum 7.5% of total assets invested in the securities of one company (excluding Aberdeen Smaller Companies Income Trust PLC);
- Maximum 5% of quoted investee company's ordinary shares (excluding Aberdeen Smaller Companies Income Trust PLC); and
- Maximum 10% of total assets invested directly in AIM holdings.

Preference shares

The Company also invests in preference shares, primarily to enhance the income generation of the Company. The majority of these investments are in large financial institutions. Issue sizes are normally relatively small and associated low volumes of trading could give rise to a lack of liquidity. A maximum of 7.5% of total assets may be invested in the preference shares of any one company. In addition, the Company cannot hold more than 10% of any investee company's preference shares.

Traded options contracts

The Company enters into traded option contracts, also primarily to enhance the income generation of the Company. The risks associated with these option contracts are managed through the principal guidelines below, which operated in the year under review:

- Call options written to be covered by stock;
- Put options written to be covered by net current assets/borrowing facilities;
- Call options not to be written on more than 100% of a holding of stock;
- Call options not to be written on more than 30% of the equity portfolio; and
- Put options not to be written on more than 30% of the equity portfolio.

Investment Process

The investment process and risk controls employed by the Investment Manager are described on pages 78 to 79.

Benchmark

In assessing its performance, the Company compares its returns with the returns of the FTSE All-Share Index (total return).

Key Performance Indicators ("KPIs")

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determining the progress of the Company in pursuing its investment policy. The main KPIs identified by the Board in relation to the Company, which are considered at each Board meeting, are shown in the following table:

KPI	Description
Performance of NAV	The Board considers the Company's NAV total return figures to be the best indicator of performance over time and this is therefore the main indicator of performance used by the Board. The figures for each of the past ten years are set out on page 18.
Revenue return per Ordinary share	The Board monitors the Company's net revenue return (earnings per share). The revenue returns per Ordinary share for each of the past ten years are set out on page 18.
Dividend per share	The Board monitors the Company's annual dividends per Ordinary share and the extent to which dividends are covered by current net revenue and revenue reserves. The dividends per share for each of the past ten years are set out on page 18.
Performance against benchmark index	The Board measures performance over the medium to long term, on a total return basis against the benchmark index – the FTSE All-Share Index (total return). Cumulative performance figures for the past ten years are set out on page 18. The figures for this year and the past three and five years are set out on page 16 and a graph showing performance against the benchmark index over the past five years is shown on page 17.
Share price performance	The Board monitors the performance of the Company's share price on a total return basis. Cumulative performance figures for the past ten years are set out on page 18. The returns for this year and for the past three and five years are set out on page 16 and a graph showing the share price total return performance against the benchmark index over the past five years is included on page 17.
Discount/premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. A graph showing the history of the discount/premium for the past five years is included on page 17.
Ongoing charges	The Board monitors the Company's operating costs carefully. Ongoing charges for the year and the previous year are disclosed on page 15.

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The risks and uncertainties faced by the Company are reviewed by the Audit Committee in the form of a risk matrix and the principal risks and uncertainties facing the Company at the current time, together with a description of the mitigating actions the Board has taken, are set out in the table below. The Board has carried out a robust assessment of these risks, which include those that would threaten its business model, future performance, solvency or liquidity. The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet and they can also be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

Description	Mitigating Action
Investment performance – performance of the portfolio when measured against the benchmark.	The Board meets the Manager on a regular basis and keeps investment performance under close review. Representatives of the Investment Manager attend all Board meetings and a detailed formal appraisal of the Standard Life Aberdeen Group is carried out annually by the Management Engagement Committee. The Board sets, and monitors, the investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process, risk management and application of the guidelines. Investment risk within the portfolio is managed in three ways: · Adherence by the Investment Manager to the investment process in order to minimise investments in poor quality companies and/or overpaying. · Diversification of investment - seeking to invest in a wide variety of companies with strong balance sheets and the earnings power to pay increasing dividends. In addition, investments are diversified by sector in order to reduce the risk of a single large exposure. The Company invests mainly in equities, preference shares and convertibles. · Adherence by the Investment Manager to the investment limits set by the Board (see page 8). **Investment in UK smaller companies** Rather than holding a number of smaller companies' shares, the Company invests indirectly into this part of the equity market through one holding in Aberdeen Smaller Companies Income Trust PLC, which is also managed by the Manager. The Directors regularly review this holding (representing 8.7% of the Company's portfolio). All of the directors of Aberdeen Smaller Companies Income Trust PLC are independent of Shires Income PLC. The Manager does not charge any management fee in respect of the amount of the Company's assets attributable to this holding. **Investment in preference shares** The Company has longstanding holdings in a number of preference shares with no fixed redemption dates, as detailed on page 27 (representing 25.3% of the Company's portfolio). The Directors regularly review these investments, which are held primarily to enhance the income generation of the Company. By their nature, their price movements will be subject to a number of factors and, in normal market conditions, will tend to respond less to pricing movements in equity markets. Issue sizes of these preference shares are normally relatively small and with associated low secondary market liquidity. The Board also considers the long-term nature of these investments and the impact of any potential changes on duration on the portfolio and its returns.

	In view of the proposal by Aviva plc in March 2018, which was subsequently withdrawn, to cancel certain preference share issuances at par, there remains some uncertainty over the longer-term future prospects for preference shares in general, and the Board and the Manager will keep them closely under review. However, the Board has reviewed the potential for securing alternative high income streams from other fixed income securities and believe that such options might be available to the Company.
Failure to maintain and grow the dividend over the longer term – the level of the Company's dividends and future dividend growth will depend on the performance of the underlying portfolio.	The Directors review detailed income forecasts at each Board meeting. The Company has built up significant revenue reserves which can be drawn upon should there be a shortfall in revenue returns in a year, in order to maintain dividend payments.
Widening of discount – a number of factors including the setting of an unattractive strategic investment proposition, changing investor demand and investment underperformance may lead to a decrease in demand for the Company's shares and a widening of the difference between the share price and the net asset value per share.	The Board monitors the Company's Ordinary share price relative to the net asset value per share and keeps the level of discount or premium at which the Company's shares trade under review. The Board also keeps the investment objective and policy under review and holds an annual strategy meeting where it reviews investor relations reports and updates from the Investment Manager and the Company's Broker. The Directors are updated at each Board meeting on the composition of, and any movements in, the shareholder register, which is retail investor dominated.
Gearing – a fall in the value of the Company's investment portfolio could be exacerbated by the impact of gearing. It could also result in a breach of loan covenants.	The Board sets the gearing limits within which the Investment Manager can operate. Gearing levels and compliance with loan covenants are monitored on an ongoing basis by the Manager and at regular Board meetings. In the event of a possible impending covenant breach, appropriate action would be taken to reduce borrowing levels. The financial covenants attached to the Company's borrowings currently provide for significant headroom. The maximum equity gearing level is 35% of net assets at the time of draw down, which constrains the amount of gearing that can be invested in equities which are more volatile than the fixed interest part of the portfolio. The Company's gearing can be reduced without any significant financial penalties for early repayment and at relatively short notice. The Board and the Investment Manager keep under review options available to protect a portion of the portfolio from a sudden decline in markets.

Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Standard Life Aberdeen Group) and any control failures and gaps in their systems and services could result in a loss or damage to the Company.	The Board receives reports from the Manager on its internal controls and risk management and receives assurances from all its other significant service providers on at least an annual basis, including on matters relating to cyber security. Written agreements are in place with all third party service providers. The Manager monitors closely the control environments and quality of services provided by third parties, including those of the Depositary and Custodian, through service level agreements, regular meetings and key performance indicators. Further details of the internal controls which are in place are set out in the Audit Committee's Report on pages 42 and 43.
Regulatory – failure to comply with relevant laws and regulations could result in fines, loss of reputation and potentially loss of an advantageous tax regime.	The Board and Manager monitor changes in government policy and legislation which may have an impact on the Company and the Audit Committee monitors compliance with regulations by reviewing internal control reports from the Manager. The Board is kept aware of proposed changes to laws and regulations, considers the changes and applies them as appropriate, if they are not already being met. From time to time the Board employs external advisers to advise on specific matters.
Financial, economic and political – the financial, economic and political risks associated with the portfolio could result in losses to the Company.	The financial and economic risks associated with the Company include market risk, liquidity risk and credit risk, all of which the Investment Manager seeks to mitigate. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements. Political risk includes a disorderly exit from the European Union, any regulatory changes resulting from a different political environment, and wider geo-political issues.

External Agencies

In addition to the services provided to the Company by the Standard Life Aberdeen Group, the Board has contractually delegated to external agencies certain services, including: depositary services (which include the safekeeping of the Company's assets) (BNP Paribas Securities Services, London Branch) and share registration services (Equiniti Limited). Each of these services was entered into after full and proper consideration by the Board of the quality and cost of services offered. In addition, day-to-day accounting and administration services are provided, through delegation by the Manager, by BNP Paribas Securities Services.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to, and participation in, the promotional programme run by the Standard Life Aberdeen Group on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Standard Life Aberdeen Group. The Manager's marketing and investor relations teams report to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register. A significant proportion of the Company's Ordinary shares is owned through the Aberdeen Standard Investments savings plans.

The purpose of the promotional programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key and therefore the Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits of and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment, with the aim of retaining a small, cohesive board with the requisite skills and experience to acquit the Board's responsibilities well.

At 31 March 2019, there were three male Directors and one female Director.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated the day-to-day management and administrative functions to the Manager. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is set out below.

Socially Responsible Investment Policy

The Directors, through the Investment Manager, encourage companies in which investments are made to adhere to best practice in the area of corporate governance and socially responsible investing. The Investment Manager believes that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas.

The Investment Manager's ultimate objective, however, is to deliver superior investment returns for the Company's shareholders. Accordingly, whilst the Investment Manager will seek to favour companies which pursue best practice in these areas, this must not be to the detriment of the return on the investment portfolio.

UK Stewardship Code and Proxy Voting as an Institutional Shareholder

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager.

The full text of the Company's response to the Stewardship Code may be found on its website.

Modern Slavery Act

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Viability Statement

The Board considers the Company, with no fixed life, to be a long term investment vehicle but, for the purposes of this viability statement, has decided that three years is an appropriate period over which to report. The Board considers that this period reflects a balance between a longer term investment horizon and the inherent uncertainties within equity markets.

In assessing the viability of the Company over the review period, the Directors have focused upon the following factors:

- The principal risks and uncertainties detailed on pages 10 to 12 and the steps taken to mitigate these risks.
- The ongoing relevance of the Company's investment objective.
- The liquidity of the Company's portfolio. The majority of the portfolio is invested in readily realisable listed securities.
- The level of ongoing expenses. The Company's annual expenses, excluding the cost of the dividend, are expected to continue to be more than covered by annual investment income.
- The level of gearing. This is closely monitored and the financial covenants attached to the Company's borrowings provide for significant headroom.
- Regulatory or market changes.

In making its assessment, the Board has considered that there are other matters that could have an impact on the Company's prospects or viability in the future, including a large economic shock, significant stock market volatility, and changes in regulation or investor sentiment.

Taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of approval of this Report.

Outlook

The Board's view on the general outlook for the Company can be found in the Chairman's Statement on pages 5 and 6 whilst the Investment Manager's views on the outlook for the portfolio are included on pages 23 and 24.

On behalf of the Board
Robert Talbut
Chairman
28 May 2019

Results

Financial Highlights

	31 March 2019	31 March 2018	% change
Total investments	£94,971,000	£96,541,000	–1.6
Shareholders' funds	£80,057,000	£80,465,000	–0.5
Market capitalisation[A]	£80,513,000	£77,994,000	+3.2
Net asset value per share (see page 84 for definition)	265.49p	268.24p	–1.0
Share price	267.00p	260.00p	+2.7
Premium/(discount) to NAV (cum-income)[B]	0.6%	(3.1%)	
Net gearing[B]	19.6%	20.8%	
Dividend and earnings			
Revenue return per share[C]	13.06p	13.69p	–4.6
Dividend per share[D]	13.20p	13.00p	+1.5
Dividend cover[B]	0.99	1.05	
Revenue reserves[E]	£6,819,000	£6,795,000	
Operating costs			
Ongoing charges ratio[B]	0.98%	0.95%	

[A] Represents the number of Ordinary shares in issue in the Company multiplied by the Company's share price.
[B] Considered to be an Alternative Performance Measure, as defined on pages 85 and 86.
[C] Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Statement of Comprehensive Income).
[D] The figures for dividend per share reflect the years in which they were earned (see note 9 on page 64).
[E] The revenue reserve figure does not take account of payment of the third interim or final dividend amounting to £2,178,000 (2018 – £2,100,000) combined.

Dividends

	Rate per share	XD date	Record date	Payment date
First interim dividend	3.00p	4 October 2018	5 October 2018	26 October 2018
Second interim dividend	3.00p	3 January 2019	4 January 2019	25 January 2019
Third interim dividend	3.00p	4 April 2019	5 April 2019	26 April 2019
Proposed final dividend	4.20p	4 July 2019	5 July 2019	26 July 2019
2018/19	**13.20p**			
First interim dividend	3.00p	5 October 2017	6 October 2017	27 October 2017
Second interim dividend	3.00p	4 January 2018	5 January 2018	26 January 2018
Third interim dividend	3.00p	5 April 2018	6 April 2018	27 April 2018
Final dividend	4.00p	5 July 2018	6 July 2018	27 July 2018
2017/18	**13.00p**			

Results continued

Performance (total return)

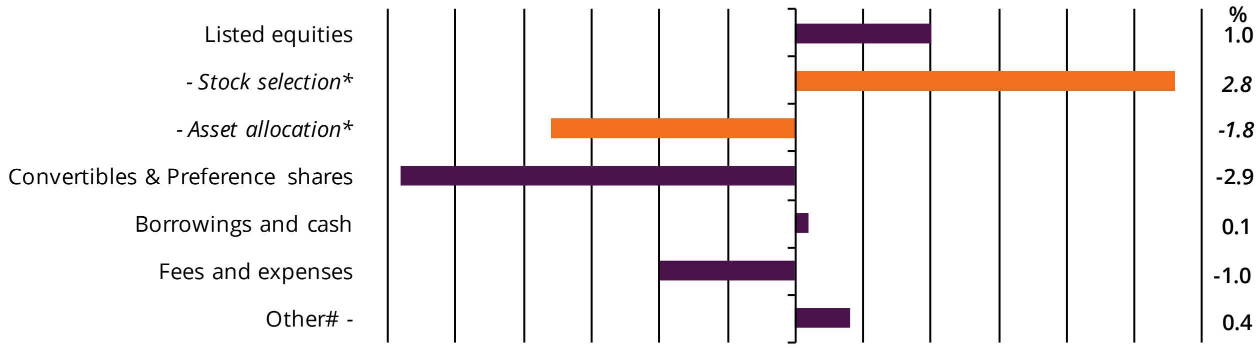
	1 year % return	3 year % return	5 year % return
Net asset value[A]	+4.0	+33.7	+36.4
Share price[A] (based on mid-market)	+8.0	+54.5	+37.0
FTSE All-Share Index	+6.4	+31.3	+34.5

[A] Considered to be an Alternative Performance Measure. See pages 2 and 85 for further information.
All figures are for total return and assume re-investment of net dividends excluding transaction costs.
Source: Aberdeen Standard Fund Managers, Morningstar & Factset

Analysis of Total Return Performance

	%
Gross assets total return	**4.2**
Total NAV return per share	4.0
Total return on FTSE All-Share Index	6.4
Relative performance	**–2.4**

Analysis of Performance for the year relative to the FTSE All Share Index



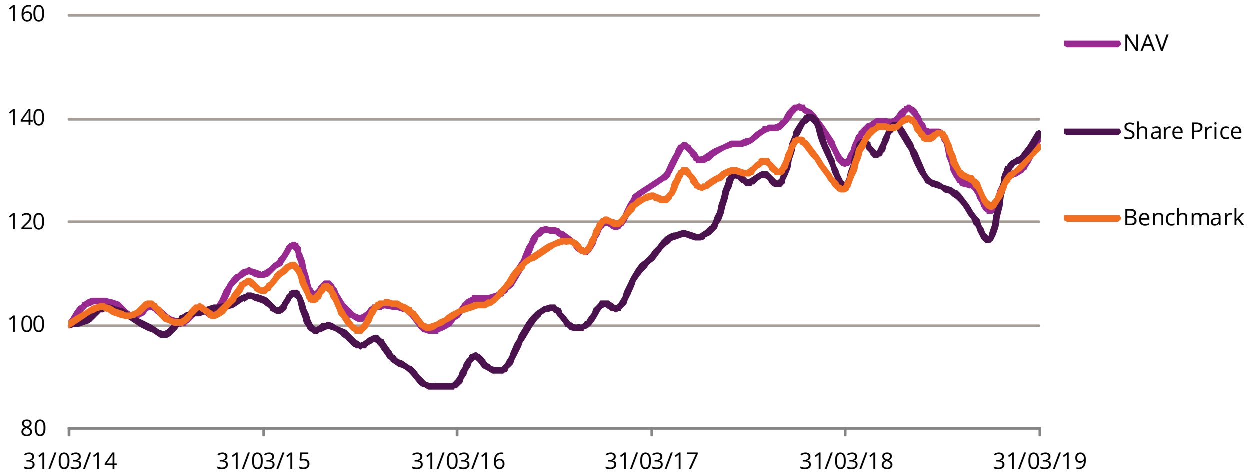
The above table shows the composition of the relative performance of the NAV total return compared to the benchmark index. In particular, it shows the contribution from the Listed Equities Portfolio and from the Convertibles and Preference Shares. Within the Listed Equites Portfolio, the contributions to relative performance come from exposure to individual stocks (Stock Selection) and sectors (Asset Allocation).

* Further analysis of performance attributable to listed equities.
# Other includes an adjustment for the difference of pricing the Company's investments on a bid price basis compared to the FTSE All Share Index being based on mid market prices, in addition to certain minor technical differences.

Performance

Total Return of NAV and Ordinary Share Price vs FTSE All-Share Index

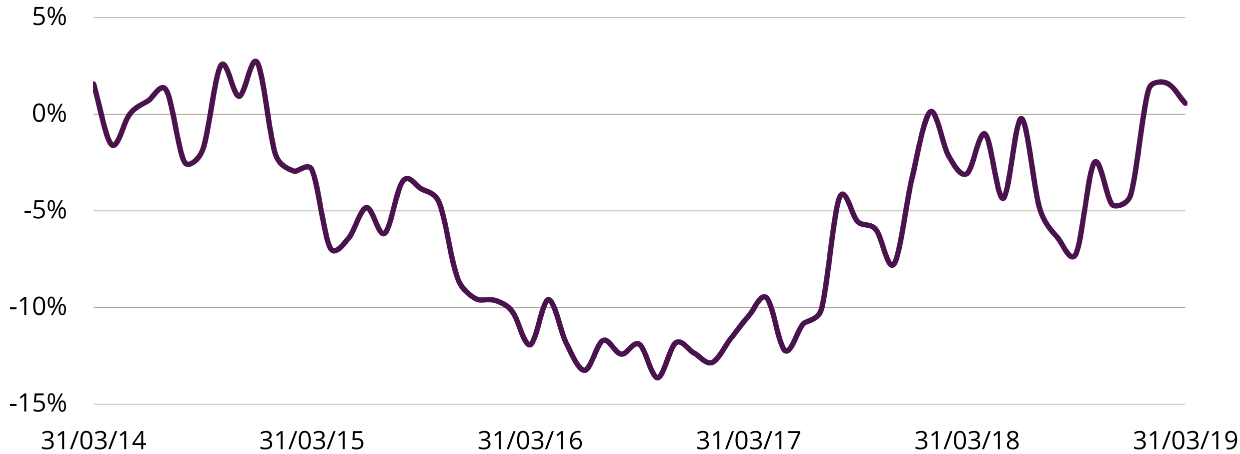
Five years to 31 March 2019. Figures are total return and have been rebased to 100 at 31 March 2014



Source: Aberdeen Standard Fund Managers, Morningstar & Lipper

Ordinary Share Price Premium/(Discount) to NAV (cum-income)

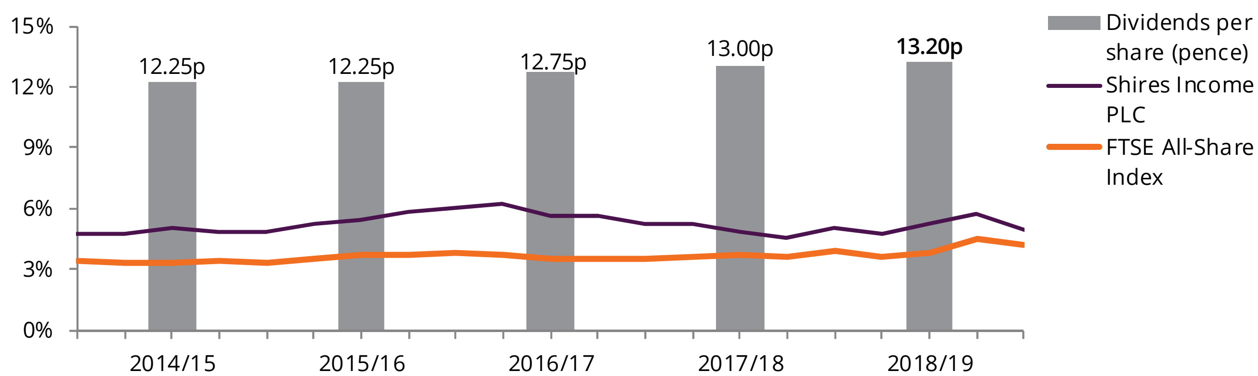
Five years to 31 March 2019



Source: Morningstar & Lipper

Net Dividend Yield

Five years to 31 March 2019



Ten Year Financial Record

Year to 31 March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue available for ordinary dividends (£'000)	3,512	3,292	3,615	3,556	3,789	3,877	3,617	3,925	4,106	3,920
Per share (p)										
Net revenue earnings	11.8	11.1	12.2	11.9	12.6	12.9	12.1	13.1	13.7	13.1
Net dividends paid/proposed	12.00	12.00	12.00	12.00	12.00	12.25	12.25	12.75	13.00	13.20
Net total earnings	85.3	22.6	7.4	53.5	26.0	23.1	(17.8)	54.5	9.4	10.3
Net asset value	186.8	197.5	192.9	234.4	248.4	259.5	229.4	271.6	268.2	265.5
Share price (mid-market)	184.0	190.0	194.5	233.0	252.3	252.0	202.0	243.3	260.0	267.0
Shareholders' funds (£m)	55.5	58.6	57.3	70.3	78.7	77.8	68.8	81.5	80.5	80.1

The figures for 2011 to 2019 are for the Company only, following the dissolution of the subsidiaries in May 2011.

Cumulative Performance

Rebased to 100 at 31 March 2009

As at 31 March	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net asset value	100.0	157.3	166.2	162.4	197.3	209.1	218.5	193.1	228.7	225.8	223.5
Net asset value total return[A]	100.0	177.0	199.5	207.8	268.3	299.2	328.1	305.2	379.9	392.6	408.2
Share price performance	100.0	168.8	174.3	178.4	213.8	231.4	231.2	185.3	223.2	238.5	245.0
Share price total return[A]	100.0	190.9	210.2	229.8	292.2	333.1	349.4	295.5	376.6	422.6	456.4
Benchmark performance	100.0	146.7	154.6	151.3	170.4	179.2	184.6	171.1	201.1	196.3	200.5
Benchmark total return[A]	100.0	152.3	165.6	167.9	196.0	213.3	227.3	218.4	266.4	269.7	286.8

NAV figures are based on Company only values following the dissolution of the subsidiaries in May 2011.

[A] Total return figures are based on reinvestment of net income.

Investment Manager's Review

Highlights

- NAV total return of 4.0% compared to the benchmark total return of 6.4%
- Ordinary share price total return of 8.0%
- Equity portfolio outperformed the benchmark with the preference share portfolio underperforming
- Revenue per share fell by 4.6% due to a lower number of special dividends compared to the previous year and less income from option writing
- Good longer term performance record, with the NAV outperforming the benchmark over three and five years on a total return basis

Portfolio Strategy

We take a long term approach to investing, believing that whilst there might be volatility in the short and even medium term, share prices will ultimately reflect the fundamental value of a company. Consequently there has been no change to our approach to the construction of the portfolio during the year under review. The Company's investment portfolio is invested in equities, preference shares and convertible shares. At the year-end 74.1% of the portfolio was invested in equities, 25.3% was invested in preference shares and 0.6% was invested in convertibles.

Equity Market Review

Looking over the whole 12 months to 31 March 2019 one could be forgiven for thinking it was a benign year in the UK equity market. The FTSE All-Share Index benchmark rose by 6.4% on a total return basis, roughly in line with the 30 year average return on equity markets. However, this doesn't reflect what a volatile period for markets the last year was.

The period got off to a flying start, with the market up 11% before the end of May – although that was the peak for the year. The global economic outlook was upbeat with expectations for 2018 to be the best year for growth since 2011. In the UK, the economy put a weak start to the year, exaggerated by a period of cold weather, behind it and growth began to pick up. However, there were warning signs: global industrial indicators began to slow and the global outlook was threatened by a growing trade spat between an increasingly protectionist US administration and China.

Markets drifted slowly downwards through summer. The most significant economic move was the increase of the US 10 year yield through the 3% level. Rising real interest rates reflected continued strong economic growth, particularly in the US, where manufacturing and employment data continued to improve. This put pressure on market valuations, yet risk factors such as inflation and wage growth appeared reasonably well controlled.

The end of September marked a shift in sentiment, however. Markets sold off sharply and from that point to the December low the benchmark fell almost 13%. The sell-off in the second half was prompted by more weak headlines. Economic data in the second half of 2018 turned negative: US industrial indicators fell, European and UK GDP expectations were downgraded and some previously robust economies looked particularly weak, with Germany just avoiding recession. In Asia, Chinese macro and momentum indicators continued to deteriorate as trade issues weighed on the economic outlook. The last quarter of 2018 also saw a sharp fall in the price of oil, with Brent crude declining from a high of $86 per barrel at the start of October to under $50 by the end of December. The fall was driven by higher than expected supply and did not reverse until OPEC agreed to limit supply in January.

In stock markets, the fall in valuations was felt most strongly at the extremes. Those stocks that were very highly valued sold off, particularly after some poor earnings from technology companies. At the same time, risk aversion meant that highly cyclical stocks such as industrials also fell sharply. For the first time in an extended period, value outperformed growth, although this change in direction for the market proved short lived.

As sometimes happens, the turn of the calendar year marked a change in direction for the markets and year to date 2019 has seen a rebound, largely reversing any losses since September 2018. Good news has generally outweighed bad in early 2019 but there are two main themes worth highlighting. Firstly, emerging markets: the US and China made progress on trade discussions. With the prospect of Chinese government stimulus also having an impact in the second half, sentiment on the region has improved and related stocks have performed much better. Recent data from China has backed up this optimism: the economy expanded by 6.4% in the first quarter, ahead of estimates. A recent rise in tensions between the two countries has again raised concerns and led to a dip in markets – a reminder that global trade and protectionism is likely to be an issue for markets for some time to come.

Secondly, the outlook for interest rate rises has moderated significantly. The messaging for the US Federal Reserve is now that a cut in rates is as likely as a rise, and the rate rise cycle is assumed by many to have come to an end for now. The flattening of rate expectations reflects concerns around the pace of growth in the US economy, but helps equity valuations. The Fed has been followed by the European Central Bank which has also opened the possibility of a rate cut.

There are a number of implications arising from this. Reduced expectations for US rate rises mean the US Dollar becomes less attractive, something that is particularly beneficial for emerging markets. Thinking ahead, the change in the rates outlook has caused the yield curve to invert, with 10 year government bonds now yielding less than three month equivalents, indicating that the bond market does not believe that rates will go up over the medium to long term. Historically, this has been a very good predictor of recessions: the last three recessions in particular have been preceded by a yield curve inversion and although there is usually a 12-18 month lag, it is a signal to be aware of and a reason to be cautious.

After all that volatility, the UK market finished the period roughly where it started in terms of valuation. It also feels like little has changed in terms of politics, with the exit from the EU pushed back until October. While there is little more clarity on the final outcome, the UK parliament has acted to largely rule out an exit with no deal. That leaves an agreed deal or a further referendum as the two most likely outcomes. In either case, the impact on the UK market overall may be muted, but domestic equities which trade on a discount could be expected to rally - provided, of course any prospects of an early general election can be put to one side.

In terms of sector performance for the year, the best performers were the more defensive sectors, offering stable growth, and the resource sectors. The search for low risk growth was a continuation of a trend seen since 2009. The low yield environment and the cautious approach of many investors continue to drive investment into those companies that can deliver stable returns. Examples are Beverages (+31% for the period), Personal Goods (+13%), Healthcare (+21%) and Food Producers (+9%) all of which outperformed over the year.

In many ways, the resources sectors are the opposite of the above: they are more volatile and tend to benefit from inflation and rising interest rates. However, exposure to commodity prices trumps all other drivers and the period was good for oil and industrial metals. Oil closely followed the deviations of markets through the year, rising from $67 per barrel to peak at $86 in October before falling back to below $50 in December and then recovering to almost $70 at the end of March. The oil & gas sector delivered a 16% return in the period, with the oil majors helped by strong cash generation. For the miners, continuing strong metal prices and the improving sentiment to emerging markets were the dominant drivers, and the sector returned an impressive 22% return in the period.

The weaker sectors during the year were harder to group together, but broadly they were those sectors most exposed to the domestic UK economy or to interest rates. Financials were weak as expectations for interest rate increases waned, leaving banks -6% and life insurers -8% on the year. Industrials lagged the market, as did general retailers and travel and leisure companies, which are much more exposed to the outlook for the UK and to political uncertainty.

Investment Performance

The net asset value ("NAV") total return for the year was 4.0%, compared to the FTSE All-Share Index benchmark return of 6.4%.

The equity portfolio delivered a return of 7.5% for the year, outperforming the benchmark by 1.1%. By sector, the greatest positive contributions came from Mining, Telecommunications and Technology. Underweight positions in Consumer Goods, Consumer Services and Oil & Gas detracted from performance. The performance of the equity portfolio should be seen in the context of what was a difficult market for income investors, with traditional income sectors like telecoms and financials underperforming.

Five stocks stood out as material positive contributors this year. **Telecom Plus** was the largest single contributor, as the stock rallied strongly on robust earnings and a re-rating. The company sells long term utility contracts and did well as energy prices increased throughout the year. The shares increased in value by 30%.

Shares in **John Laing** increased by 45% as the company continued to increase the value of its investments. Having bought into the company when the shares traded at a discount to NAV, the valuation has increased and the shares now trade at a small premium. We still see this as an attractive valuation given the cautious assumptions in the NAV and the track record of compound growth over time.

Inmarsat's shares delivered a return of almost 60% following a bid for the company. While the investment case on Inmarsat was not based on a bid, it did reflect the long term strategic value of the company's satellite network and a corporate offer has seen this realised earlier than we might have anticipated.

BHP Billiton benefitted from the continued strong backdrop for commodities. The company also continues to maintain spending discipline, delivering high levels of free cashflow. Finally, **Experian's** shares continued to deliver on stable earnings growth over the year, proving the resilience of the business model.

The largest negative contributor was **GVC**, with its shares down by 36% over the year. The underlying performance of the company has actually been very solid, with earnings and cashflow growing. However, this has been trumped by increasing regulation of the UK gaming sector, with a higher tax take and weakening sentiment on the space. The company now trades with over 10% free cash yield in 2020, even ahead of the benefit of the regulation of sports gaming in the US, so with a 5.4% yield we believe it is one to hold onto for the longer term.

The second greatest negative for the portfolio was our underweight position in **Royal Dutch Shell**. The shares in the company delivered a return of almost 14% this year, helped by oil trading higher over the period and by strong cash generation as oil & gas companies generally maintained discipline after the last fall in the oil price. We have historically maintained an underweight position in the sector due to the high level of cyclicality, but we reduced the underweight this year, seeing positive signs from both Royal Dutch Shell and BP that capital discipline will hold and support dividends which currently generate a yield of almost 6%.

Thirdly, the holding in **Aberdeen Smaller Companies Income Trust** was a detractor, with the shares down by 0.4% over the year. The shares have underperformed the benchmark index modestly, reflecting primarily a difficult period in October to December last year when smaller companies were broadly out of favour as the market looked for lower risk investments. The company has since bounced back strongly, with the NAV up 22% year to date at the end of March. Furthermore, the company continues to trade at a material discount to NAV, something we hope will close over time and provide a tailwind to performance.

Gearing and Preference Share Portfolio

Gearing decreased marginally during the year from 20.8% to 19.6%. The gearing is notionally invested in the preference share portfolio. At the year-end these securities had a value of £24.0 million, materially in excess of net indebtedness which stood at £16.1 million. This part of the portfolio provides a core level of high income and would, in normal conditions, be expected to be more resilient than equities in the event of a fall in the market.

The preference share portfolio lagged the performance of the equity portfolio over the year, with its value declining by 3.4% in total return terms. While we should not expect significant capital growth from the preference shares, and all holdings continued to pay very meaningful dividends to support the income of the Company, the fall in valuation across the year is disappointing. In our view this reflects not on preference shares as an asset class but on the underlying sectors.

The issuers of preference shares have come predominantly from the financial sector and the Company's holdings reflect this. Amongst the preference shares held, RSA, Standard Chartered, Santander, Aviva and Ecclesiastical Insurance are all in the banking or insurance sector. As stated above, these are sectors that performed poorly during the year - in the UK market, the banking sector fell by 6% and the life insurance sector fell by 8%. As such, it should come as no surprise that the preference shares have followed the performance of the underlying equities. Indeed, over the longer term the preference share portfolio has performed better than the equities.

Revenue Account

Earnings per share decreased by 4.6% over the year to 13.06p. The Company aims to invest in companies with the ability to grow their dividends over time and a number of holdings delivered dividend growth during the period. The fall in the level of investment income, and consequently the net earnings for the year, was caused by a lower number of special dividends compared to the previous year as well as less income from option writing.

The following table details the Company's main sources of income over the last five years.

	2019 %	2018 %	2017 %	2016 %	2015 %
Ordinary dividends	58.5	59.1	54.0	53.0	54.6
Preference dividends	34.4	33.0	35.8	37.7	35.0
Aberdeen Smaller Companies	4.9	4.4	4.6	4.8	4.3
Fixed interest and bank interest	0.2	0.1	0.1	0.2	0.2
Traded option premiums	2.0	3.4	5.5	4.3	5.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total income (£'000s)	**4,712**	**4,916**	**4,695**	**4,361**	**4,665**

Portfolio Activity

Nine new positions were added in the year and nine exited, maintaining the number of equity positions in the portfolio at 46. The turnover, at a level in excess of 20%, is higher than we might normally expect but reflects a change in fund manager at the start of the financial year. That change brought with it new ideas and different views on existing positions, so has driven a degree of activity which is greater than normal for the Company.

The first names added to the portfolio in the year reflected us taking advantage of broader analyst coverage of UK equities and a wider peer review process following the merger of Aberdeen Asset Management with Standard Life. All three of the names featured on the Manager's UK Equities team's "Winners' List", which aims to select twenty best ideas and has delivered strong above market returns over its life. Importantly, they have the characteristics we continue to look for in stock ideas for the portfolio - long term, resilient, growth potential, strong management and an income component to potential returns. Where companies in the list meet these criteria we would expect to hold them in the future.

John Laing is an investor in public infrastructure projects. The company has investments in around 40 projects globally and has significantly broadened its exposure in recent years. The stock traded at a discount to NAV, despite a track record of double digit NAV growth each year and we believe the market under-appreciates the growth potential.

GVC is a leading gaming company. It runs online gambling sites and recently expanded in the UK through the acquisition of Ladbrokes. Over time the management team has demonstrated an ability to grow the business and to position it for increased regulation of the industry. As one of the few operators with its own online technology and a strong reputation in the industry, GVC is well placed to benefit from the potential regulation of the US sports gambling industry.

We started a position in **Countryside Properties**, a UK focused housebuilder. While this is a highly cyclical sector, Countryside is differentiated from its peers as a large proportion of its business comes from partnerships with local councils to develop affordable housing. This provides a much lower risk business, with a high degree of certainty on revenue from longer duration projects, often running for ten year plus periods.

In June we started a new position in **Bodycote.** The company is a UK engineer with a strong market position in metal technology such as isostatic pressing. Recent increases in the technical expertise of the business have created a more defensible position under-appreciated in its valuation.

We also started a new position in **Ashmore** following addition to the UK winners list. Ashmore has a pre-eminent position in Emerging Market debt. Throughout the cycle Ashmore's robust balance sheet has allowed it to pay a decent dividend, invest/acquire selectively and grow from a position of strength. Given concerns around Emerging Markets in the summer, its valuation was back at highly attractive levels with a 4% yield.

In December we started a position in **St James' Place.** This wealth adviser has demonstrated an ability to continue to grow assets under management over time, delivering net inflows from client wealth creation and addition of new advisers. The stock has an attractive yield at 5% and while inflows are slowing due to UK market uncertainty, they are still positive and the dividend was increased by 12.5% last year.

Inchcape, another new position at the end of 2018, is a distributor of cars globally, with strong market positions in Asia, Australia and Latin America, plus a UK business. The shares have been weak due to concerns around new car sales, but these have been impacted by temporary testing issues and we see this as a good opportunity to build a position in high quality distribution business with a 4.5% yield.

Diversified Gas & Oil ("DGOC") is a mid-cap gas producer in the Eastern US. Historically, we have been cautious of this sector due to cyclicality and the high level of risk inherent in oil & gas exploration. DGOC is different, as it is exposed to US natural gas, for which the price has been very stable in recent years at a low level that still allows the company to deliver healthy profits. Growth comes from bolt on deals and near field drilling rather than exploration and recent acquisitions of cash generative assets should allow for meaningful dividend growth. The company is AIM listed but intends to transfer to the main market.

We also started a new position in **Abcam.** This is a high quality company producing antibodies for use in medical research. It has delivered sustainable growth over time and is well positioned to continue to do so, with the launch of additional innovative products to provide upside optionality. The yield is low, but has been a source of dividend growth over time, with an 18% increase last year.

The final new position was **Howden Joinery.** This company is the largest manufacturer of kitchens in the UK, supplying exclusively to trade customers. The company provides attractive access to the domestic economy (where the portfolio has been underweight) with strong quantitative quality metrics, such as high return on invested capital and high margins. Its leading market share and vertical integration make it a resilient business, generating 7% free cashflow yield.

Moving onto the positions we exited throughout the year.

Nestle was a sub scale positon in the portfolio, and while we recognise the long term growth potential and defensive nature of the business, the outlook for growth from consumer goods has slowed from recent years and there is not sufficient difference to consensus to merit a position in what is a relatively concentrated portfolio, especially given the yield is below market levels.

We also sold out of **Rolls Royce.** The stock has performed well on a two year view, with new management delivering a compelling investment case based on significant improvement in free cash flow by 2020. We have limited conviction in the delivery of this target, however, and the current yield does not merit the risk.

The decision was taken to exit the position in **Gima** following a downgrade of the stock to a sell rating by our analyst. Recent updates from Gima's main client have indicated that volumes could be reduced, something that is not yet reflected in expectations.

In the middle of 2018 we exited a number of positions that performed well earlier in the year. **Rotork** and **Big Yellow Group** are high quality companies that can continue to deliver stable growth, but appeared more fully valued in mid-2018. We also sold the holding in **Compass Group:** another very well run company, but likely to face pressure from wage growth and increased competition. Finally, we exited **Manx Telecom** following a downgrade from our sector analyst who sees limited ability for the company to grow in its home market.

Moving into 2019, we took the decision to sell out of **Sage.** This was a relatively recent reintroduction to the portfolio in the second half of 2018, but with the shares outperforming the market by over 10% the valuation looked more reasonable. Given more attractive valuations and yields elsewhere we chose to move on.

In February we sold out of **Kone.** The company, which manufactures and maintains lift equipment, has held up well despite signals for slowing growth globally and increasing risk of slowing in China which is its most important market. With the dividend yield below market levels and an earnings multiple of 23x we decided to move to more keenly valued names with higher income.

Finally, we also sold out of a small remaining position in **RELX** in February. This is a high quality company, but concerns are rising about its pricing power in academic publishing. With a relatively low yield and the share price at the top of its range we decided to take profits for now. However, we will continue to monitor the company as we appreciate the merits of the business model and an extremely high quality management team.

Stewardship

We believe that, as long term owners of the businesses in which we are invested, it is not sufficient merely to seek out assets that we believe to be undervalued, it is also incumbent upon us to take a proactive approach to our stewardship of these companies. Therefore, we engage extensively with our investee companies. We have attended a range of meetings with chairmen, non-executive directors and other stakeholders. Topics covered have included the composition of the board, environmental and social issues, and remuneration. Risk is a very broad subject that is interpreted in varying manners by different companies. However, by engaging on this subject we secure a deeper understanding of how the boards of our investee companies perceive and seek to manage these issues. Such interactions also enable us to push for improved disclosure and better management practices and on occasion different decisions where appropriate. We have had conversations regarding companies' financing choices. We find that it is always worthwhile communicating our preference for conservatively structured balance sheets that place a company's long term fortunes ahead of possible short term share price gains. Such activity is by its nature time consuming but we regard it as an integral aspect of our role as long term investors.

Outlook

The second half of 2018 was a tough time for stock markets, and the defensive nature of the Company's portfolio allowed it to outperform. We have seen a bounce in the market in the first quarter of 2019 and the Company's performance has kept pace with it. That bounce now means valuations are largely back where they were before the last quarter of 2018, with a price to earnings multiple of just below 13x. With the recovery priced in it is now prudent not to ignore the data that prompted a sell-off in the first place and we maintain a relatively cautious outlook, especially given our longer term approach to investing. Although valuations have rebounded, economic data still points to slowing growth and a lack of confidence from business in the UK and in Continental Europe. While we do not expect to see a recession in 2019, it is clear that we are getting closer to the end of the economic cycle. That cycle has likely been extended now that the risk of the Federal Reserve raising interest rates too quickly or aggressively has been removed. But markets are now pricing in a continuation of current trends, so at the very least the easy re-rating of stocks after the late-2018 panic is now done.

The UK, frustratingly, still feels in a holding pattern until Brexit is resolved - something that now may not happen until October. A no-deal exit seems unlikely, but we now have to be aware of the risk of a change in government. To say that is a risk does not reflect any political bias: Labour policies have clearly been less market friendly than those of the current government and this outcome raises the possibility of a de-rating of UK equities compared to other markets. Sectors such as utilities, which are exposed to nationalisation, and financial services, which are exposed to regulation, would be most impacted, but we would expect the negative implications to be reflected in an increased country discount factor applied to all UK stocks.

The cautious outlook on the market needs to be considered in our investment decisions, but it should not be seen as a barrier to achieving returns. Many high quality companies have managed to grow their earnings and dividends through the cycle and these are exactly the kind of companies we are looking for. While Vodafone, one of the Company's holdings, has announced a cut in its dividend, dividend growth in general for UK companies is forecast to remain positive in 2019, albeit at a lower rate of increase than in previous years. Furthermore, the portfolio has proven to be defensive. The position in preference shares and the weighting to high quality companies naturally makes it resilient and it is positioned to continue to deliver a high level of income to investors. Furthermore, attractive valuations for UK, dividend paying, stocks means there are plenty of opportunities to find attractive entry points for companies that can deliver superior returns over the longer term, consistent with the Company's investment objective.

Aberdeen Asset Managers Limited
28 May 2019

Portfolio

The Company's investment portfolio is invested in equities, preference shares and convertible shares. At the year-end 74.1% of the portfolio was invested in equities, 25.3% was invested in preference shares and 0.6% was invested in convertibles.

We take a long term approach to investing, believing that whilst there might be volatility in the short and even medium term, share prices will ultimately reflect the fundamental value of a company.

St Paul's Cathedral, near Standard Life Aberdeen's London office

Investment Portfolio - Equities

As at 31 March 2019

Company	Valuation 2019 £'000	Total portfolio %	Valuation 2018 £'000
Aberdeen Smaller Companies Income Trust	8,301	8.7	8,769
BP	3,481	3.7	2,090
Royal Dutch Shell 'B'	3,229	3.4	3,028
Prudential	2,695	2.8	2,641
British American Tobacco	2,444	2.6	2,954
AstraZeneca	2,216	2.3	2,864
Chesnara	2,066	2.2	3,007
Vodafone	1,983	2.1	2,083
Imperial Brands	1,902	2.0	1,286
St. James Place	1,865	2.0	–
Ten largest investments	**30,182**	**31.8**	
HSBC Holdings	1,789	1.9	1,910
GlaxoSmithKline	1,755	1.8	2,453
Diageo	1,682	1.8	1,148
John Laing	1,663	1.8	–
Croda International	1,605	1.7	1,455
Unilever	1,604	1.7	2,986
London Stock Exchange	1,584	1.7	–
Unibail-Rodamco	1,545	1.6	1,311
GVC Holdings	1,533	1.6	–
National Grid	1,520	1.6	1,115
Twenty largest investments	**46,462**	**49.0**	
Rio Tinto	1,472	1.5	975
BHP Billiton	1,459	1.5	2,049
Saga	1,372	1.5	–
Close Brothers	1,315	1.4	1,500
Standard Chartered	1,300	1.4	1,158
Schroders	1,276	1.3	1,642
Diversified Gas & Oil	1,218	1.3	–
Associated British Foods	1,170	1.2	473
Novo-Nordisk	1,170	1.2	886
Assura	1,091	1.1	1,101
Thirty largest investments	**59,305**	62.4	
Telecom Plus	1,087	1.1	739
Experian	1,087	1.1	1,199
Bodycote	1,080	1.1	–
Countryside Properties	989	1.0	–
Weir Group	955	1.0	1,207
Inchcape	904	1.0	–
Ultra Electronic Holdings	684	0.7	593
BBA Aviation	640	0.7	1,371
Howden Joinery	627	0.7	–
Londonmetric Property	578	0.6	995
Forty largest investments	**67,936**	**71.4**	
Abcam	547	0.6	–
Nordea Bank	519	0.5	1,296
Ashmore	458	0.5	–
Euromoney Institutional Investor	440	0.5	428
Inmarsat	350	0.4	828
Hansteen	150	0.2	392
Total equity investments	**70,400**	**74.1**	

Investment Portfolio - Other Investments

As at 31 March 2019

Company	Valuation 2019 £'000	Total portfolio %	Valuation 2018 £'000
Convertibles			
Balfour Beatty Cum Conv 10.75p 01/07/2020	530	0.6	550
Total Convertibles	**530**	**0.6**	
Preference shares[A]			
Ecclesiastical Insurance Office 8 5/8%	6,106	6.4	6,233
Royal & Sun Alliance 7 3/8%	5,220	5.5	5,699
General Accident 7.875%	4,329	4.6	4,896
Santander 10.375%	4,209	4.4	4,816
Standard Chartered 8.25%	3,348	3.5	3,842
R.E.A. Holdings 9%	829	0.9	1,086
Total Preference shares	**24,041**	**25.3**	
Total Other Investments	**24,571**	**25.9**	
Total Investments	**94,971**	**100.0**	

[A] None of the preference shares listed above have a fixed redemption date.
Purchases and/or sales of portfolio holdings effected during the year result in 2018 and 2019 values not being directly comparable.

Distribution of Assets and Liabilities

As at 31 March 2019

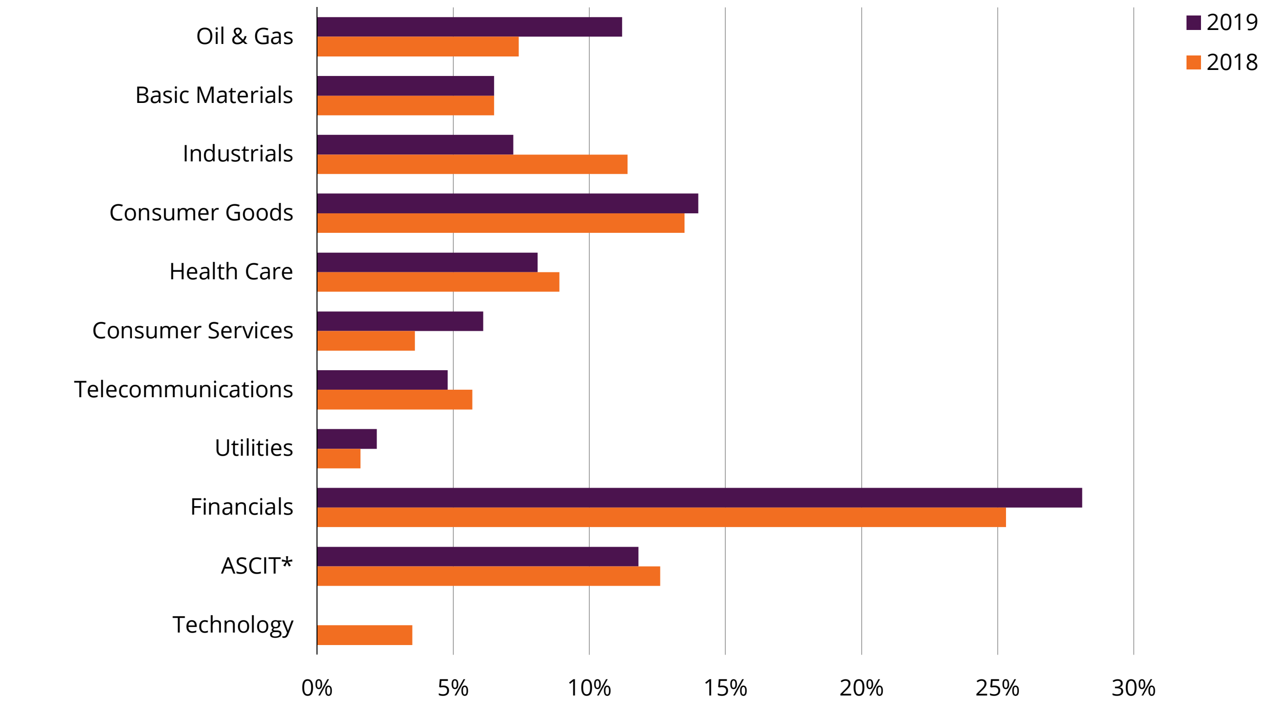
	Valuation at 31 March 2018		Movement during the year			Valuation at 31 March 2019	
			Purchases	Sales	Gains/ (losses)		
	£'000	%	£'000	£'000	£'000	£'000	%
Listed investments							
Ordinary shares	69,419	86.2	22,743	(23,742)	1,980	70,400	87.9
Convertibles	550	0.7	–	–	(20)	530	0.7
Preference shares	26,572	33.0	–	(100)	(2,431)	24,041	30.0
Total investments	96,541	119.9	22,743	(23,842)	(471)	94,971	118.6
Current assets	3,197	4.0				4,323	5.4
Current liabilities	(9,276)	(11.5)				(9,239)	(11.5)
Non current liabilities	(9,997)	(12.4)				(9,998)	(12.5)
Net assets	**80,465**	**100.0**				**80,057**	**100.0**
Net asset value per Ordinary share	**268.2p**					**265.5p**	

Portfolio

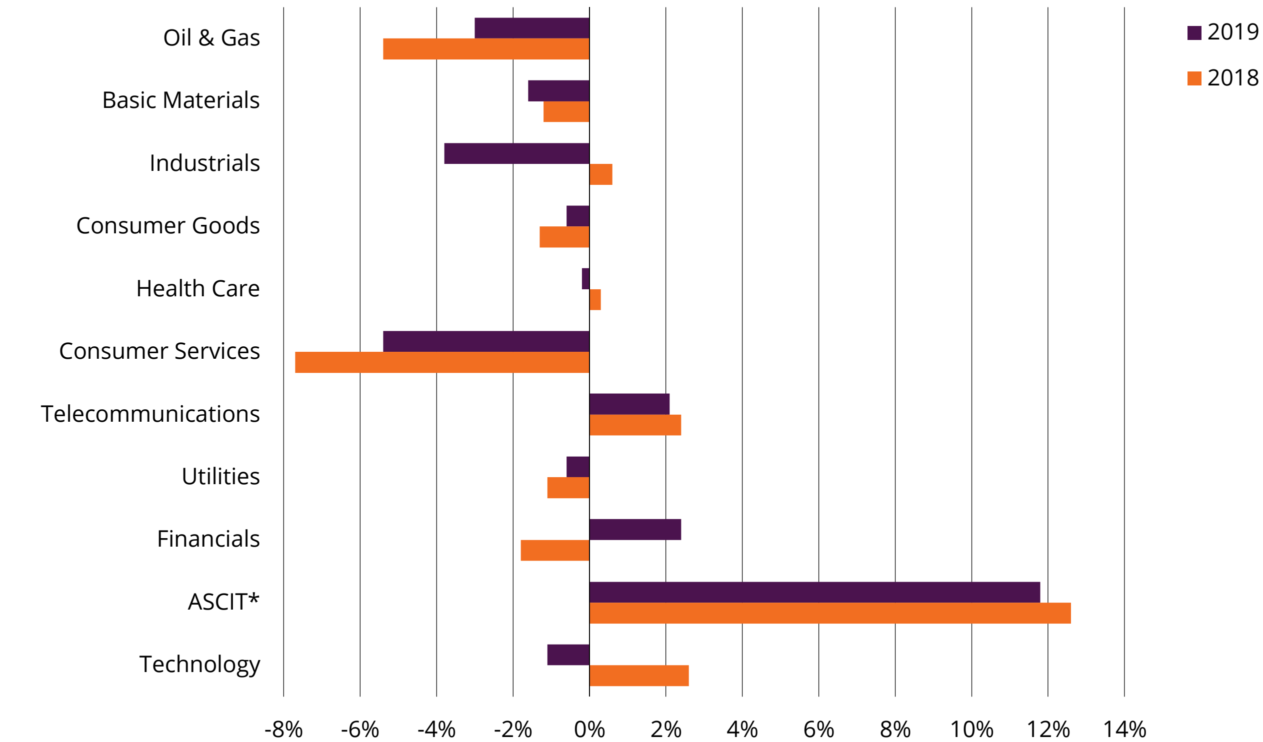
Sector Analysis

As at 31 March 2019

Analysis of Listed Equity Portfolio



Shires Income PLC relative to the FTSE All-Share Index



* While the Company's investment in Aberdeen Smaller Companies Income Trust PLC ("ASCIT") is classified under "Financials" for FTSE classification purposes, it is shown separately in the above table given its materiality to the Company.

Governance

The Company is registered as a public limited company and has been approved by HM Revenue & Customs as an investment trust. The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

All Directors are considered by the Board to be independent of the Company and the Manager and free of any material relationship with the Manager.

Paternoster Square,
City of London

Your Board of Directors

The Directors' details, all of whom are non-executive and independent of the Manager, are set out below. The Directors supervise the management of the Company and represent the interests of shareholders.

Robert Talbut

Status: Independent non-executive Chairman and Chairman of the Management Engagement Committee.

Length of Service: 4 years, appointed a Director in April 2015 and Chairman on 11 July 2017.

Experience: Was formerly Chief Investment Officer of Royal London Asset Management and has over 30 years of financial services experience. He has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. He has also been a member of the Audit & Assurance Council of the FRC and the Financial Conduct Authority's Listing Authority Advisory Panel. He is Chairman of EFG Asset Management (UK) Limited and a non-executive director of Pacific Assets Trust plc, Schroder UK Mid Cap Fund plc and JPMorgan American Investment Trust PLC.

Last re-appointed to the Board: 5 July 2018.

Committee membership: Audit Committee, Management Engagement Committee (Chairman), Remuneration Committee.

Robin Archibald C.A.

Status: Independent non-executive Director.

Length of Service: 2 years, appointed a Director on 1 May 2017.

Experience: Has a wide range of experience in advising and managing transactions in the UK closed-ended funds sector over his thirty five year career as a corporate financier including with Samuel Montagu, S G Warburg and Natwest Markets. He retired from Winterflood Investment Trusts in May 2014, where he was formerly Head of Corporate Finance and Broking. He is currently a non-executive director of Albion Technology & General VCT PLC, Ediston Property Investment Company PLC, Capital Gearing Trust PLC and Henderson European Focus Trust plc, and has experience of serving as audit chair on other investment companies.

Last appointed to the Board: 11 July 2017.

Committee membership: Audit Committee, Management Engagement Committee, Remuneration Committee.

Your Board of Directors continued

Marian Glen

Status: Independent non-executive Director and Chairman of the Remuneration Committee.

Length of Service: 6 years, appointed a Director in January 2013.

Experience: Was formerly the General Counsel of AEGON UK and prior to that was a corporate partner and head of funds and financial services at Shepherd+ Wedderburn. She was also a non-executive director of Murray Income Trust PLC, as well as Friends Life Group Limited and certain other companies in the Friends Life group of companies. She is currently a non-executive director of Martin Currie Global Portfolio Trust PLC, Financial Services Compensation Scheme Limited and The Medical and Dental Defence Union of Scotland.

Last re-appointed to the Board: 6 July 2016.

Committee membership: Audit Committee, Management Engagement Committee, Remuneration Committee (Chairman).

Andrew Robson C.A.

Status: Senior Independent non-executive Director and Chairman of the Audit Committee.

Length of Service: 11 years, appointed a Director in May 2008.

Experience: Is a Chartered Accountant, with many years of experience in investment banking and as a finance director. He was a director of Robert Fleming & Co Limited and SG Hambros and Finance Director of eFinancialGroup Limited and the National Gallery. He has over 15 years of experience as a director of a number of quoted investment trusts and is currently a business adviser, working with smaller UK companies. He is a non-executive director of JPMorgan Smaller Companies Investment Trust plc and Witan Pacific Investment Trust PLC.

Last re-appointed to the Board: 5 July 2018.

Committee membership: Audit Committee (Chairman), Management Engagement Committee, Remuneration Committee.

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 March 2019.

Results and Dividends

The financial statements for the year ended 31 March 2019 are contained on pages 54 to 76. Dividends paid and proposed for the year amounted to 13.2p per Ordinary share.

First, second and third interim dividends for the year, each of 3.0p per Ordinary share, were paid on 26 October 2018, 25 January 2019 and 26 April 2019 respectively. The Directors recommend a final dividend of 4.2 per Ordinary share, payable on 26 July 2019 to shareholders on the register on 5 July 2019. The ex-dividend date is 4 July 2019. Under International Financial Reporting Standards ("IFRS") the third interim and final dividends will be accounted for in the financial year ended 31 March 2020. A resolution in respect of the final dividend will be proposed at the forthcoming Annual General Meeting.

Investment Trust Status

The Company is registered as a public limited company (registered in England and Wales No. 00386561) and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been approved by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 April 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 March 2019 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company satisfies the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure

During the year the Company issued 157,000 Ordinary shares of 50p each under its non pre-emptive allotment authority, raising £396,000 in aggregate on a non-dilutive basis. The issued Ordinary share capital at 31 March 2019 consisted of 30,154,580 Ordinary shares of 50p each and 50,000 3.5% Cumulative Preference Shares of £1 each. A further 150,000 Ordinary shares have been issued since the year end and up to the date of this Report.

Each Ordinary and Cumulative Preference share carries one vote at general meetings of the Company. The Cumulative Preference shares carry a right to receive a fixed rate of dividend and, on a winding up of the Company, to the payment of such fixed cumulative preferential dividends to the date of such winding up and to the repayment of the capital paid up on such shares in priority to any payment to the holders of the Ordinary shares.

The Ordinary shares, excluding any treasury shares, carry a right to receive dividends and, on a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary or Cumulative Preference shares in the Company other than certain restrictions which may from time to time be imposed by law.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager. ASFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by Aberdeen Asset Managers Limited ("AAML") by way of a group delegation agreement in place between ASFML and AAML. In addition, ASFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to AAML. Details of the management fee and fees payable for promotional activities are shown in notes 4 and 5 to the financial statements.

The management agreement is terminable on not less than six months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Directors' Report continued

Substantial Interests

As at 31 March 2019, the following interests in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules:

Shareholder	Number of Ordinary shares held	% of Ordinary shares held
Aberdeen Asset Managers Limited Retail Plans[A]	5,498,534	18.2

[A] Non-beneficial interest

There have been no changes notified to the Company between the year end and the date of approval of this Report.

Directors

The Board comprises four non-executive Directors, each of whom is considered by the Board to be independent of the Company and the Manager.

Mr Robson is a non-executive director of Witan Pacific Investment Trust PLC ("WPC"). WPC operates a multi-manager structure and Aberdeen Standard Investments (Asia) Limited, part of the Standard Life Aberdeen Group, manages a part of WPC's assets. Notwithstanding this relationship and the fact that Mr Robson has served as a Director of the Company for 11 years, the remainder of the Board is unanimous in its opinion that Mr Robson remains independent in his role as a Director of the Company.

The Directors attended scheduled Board and Committee meetings during the year ended 31 March 2019 as shown in the following table (with their eligibility to attend the relevant meetings in brackets):

Director	Board	Audit Committee	Management Engagement Committee	Remuneration Committee
Robert Talbut	5 (5)	2 (2)	1 (1)	1 (1)
Robin Archibald	5 (5)	2 (2)	1 (1)	1 (1)
Marian Glen	5 (5)	2 (2)	1 (1)	1 (1)
Andrew Robson	5 (5)	2 (2)	1 (1)	1 (1)

The Board meets more frequently when business needs require require and has regular dialogue between formal board meetings, including with the Manager.

Under the terms of the Company's Articles of Association, Directors must retire and be subject to appointment at the first Annual General Meeting after their appointment by the Board, and be subject to re-appointment every three years thereafter. Directors with more than nine years' service are subject to annual re-appointment. However, in light of the publication of the UK Code of Corporate Governance in July 2018 which stipulates that all directors of a Company with a premium listing should seek annual re-election, the Board has decided that all Directors will retire annually with effect from the Annual General Meeting in 2019. Accordingly, Messrs Archibald, Robson and Talbut and Ms Glen will retire at the Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Board believes that all the Directors seeking re-appointment remain independent of the Manager and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. The biographies of each of the Directors are shown on pages 31 to 32 and this indicates their range of skills and experience as well as length of service. The Board believes that each Director has the requisite high level and range of business, investment and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. Mr Talbut has extensive fund management experience and has held a number of senior positions in the financial services sector, Mr Robson is a Chartered Accountant and brings a wide range of accounting and financial experience to the Board, Ms Glen is a lawyer who has held significant roles within the financial services sector and Mr Archibald, who is also a Chartered Accountant, has significant corporate finance experience within the investment trust sector. All of the Board members have substantial experience of serving as directors, including as non-executive directors of investment companies.

Following formal performance evaluations, each Director's performance continues to be effective and each Director demonstrates commitment to the role. Their individual performances contribute to the long-term sustainable success of the Company. The Board therefore recommends the re-appointment of each of the Directors at the Annual General Meeting.

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. In addition, the Company has entered into a separate deed of indemnity with each of the Directors reflecting the scope of the indemnity in the Articles of Association. Under the Articles of Association, each Director is entitled to be indemnified out of the assets of the Company to the extent permitted by law against any loss or liability incurred by him or her in the execution of his or her duties in relation to the affairs of the Company.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, each Director prepares a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. Other than the deeds of indemnity referred to above and the Directors' letters of appointment, there were no contracts during, or at the end of the year, in which any Director was interested.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Corporate Governance

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in April 2016 (the "UK Code") which is available on the Financial Reporting Council's website: frc.org.uk.

The Board has also considered the principles and recommendations of the AIC Code of Corporate Governance as published in July 2016 (the "AIC Code") by reference to the AIC Corporate Governance Guide for investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts. The AIC Code and AIC Guide are available on the AIC's website: theaic.co.uk.

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

The Board confirms that, during the year, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive (A.1.2);
- executive directors' remuneration (D.1.1 and D.1.2); and
- the need for an internal audit function (C.3.6).

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. 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.

The full text of the Company's Corporate Governance Statement can be found on its website.

The Board notes the content of the new UK Code of Corporate Governance published by the FRC in July 2018 (the "2018 UK Code"), which is applicable for accounting periods beginning on or after 1 January 2019, and the new AIC Code of Corporate Governance published in February 2019 (the "2019 AIC Code"). The Board expects the Company to be compliant with the relevant provisions of the new codes for the year ending 31 March 2020 and will report its compliance in next year's Annual Report.

Directors' Report continued

The Board and its Committees

Mr Talbut is the Chairman of the Board. Mr Robson has been appointed Senior Independent Director with effect from 16 May 2019.

The Board has appointed committees with specific responsibilities as set out below. Copies of the terms of reference of each committee are available on the Company's website, or upon request from the Company.

The Company does not have, or require, a specific nominations committee but the business of nominations and succession planning is covered regularly as part of routine Board business.

Audit Committee

The Audit Committee comprises all Directors of the Company and is chaired by Mr Robson. From the conclusion of the Annual General Meeting on 4 July 2019, the Audit Committee will be chaired by Mr Archibald.

The Audit Committee's Report is contained on pages 42 to 44.

Management Engagement Committee

The Management Engagement Committee comprises all Directors of the Company and is chaired by Mr Talbut. The purpose of the Committee is to review the terms of the agreements with the Manager including, but not limited to, the management fee, and also to review the performance of the Manager in relation to the achievement of the Company's objectives. These reviews were conducted during the year and the outcomes are noted below. In addition, the Committee conducts an annual review of the performance, terms and conditions of the Company's other main third party suppliers.

The key terms of the management agreement and fees payable to the Manager are set out on page 33 and in notes 4 and 5 to the financial statements. The Board believes the fee arrangements are competitive with reference to other investment trusts with a similar investment mandate and are priced appropriately given the level of service provided by the Standard Life Aberdeen Group. As stated above, the Committee reviews the performance of the Manager annually. The Board is satisfied with the Company's performance since the appointment of the Standard Life Aberdeen Group as Manager in 2008 and believes that the Investment Manager has positioned the portfolio well in order to seek to achieve good medium-term and long-term performance in line with the Company's investment objective. It therefore considers the continuing appointment of the Manager on the terms agreed to be in the best interests of shareholders at this time.

Remuneration Committee

The Remuneration Committee comprises all Directors and is chaired by Ms Glen. The Committee's duties include reviewing the Company's remuneration policy and determining Directors' remuneration.

Going Concern

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if necessary. The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the financial statements appear on page 46, and pages 47 to 53.

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and they have taken all the steps that they could reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Company's Auditor, Ernst & Young LLP, has indicated its willingness to remain in office. The Board will place resolutions before the Annual General Meeting to re-appoint Ernst & Young LLP as Auditor for the ensuing year and to authorise the Directors to determine its remuneration.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department.

All shareholders have the opportunity to put questions to the Board at the Annual General Meeting and a presentation from the Investment Manager covers the investment performance and strategy during the financial year and the outlook for the year ahead.

Representatives from the Board make themselves available to meet with institutional shareholders in order to gauge their views. The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required. In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds personally as appropriate.

It is the Company's aim to give at least 20 working days' notice to shareholders of the Annual General Meeting. As recommended by the AIC Code, the Company makes available the proxy votes cast at general meetings.

Annual General Meeting

The Annual General Meeting will be held at the offices of Standard Life Aberdeen plc, Bow Bells House, 1 Bread Street, London EC4M 9HH on Thursday 4 July 2019 at 12 noon. The Notice of Annual General Meeting is included on pages 88 to 91.

There are 13 resolutions to consider, including three resolutions put as special resolutions which require the approval of 75% of the votes cast. The ordinary resolutions include adopting the accounts and Auditor's report, adopting the remuneration report, approving the final dividend, the re-appointment of all the Directors, the re-appointment and determining the remuneration of the Auditor and a general share allotment authority which is described more fully below together with details of the special resolutions.

Allotment of Shares

Resolution 10, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to one third of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (up to a maximum aggregate nominal amount of £5,050,258 based on the number of Ordinary shares in issue as at the date of this Report), such authority to expire on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

Disapplication of Pre-emption Provisions

Resolution 11, which is a special resolution, will, if approved, give the Directors power to allot Ordinary shares (including Ordinary shares held in treasury) for cash, otherwise than pro-rata to existing shareholders, up to a maximum aggregate nominal amount representing 10% of the Company's issued Ordinary share capital as at the date of the passing of the resolution (up to an aggregate nominal amount of £1,515,229 based on the number of Ordinary shares in issue as at the date of this Report). Ordinary shares would only be issued for cash at a premium to the net asset value per share. This authority will expire on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting). As noted, this disapplication of pre-emption rights also applies in respect of treasury shares which the Company may sell. The Company has no shares held in treasury as at the date of this Report.

As stated on page 33, the Company issued 157,000 Ordinary shares during the year.

Purchase of the Company's own Ordinary Shares

Resolution 12, which is a special resolution, will, if approved, renew the Company's authority to make market purchases of its own shares. The maximum number of Ordinary shares which may be purchased pursuant to the authority is 14.99% of the issued share capital of the Company as at the date of the passing of the resolution (approximately 4.5 million Ordinary shares). The minimum price which may be paid for an Ordinary share (exclusive of expenses) is 50p. The maximum price which may be paid (exclusive of expenses) is an amount being not more than the higher of (i) 105% of the average of the middle market quotations for the Company's Ordinary shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out.

This authority, if conferred, will only be exercised if to do so would enhance the net asset value per share and is in the best interests of shareholders generally. Shares so repurchased may be held in treasury or cancelled. Any purchase of shares will be made within guidelines established from time to time by the Board. This authority will expire on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

The Company did not purchase any of its own shares during the year.

Notice Period for General Meetings

The Company’s Articles of Association enable the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. In order for this to be effective, the shareholders must also annually approve the calling of meetings on 14 days' notice by separate resolution. Resolution 13, which is a special resolution, seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Companies Act 2006 (as amended by the Shareholders’ Rights Regulations) before it can call a general meeting on 14 days' notice. It is the Board’s intention to only use this authority where it is merited by the purpose of the meeting.

Recommendation

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders and recommend that shareholders vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings totalling 45,132 Ordinary shares, representing 0.15% of the issued share capital.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh EH2 2LL
28 May 2019

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. a Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the Annual General Meeting on 11 July 2017;
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

The law requires the Company's Auditor to audit certain of the disclosures provided in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included on pages 47 to 53.

Directors' remuneration is determined on an annual basis by the Remuneration Committee, which is chaired by Ms Glen and comprises all of the Directors.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future.

No shareholder views were sought in setting the remuneration policy although any comments received from shareholders are considered.

Directors' fees are set within the limits of the Company's Articles of Association which limit the aggregate fees payable to the Board of Directors per annum. The current limit is £140,000 per annum and may only be increased by shareholder resolution. The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract Directors of the quality required to run the Company successfully. The remuneration should also reflect the nature of the Directors' duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, and have similar capital structures and investment objectives.

The levels of fees are set out in the table below.

	31 March 2019 £	31 March 2018 £
Chairman	34,000	34,000
Chairman of Audit Committee	28,000	28,000
Director	24,000	24,000

Appointment

- All the Directors are non-executive and are appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to appointment at the first Annual General Meeting after their appointment by the Board, and be subject to re-appointment every three years thereafter. However, given recent changes to the UK Code of Corporate Governance, the Board has decided that all Directors will retire annually.
- Any Director newly appointed to the Board will receive the fee applicable to each of the other Directors at the time of appointment together with any other fee then currently payable in respect of a specific role which the new Director is to undertake for the Company.
- Additional fees may be payable where a Director is required to perform services outside the scope of the ordinary duties of a Director.
- No incentive or introductory fees will be paid to encourage a person to become a Director.
- Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel and accommodation expenses as necessary.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- Other than the deeds of indemnity referred to above and the Directors' letters of appointment, no Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' Remuneration Report continued

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

It is the Remuneration Committee's intention that this Remuneration Policy will apply for the three year period ended 31 March 2020.

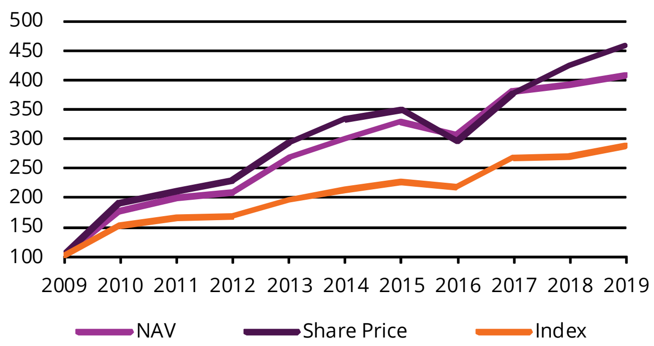
Implementation Report

Review of Directors' Fees

The Remuneration Committee carried out a review of the level of Directors' fees during the year and concluded that, with fees not having increased since 1 April 2017, they would be increased with effect from 1 April 2019 to £35,500 for the Chairman, £29,000 for the Chairman of the Audit Committee and £25,000 for other Directors. In deciding to increase fees to these levels the Remuneration Committee took account of the working activities of this relatively small board in recent years and fees paid to other comparable investment trusts and the wider sector and believes that they are appropriate given the size and nature of the Company.

Company Performance

The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the FTSE All-Share Index for the ten year period to 31 March 2019 (rebased to 100 at 31 March 2009). This Index was chosen for comparison purposes, as it is the benchmark used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last Annual General Meeting, held on 5 July 2018, shareholders approved the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 March 2018. 87.6% of proxy votes were in favour of the resolution, 7.5% were against and 4.9% abstained.

At the Annual General Meeting held on 11 July 2017, shareholders approved the Directors' Remuneration Policy. 87.6% of proxy votes were in favour of the resolution, 5.6% were against and 6.8% abstained.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 March 2019 will be proposed at the Annual General Meeting.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Fees Payable (Audited)

The Directors who served during the year received the following fees, which exclude employers' National Insurance contributions:

Director	2019 £	2018 £
Robert Talbut[A]	34,000	31,231
Robin Archibald[B]	24,000	22,000
Anthony Davidson[C]	-	9,505
Marian Glen	24,000	24,000
Andrew Robson	28,000	28,000
Total	110,000	114,736

[A] Appointed Chairman 11 July 2017
[B] Appointed 1 May 2017
[C] Retired 11 July 2017

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table above.

Directors' Interests in the Company (Audited)

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 31 March 2019 and 31 March 2018 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the table below.

	31 March 2019 Ordinary shares	31 March 2018 Ordinary shares
Robert Talbut	14,969	14,969
Robin Archibald	7,640	-
Marian Glen	3,000	3,000
Andrew Robson	15,500	15,500

No Director had an interest in the 3.5% Cumulative Preference shares at any time during the year.

Since the end of the year, Mr Archibald has purchased a further 4,023 Ordinary shares. There have been no other changes to the Directors' interests in the share capital of the Company since the end of the year.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 31 March 2019:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Marian Glen
Chairman of the Remuneration Committee
28 May 2019

Audit Committee's Report

The Audit Committee presents its Report for the year ended 31 March 2019.

Committee Composition

The Audit Committee comprises all of the Directors of the Company with Mr Robson acting as Chairman. Mr Robson is a fellow of the Institute of Chartered Accountants in England and Wales and the Board is satisfied that he has recent and relevant financial experience and that the Committee as a whole has competence relevant to the investment trust sector.

The Board notes the publication by the FRC in July 2018 of a new UK Code of Corporate Governance (the "2018 UK Code") which stipulates that the chairman of a board of a company with a premium listing should not be a member of the audit committee. However, in accordance with the AIC Code of Corporate Governance published in February 2019 (the "2019 AIC Code"), the Board has decided that the Chairman of the Board, Mr Talbut, will remain a member of the Audit Committee during the year ending 31 March 2020 and for future years. The Board considers that, given its size and the nature of the Company's activities, it is appropriate for the Chairman of the Board to be a member of the Committee and that Mr Talbut's membership will add to the quality of its work.

Functions of the Audit Committee

The principal role of the Audit Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on at least an annual basis. Copies of the terms of reference are published on the Company's website and are available from the Company on request.

The Committee's main functions are listed below:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out below);
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's annual and half-yearly financial statements, announcements and related formal statements;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review the proposed audit programme with the Auditor;
- to meet with the Auditor to review the audit results report;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Fees paid to the Auditor during the year for non-audit services amounted to £2,000 (2018: £2,000) and related to the provision of iXBRL tagging services. All non-audit services must be approved in advance by the Audit Committee and will be reviewed in the light of statutory requirements and the need to maintain the Auditor's independence;
- to review a statement from the Standard Life Aberdeen Group detailing the arrangements in place within the group whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the re-appointment of the Auditor or the appointment of a new Auditor and to approve the remuneration and terms of engagement of the Auditor; and
- to monitor and review the Auditor's independence, objectivity, effectiveness, resources and qualification.

Activities During the Year

The Audit Committee met twice during the year when, amongst other things, it considered the Annual Report and the Half-Yearly Financial Report. Representatives of the Standard Life Aberdeen Group's internal audit, risk and compliance departments reported to the Committee at these meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment. The Audit Committee also meets privately with the Auditor to discuss issues arising from the audit.

Internal Control

The Board confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that it has been in place for the year ended 31 March 2019 and up to the date of approval of the Annual Report, that it is regularly reviewed by the Board and accords with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls in place and a process for reviewing its effectiveness. Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board has prepared its own risk register which identifies potential risks relating to strategy; investment management; shareholders; promotional activities; gearing; regulatory and financial obligations and third party service providers. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate them. A risk is rated by having a likelihood and an impact rating and is plotted on a "heat map".

Clear lines of accountability have been established between the Board and the Manager. The Board receives regular reports covering key performance and risk indicators and considers control and compliance issues brought to its attention. In carrying out its review, the Board has had regard to the activities of the Standard Life Aberdeen Group, its internal audit and compliance functions and the Auditor.

The Board has reviewed the effectiveness of the Standard Life Aberdeen Group's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organization". The Board has also reviewed the Standard Life Aberdeen Group's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed.

The Depositary, BNP Paribas Securities Services, London Branch, reports annually to the Board. Its services are monitored on an ongoing basis on behalf of the Company by the Manager, and the Manager meets with the Depositary on a regular basis and reviews internal control reports produced by the Depositary.

Risks are identified and documented through a risk management framework by each function within the Standard Life Aberdeen Group's activities. Risk is considered in the context of the FRC's guidance on internal controls and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control are outlined below:

- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course the Standard Life Aberdeen Group's compliance department continually reviews its operations; and
- at its meeting in May 2019, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 March 2019 by considering documentation from the Standard Life Aberdeen Group including the internal audit and compliance functions and taking account of events since 31 March 2019.

The Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Standard Life Aberdeen Group, has decided to place reliance on those systems and internal audit procedures.

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 31 March 2019, the Audit Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year end audit:

Valuation and Existence of Investments

How the issue was addressed - The Company's investments have been valued in accordance with the accounting policies as disclosed in note 2(b) to the financial statements. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within the IFRS 13 fair value hierarchy. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Company uses the services of an independent Depositary

Audit Committee's Report continued

(BNP Paribas Securities Services, London Branch) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Board on an annual basis.

Recognition of Investment Income

How the issue was addressed - The recognition of investment income is undertaken in accordance with the stated accounting policies. In addition, the Directors review the Company's income, including income received, revenue forecasts and dividend comparisons at each Board meeting.

Maintenance of Investment Trust Status

How the issue was addressed - Approval of the Company as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 for financial years commencing on or after 1 April 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and reported at each Board meeting.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the Auditor, Ernst & Young LLP ("E&Y"), including:

- Independence - the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards.
- Quality of audit work - including the ability to resolve issues in a timely manner, its communications and presentation of outputs, and its working relationship with management.
- Quality of people and service - including continuity and succession plans.

Tenure of the Auditor

E&Y was appointed as Auditor at the Annual General Meeting on 6 July 2016. In accordance with present professional guidelines the audit partner is rotated after no more than five years and the year ended 31 March 2019 is the third year for which the present partner, Caroline Mercer, has served.

The Audit Committee is satisfied that E&Y is independent and therefore supports the recommendation to the Board that the re-appointment of E&Y be put to shareholders for approval at the Annual General Meeting.

Andrew Robson

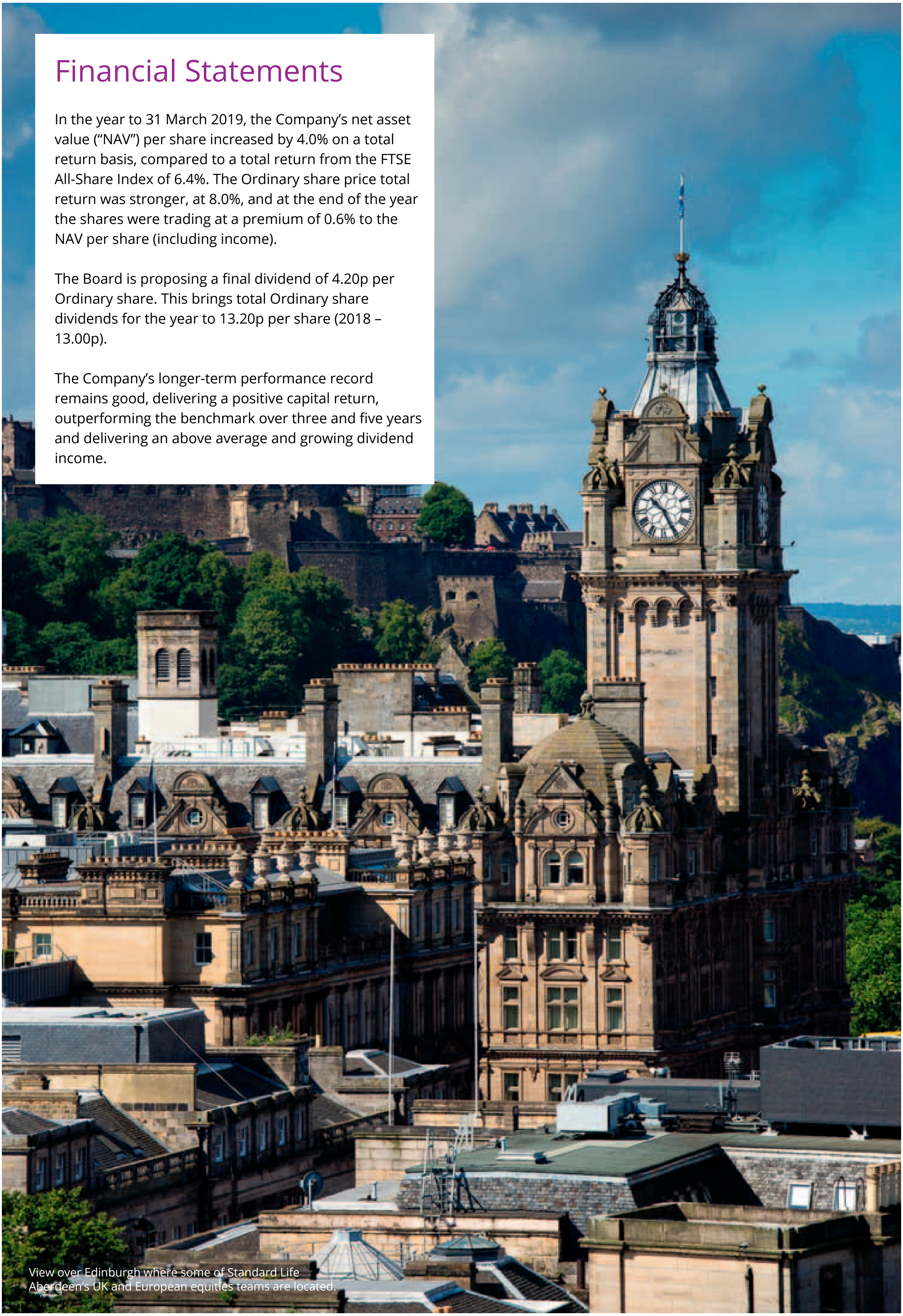
Chairman of the Audit Committee
28 May 2019

Financial Statements

In the year to 31 March 2019, the Company's net asset value ("NAV") per share increased by 4.0% on a total return basis, compared to a total return from the FTSE All-Share Index of 6.4%. The Ordinary share price total return was stronger, at 8.0%, and at the end of the year the shares were trading at a premium of 0.6% to the NAV per share (including income).

The Board is proposing a final dividend of 4.20p per Ordinary share. This brings total Ordinary share dividends for the year to 13.20p per share (2018 – 13.00p).

The Company's longer-term performance record remains good, delivering a positive capital return, outperforming the benchmark over three and five years and delivering an above average and growing dividend income.



View over Edinburgh where some of Standard Life Aberdeen's UK and European equities teams are located.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, and under that law they have chosen to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU subject to any material departures disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, but not for the content of any information included on the website that has been prepared or issued by third parties. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- in the opinion of the Directors, the Annual Report taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

On behalf of the Board
Robert Talbut
Chairman
28 May 2019

Independent Auditor's Report to the Members of Shires Income PLC

Opinion

We have audited the financial statements of Shires Income PLC for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Principal Risks, Going Concern and Viability Statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on pages 10 to 12 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 10 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement as set out on page 58 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on pages 13 and 14 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of Our Audit Approach

Key audit matters	· Risk of incomplete or inaccurate revenue recognition, including classification of special dividends and option premiums as revenue or capital items in the Statement of Comprehensive Income · Risk of incorrect valuation and defective title to the investment portfolio
Materiality	· Overall materiality of £0.8 million which represents 1% of equity shareholders' funds

Independent Auditor's Report to the Members of Shires Income PLC continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including classification of special dividends and option premiums as revenue or capital items in the Statement of Comprehensive Income (per the Audit Committee's Report set out on page 44 and the accounting policy set out on page 59). The total income received for the year to 31 March 2019 was £4.71 million (2018: £4.92 million), consisting primarily of dividend income, from listed investments, and traded option premiums. The income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of income through the failure to recognise proper income entitlements or applying appropriate accounting treatment. In addition to the above, the Directors are required to exercise judgment in determining whether income receivable in the form of special dividends and option premiums should be classified as 'revenue' or 'capital'.	**We have performed the following procedures:** We obtained an understanding of the Manager's and Administrator's processes and controls surrounding revenue recognition and classification of special dividends and option premiums by reviewing their internal controls report and performing our walkthrough procedures. For classification of special dividends and option premiums, we also evaluated the design and implementation of controls. We agreed a sample of dividends received from the income report to the corresponding announcement made by the investee company. We recalculated the dividend amount receivable using exchange rates obtained from an independent data vendor and confirmed that the cash received as shown on bank statements was consistent with the recalculated amount. We agreed a sample of investee company dividend announcements from an independent data vendor to the income recorded by the Company to test completeness of the income recorded. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the obligation arose prior to 31 March 2019. We agreed the dividend rate to corresponding announcements made by the investee company. We recalculated	**The results of our procedures are:** We have no issues to communicate with respect to our procedures performed over the risk of incomplete or inaccurate revenue recognition, including classification of special dividends and option premiums as revenue or capital items in the Statement of Comprehensive Income.

	the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. We reviewed the income report and the acquisition and disposal report produced by the Administrator to identify special dividends received or accrued in excess of our revenue testing threshold. The Company recorded three special dividends above our revenue testing threshold, amounting to £0.27 million. We reviewed the underlying circumstances and motives for the payments to verify the classification of these three special dividends as capital. We have agreed a sample of option premiums to source documentation and assessed that the option premiums have been correctly calculated and allocated to revenue in accordance with the underlying rationale for writing the option, and in accordance with the Company's accounting policy.	
Incorrect valuation and defective title to the investment portfolio (as described on pages 43 and 44 of the Audit Committee's Report and as per the accounting policy set out on page 59). The valuation of the investment portfolio at 31 March 2019 was £94.97 million (2018: £96.54 million) consisting entirely of listed investments. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.	**We performed the following procedures:** We obtained an understanding of the Administrator's processes surrounding the investment pricing process, by performing our walkthrough procedures. For all listed investments in the portfolio, we compared the market values and exchange rates applied to an independent pricing vendor. We reviewed the price exception and stale pricing reports produced by the Administrator to highlight and investigate any unexpected price movements in investments held as at the year-end. We agreed the Company's investments to the independent confirmation received from the Company's Depositary as at 31 March 2019.	**The results of our procedures are:** We have no issues to communicate with respect to our procedures performed over the risk of incorrect valuation and defective title to the investment portfolio.

Independent Auditor's Report to the Members of Shires Income PLC continued

The fair value of listed investments is determined by reference to stock exchange quoted market bid prices at the close of business on the year-end date.		

There have been no changes to the areas of key focus raised in the above risk table from the prior year.

An Overview of the Scope of Our Audit

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £0.80 million (2018: £0.80 million), which is 1% (2018: 1%) of equity shareholders' funds. We believe that equity shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance Materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely £0.60 million (2018: £0.60 million).

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.20 million (2018: £0.20 million) being 5% (2018: 5%) of profit before tax.

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.04 million (2018: £0.04 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair balanced and understandable - set out on page 46** - the statement given by the Directors that they consider 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 Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit Committee reporting - set out on page 42** - the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code - set out on page 35** - the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
- In our opinion, based on the work undertaken in the course of the audit:
  - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Shires Income PLC continued

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 46, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to What Extent the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRSs, the Companies Act 2006, the AIC SORP, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and option premiums as revenue or capital items. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other Matters we are Required to Address

- Following the recommendation of the Audit Committee we were appointed by the Company at its Annual General Meeting on 6 July 2016 to audit the financial statements of the Company for the year ending 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the periods from our appointment through to the period ending 31 March 2019.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
28 May 2019

Statement of Comprehensive Income

		Year ended 31 March 2019			Year ended 31 March 2018		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments at fair value	11	–	(466)	(466)	–	(2,357)	(2,357)
Currency gains/(losses)		–	14	14	–	(37)	(37)
Income	3						
Dividend income		4,536	–	4,536	4,665	–	4,665
Interest income		5	–	5	1	1,482	1,483
Stock dividends		74	–	74	79	–	79
Traded option premiums		94	–	94	167	–	167
Money market interest		3	–	3	4	–	4
		4,712	(452)	4,260	4,916	(912)	4,004
Expenses							
Management fee	4	(203)	(203)	(406)	(215)	(215)	(430)
Administrative expenses	5	(372)	–	(372)	(404)	–	(404)
Finance costs	7	(173)	(173)	(346)	(172)	(172)	(344)
		(748)	(376)	(1,124)	(791)	(387)	(1,178)
Profit/(loss) before taxation		3,964	(828)	3,136	4,125	(1,299)	2,826
Taxation	8	(44)	–	(44)	(19)	–	(19)
Profit/(loss) attributable to equity holders of the Company		**3,920**	**(828)**	**3,092**	**4,106**	**(1,299)**	**2,807**
Earnings per Ordinary share (pence)	10	**13.06**	**(2.76)**	**10.30**	**13.69**	**(4.33)**	**9.36**

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

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

All items in the above statement derive from continuing operations.

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

Balance Sheet

	Notes	As at 31 March 2019 £'000	As at 31 March 2018 £'000
Non-current assets			
Ordinary shares		70,400	69,419
Convertibles		530	550
Preference shares		24,041	26,572
Securities at fair value	11	94,971	96,541
Current assets			
Other receivables	12	1,410	935
Cash and cash equivalents		2,913	2,262
		4,323	3,197
Creditors: amounts falling due within one year			
Other payables		(239)	(276)
Short-term borrowings		(9,000)	(9,000)
	13	(9,239)	(9,276)
Net current liabilities		(4,916)	(6,079)
Total assets less current liabilities		90,055	90,462
Non-current liabilities			
Long-term borrowings	13	(9,998)	(9,997)
Net assets		**80,057**	**80,465**
Share capital and reserves			
Called-up share capital	15	15,127	15,049
Share premium account		19,626	19,308
Capital reserve	16	38,485	39,313
Revenue reserve		6,819	6,795
Equity shareholders' funds		**80,057**	**80,465**
Net asset value per Ordinary share (pence)	17	**265.49**	**268.24**

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2019 and were signed on its behalf by:

Robert Talbut
Chairman

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

Statement of Changes in Equity

Year ended 31 March 2019

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 March 2018	15,049	19,308	39,313	6,795	80,465
Issue of Ordinary shares	78	318	–	–	396
(Loss)/profit for the year	–	–	(828)	3,920	3,092
Equity dividends (see note 9)	–	–	–	(3,896)	(3,896)
As at 31 March 2019	**15,127**	**19,626**	**38,485**	**6,819**	**80,057**

Year ended 31 March 2018

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 March 2017	15,049	19,308	40,612	6,508	81,477
(Loss)/profit for the year	–	–	(1,299)	4,106	2,807
Equity dividends (see note 9)	–	–	–	(3,819)	(3,819)
As at 31 March 2018	**15,049**	**19,308**	**39,313**	**6,795**	**80,465**

The Company has aggregate realised and distributable reserves of £31,875,000 as at 31 March 2019 (2018 – £25,600,000), comprising capital reserve – realised of £25,056,000 (2018 – £18,805,000) and revenue reserve of £6,819,000 (2018 – £6,795,000). The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

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

Cash Flow Statement

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Net cash inflow from operating activities		
Dividend income received[A]	4,440	4,740
Interest income received	5	–
Options premium received	67	176
Money market interest received	3	4
Management fee paid	(413)	(426)
Other cash expenses	(363)	(415)
Cash generated from operations	3,739	4,079
Interest paid	(342)	(310)
Overseas tax paid	(45)	(26)
Net cash inflows from operating activities	3,352	3,743
Cash flows from investing activities		
Purchases of investments[A]	(22,672)	(11,251)
Sales of investments	23,457	11,859
Net cash inflow from investing activities	785	608
Cash flows from financing activities		
Equity dividends paid	(3,896)	(3,819)
Issue of Ordinary shares	396	–
Loan arrangement fees	–	(6)
Net cash outflow from financing activities	(3,500)	(3,825)
Increase in cash and cash equivalents	**637**	**526**
Reconciliation of net cash flow to movements in cash and cash equivalents		
Increase in cash and cash equivalents as above	637	526
Net cash and cash equivalents at start of year	2,262	1,773
Effect of foreign exchange rate changes	14	(37)
Net cash and cash equivalents at end of year	**2,913**	**2,262**

[A] Non–cash dividends during the year comprised stock dividends of £74,000 (2018 – £79,000).

Notes to the Financial Statements

For the year ended 31 March 2019

1. Principal activity

The Company is a closed-end investment company, registered in England and Wales No. 00386561, with its Ordinary shares listed on the London Stock Exchange.

2. Accounting policies

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and International Financial Reporting Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on page 36.

The Company's financial statements are presented in sterling, which is also the functional currency as it is the currency in which shares are issued and expenses are generally paid. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP"): 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ("AIC"), is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP issued in November 2014 and updated in February 2018 with consequential amendments.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The Directors do not consider there to be any significant estimates within the financial statements. Special dividends are assessed and credited to capital or revenue according to their circumstances.

New and amended accounting standards and interpretations

At the date of authorisation of these financial statements, the following amendments to Standards and Interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2019:

– IFRIC 23 – Uncertainty over Income Tax Treatments

In addition, a number of Standards are subject to review under the Annual Improvements to IFRSs 2015 – 2017 Cycle, for annual periods beginning on or after 1 January 2019.

The Company intends to adopt the Standards and Interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the Financial Statements and additional disclosures.

(b) Investments

The Company classifies its investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The business model, which is the determining feature, is such that the portfolio of investments is managed, performance and risk is evaluated, on a fair value basis. The Manager is also compensated based on the fair value of the Company's assets. Consequently, all investments are measured at fair value through profit or loss.

Investments are recognised and de-recognised at the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange.

Gains and losses arising from the changes in fair value are included in net profit or loss for the period as a capital item. Transaction costs are treated as a capital cost.

The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments' which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes changes to classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

The adoption of IFRS 9 did not result in any change to the classification or measurement of financial instruments in either the current or prior year. The Company's investments remain classified as fair value through profit or loss. Under IAS 39 the Company carried its investments at fair value through profit or loss under a designation option; on adoption of IFRS 9, the investments are classified as fair value through profit or loss.

(c) Income

The Company adopted IFRS 15 'Revenue from contracts with customers' on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 'Revenue' and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Company.

Dividend income from equity investments, which have a discretionary dividend, is recognised when the shareholders' rights to receive payment have been established, normally the ex-dividend date.

If a scrip dividend is taken in lieu of a cash dividend, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital.

Interest from deposits is dealt with on an accruals basis.

Underwriting commission is recognised when the underwriting services are provided and is taken to revenue, unless any shares underwritten are required to be taken up, in which case the proportionate commission received is deducted from the cost of the investment.

(d) Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except those where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. Accordingly the management fee and finance costs have been allocated 50% to revenue and 50% to capital, in order to reflect the Directors' expected long-term view of the nature of the future investment returns of the Company.

(e) Borrowings

Short-term borrowings, which comprise interest bearing bank loans are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. The finance costs, being the difference between the net proceeds of borrowings and the total amount of payments that require to be made in respect of those borrowings, are amortised over the life of the borrowings.

Long-term borrowings are measured initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method.

(f) Taxation

The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company has no liability for current tax.

Deferred tax is recognised in respect of all temporary differences at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise, using tax rates that are expected to apply at the date the deferred tax position is unwound.

(g) Foreign currencies

Monetary assets and liabilities, comprising current assets, current liabilities and non-current liabilities and non-monetary assets comprising non-current assets held at fair value which are denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. Transactions during the year in foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses on monetary assets and liabilities arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital column of the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature. Gains or losses on non-monetary assets arising from a change in exchange rates subsequent to the date of a transaction are included as a gain or loss on investments in the capital column of the Statement of Comprehensive Income.

(h) Derivatives

The Company may enter into certain derivatives (e.g. traded options). Traded option contracts are restricted to writing out-of-the-money options with a view to generating income. Premiums received on traded option contracts are recognised as income evenly over the period from the date they are written to the date when they expire or are exercised or assigned. Gains and losses on the underlying shares acquired or disposed of as a result of options exercised are included in the capital account. Unexpired traded option contracts at the year end are accounted for at their fair value.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and at banks and short-term deposits.

(j) Other receivables

The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments' which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets previously classified as other receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As such they are measured at amortised cost. Other receivables held by the Company do not carry any interest, they have been assessed as having immaterial expected credit losses over their lifetime due to their short-term nature.

(k) **Other payables**

Payables are non-interest bearing and are stated at their undiscounted cash flows.

(l) **Dividends payable**

Final dividends are recognised from the date on which they are approved by shareholders. Interim dividends are recognised when paid.

(m) **Nature and purpose of reserves**

Share premium account

The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising ordinary shares of 50p per share.

Capital reserve

This reserve reflects any realised gains or losses in the period together with any unrealised increases and decreases that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences.

Additionally, expenses, including finance costs, are charged to this reserve in accordance with (d) above.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(n) **Segmental reporting**

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

3. Income

	2019 £'000	2018 £'000
Income from listed investments		
UK dividend income	4,176	4,427
Overseas dividend income	360	238
Money market interest	3	4
Stock dividends	74	79
	4,613	4,748
Other income from investment activity		
Deposit interest	5	1
Traded option premiums	94	167
	99	168
Total income	**4,712**	**4,916**

4. Management fees

	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Management fees	203	203	406	215	215	430

The management fee is based on 0.45% per annum up to £100 million and 0.40% over £100 million, by reference to the net assets of the Company and including any borrowings up to a maximum of £30 million, and excluding commonly managed funds, calculated monthly and paid quarterly. The fee is allocated 50% to revenue and 50% to capital. The agreement is terminable on not less than six months' notice. The total of the fees paid and payable during the year to 31 March 2019 was £406,000 (2018 – £430,000) and the balance due to Aberdeen Standard Fund Managers Limited ("ASFML") at the year end was £99,000 (2018 – £105,000). The Company held an interest in a commonly managed investment trust, Aberdeen Smaller Companies Income Trust PLC, in the portfolio during the year to 31 March 2019 (2018 – same). The value attributable to this holding is excluded from the calculation of the management fee payable by the Company.

5. Administrative expenses

	2019 £'000	2018 £'000
Directors' remuneration	110	115
Auditor's remuneration:		
· Fees payable to the Company's Auditor for the audit of the Company's annual accounts	21	21
· Non-audit services		
– fees payable to the Company's Auditor for iXBRL tagging services	2	2
Promotional activities	58	78
Professional fees	3	35
Directors' & Officers' liability insurance	11	10
Trade subscriptions	39	27
Share plan costs	22	17
Registrars fees	40	33
Printing, postage and stationery	26	25
Other administrative expenses	40	41
	372	404

The management agreement with ASFML also provides for the provision of promotional activities, which ASFML has delegated to Aberdeen Asset Managers Limited. The total fees paid and payable under the management agreement in relation to promotional activities were £58,000 (2018 – £78,000). The Company's management agreement with ASFML also provides for the provision of company secretarial and administration services to the Company; no separate fee is charged to the Company in respect of these services, which have been delegated to Aberdeen Asset Management PLC.

With the exception of Directors' remuneration and Auditor's remuneration for the statutory audit, all of the expenses above, including fees for non-audit services, include irrecoverable VAT where applicable.

6. Directors' remuneration

The Company had no employees during the year (2018 – nil). No pension contributions were paid for Directors (2018 – £nil). Further details on Directors' Remuneration can be found in the Directors' Remuneration Report on pages 39 to 41.

7. Finance costs	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
On bank loans	173	173	346	172	172	344

8. Taxation	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
(a) Analysis of the charge for the year						
Overseas tax	44	–	44	19	–	19
Total tax charge	**44**	**–**	**44**	**19**	**–**	**19**

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the effective rate of corporation tax in the UK. The differences are explained in the reconciliation below:

	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Profit before taxation	3,964	(828)	3,136	4,125	(1,299)	2,826
Corporation tax at an effective rate of 19% (2018 – 19%)	753	(157)	596	784	(247)	537
Effects of:						
Non-taxable UK dividend income	(776)	–	(776)	(844)	–	(844)
Excess management expenses not utilised	91	72	163	105	73	178
Overseas withholding tax	44	–	44	19	–	19
Non-taxable overseas dividends	(68)	–	(68)	(45)	–	(45)
Losses on investments not taxable	–	88	88	–	167	167
(Gains)/losses on currency movements	–	(3)	(3)	–	7	7
Total tax charge	**44**	**–**	**44**	**19**	**–**	**19**

At 31 March 2019 the Company had surplus management expenses and loan relationship debits with a tax value of £4,432,000 (2018 – £4,288,000) in respect of which a deferred tax asset has not been recognised. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

9. Dividends

	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders in the period:		
Third interim dividend for 2018 of 3.00p (2017 – 3.00p) per share	900	900
Final dividend for 2018 of 4.00p (2017 – 3.75p) per share	1,200	1,125
First two interim dividends for 2019 totalling 6.00p (2018 – 6.00p) per share	1,800	1,800
Refund of unclaimed dividends from previous periods	(6)	(8)
	3,894	3,817
3.5% Cumulative Preference shares	2	2
Total	**3,896**	**3,819**

The third interim dividend of 3.00p for the year to 31 March 2019, which was paid on 26 April 2019, and the proposed final dividend of 4.20p for the year to 31 March 2019, payable on 26 July 2019, have not been included as liabilities in these financial statements.

Set out below are the total ordinary dividends payable in respect of the financial year, which is the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered:

	2019 £'000	2018 £'000
Three interim dividends for 2019 totalling 9.00p (2018 – 9.00p) per share	2,705	2,700
Proposed final dividend for 2019 of 4.20p (2018 – 4.00p) per share	1,273	1,200
	3,978	**3,900**

The amount reflected above for the cost of the proposed final dividend for 2019 is based on 30,304,580 Ordinary shares, being the number of Ordinary shares in issue at the date of this Report.

10. Returns per share

	2019 £'000	2018 £'000
Returns per Ordinary share are based on the following figures:		
Revenue return	3,920	4,106
Capital return	(828)	(1,299)
Total return	**3,092**	**2,807**
Weighted average number of Ordinary shares	**30,021,438**	**29,997,580**

11. Non–current assets – Securities at fair value

	2019 Listed investments £'000	2018 Listed investments £'000
Opening book cost	76,033	76,532
Opening investment holdings gains	20,508	21,294
Opening valuation	96,541	97,826
Purchases	22,743	11,313
Sales – proceeds	(23,842)	(11,727)
Sales – net realised gains/(losses)	6,608	(1,567)
Accreted cost adjustment[A]	–	1,482
Fair value movement in the year	(7,079)	(786)
Total investments held at fair value through profit or loss	**94,971**	**96,541**

[A] In 2018 and following a review of the previous accounting treatment, the Company changed the classification of its preference shares to 'equity securities' and reversed the accumulated amortisation of £1,482,000 that had been recorded in prior years. There was no impact on the fair value of investments as a result of this change, nor on the net asset value per share of the Company, the revenue or capital earnings per share, or any of the individual reserve balances.

	2019 Listed investments £'000	2018 Listed investments £'000
Closing book cost	81,542	76,033
Closing investment holdings gains	13,429	20,508
Total investments held at fair value through profit or loss	**94,971**	**96,541**

(Losses)/gains on investments	2019 £'000	2018 £'000
Net realised gains/(losses) on sales of investments[A]	6,615	(1,472)
Cost of call options exercised	(7)	(95)
Net realised gains/(losses) on sales	6,608	(1,567)
Movement in fair value of investments	(7,003)	(701)
Cost of put options assigned	(76)	(85)
Movement in appreciation of traded options held	5	(4)
	(466)	**(2,357)**

[A] Includes losses realised on the exercise of traded options of £83,000 (2018 – £179,000) which are reflected in the capital column of the Statement of Comprehensive Income.

The cost of the exercising of call options and the assigning of put options is the difference between the market price of the underlying shares and the strike price of the options. The premiums earned on options expired, exercised or assigned of £94,000 (2018 – £167,000) have been dealt with in the revenue account.

The movement in the fair value of traded option contracts has been calculated in accordance with the accounting policy stated in note 2(h) and has been charged to the capital reserve.

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within losses on investments in the Statement of Comprehensive Income. The total costs on purchases of investments in the year was £97,000 (2018 – £41,000). The total costs on sales of investments in the year was £9,000 (2018 – £3,000). The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

All investments are categorised as held at fair value through profit and loss and were designated as such upon initial recognition.

At 31 March 2019 the Company held the following investments comprising more than 3% of the class of share capital held:

Company	Country of Incorporation	Number of shares held	Class of shares held	Class held %
Aberdeen Smaller Companies Income Trust PLC	Scotland	3,120,476	Ordinary	14.1
Ecclesiastical Insurance Office	England	4,240,000	8 5/8% Cum Pref	4.0
Royal & Sun Alliance	England	4,350,000	7 3/8% Cum Pref	3.5
General Accident	Scotland	3,548,000	7.875% Cum Pref	3.2

12. Other receivables

	2019 £'000	2018 £'000
Amount due from brokers	395	–
Accrued income and prepayments	1,015	917
Other debtors	–	2
Option contract premium	–	16
	1,410	**935**

None of the above amounts are overdue.

13. Current liabilities

	2019 £'000	2018 £'000
Short-term bank loans	9,000	9,000
Amount due to brokers	7	–
Option contracts	–	48
Other creditors	232	228
	9,239	**9,276**

Included above are the following amounts owed to ASFML for management and saving scheme services and for the promotion of the Company.

	2019 £'000	2018 £'000
Other creditors	**122**	**133**

Non-current liabilities	2019 £'000	2018 £'000
Long-term bank loan	10,000	10,000
Loan arrangement fees	(2)	(3)
	9,998	**9,997**

The Company has an agreement with Scotiabank Europe PLC to provide a loan facility to 30 October 2020 for up to £20,000,000. A £10,000,000 fixed rate loan was drawn down on 1 November 2017 at a rate of 1.956%. This rate is fixed until maturity on 30 October 2020. In addition, at the year end £9,000,000 had been drawn down at an all-in interest rate of 1.685%, maturing on 4 April 2019. At the date of signing this Report the amount drawn down was unchanged at £9,000,000 with an all-in interest rate of 1.68789%, maturing on 3 June 2019.

The terms of the Scotiabank Europe facility contain covenants that gross borrowings may not exceed one-third of adjusted net assets and that adjusted net assets may not be less than £37 million. The Company has met these covenants with significant headroom since inception of the agreement until the date of this Report.

The arrangement expenses incurred on the draw down of the loan are being amortised over the three year term of the loan resulting in a reduction to the carrying value of the loan drawn down being reduced by £2,000 (2018 – £3,000).

14. Analysis of changes in financing during the year

	2019 £'000	2018 £'000
Opening balance at 1 April	18,997	19,000
Cashflow:		
Loan arrangement fees	–	(6)
Non cash:		
Unamortised loan arrangement fees	1	3
Closing balance at 31 March	**18,998**	**18,997**

15. Called up share capital

	2019 Number	2019 £'000	2018 Number	2018 £'000
Allotted, called up and fully paid Ordinary shares of 50 pence each:				
Balance brought forward	29,997,580	14,999	29,997,580	14,999
Ordinary shares issued	157,000	78	–	–
Balance carried forward	30,154,580	15,077	29,997,580	14,999
3.5% Cumulative Preference shares of £1 each	50,000	50	50,000	50
		15,127		**15,049**

During the year the Company issued 157,000 (2018 – none) Ordinary shares of 50p each for proceeds of £396,000 (2018 – £nil).

Following the year end the Company has issued a further 150,000 Ordinary shares for proceeds of £407,000.

Each Ordinary and Cumulative Preference share carries one vote at general meetings of the Company. The Cumulative Preference shares carry a right to receive a fixed rate of dividend and, on a winding up of the Company, to the payment of such fixed cumulative preferential dividends to the date of such winding up and to the repayment of the capital paid up on such shares in priority to any payment to the holders of the Ordinary shares.

The Ordinary shares, excluding any treasury shares, carry a right to receive dividends and, on a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary or Cumulative Preference shares in the Company other than certain restrictions which may from time to time be imposed by law.

16. Capital reserve

	2019 £'000	2018 £'000
At 31 March 2018	39,313	40,612
Net gain/(losses) on sales of investments during year	6,608	(1,567)
Movement in fair value increases/(decreases) of investments	(7,079)	(786)
Accreted cost adjustment charged to capital	–	1,482
Management fees	(203)	(215)
Interest on bank loans	(173)	(172)
Currency gains/(losses)	14	(37)
Capital gain/(loss) on traded options	5	(4)
At 31 March 2019	**38,485**	**39,313**

The capital reserve includes gains of £13,429,000 (31 March 2018 – gains of £20,508,000), which relate to the revaluation of investments held at the reporting date.

17. Net asset value per Ordinary share

The net asset value per share and the net assets attributable to the Ordinary shareholders at the year end were as follows:

	2019	2018
Net assets attributable	£80,057,000	£80,465,000
Number of Ordinary shares in issue	30,154,580	29,997,580
Net asset value per share	265.49p	268.24p

18. Financial instruments

Risk management

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company may from time to time use FTSE options for protection of the loss of value to the portfolio.

Subject to Board approval, the Company also has the ability to enter into derivative transactions, in the form of traded options, for the purpose of enhancing income returns and portfolio management. During the year, the Company entered into certain derivative contracts. As disclosed in note 3, the premium received and fair value changes in respect of options written in the year were £94,000 (2018 – £167,000). Positions closed during the year realised a loss of £83,000 (2018 – £179,000). The largest position in derivative contracts held during the year at any given time was £44,000 (2018 – £94,000). The Company had no open positions in derivative contracts at 31 March 2019 (2018 – liability £48,000) as disclosed in note 13.

The Board has delegated the risk management function in relation to financial instruments to Aberdeen Standard Fund Managers Limited ("ASFML") under the terms of its management agreement with ASFML (further details of which are included under note 4). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors given their relatively low value.

Risk management framework

The directors of ASFML collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

ASFML is a fully integrated member of the Standard Life Aberdeen Group (the "Group"), which provides a variety of services and support to ASFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's CEO and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Group's CEO. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's corporate governance structure is supported by several committees to assist the board of directors of Standard Life Aberdeen plc, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk management

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, currency risk and price risk), (ii) liquidity risk and (iii) credit risk.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect:

– the fair value of the investments in convertibles and preference shares;

– the level of income receivable on cash deposits; and

– interest payable on the Company's variable rate borrowings.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. The fixed rate facilities are used to finance opportunities at low rates and, the revolving and uncommitted facilities to provide flexibility in the short-term. Current bank covenant guidelines state that the gross borrowings will not exceed one-third of adjusted net assets.

The Board reviews on a regular basis the value of investments in convertibles and preference shares.

Interest rate profile

The interest rate risk profile of the portfolio of financial assets and liabilities (excluding ordinary shares and convertibles) at the Balance Sheet date was as follows:

As at 31 March 2019	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
UK preference shares	–	8.49	24,041	–
Cash and cash equivalents	–	0.50	–	2,913
Total assets			**24,041**	**2,913**
Liabilities				
Short-term bank loans	0.01	1.69	(9,000)	–
Long-term bank loans	1.59	1.96	(9,998)	–
Total liabilities			**(18,998)**	**–**

As at 31 March 2018	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
UK preference shares	–	8.50	26,572	–
Cash and cash equivalents	–	0.29	–	2,262
Total assets			**26,572**	**2,262**
Liabilities				
Short-term bank loans	0.09	1.45	(9,000)	–
Long-term bank loans	2.58	1.96	(9,997)	–
Total liabilities			**(18,997)**	**–**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans.

The cash assets consist of cash deposits on call earning interest at prevailing market rates.

The UK preference shares assets have no maturity date.

Short-term debtors and creditors (with the exception of bank loans) have been excluded from the above tables.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's:

– profit before tax for the year ended 31 March 2019 would increase/decrease by £29,000 (2018 – £23,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.

– profit before tax for the year ended 31 March 2019 would increase/decrease by £1,015,000 (2018 – increase/decrease by £1,183,000). This is mainly attributable to the Company's exposure to interest rates on its investments in convertibles and preference shares.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will also fluctuate depending on the current market perception.

Currency risk

A small proportion of the Company's investment portfolio is invested in overseas securities whose values are subject to fluctuation due to changes in exchange rates.

Management of the risk

The revenue account is subject to currency fluctuations arising on dividends received in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. The Company does not hedge this currency risk. The Company does not have any exposure to foreign currency liabilities. No currency sensitivity analysis has been prepared as the Company considers any impact to be immaterial to the financial statements.

Price risk

Price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Management of the risk

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to specific sectors and the stock selection process both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on recognised stock exchanges.

Price sensitivity

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the profit before tax attributable to Ordinary shareholders for the year ended 31 March 2019 would have increased/decreased by £7,040,000 (2018 – increase/decrease of £6,942,000). This is based on the Company's equity portfolio held at each year end.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

Short-term flexibility is achieved through the use of loan facilities, details of which can be found in note 13. Under the terms of the loan facility, the Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise a revolving loan facility and a fixed term loan facility. The Board has imposed a maximum equity gearing of 35% which constrains the amount of gearing that can be invested in equities which, in normal market conditions, are more volatile than the convertibles and preference shares within the portfolio. Details of borrowings at 31 March 2019 are shown in note 13.

Maturity profile

The maturity profile of the Company's financial liabilities at the Balance Sheet date was as follows:

At 31 March 2019	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000
Trade and other payables	(197)	–	–
Short-term bank loans	(9,013)	–	–
Long-term bank loans	(196)	(10,113)	–
	(9,406)	**(10,113)**	**–**

At 31 March 2018	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000
Trade and other payables	(276)	–	–
Short-term bank loans	(9,012)	–	–
Long-term bank loans	(196)	(10,310)	–
	(9,484)	**(10,310)**	**–**

(iii) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk

The risk is managed as follows:

– where the Investment Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;

– transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;

– investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the investment manager, and limits are set on the amount that may be due from any one broker;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the Custodian's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Standard Life Aberdeen Group's Compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Standard Life Aberdeen Group's Risk Management Committee and to the Board of the Company. This review will also include checks on the maintenance and security of investments held;

– transactions involving derivatives, structured notes and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest are subject to rigorous assessment by the Investment Manager of the credit worthiness of that counterparty. The Company's aggregate exposure to each such counterparty is monitored regularly by the Board; and

– cash is held only with reputable banks with high quality external credit enhancements.

It is the Investment Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

None of the Company's financial assets is secured by collateral or other credit enhancements.

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 31 March 2019 was as follows:

	2019		2018	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Quoted convertibles and preference shares at fair value through profit or loss	24,571	24,571	27,122	27,122
Current assets				
Trade and other receivables	395	395	18	18
Accrued income	1,003	1,003	905	905
Cash and cash equivalents	2,913	2,913	2,262	2,262
	28,882	**28,882**	**30,307**	**30,307**

None of the Company's financial assets is past its due date.

Fair value of financial assets and liabilities

The fair value of the long–term loan has been calculated at £10,034,000 as at 31 March 2019 (2018 – £10,034,000) compared to an accounts value in the financial statements of £9,998,000 (2018 – £9,997,000) (note 13). The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices. Traded options contracts are valued at fair value which have been determined with reference to quoted market values of the contracts. The contracts are tradeable on a recognised exchange. For all other short-term debtors and creditors, their book values approximates to fair values because of their short-term maturity.

19. Fair value hierarchy

IFRS 13 'Financial Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy at 31 March 2019 as follows:

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted investments	a)	94,971	–	–	94,971
Financial liabilities at fair value through profit or loss					
Derivatives	b)	–	–	–	–
Net fair value		**94,971**	**–**	**–**	**94,971**

As at 31 March 2018	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted investments	a)	96,541	–	–	96,541
Financial liabilities at fair value through profit or loss					
Derivatives	b)	–	(48)	–	(48)
Net fair value		**96,541**	**(48)**	**–**	**96,493**

a) **Quoted investments**

The fair value of the Company's quoted investments has been determined by reference to their quoted bid prices at the reporting date. Quoted investments included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) **Derivatives**

The fair value of the Company's investments in Exchange Traded Options has been determined using observable market inputs on an exchange traded basis although not actively traded and therefore has been classed as Level 2.

The fair value of the Company's investments in Over the Counter Options has been determined using observable market inputs other than quoted prices and included within Level 2.

20. Capital management policies and procedures

The Company's capital management objectives are:

– to ensure that the Company will be able to continue as a going concern; and

– to maximise the return to its equity shareholders through an appropriate balance of equity capital and debt.

The capital of the Company consists of equity, comprising issued capital, reserves and retained earnings.

The Board monitors and reviews the broad structure of the Company's capital. This review includes the nature and planned level of gearing, which takes account of the Investment Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained. The Company is not subject to any externally imposed capital requirements.

21. Related party transactions

Directors' fees and interests

Fees payable during the year to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on page 40.

Transactions with the Manager

The Company has an agreement with Aberdeen Standard Fund Managers Limited for the provision of management, secretarial, accounting and administration services and for the carrying out of promotional activities in relation to the Company. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

Corporate Information

The Investment Manager is a subsidiary of Standard Life Aberdeen plc. Assets under management of the group's investment division, Aberdeen Standard Investments, were £519.4 billion as at 31 March 2019.

Bow Bells House, Bread Street, location of the Manager's London office

Information about the Investment Manager

Aberdeen Asset Managers Limited

The Company's Investment Manager is Aberdeen Asset Managers Limited, a wholly-owned subsidiary of Standard Life Aberdeen plc. Assets under the management of the group's investment division, Aberdeen Standard Investments, were £519.4 billion as at 31 March 2019, managed for a range of clients including 24 UK listed closed end investment companies.

The Investment Team

Iain Pyle

Investment Director
Iain is an Investment Director on the UK equities team, having joined Standard Life Investments in 2015. Prior to joining, he was an analyst on the top-ranked Oil & Gas research team at Sanford Bernstein. Iain graduated with a MEng degree in Chemical Engineering from Imperial College and an MSc (Hons) in Operational Research from Warwick Business School. He is a chartered accountant and a CFA Charterholder.

Charles Luke

Investment Director
Charles has a BA in Economics and Japanese Studies from Leeds University and an MSc in Business and Economic History from the London School of Economics. He joined Aberdeen Asset Management's Pan European equities team in 2000 and previously worked at Framlington Investment Management.

The Investment Process

Investment Philosophy and Style

The Investment Manager believes that company fundamentals ultimately drive stock prices but are often priced inefficiently. We believe that in-depth company research delivers insights that can be used to exploit these market inefficiencies. We focus on investing in high quality companies, with the market often systematically underestimating the sustainability of their returns. Quality companies tend to produce more resilient earnings streams with fewer tail risks, allowing them to better navigate challenging market conditions whilst also capitalising on opportunities to create value. This makes our approach well suited to identifying companies with sustainable and growing income generation. Investment insights are generated by the extensive equity research platform at Aberdeen Standard Investments. Ideas are generated through frequent direct company contact, deep fundamental analysis and integrated ESG analysis with rigorous team debate strengthening analytical conclusions. We have a long term approach, aiming to buy and hold companies for a multi-year time horizon although we have the ability to react quickly if necessary. We are willing to take sizeable deviations to the benchmark based on the companies where we find the highest quality and most attractive valuations.

Investment Process

The investment process has three stages:

1. Idea Generation and Research. Comprehensive coverage of the UK equity market with a team of 15 analysts generating investment ideas from company meetings, combined with corroborating evidence from competitors, suppliers and customers. External secondary research is also generated to gain insight on the consensus view and supplement proprietary research.
2. Stock Selection. Buy ideas are peer reviewed by the whole UK equity team, evaluating our level of conviction and the materiality, corroboration and correlation of those investment opportunities. For the Company specifically, the Investment Manager aims to select high quality stocks. Quality is defined by reference to management, business focus, balance sheet and corporate governance.
3. Portfolio Construction and Risk Management. Portfolio construction is undertaken in a disciplined way, prioritising the taking of company specific risk with a rigorous sell discipline. Non-proprietary and proprietary quantitative tools are used to identify and control risk factor exposures, including sector and geographic weights.

The Investment Manager believes that good investment decision making requires clarity of responsibility for those decisions. Every stock has a named analyst responsible for its coverage, and every portfolio has a named fund manager responsible for its management. They make those decisions supported and challenged by the team, but accountability for the final decision is clear.

ESG integration means identifying and including all our ESG analysis in each investment decision and the Investment Manager is regarded as a leader in this area. A central ESG team of more than 20 people supports investment teams across different asset classes with its thematic work on areas such as remuneration and climate change, as well as taking responsibility for voting policies. The investment process also leverages a wealth of knowledge, insight and expertise across asset classes and regions within Aberdeen Standard Investments. This allows the Investment Manager to take advantage of equity colleagues across the globe who are meeting companies and conducting research and sharing their insights using one common global research platform. This is invaluable when investing in the UK equity market, which is one of the most global markets in the world. Corporate level insights are shared with the credit team which enriches the equity view through an understanding of the full capital structure of the businesses we invest in. Members of the Investment Manager's multi-asset and economics teams regularly attend the equity team's daily meeting to share macro level insights.

Given the importance of the Preference Share portfolio to the Company, there is an additional process in place to monitor these holdings. Regular meetings are held, comprising analysts from the fixed income and equities teams responsible for coverage of issuing companies, along with the portfolio managers. The process ensures that the holdings are monitored closely and that there is timely visibility on any changes at issuing companies which could potentially impact their ability or intention to pay the dividends associated with the preference shares.

Risk Management

The Investment Manager utilises a number of quantitative risk tools to ensure it is fully aware of and understand all the risks prevalent in portfolios it manages. These risk management systems monitor and analyse active risk, the composition of portfolio positions, as well as contribution to risk and marginal contribution to risk of the portfolio's holdings. The systems break down the risk within the portfolio by industry and country factors, and highlight the stocks with the highest marginal contribution to risk and the largest diversification benefit. Sector, thematic and geographical positions are a residual of stock selection decisions, but are monitored to ensure excessive risk is not taken in any one area. The Investment Manager also makes use of pre-trade analytics to assess the impact of any trades on the portfolio risk metrics.

The Investment Process – Harnessing Fundamental Research Insights to Exploit Market Inefficiencies

Investor Information

Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and BNP Paribas Securities Services, London Branch as its depositary under the AIFMD.

The AIFMD requires Aberdeen Standard Fund Managers Limited, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: shiresincome.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 87.

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments or for third party firms. Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: fca.org.uk/consumers/scams.

Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Contact Addresses). Changes of address must be notified to the Registrars in writing.

If you have any general questions about your Company, the Manager or performance, please telephone the Aberdeen Standard Investments Customer Services Department, send an email to inv.trusts@aberdeenstandard.com or write to:

Aberdeen Standard Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £2,000 for the 2019/20 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan or Investment Trust Individual Savings Account ("ISA") or through the many broker platforms which offer the opportunity to acquire shares in investment companies, including Shires Income PLC.

Aberdeen Standard Investments Children's Plan

Aberdeen Standard Investments operates an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management, including the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investments Share Plan

Aberdeen Standard Investments operates an Investment Trust Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

Aberdeen Standard Investments ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the 2019/20 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the ISA prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the ISA, from the sale of investments held in the ISA. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

Investors can choose to transfer previous tax year investments to Aberdeen Standard Investments, which can be invested in the Company while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Nominee Accounts and Voting Rights

All investments in the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan and Investment Trust ISA are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

Keeping You Informed

Further information about the Company may be found on its dedicated website: shiresincome.co.uk. This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Alternatively, please call 0808 500 0040 (Freephone), email inv.trusts@aberdeenstandard.com or write to the address for Aberdeen Standard Investment Trusts stated above.

Details are also available at: invtrusts.co.uk.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website at: invtrusts.co.uk/en/investmenttrusts/literature-library.

Literature Request Service

For literature and application forms for Aberdeen Standard Investment's investment trust products, please contact us through: invtrusts.co.uk.

Or telephone: 0808 500 4000

Or write to:-

Aberdeen Standard Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Terms and Conditions

Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of our website at: invtrusts.co.uk.

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and other fixed income securities, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: pimfa.co.uk.

Financial Advisers

To find an adviser who recommends on investment trusts, visit: unbiased.co.uk.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:
Tel: 0800 111 6768 or at fca.org.uk/firms/financial-services-register.
Email: consumer.queries@fca.org.uk

Voting at General Meetings

If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the Annual General Meeting, then you will need to make arrangements with the administrator of your share plan or platform.

For this purpose, investors that hold their shares in the Company via the Aberdeen Standard Investment Plan for Children, the Aberdeen Standard Investment Trust Share Plan and/or the Aberdeen Standard Investment Trust ISA will find a Letter of Direction enclosed with the Annual Report. Shareholders are encouraged to complete and return the Letter of Direction in accordance with the instructions printed thereon.

Further details on how to attend and vote at general meetings for holders of shares via share plans and platforms can be found at: theaic.co.uk/aic/shareholder-voting-consumer-platforms.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

The information on pages 80 to 82 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Glossary of Terms and Definitions

AIC	The Association of Investment Companies.
AIFMD	The Alternative Investment Fund Managers Directive. The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF and the Manager acts as the AIFM.
Alternative Performance Measure or APM	A financial measure of historic or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
Benchmark	This is a measure against which an Investment Trust's performance is compared. The Company's benchmark is the FTSE All-Share Index. The index averages the performance of a defined selection of listed companies over specific time periods.
Call Option	An option contract which gives the buyer the right, but not the obligation, to purchase a specified amount of an asset at an agreed price by a future specified date.
Closed-End Fund	A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.
Convertibles	Fixed income securities, which can be converted into equity shares at a future date.
Discount	The amount by which the market price per share of an Investment Trust is lower than the Net Asset Value per share. The discount is normally expressed as a percentage of the Net Asset Value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
ESG	Environmental, Social and Governance.
FCA	Financial Conduct Authority.
Gearing and Equity Gearing	Net gearing is calculated by dividing total borrowings less cash or cash equivalents, by shareholders' funds expressed as a percentage. Equity gearing is the sum of the investments in ordinary shares, both listed and unlisted, and convertibles, expressed as a proportion of shareholders' funds.
Investment Manager or AAML	Aberdeen Asset Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager. It is authorised and regulated by the FCA.
Investment Trust	A type of Closed-End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.
Key Information Document or KID	The Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.
Leverage	For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its Net Asset Value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
Manager, AIFM or ASFML	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager for the Company. It is authorised and regulated by the FCA.

Glossary of Terms and Definitions continued

Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The Net Asset Value divided by the number of shares in issue produces the Net Asset Value per share.
Ongoing Charges	Ratio of expenses of an Investment Trust expressed as a percentage of average daily shareholders' funds calculated annually per the AIC's industry standard method. More specifically, it is the annual percentage reduction in shareholder returns as a result of recurring operational expenses, assuming markets remain static and the portfolio is not traded. Although the Ongoing Charges figure is based on historical information, it provides shareholders with an indication of the likely level of costs that will be incurred in managing the Company in the future. The Board uses the Ongoing Charges Ratio as a Key Performance Indicator for the Company.
Preference Shares	These entitle the holder to a fixed rate of dividend out of the profits of a company, to be paid in priority to other classes of shareholder.
Pre-Investment Disclosure Document ("PIDD")	The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a PIDD, which can be found on the Company's website.
Premium	The amount by which the market price per share of an Investment Trust exceeds the Net Asset Value per share. The premium is normally expressed as a percentage of the Net Asset Value per share.
Price/Earnings Ratio	This is calculated by dividing the market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Put Option	An option contract which gives the buyer the right, but not the obligation, to sell a specified amount of an asset at an agreed price by a future specified date.
Standard Life Aberdeen Group	The Standard Life Aberdeen plc group of companies.
Total Assets	Total Assets as per the balance sheet less current liabilities (before deducting Prior Charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned.

Alternative Performance Measures

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IFRS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total Return

Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves a calculation that invests the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves a calculation that invests the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the year ended 31 March 2019 and 31 March 2018 and assumes reinvestment of net dividends excluding transaction costs (the "Adjustment factor").

31 March 2019	Dividend rate	NAV	Share price
31 March 2018 (a)		268.24p	260.00p
5 April 2018	3.00p	267.78p	268.50p
5 July 2018	4.00p	276.85p	275.00p
4 October 2018	3.00p	265.61p	250.50p
3 January 2019	3.00p	238.46p	233.00p
31 March 2019 (b)		265.49p	267.00p
Adjustment factor (c)		1.050469	1.051491
31 March 2019 adjusted (d)=(b*c)		278.89p	280.75p
Total return (d/a)		**+4.0%**	**+8.0%**

31 March 2018	Dividend rate	NAV	Share price
31 March 2017 (a)		271.61p	243.25p
6 April 2017	3.00p	269.97p	237.75p
6 July 2017	3.75p	275.30p	250.00p
5 October 2017	3.00p	284.05p	271.75p
4 January 2018	3.00p	292.22p	287.00p
31 March 2018 (b)		268.24p	260.00p
Adjustment factor (c)		1.045978	1.049717
31 March 2018 adjusted (d)=(b*c)		280.57p	272.93p
Total return (d/a)		**+3.3%**	**+12.2%**

Premium/(Discount) to net asset value per Ordinary share

The premium/(discount) is the amount by which the share price of 267.00p (2018 – 260.00p) is higher/(lower) than the net asset value per share of 265.49p (2018 – 268.24p), expressed as a percentage of the net asset value.

Dividend Cover

Revenue return per share of 13.06p (2018 – 13.69p) divided by dividends declared for the year per share of 13.20p (2018 – 13.00p) expressed as a ratio.

Alternative Performance Measures continued

Dividend Yield

The annual dividend of 13.20p per Ordinary share (31 March 2018 – 13.00p) divided by the share price of 267.00p (31 March 2018 – 260.00p), expressed as a percentage.

Net Gearing

Net gearing measures the total borrowings of £18,998,000 (31 March 2018 – £18,997,000) less cash and cash equivalents of £3,301,000 (31 March 2018 – £2,262,000) divided by shareholders' funds of £80,057,000 (31 March 2018 – £80,465,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due and to brokers at the year end as well as cash and cash equivalents. These balances can be found in notes 12 and 13 on page 66.

Ongoing Charges

Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values throughout the year.

	2019	2018
Investment management fees (£'000)	406	430
Administrative expenses (£'000)	372	404
Less: non-recurring charges[A] (£'000)	(3)	(35)
Ongoing charges (£'000)	**775**	**799**
Average net assets (£'000)	**79,445**	**84,343**
Ongoing charges ratio	**0.98%**	**0.95%**

[A] Comprises professional fees not expected to recur.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations.

AIFMD Disclosures (Unaudited)

Aberdeen Standard Fund Managers Limited and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website.

There have been no material changes to the disclosures contained within the PIDD since its most recent update in December 2018.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 18 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretary, Aberdeen Asset Management PLC, on request and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2018 will be available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 March 2019	1.42	1.46

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninety first Annual General Meeting of Shires Income PLC (the "Company") will be held at the offices of Standard Life Aberdeen plc, Bow Bells House, 1 Bread Street, London, EC4M 9HH on Thursday 4 July 2019 at 12 noon to transact the following business:

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. To receive and adopt the Directors' Report and audited financial statements of the Company for the year ended 31 March 2019 together with the Auditor's Report thereon.
2. To receive and adopt the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 March 2019.
3. To approve a final dividend of 4.2p per Ordinary share in respect of the year ended 31 March 2019.
4. To re-appoint Mr Andrew Robson as a Director of the Company.
5. To re-appoint Ms Marian Glen as a Director of the Company.
6. To re-appoint Mr Robin Archibald as a Director of the Company.
7. To re-appoint Mr Robert Talbut as a Director of the Company.
8. To re-appoint Ernst & Young LLP as Auditor of the Company.
9. To authorise the Directors to determine the remuneration of the Auditor for the year to 31 March 2020.
10. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("relevant securities") up to an aggregate nominal amount of £5,050,258 or, if less, the number representing 33.33% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution provided that such authorisation expires on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following as Special Resolutions:

11. That, subject to the passing of Resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the "Notice of Meeting") and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in Section 560 (1) of the Act) for cash pursuant to the authority under Section 551 of the Act conferred by Resolution 10 in the Notice of Meeting as if Section 561 of the Act did not apply to any such allotment, provided that this power:
    (i) expires on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and
    (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £1,515,229 or, if less, the number representing 10% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution.

    This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words "subject to the passing of Resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the "Notice of Meeting") and" and "pursuant to the authority under Section 551 of the Act conferred by Resolution 10 in the Notice of Meeting" were omitted.
12. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of fully

paid Ordinary shares of 50p each in the capital of the Company ("shares"), and to cancel or hold in treasury such shares, provided that:

(i) the maximum aggregate nominal value of the Ordinary shares hereby authorised to be purchased shall be limited to £2,271,328 or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;

(ii) the minimum price which may be paid for a share shall be 50p (exclusive of expenses);

(iii) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of:

a) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase; or

b) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 30 September 2020 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

13. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh EH2 2LL
28 May 2019

Registered Office
Bow Bells House
1 Bread Street
London EC4M 9HH

Notes:

(i) A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. If a member wishes to appoint more than one proxy, they should contact the Company's Registrars, Equiniti Limited, on 0371 384 2508 (charges for calling this number are determined by the caller's service provider. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday excluding bank holidays in England and Wales). The Equiniti overseas helpline number is +44 (0)121 415 7047.

(ii) A form of proxy for use by members is enclosed with the Annual Report. Completion and return of the form of proxy will not prevent any member from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, at the address stated thereon, so as to be received not less than 48 hours (excluding non-working days) before the time of the meeting.

(iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the meeting a member must first have his or her name entered in the Company's register of members at 6.30 p.m. on 2 July 2019 (or, in the event that the meeting is adjourned, at 6.30 p.m. on the day which is two business days before the time of the adjourned meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website: euroclear.com. 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.

(v) 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. 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 Company's Registrar (ID RA19) not less than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. 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 Application Host) from which the Company's Registrar 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.

(vi) 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 message. 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(s), 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.

(vii) 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.

(viii) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.

(ix) No Director has a service contract with the Company but copies of Directors' letters of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice and for at least 15 minutes prior to the meeting and during the meeting.

(x) As at close of business on 28 May 2019 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 30,304,580 Ordinary shares of 50p each and 50,000 Cumulative Preference shares of £1 each. Accordingly, the total number of voting rights in the Company as at 28 May 2019 is 30,354,580.

(xi) Any person holding 3% of the total 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 third party complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

(xii) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

(xiii) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditor's Report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address, and be sent to: the Company Secretary, Shires Income PLC, 1 George Street, Edinburgh EH2 2LL.

(xiv) Information regarding the meeting, including information required by Section 311A of the

Companies Act 2006, is available from the Company's website: shiresincome.co.uk.

(xv) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
   (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   (b) the answer has already been given on a website in the form of an answer to a question; or
   (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(xvi) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xvii) There are special arrangements for holders of shares through the Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report

Contact Addresses

Directors

Robert Talbut (Chairman)
Robin Archibald
Marian Glen
Andrew Robson

Registered Office

Bow Bells House
1 Bread Street
London EC4M 9HH

Company Secretary

Aberdeen Asset Management PLC
1 George Street
Edinburgh EH2 2LL

Alternative Investment Fund Manager

Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Investment Manager

Aberdeen Asset Managers Limited
1 George Street
Edinburgh EH2 2LL

Aberdeen Standard Customer Services Department, Children's Plan, Share Plan and ISA Enquiries

Aberdeen Standard Investment Trusts
PO Box 11020
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Essex CM99 2DB

Freephone: 0808 500 0040
(open Monday to Friday, 9.00 a.m. to 5.00 p.m. excluding public holidays in England and Wales)
Email: inv.trusts@aberdeenstandard.com

Company Registration Number

00386561 (England & Wales)

Website

shiresincome.co.uk

Registrar

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

Shareholder Helpline: 0371 384 2508*

(*Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday excluding bank holidays in England and Wales. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider.)

Overseas helpline number: +44 (0)121 415 7047

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Auditor

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Atria One
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Solicitors

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Legal Entity Identifier ("LEI")

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Visit us online
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