FIDELITY SPECIAL VALUES PLC
ANNUAL FINANCIAL REPORT, PROXY FORM AND ADDITIONAL DISCLOSURES
TO THE PRELIMINARY RESULTS FOR THE YEAR TO 31 AUGUST 2012

Further to the voluntary disclosure of the Company's annual results for the year ended 31 August 2012 by way of a preliminary announcement dated 7 November 2012, in accordance with the Disclosure and Transparency Rules ("the Rules") 4.1.3 and 6.3.5(2) this announcement contains the text of the preliminary announcement dated 7 November 2012 together with the additional text in compliance with the Rules.

The Company's annual report and financial statements for the year ended 31 August 2012 together with the accompanying proxy form have been submitted to the UK Listing Authority, and will shortly be available for inspection on the National Storage Mechanism (NSM):

www.hemscott.com/nsm.do

(Documents will usually be available for inspection within two business days of this notice being given)

The annual report and financial statements will shortly be available on the Company's website at
www.fidelity.co.uk/static/pdf/common/investment-trusts/special/specialannual-2012.pdf

Christopher Pirnie, FIL Investments International, Company Secretary - 01737 837 929
13 November 2012

FIDELITY SPECIAL VALUES PLC

Preliminary Announcement of Audited Results
For the year ended 31 August 2012

Chairman's Statement

RESULTS FOR THE YEAR ENDED 31 AUGUST 2012	
NAV:	**+15.0%**
SHARE PRICE:	**+9.2%**
BENCHMARK:	**+10.2%**
DIVIDEND:	**13.00p**

I have pleasure in presenting the Annual Report for Fidelity Special Values PLC.

CHANGE OF PORTFOLIO MANAGER
On 9 July 2012, the Board announced that Alex Wright had been appointed as Portfolio Manager of the Company, with effect from 1 September 2012. This reflected the Board's desire to take greater advantage of opportunities for capital growth available from dynamic smaller and mid-cap companies, as well as large companies. This is not a change of policy; it is a broadening of the opportunity set in which to find special value investments. The Company's performance will continue to be measured against both cash (over the long term) and the FTSE All-Share Index. Alex has demonstrated considerable success in smaller companies and across the broader market.

Alex has managed the Fidelity UK Smaller Companies Fund since its inception in February 2008, and since its launch, Alex has been the number one performing fund manager in his IMA peer group. Alex has also managed a pilot All Cap fund since May 2010, investing in large, medium and small cap companies. Since inception and to 31 August 2012 this fund had returned 40.9% versus a return of 23.7% for the FTSE All-Share Index (net).

Alex has a contrarian investment style, buying out-of-favour stocks with downside protection and unrecognised growth potential. This, combined with a search for value across the market capitalisation spectrum, makes his investment approach an ideal fit for the Company.

This change allows Sanjeev Shah to focus exclusively on his open-ended fund and the Board would like to thank him for his diligent management of the portfolio in what has been a particularly challenging period in equity markets. Over his tenure from 1 January 2008 to 31 August 2012, Sanjeev delivered a return of 13.0% for the NAV of the Company versus 7.9% for the FTSE All-Share Index (both on a total return basis).

PERFORMANCE

Throughout the Company’s financial year, the Company’s investments were managed by Sanjeev Shah.

The reporting year to 31 August 2012 has seen a marked improvement in the performance of Fidelity Special Values PLC with a Net Asset Value total return of +15.0% (compared to a total return of +10.2% from the FTSE All-Share Index). The five year total return is +9.9%, broadly matching the FTSE All-Share Index total return of +9.5% for the same period. Discounts widened over the period, so the share price return was +9.2% and -0.1% over one and five years respectively.

Sentiment and market direction during the year to end of August 2012 was driven by the ongoing sovereign debt crisis in Europe and macroeconomic data in China and the US. UK equities corrected sharply at the beginning of the Company’s financial year as investors became increasingly concerned over a possible break-up of the Eurozone.

We saw a significant improvement in sentiment at the end of 2011 thanks to improving US economic data and the European Central Bank’s long term refinancing operation (“LTRO”) announcement. Equities continued to rally well into March before correcting sharply on renewed fears of a Greek exit from the Eurozone and a slowdown in global growth.

More recently, we witnessed a significant increase in policymaker commitment to do ‘whatever it takes’ to keep the Eurozone together, to which markets reacted positively thinking that the risk of a Eurozone break-up had abated, at least in the medium term. However, sentiment continues to ebb and flow, so the outcome remains uncertain.

While the UK equity market continues to be overshadowed by macroeconomic and political news, we have begun to see a renewed focus on company fundamentals during the Company’s year which was reflected in the Company’s improved performance.

Throughout the year, Sanjeev took advantage of market volatility to increase exposure to unloved areas of the market which he felt were undervalued. This included banks, housebuilders and retailers. The Company benefited from a significant pick-up in merger and acquisition activity over the period, with corporate buyers recognising the value Sanjeev identified in Logica and Aegis amongst others. In addition the turnaround opportunities that Sanjeev identified across a variety of different sectors have started to deliver.

Year to 31 August **NAV and Index total return %**	**2012**	**2011**	**2010**	**2009**	**2008**	**5 years**
Fidelity Special Values PLC	+15.0	-4.1	+1.3	+9.0	-9.8	+9.9
FTSE All-Share Index	+10.2	+7.3	+10.6	-8.2	-8.7	+9.5
Difference	+4.8	-11.4	-9.3	+17.2	-1.1	+0.4

OUTLOOK

Recent actions by central banks across the globe initially contributed to a more positive outlook for equity markets generally and the future of the Eurozone more specifically. That said, the Eurozone crisis is clearly far from being solved, concerns remain over growth in China and the US fiscal cliff (as a result of the introduction of the terms of the Budget Control Act 2011 coming into effect at the end of 2012) is approaching. Markets are likely to remain volatile in the near term as a result, but such volatility will continue to present opportunities to identify companies whose value is not fully appreciated by the market.

OTHER MATTERS

Other relevant matters are detailed below.

Discount

The Board is very mindful of the importance of the level of discount to our Shareholders and we have conducted a number of share repurchases during the year to help prevent the discount from widening further. The Board will continue to monitor this closely and will consider taking further action where we feel it to be effective.

Gearing

The Board believes that using Contracts For Difference for gearing purposes continues to provide more flexibility for the Company's needs at a much lower cost than traditional bank debt.

Dividend

The Board has decided to recommend a final dividend of 13.00 pence per share for the year ended 31 August 2012, an increase of 15.6% over the 11.25 pence paid for the year ended 31 August 2011. This dividend will be payable on 17 December 2012 to Shareholders on the register at close of business on 16 November 2012 (ex-dividend date 14 November 2012).

Board of Directors

It is my belief that the Board has the relevant skills and experience to serve the Company well into the future. In common with our practice since 2004, all Directors are subject to annual re-election and their biographical details are included in the Annual Report to assist Shareholders when considering their votes.

Retail Distribution Review ("RDR")

With effect from 31 December 2012, independent financial advisers will be required to offer advice to investors after considering a full range of investment options. Commission for advice will not be payable and fees will have to be agreed with the client rather than commission based payments being used.

RDR should open up the opportunity to a greater number of private investors to invest in investment trusts when these have not been considered previously due in part to lack of commission, limited availability of investment trusts on fund platforms and less understanding within the IFA industry.

The Annual General Meeting: Thursday 13 December 2012 at 11.00am

The Annual General Meeting will be held at Fidelity's offices at 25 Cannon Street, London EC4M 5TA (St Paul's or Mansion House tube stations) on Thursday 13 December 2012 at 11.00am.

It is the most important meeting that we, the Directors of your Company, have each year. Alex Wright, the newly appointed Portfolio Manager, will be making a presentation to Shareholders. We urge as many of you as possible to come and join us for this occasion.

Lynn Ruddick
Chairman
6 November 2012

MANAGER'S REVIEW
INTRODUCTION

The Company's performance in financial year 2012 was encouraging. The stock market environment remained challenging with equities experiencing heightened volatility, but significant policy responses in major economies, including the UK, did help to restore some confidence by the end of the period. Over the same period, I am pleased to report that the NAV of the Company rose by 15.0% (total return basis).

I explain the contributors to this and the reasoning underpinning my portfolio construction in the Portfolio Review which follows.

MARKET REVIEW

Firstly I will address the UK.

- The UK economy remained weak over the period; GDP fell 0.5% during the second quarter of 2012, and has been shrinking for three consecutive quarters, marking the country's second recession in four years.

- Inflation is on a downward trend with the annual CPI figure declining in 9 out of the 12 months as the weak economy pushed prices down; at the end of August 2012, CPI stood at 2.5%, down from 4.5% at the end of August 2011.

- The Bank of England ("BoE") increased its quantitative easing ("QE") programme to £375 billion in three steps but kept interest rates unchanged throughout the year at a level of 0.5%.

- The UK market rose during the 12 month period, as policymakers around the world announced measures to revive global economic growth. In the Eurozone, authorities declared their commitment to do 'whatever it takes' to resolve the fallout from the credit crisis, which temporarily helped to ease growing concerns about the break up of the Eurozone.

The Company's financial year ending on 31 August 2012 was marked by high levels of volatility and shifts in investor sentiment. After a poor start to the year, markets rallied sharply into the New Year, before falling sharply in April and May, and then recovered into the Company's financial year end.

Equities fell sharply at the start of the period amidst growing concerns about the global economic outlook as rating agency Standard & Poor's lowered the US long term credit rating and kept the country's outlook at "negative". The newsflow from Europe was also largely negative, renewing concern that the region's sovereign debt crisis may spread to its core. These problems brought about a change of leadership in Greece and Italy, two of Europe's most indebted countries, whilst efforts to reach a consensus on relief measures seemed still some way off.

The downbeat sentiment improved after the US Federal Reserve and other major central banks took coordinated action to ease funding for European lenders. Eurozone finance ministers agreed to bail out debt-stricken Greece, and with US economic data showing improvement and the BoE extending its QE programme by another £50 billion in February, the benchmark FTSE All-Share Index was up by 10.3% at the time of the Company's Half-Yearly report at the end of February 2012. At a broad sector level, industrials, oil & gas and consumer goods were among the leaders, while financials — led by banks — started their recovery, helped by the turn in the liquidity cycle.

In April, Eurozone debt concerns came back into focus as restructuring plans for Greece hit political roadblocks. In the UK, a downward revision in GDP growth for the fourth quarter of 2011 led to renewed worries about the strength of the economic recovery. These events combined with weakening global economic data led to heavy selling pressure in April and May, when the FTSE All-Share Index fell over 7% over these two months alone. Encouragingly, these concerns were addressed through significant policy responses from global central banks, including interest rate cuts in China and Europe, and a further increase of £50 billion in its QE target by the BoE, which took its total bond purchase target to £375 billion. In Europe, worries about a breakup of the Eurozone subsided to a large extent after authorities approved several measures to recapitalise banking systems in troubled countries.

Overall, the improving sentiment was reflected at a sector level, with most recording positive returns. Industrials, consumer goods and utilities led the way as companies with proven ability to withstand tough economic conditions as well as those with strong growth potential emerged as winners. Mining companies lagged the broader market, as signs of a slowdown in Chinese economy led to a weak demand outlook.

PORTFOLIO REVIEW

Performance this year has been encouraging, especially in the context of the previous financial year's returns. The deviation of performance from that of the benchmark, in both directions, is a reflection of my long term, contrarian, value driven approach. My style of investing means that I tend to be underweight those areas of the market that are both most expensive and most widely-owned by other fund managers. In calendar year 2011, share prices were driven by common risk factors, such as the Eurozone crisis, and my value driven approach underperformed a more growth-orientated style. While macroeconomic news continues to dominate, there have been signs in 2012 of a renewed focus on company fundamentals. This has helped my bottom-up stockpicking approach.

The portfolio has benefited from increased recognition of a number of "turnaround" situations where a strong underlying franchise is supported by one or more of: new management; attractive valuation; a robust balance sheet; and a lack of interest from other investors. Examples include QinetiQ (defence), Ladbrokes (gaming) and ITV (media), which have been among the top contributors to performance this year.

The Company's performance this year has also been supported by a number of takeover bids, including those for Logica (IT services), Psion (IT), Cable & Wireless Worldwide (telecoms) and Aegis (media). It is encouraging that corporate buyers are also recognising the value that I have identified in a number of stocks.

I continued to be attracted by selective companies exposed to the stabilising housing market, where transactions have been low versus history. As these begin to normalise, I expect higher volumes and the scope for margin improvement for companies such as Redrow (home construction), which has also been the subject of corporate interest and is attractively priced. The position in Wolseley, a builders' merchant, was a key contributor to performance as investors recognised its balance sheet strength and turnaround in the housing market in the US, which has led to a brighter earnings outlook.

Despite strong performance in calendar year 2012 to date, several of our key holdings in the financials sector detracted from performance over the year as a whole. Names such as Lloyds Banking Group and Royal Bank of Scotland fell sharply in the first part of the Company's financial year on concerns over their sovereign debt exposure before rebounding somewhat
since the turn of the calendar year. I have maintained a strong preference for retail and corporate banking franchises, where my analysis suggests fair values are in some cases well above today's share prices.

I largely avoided consumer staples such as food and tobacco stocks, which look expensive and over-owned by other investors. In both of these sectors, as well as chemicals, margins and returns on equity are at multi year highs. However, the underweight in these areas did not support relative performance in a highly uncertain environment as investors largely focused on the defensive nature of these holdings. Some of my positions in the technology hardware segment also failed to perform in line with expectations owing to growth concerns. In particular, wireless network provider Ericsson declined as increasing competition in Europe and delays in network upgrades in the US impacted earnings.

Another feature of the market in the past couple of years has been a convergence of the valuations of high and low quality growth companies. Where I was able to find growth at a reasonable price, I increased exposure to shares such as Reed Elsevier, Pearson and GlaxoSmithKline. Reed Elsevier, for example, has benefited from a change of management, owns a unique set of assets and is improving its operating performance. Despite this it trades on an attractive multiple of just 10 times expected earnings.

During the year I continued to make use of three main derivative strategies but these remain a small part of the portfolio. Firstly, I bought long Contracts For Difference ("CFDs") to achieve additional gearing within the Company as a cheaper alternative to borrowing additional funds. These operate in the same way as regular borrowing and serve to increase or 'gear' the performance of the underlying share prices in both directions. Secondly, I used short CFDs to take advantage of certain stocks which I believed were overvalued and were likely to fall in price. Finally, I used Index option strategies on the FTSE 100 Index to take advantage of periods where I considered the market as a whole to be over or undervalued. These strategies added a small amount of positive return to the Company.

I remain positive on the outlook for equities and expect shares to continue to climb the wall of worry for the remainder of this calendar year. As of September, Alex Wright took over management of the portfolio and I wish him every success.

Sanjeev Shah
FIL Investments International
6 November 2012

Introduction to the new Portfolio Manager
I joined Fidelity in 2001 as an analyst. After covering a range of Pan-European sectors, I launched the Fidelity UK Smaller Companies Fund in February 2008 and managed a pilot UK all capitalisation fund from May 2010. I took over portfolio management of Fidelity Special Values PLC from 1 September 2012 and will manage it as an all capitalisation fund.

KEY INVESTMENT PRINCIPLES
I am very much a bottom-up stock picker who believes that the market inefficiently prices companies going through a period of change. I also believe that smaller and medium sized companies generally offer outperformance potential due to the lower level of analyst coverage on these companies. The Company will have a bias towards these small and medium sized companies although investment will be across the market as a whole.

I seek to invest in companies where I believe further downside is limited. These will usually be companies that have underperformed, but that have some form of asset or characteristic that gives their share price downside protection. Typically there is one or more of five key elements that are assessed to decide the security of a company's valuation. These include hard assets; for example, property or other tangible assets; cash on the balance sheet; franchise protection; for example, high barriers to entry; low institutional ownership/ high short interest; and low relative valuations versus history.

As well as downside protection, I look for companies with growth options that are unrecognised by the market. If the market begins to change its perception of the company, its share price will often move sharply higher. There should be the prospect of an event or events that materially changes the earnings power of the business and which is not currently priced into valuations. Examples of such events include a change in the competitor landscape, a structural change in market demand, a new product line or expansion into new business areas.

These elements should combine to create a portfolio with an asymmetric risk profile and a bias towards value stocks. By building a portfolio of stocks across different stages of their recovery process, the intention is to deliver outperformance across the market cycle

OUTLOOK
Small and very large companies are currently trading at significant discounts to long term averages. These bargain valuations reflect the high degree of uncertainty in the current macroeconomic environment. My contrarian investment approach leads me to be positive when others are most

negative. Cheap valuations coupled with low and declining broker coverage among medium sized and smaller companies create an environment where active stock picking can add value and provide investors with positive returns.

Additionally, strong balance sheets and record low interest rates are encouraging large companies to make acquisitions. Weak economic growth has meant it is harder for companies to grow organically, so they are more inclined towards acquiring smaller companies in attractive niches with stronger growth prospects.

The Company is well placed to benefit from this trend and has significant exposure to potential acquisition targets.

Since my appointment as Portfolio Manager, I have increased the Company’s exposure to medium sized and smaller stocks. Before my appointment, around 15% of the Company’s assets were invested in companies with a market capitalisation of less than £1 billion. This is now closer to 35%. I have added a selection of new positions in medium and smaller companies, including healthcare outsourcer United Drug, fuel distributor DCC and retailer Mothercare. In terms of sector weightings, Sanjeev and I will usually have in common a preference for the most disliked and undervalued sectors in the market. However, one change at a sector level is my reduced exposure to banks, where I struggle to find a good degree of the downside risk protection that underpins my investment strategy.

Alex Wright
Portfolio Manager
6 November 2012

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT
The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the internal controls process, identifies the key risks that the Company faces. The matrix has identified strategic, marketing, investment management, company secretarial and othersupport function risks. The Board reviews and agrees policies for managing these risks. The process is regularly reviewed by the Board in accordance with the Financial Reporting Council’s (“FRC’s“) “Internal Control: Revised Guidance for Directors”. Risks are identified, introduced and graded. This process, together with the policies and procedures for the mitigation of risks, is updated and reviewed regularly in the form of comprehensive internal controls reports considered by the Audit Committee. The Board also determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives. The Board’s approach to risks is embedded in the Company’s investment objectives and investment policy in the Annual Report.

EXTERNAL RISKS

MARKET RISK
The Company’s assets consist mainly of listed securities and the principal risks are therefore market related such as market recessions, interest rate movements, deflation/inflation, terrorism and protectionism.

Risks to which the Company is exposed and which form part of the market risks category are included in Note 16 to the financial statements in the Annual Report together with summaries of the policies for managing these risks. These are: market price risk (which comprise other price risk, interest rate risk and foreign currency risk); liquidity risk; counterparty risk; credit risk; and derivative instruments risk.

Long CFDs are currently used for gearing purposes. In addition a day-to-day overdraft facility can be used if required. The impact of limited finance from counterparties has not impacted the Company to date, however there are alternative suppliers available in the market place should the need arise.

The Company relies on a number of main service providers, namely the Manager, Registrar and Custodian. The Manager is the member of a privately owned group of companies on which a regular report is provided to the Board. The Manager, Registrar and Custodian are subject to regular audits by Fidelity's internal audit team and the counterparties' own internal controls reports are received by the Board and any concerns investigated.

SHARE PRICE RISK
Although it is usually the case that the longer a share is owned the less the risk of losing money, share prices are volatile and for the short term Shareholder, likely to want to sell in the near future, volatility is a risk. The Board does not regard volatility as a significant risk for the long term Shareholder.

DISCOUNT RISK
The Board cannot control the discount at which the Company's share price trades to net asset value. However, it can influence this through its share repurchase policy and through creating demand for shares through good performance and an active investor relations programme.

INTERNAL RISKS

INVESTMENT MANAGEMENT
The Board relies on the Manager's skills and judgement to make investment decisions based on research and analysis of individual stocks and sectors. The Board reviews the performance of the asset value of the portfolio against the Company's benchmark and competitors and the outlook for the market with the Manager at each Board meeting. The emphasis is on long term investment performance and the Board accepts that by targeting long term results the Company risks volatility in the shorter term.

GOVERNANCE, OPERATIONAL, FINANCIAL, COMPLIANCE, ADMINISTRATION ETC
While it is believed that the likelihood of poor governance, compliance and operational administration by other third party service providers is low, the financial consequences could be serious, including the associated reputational damage to the Company. Your Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Details of this process are provided in the Corporate Governance Statement within this Annual Report.

Related Parties
Nicky McCabe is Chief Operating Officer of Moonray Investors, a division of FIL Limited Group.
Nicky McCabe has waived her entitlement to Director's fees.
No Director has a contract of service with the Company and no contracts existed during or at the end of the financial period in which any Director was materially interested and which were significant in relation to the Company's business, except as disclosed in relation to Nicky McCabe's interests in the Management Agreement. There have been no other related party transactions requiring disclosure under Financial Reporting Standard ("FRS") 8.
The interests of the Directors and FIL Limited in the ordinary shares of the Company as at 31 August 2012 and 31 August 2011 are shown in the Annual Report.

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. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice.

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 for the period.

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

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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 ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors have delegated the responsibility for the maintenance and integrity of the corporate and financial information included on the Company's pages of the Manager's website www.fidelity.co.uk/its to the Manager. 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, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and the Directors' Report includes 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 it faces.

Approved by the Board on 6 November 2012 and signed on its behalf by
Lynn Ruddick

Chairman

Enquiries:

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Income Statement for the year ended 31 August 2012

	2012			2011		
	revenue £'000	**capital £'000**	**total £'000**	**revenue £'000**	**capital £'000**	**total £'000**
Gains/(losses) on investments designated at fair value through profit or loss	-	35,457	35,457	-	(17,846)	(17,846)
Gains/(losses) on long CFDs held at fair value through profit or loss	-	557	557	-	(6,642)	(6,642)

Gains on options and short CFDs held at fair value through profit or loss	-	36	36	-	5,147	5,147
UK dividends	9,513	-	9,513	4,413	-	4,413
UK scrip dividends	908	-	908	5,499	-	5,499
Overseas dividends	857	-	857	178	-	178
Income form REIT investments	92	-	92	481	-	481
Interest received on short CFDs	42	-	42	41	-	41
Dividends received on long CFDs	447	-	447	727	-	727
Deposit interest	66	-	66	57	-	57
Interest paid on long CFDs	(341)	-	(341)	(452)	-	(452)
Dividends paid on short CFDs	(502)	-	(502)	(427)	-	(427)
Investment management fee	(3,412)	-	(3,412)	(3,711)	-	(3,711)
Other expenses	(547)	-	(547)	(562)	-	(562)
Exchange (losses)/gains on other net assets	-	(117)	(117)	1	(67)	(66)
Net return/(loss) on ordinary activities before taxation	**7,123**	**35,933**	**43,056**	**6,245**	**(19,408)**	**(13,163)**
Taxation on return/(loss) on ordinary activities(1)	228	-	228	250	-	250
Net return/(loss) on ordinary activities after taxation for the year	**7,351**	**35,933**	**43,284**	**6,495**	**(19,408)**	**(12,913)**
Return/(loss) per ordinary share	**13.25p**	**64.78p**	**78.03p**	**11.43p**	**(34.17p)**	**(22.74p)**

(1) This relates to overseas taxation only.

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement.

The total column of the Income Statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

Balance Sheet as at 31 August 2012

	2012 £'000	2011 £'000
Fixed assets		
Investments designated at fair value through profit or loss	326,618	301,931
Current assets		
Derivative assets held at fair value through profit or loss	3,839	1,553
Debtors	5,247	3,077
Amounts held at futures clearing houses and brokers	1,236	5,359
Cash at bank	8,451	7,716

	18,773	17,705
Creditors – amounts falling due within one year		
Derivative liabilities held at fair value through profit or loss	(5,115)	(4,881)
Other creditors	(1,652)	(2,234)
	(6,767)	(7,115)
Net current assets	**12,006**	**10,590**
Total net assets	**338,624**	**312,521**
Capital and reserves		
Share capital	13,594	14,131
Share premium account	95,767	95,767
Capital redemption reserve	3,194	2,657
Other non-distributable reserve	5,152	5,152
Capital reserve	212,058	186,987
Revenue reserve	8,859	7,827
Total equity Shareholders' funds	**338,624**	**312,521**
Net asset value per ordinary share	**622.71p**	**552.85p**

Reconciliation of Movements in Shareholders' Funds for the year ended 31 August 2012

	share capital £'000	share premium account £'000	capital redemption reserve £'000	other non-distributable reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
Opening Shareholders' funds: 1 September 2010	**14,234**	**95,767**	**2,554**	**5,152**	**208,765**	**7,311**	**333,783**
Repurchase of ordinary shares	(103)	-	103	-	(2,370)	-	(2,370)
Net (loss)/return on ordinary activities after taxation for the year	-	-	-	-	(19,408)	6,495	(12,913)
Dividend paid to Shareholders	-	-	-	-	-	(5,979)	(5,979)
Closing Shareholders' funds: 31 August 2011	**14,131**	**95,767**	**2,657**	**5,152**	**186,987**	**7,827**	**312,521**
Repurchase of ordinary shares	(537)	-	537	-	(10,862)	-	(10,862)
Net return on ordinary activities after taxation for the year	-	-	-	-	35,933	7,351	43,284
Dividend paid to Shareholders	-	-	-	-	-	(6,319)	(6,319)
Closing Shareholders' funds: 31 August 2012	**13,594**	**95,767**	**3,194**	**5,152**	**212,058**	**8,859**	**338,624**

Cash Flow Statement for the year ended 31 August 2012

	2012 £'000	2011 £'000
Operating activities		
Investment income received	10,480	4,093
Net derivative expenses	(354)	(54)
Deposit interest received	67	57
Investment management fee paid	(4,325)	(2,790)
Directors' fees paid	(160)	(121)
Other cash payments	(666)	(367)
Net cash inflow from operating activities	**5,042**	**818**
Taxation		
Overseas taxation recovered	249	290
Taxation recovered	**249**	**290**
Financial investment		
Purchase of investments	(147,520)	(197,893)
Disposal of investments	157,186	204,937
Net cash inflow from financial investment	**9,666**	**7,044**
Derivative activities		
Premium paid on options	(281)	(810)
Premium received on options	263	2,134
Payments on CFDs	(1,441)	(1,676)
Movements on amounts held at futures clearing houses and brokers	4,123	(2,889)
Net cash inflow/(outflow) from derivative activities	**2,664**	**(3,241)**
Dividend paid to Shareholders	**(6,319)**	**(5,979)**
Net cash inflow/(outflow) before financing	**11,302**	**(1,068)**
Financing		
Repurchase of ordinary shares	(10,450)	(2,370)
Net cash outflow from financing	**(10,450)**	**(2,370)**
Increase/(decrease) in cash	**852**	**(3,438)**

The above statements have been prepared on the basis of the accounting policies as set out in the annual financial statements to 31 August 2012. This preliminary statement, which has been agreed with the Auditor, was approved by the Board on 6 November 2012. It is not the Company's statutory financial statements. The statutory financial statements for the financial year ended 31 August 2011 have been delivered to the Registrar of Companies. The statutory financial statements for the financial year ended 31 August 2012 have been approved and audited but have not yet been filed. The statutory financial statements for the financial years ended 31 August 2011 and 31 August 2012 received unqualified audit reports, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) and (3) of the Companies Act 2006. The annual report and financial statements will be posted to shareholders as soon as is practicable and in any event no later than 13 November 2012.