MID WYND INTERNATIONAL INVESTMENT TRUST PLC

Annual Report and Financial Statements
30 June 2013

BAILLIE GIFFORD

Mid Wynd's objective is to achieve capital and income growth by investing on a worldwide basis.

Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your ordinary shares in Mid Wynd International Investment Trust PLC, please forward this document, together with any accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Company Data
at 30 June 2013

Total assets (before deduction of bank loans)	**£71.9m**
Shareholders' funds	**£66.8m**
Market capitalisation	**£67.7m**

Company Summary

Investment Policy
Mid Wynd seeks to meet its objective of achieving capital and income growth through investment principally in a portfolio of international quoted equities.

Further details of the Company's investment policy are given in the Directors' Report.

Company History
Mid Wynd can trace its origins to a Dundee based textile business operated by successive generations of the Scott family since 1797, when premises were first purchased for the business in the lane or 'wynd' from which the Company takes its name. Mid Wynd obtained a listing of its share capital on the London Stock Exchange in October 1981 and has, since that time, conducted its business as an investment trust company.

Comparative Index
The principal index against which performance is measured is the FTSE World Index in sterling terms.

Management Details
Baillie Gifford & Co are appointed as investment managers and secretaries to the Company. The management contract can be terminated at twelve months' notice.

Management Fee
Baillie Gifford & Co's annual remuneration is 0.50% of the net assets of the Company attributable to its shareholders, calculated on a quarterly basis.

Capital Structure
At the year end the Company's share capital consisted of 26,863,830 ordinary shares of 5p each, of which 26,363,830 are allotted and fully paid and 500,000 are held in treasury. The Company has been granted authority to buy back and issue a limited number of its own ordinary shares.

AIC
The Company is a member of the Association of Investment Companies.

Savings Vehicles
Mid Wynd shares can be held through a variety of savings vehicles (see page 51 for details).

Notes
None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the UK Listing Authority. They are not authorised or regulated by the Financial Conduct Authority.

Year's Summary

	30 June 2013	30 June 2012	% change
Total assets (before deduction of bank loans)	£71.9m	£66.7m	
Bank loans	£5.1m	£4.9m	
Shareholders' funds	£66.8m	£61.8m	
Net asset value per ordinary share (after deducting borrowings at fair value)	253.1p	229.8p	10.1
Net asset value per ordinary share (after deducting borrowings at par)	253.3p	230.2p	10.0
Share price†	256.6p	230.8p	11.2
FTSE All-Share Index	3,289.7	2,891.5	13.8
FTSE World Index (in sterling terms)	403.8	339.7	18.9
Dividends paid and proposed*	3.40p	3.30p	3.0
Revenue return per ordinary share	3.11p	2.93p	6.1
Ongoing charges	0.88%	0.87%	
Premium (after deducting borrowings at fair value)	1.4%	0.4%	
Premium (after deducting borrowings at par)	1.3%	0.3%	

Year to 30 June	2013	2013	2012	2012
Year's high and low	**High**	**Low**	**High**	**Low**
Share price†	266.0p	221.5p	255.0p	214.1p
Net asset value (after deducting borrowings at fair value)	271.7p	223.2p	255.8p	211.9p
Net asset value (after deducting borrowings at par)	272.0p	223.6p	255.8p	211.9p
Premium/(discount) (after deducting borrowings at fair value)	5.8%	(4.6%)	7.8%	(3.8%)
Premium/(discount) (after deducting borrowings at par)	5.6%	(4.7%)	7.6%	(3.8%)

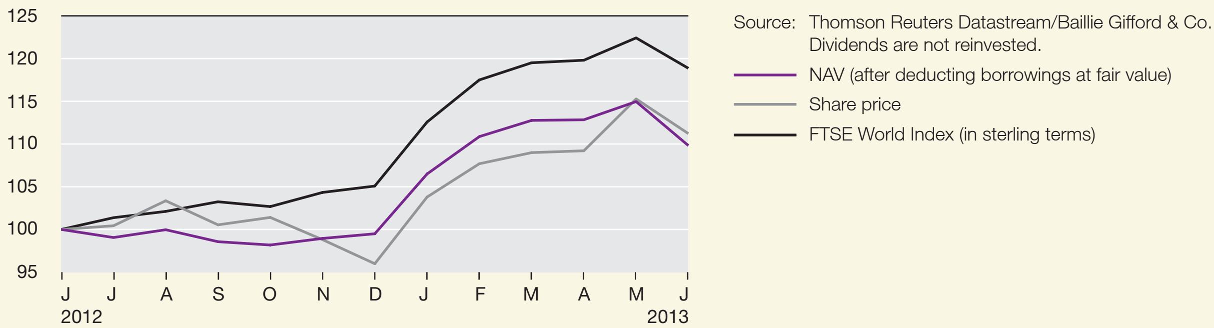
	30 June 2013	30 June 2012
Total return per ordinary share		
Revenue return	3.11p	2.93p
Capital return	23.43p	(20.88p)
Total	**26.54p**	**(17.95p)**

† At mid market price.

* The recommended final dividend for the year to 30 June 2013 of 2.10p will be paid on 11 October 2013 to shareholders on the register at the close of business on 6 September 2013. The ex-dividend date is 4 September 2013. The Company's Registrars offer a Dividend Reinvestment Plan (see page 50) and the final date for receipt of elections for this dividend is 20 September 2013.

One Year Performance

(figures rebased to 100 at 30 June 2012)



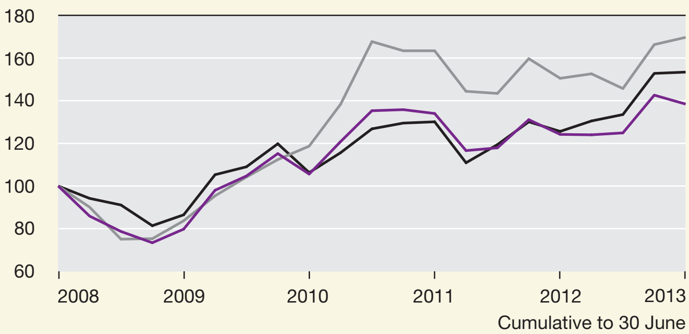
Past performance is not a guide to future performance.

Five Year Summary

The following charts indicate how an investment in Mid Wynd has performed relative to its comparative index and its underlying net asset value over the five year period to 30 June 2013.

Five Year Total Return Performance

(figures rebased to 100 at 30 June 2008)



Source: Thomson Reuters Datastream.

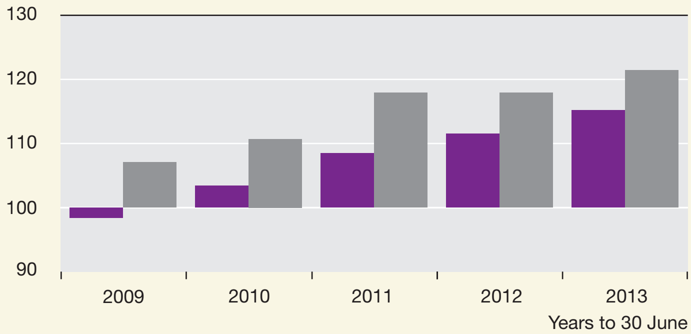
NAV (fair) total return

Share price total return

FTSE World Index (in sterling terms) total return

Dividend and RPI Growth

(figures rebased to 100 at 30 June 2008)

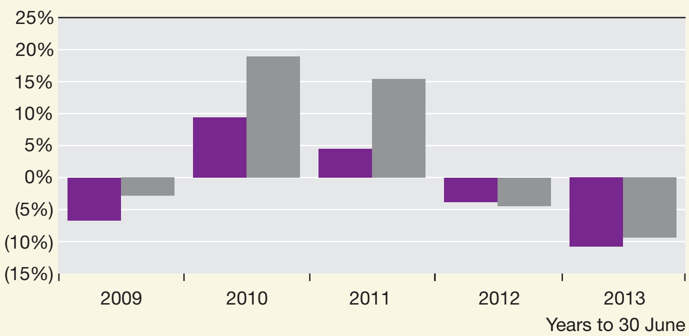


Source: Thomson Reuters Datastream/Baillie Gifford & Co.

RPI

Mid Wynd's dividend

Annual Share Price Total Return and NAV Total Return (relative to the FTSE World Index Total Return in sterling terms)



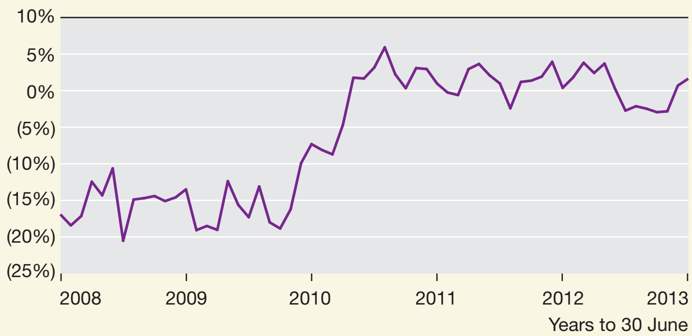
Source: Thomson Reuters Datastream/Baillie Gifford & Co.

NAV (fair) total return

Share price (total return)

Premium/(discount) to Net Asset Value

(plotted on a monthly basis)



Source: Thomson Reuters Datastream.

Mid Wynd premium/(discount)

The premium/(discount) is the difference between Mid Wynd's quoted share price and its underlying net asset value (at fair).

Past performance is not a guide to future performance.

Chairman's Statement

Richard Burns, Chairman

Performance

The year to 30 June 2013 was a disappointing one for Mid Wynd despite shareholders' funds at 30 June 2013 being at a record year end high. Net Asset Value (NAV) per share increased by 10.1% and the share price by 11.2% while the FTSE World Index rose by 18.9% in sterling terms. Following 2011/12, when markets fell modestly as did the Company's net asset value, we have encountered a different challenge in 2012/13: a year when markets rose significantly but the Company's position was designed more to insure against their falling. This held us back particularly in the first half of our year when Mr Draghi's statement that the ECB would do 'whatever it takes' to maintain order in the Eurozone and related actions added to the significant stimulus provided by the Federal Reserve in America. Now that similar stimulatory measures have been announced in Japan under Prime Minister Abe, developed world central banks are effectively easing monetary conditions in a concerted way that has not previously been attempted. As Dallas Fed Governor Richard Fisher has said in relation to quantitative easing, these are 'uncharted waters'.

Asset prices have responded vigorously. Animal spirits have been lifted, primarily in stock markets but to some extent also in the real world. Yields on bonds and cash have declined even further from already exceptionally low levels and a global hunt for yield has had a major influence both on and within equity markets. The progress of economies and corporate profits has been buoyed by central bank action without, as yet, any adverse consequences for the rate of inflation. The question of the long term effect of market-distorting actions sits alongside the equally important issues of how long current exceptional policies will last and how they will eventually end.

The Company's derivatives-based insurance policy against falling markets materially affected performance in the six months to December 2012 and unfortunately this coincided with a lacklustre spell for stock-picking; in the six months to December 2012 the NAV per share fell by 0.5% while the FTSE World Index rose by 5.1%. In the second half of the year, after the derivatives policy was discontinued in early December 2012, equity market exposure has been allowed to run at around the level of shareholders' funds and our relative returns have been less bad; in the six months to end June 2013 NAV per share rose by 10.6% while the Index increase was 13.1%. However, although we have had some notable individual successes, as highlighted in the Managers' Portfolio Review, we still lagged the Index and the overall outcome for the year, as noted above, was disappointing.

Mid Wynd makes no attempt to mimic any indices. A geographically diverse portfolio has served us well in most conditions over the years, though badly over the last two years when the largest index constituent, the US stock market, has consistently outpaced everything else and again now comprises well over half of globally quoted equities by market capitalisation.

Earnings and dividend

The revenue return of 3.1p represents a recovery in earnings compared to the previous year and current earnings forecast for this year suggest a further significant increase. A final dividend of 2.1p will be recommended making a full year total of 3.4p. The portfolio combines a substantial cohort of young, fast growing companies with significant opportunities to deploy their cash generation internally with those which are thriving but have better scope to pay out earnings as dividends. In the latter camp, among newer holdings, fall Sarin Technologies, a Singapore based diamond cutting technology company, Eastern Tobacco, the unloved Egyptian tobacco monopoly and Ulker Biskuvi Sanayi, a Turkish confectionery business. East African Breweries has become quite a large holding and offers a healthy dividend yield. Our companies have in many cases significantly increased pay-outs. Seadrill is a case in point, as is Fuchs Petrolub, and Kone has again paid out a special dividend. Marine Harvest, previously a large dividend payer, has just announced a return to regular quarterly dividends. There is also a new holding in short dated dollar bonds issued by Avangardco, a highly profitable and well capitalised egg producer, which partly offsets the reduction in income resulting from the sale of the soon to mature high yielding hurricane bond issued by Everglades Re.

Share buy backs and issuance

Mid Wynd is distinctive in providing liquidity by offering routine buy backs or issuance either side of a 2% band relative to NAV. Some buy backs have occurred over the course of the year since this policy was instigated, although for much of the time our shares have traded at a modest premium to NAV. The Board hopes that this mechanism will come to be appreciated by the market as a way of ensuring that sizeable buyers and sellers can be accommodated in a manner that would not otherwise occur.

AGM

The AGM is to be held in Baillie Gifford's office in Edinburgh on 7 October 2013 at midday. Our Manager, Michael MacPhee, will make a short presentation and the Directors hope that you might be able to attend.

Outlook

Equities are an investment in human ingenuity. Companies are living organisms that adapt to survive and thrive. These attributes make equities superior ways of preserving and enhancing savings over time and differentiate them from the great majority of competing investment opportunities. Arguably these qualities are most valuable in times of uncertainty and change and during a period when ingenuity appears to be both in the ascendancy and often available in the stock market.

Past performance is not a guide to future performance.

At the heart of today's economic uncertainty lies debt. Debt is only a problem when perceptions make it one and behaviour alters accordingly. Levels of developed world debts are excessive and constrictive when viewed through this prism. Those afflicted include governments, banking systems (worse in Europe than elsewhere) and individuals. The quandary with regard to individuals is nuanced. Part of it is that promises relating to future welfare seem unlikely to be met. Living standards are falling in many places and inequality of living standards within our societies has become extreme to a degree that potentially poses a challenge to the fabric of our way of life. Taxation is likely to rise to meet this challenge. Companies are in a relatively strong position. Governments are torn between trying to tax them more while still competing to win their favours and the jobs they generate.

If these arguments are structural and long term in nature it is because it is difficult to offer insights into the shorter term. Fears persist that central banks have moved beyond the business of providing liquidity towards that of turning water into wine. We cannot envisage what sort of hangover, if any, this may ultimately leave. Answers to questions about quantitative easing remain for the moment elusive and tentative. That they are important is not in doubt as recent ructions following discussions of Fed 'tapering' or the possible reduction of support measures demonstrate. The direction of travel for developed economies appears to be positive at the margin, though the developing world is slowing down. The world of currencies has been febrile. Should overall stability persist for a while longer we may see the one large group, companies, with the potential to make a difference start to do so. Will companies become more optimistic? Money is cheap and their free cash flows are plentiful. They are searching for reasons to invest more. Typically, such a search eventually results in action.

Mid Wynd's success over time has come from picking good stocks. The Managers' Portfolio Review focuses on our larger holdings for this reason and provides no shortage of reasons to be hopeful that the future will bring us more of what we have enjoyed in the past – worthwhile real returns achieved in a way that bears little resemblance to any index.

Richard RJ Burns
16 August 2013

Directors and Management

The Directors of the Company have many years' experience of investment trusts and professional services. Baillie Gifford & Co, a leading UK investment management firm, have acted as Managers and Secretaries to the Company since it listed on the London Stock Exchange in 1981.

Directors

Richard Burns became a Director of the Company at the time of the listing of its shares in 1981 and became Chairman on 30 June 2012. He qualified as a solicitor in 1971 and he joined Baillie Gifford in 1973 as a trainee investment manager, becoming a partner in 1977 and was joint senior partner from 1999 until his retiral in April 2006. He is a director of EP Global Opportunities Trust PLC, Standard Life Equity Income Trust PLC, The Bankers Investment Trust PLC, JPMorgan Indian Investment Trust plc and is a trustee of the National Galleries of Scotland.

Russell Napier became a Director of the Company in 2009 and Chairman of the Audit Committee shortly thereafter. He joined Baillie Gifford in 1989 managing funds in the Japanese, US and, finally, Asian markets. He managed Asian portfolios for Foreign & Colonial Emerging Markets from 1994 and in 1995 became Asian equity strategist for stockbrokers CLSA in Hong Kong. Since 1999 he has been a consultant global macro strategist with CLSA Asia-Pacific markets. He is the author of 'Anatomy of a Bear – Lessons from Wall Street's Four Great Bottoms' and he has established and runs a course called 'A Practical History of Financial Markets' at The Edinburgh Business School. He is a director of the Didasko Education Company Limited, Orlock Advisors Limited and the Scottish Investment Trust PLC.

Harry Morgan became a Director of the Company in 2012. He is currently head of private investment management for Thomas Miller Investment, based in Edinburgh, and sits on the board of Thomas Miller Investment Limited. His previous role was as head of investment management at Adam & Company. He also held senior roles at Newton Investment Management and Edinburgh Fund Managers. He has over 29 years' experience of managing portfolios for private clients and charities, having started his investment career in London in 1984. He is a Chartered Fellow of the Chartered Institute For Securities & Investment, holds the IMC and has a post-graduate Diploma in Business Administration.

Alan Scott became a Director of the Company in 2012. He has over 25 years' experience in banking, within the Royal Bank of Scotland Group, across various divisions including Retail, Corporate and Wealth. In 2003 he joined Adam & Company International in Guernsey as a relationship manager for a portfolio of offshore clients and trusts and in 2004 moved to Adam & Company's onshore operations, where he is an associate director, relationship management, providing a range of wealth management services to a portfolio of private banking clients.


MCN Scott, QC

Malcolm Scott became a Director of the Company in 1990. He was educated at Trinity College, Glenalmond and thereafter at Gonville & Caius College, Cambridge and Glasgow University. He became an Advocate in 1978 and a QC in 1991. He is a practising Advocate, and the Company's Senior Independent Director.

All Directors are members of the Nomination and Audit Committees.

Managers and Secretaries

Mid Wynd is managed by Baillie Gifford & Co, an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford are among the largest investment trust managers in the UK and currently manage eight investment trusts. Baillie Gifford also manage unit trusts and Open Ended Investment Companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford total around £93 billion at 30 June 2013. Based in Edinburgh, they are one of the leading privately owned investment management firms in the UK, with 39 partners and a staff of over 700.

The manager of Mid Wynd's portfolio is Michael MacPhee, a partner of Baillie Gifford.

The firm of Baillie Gifford & Co is authorised and regulated by the Financial Conduct Authority.

Ten Year Record

Capital

At 30 June	Total assets * £'000	Bank loans £'000	Shareholders' funds £'000	Net asset value per share (at par) p	Share price p	Premium/ (discount) † %
2003	31,425	1,737	29,688	118.1	100.2	(15.2)
2004	35,053	1,654	33,399	132.9	105.2	(20.8)
2005#	40,209	1,674	38,535	153.3	122.2	(20.3)
2006	46,672	1,622	45,050	179.2	150.6	(16.0)
2007	52,590	2,422	50,168	199.6	168.5	(15.6)
2008	51,411	1,422	49,989	198.9	164.8	(17.1)
2009	40,953	1,888	39,065	155.4	134.5	(13.4)
2010	55,409	5,347	50,062	201.8	187.0	(7.3)
2011	71,795	5,506	66,289	251.4	254.0	1.0
2012	66,763	4,927	61,836	230.2	230.8	0.3
2013	**71,858**	**5,071**	**66,787**	**253.3**	**256.6**	**1.3** ‡

Revenue

Year to 30 June	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per share ¶ p	Dividend paid and proposed per share (net) § p	Ongoing charges ^ %
2003	887	533	2.12	1.84	0.93
2004	721	406	1.61	1.84	0.98
2005#	833	475	1.89	1.88	0.90
2006	996	564	2.24	2.10	0.94
2007	1,113	649	2.59	2.40	0.84
2008	1,561	1,020	4.06	2.80	0.82
2009	1,336	818	3.25	3.00	0.77
2010	1,263	847	3.37	3.10	0.87
2011	1,338	876	3.43	3.30	0.83
2012	1,259	780	2.93	3.30	0.87
2013	**1,347**	**831**	**3.11**	**3.40**	**0.88**

Gearing Ratios

Gearing ** %	Potential gearing †† %
4	6
(1)	5
(4)	4
0	4
5	5
(6)	3
4	5
9	11
6	8
6	8
7	**8**

Cumulative Performance (taking 2003 as 100)

At 30 June	Net asset value per share (at par)	Net asset value total return ^^	Share price	Share price total return ^^	FTSE World Index (in sterling terms) ^^	FTSE World Index (in sterling terms) total return ^^	Revenue earnings per share	Dividend paid and proposed per share (net) §	Retail price index ^^
2003	100	100	100	100	100	100	100	100	100
2004	112	114	105	107	111	114	76	100	103
2005#	130	133	122	126	123	129	89	102	106
2006	152	157	150	158	138	148	106	114	109
2007	169	177	168	179	156	171	122	130	114
2008	168	178	164	178	140	156	191	152	120
2009	132	142	134	149	117	135	153	163	118
2010	171	188	187	211	140	166	159	168	124
2011	213	238	253	291	167	203	162	179	130
2012	195	221	230	268	157	196	138	179	133
2013	**215**	**245**	**256**	**302**	**165**	**240**	**146**	**185**	**138**
Compound annual returns									
5 year	5.0%	6.6%	9.3%	11.2%	3.4%	8.9%	(5.2%)	4.0%	2.9%
10 year	7.9%	9.4%	9.9%	11.7%	5.1%	9.1%	3.9%	6.3%	3.3%

* Total assets comprise total net assets before deduction of bank loans.

† Premium/(discount) is the difference between Mid Wynd's quoted share price and its underlying net asset value (at par).

The figures prior to 2005 have not been restated for the changes in accounting policies implemented in 2006.

‡ At 30 June 2013 the net asset value after deducting borrowings at fair value was 253.1p. The premium on the same basis was 1.4%.

¶ The calculation of earnings per ordinary share is based on the revenue from ordinary activities after taxation and the weighted average number of shares in issue (excluding treasury shares) (see note 8 on page 36).

§ The 2008 dividend excludes the special dividend of 2.30p (0.46p if adjusted for the share split in October 2011).

^ From 2012 calculated as total operating costs divided by average net asset value (with debt at fair value) in accordance with AIC guidelines. Prior years figures have not been recalculated as the change in methodology is not considered to result in a materially different figure. The 2008 figure excludes the impact of VAT recovered. With effect from 2009 operating costs are calculated without any deduction for corporation tax relief thereon. Figures prior to 2009 have been restated accordingly.

** Total assets (including all debt used for investment purposes) less all cash divided by shareholders' funds.

†† Total assets (including all debt used for investment purposes) divided by shareholders' funds.

^^ Source: Thomson Reuters Datastream.

Total return: with net income reinvested. Past performance is not a guide to future performance. All per share figures have been restated for the five for one share split in October 2011.

Performance Attribution for the year to 30 June 2013 (in sterling terms)

Computed relative to the FTSE World Index (in sterling terms) with net income reinvested.

Portfolio breakdown	Index allocation 30.06.12	Index allocation 30.06.13	Mid Wynd asset allocation 30.06.12	Mid Wynd asset allocation 30.06.13	Performance Mid Wynd * %	Performance Index * %	Contribution to relative return %	Contribution attributable to stock selection %	Contribution attributable to asset allocation † %
UK	8.6	8.2	30.9	28.7	4.1	16.4	(4.3)	(3.3)	(1.0)
Europe ex UK	16.1	16.2	20.6	26.7	28.8	28.1	0.3	0.2	0.1
North America	52.8	54.1	22.4	24.7	16.1	23.6	(1.8)	(1.4)	(0.4)
Asia Pacific including Japan	16.1	16.3	5.9	7.4	52.0	20.3	1.3	1.2	0.1
Emerging Markets	6.4	5.2	20.1	15.7	1.5	7.0	(2.4)	(1.0)	(1.4)
Bonds	–	–	5.4	4.0	22.1	–	–	–	–
Futures	–	–	–	–	–	–	(1.7)	–	(1.7)
Cash	–	–	2.6	0.4	–	–	(0.8)	–	(0.8)
Loans	–	–	(7.9)	(7.6)	4.4	–	1.2	–	1.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**12.3**	**22.1**	**(8.2)**	**(4.3)**	**(3.9)**

Past performance is not a guide to future performance.

Source: StatPro/Baillie Gifford & Co

* The above returns are calculated on a total return basis with net income reinvested. Mid Wynd's figures represent the returns on the Company's portfolio and the index figures for each geographical area represent the return on the appropriate FTSE index.

† Asset allocation includes the contribution attributable to currency movements.

Contributions cannot be added together as they are geometric; for example, to calculate how a return of 12.3% against an index return of 22.1% translates into a relative performance of (8.2%), divide the portfolio performance of 112.3 by the index year end figure of 122.1 and subtract one.

Investment Changes

	Valuation at 30 June 2012 £'000	Net acquisitions/ (disposals) £'000	Appreciation/ (depreciation) £'000	Valuation at 30 June 2013 £'000
Equities*:				
UK	19,115	(638)	684	19,161
Continental Europe	12,747	1,756	3,296	17,799
North America	13,860	459	2,212	16,531
Asia Pacific including Japan	3,657	129	1,172	4,958
Emerging Markets	12,432	(1,932)	(39)	10,461
Total equities	**61,811**	**(226)**	**7,325**	**68,910**
Bonds:				
Euro bonds	1,273	37	93	1,403
US dollar bonds	2,083	(1,133)	307	1,257
Total bonds	**3,356**	**(1,096)**	**400**	**2,660**
Total investments	**65,167**	**(1,322)**	**7,725**	**71,570**
Net liquid assets	1,596	(1,280)	(28)	288
Total assets	**66,763**	**(2,602)**	**7,697**	**71,858**

The figures above for total assets are made up of total net assets before deduction of the bank loans.

* Equities include limited partnerships, unit trusts, OEICs, SICAVs, index options and convertible loan notes expected to convert to equity.

Top Ten and Bottom Ten Contributors to Performance for the year ended 30 June 2013

Top Ten

Name	Contribution (%)
Kone	1.2
ASOS.com	1.1
Nanoco	1.1
Sky Deutschland	0.9
Fuchs Petrolub	0.9
Schindler	0.7
So-Net Entertainment	0.7
Angie's List	0.7
Alnylam Pharmaceuticals	0.7
Visa	0.7

Bottom Ten

Name	Contribution (%)
IP Group	(0.8)
Chariot Oil & Gas	(0.7)
Altus Resource Capital	(0.5)
Curis	(0.5)
MMX Mineracao e Metalicos	(0.4)
Falkland Oil and Gas	(0.4)
Ultra Petroleum	(0.3)
Imagination Technologies	(0.3)
Jubilant Foodworks	(0.3)
Africa Oil Corp	(0.2)

Thirty Largest Holdings at 30 June 2013

Name	Region	Business	2013 Value £'000	2013 % of total assets	2012 Value £'000
IP Group	United Kingdom	Commercialisation of intellectual property	4,101	5.7	3,791
Reinet Investments SCA	Continental Europe	Investment holding company	2,709	3.8	1,929
Kone	Continental Europe	Elevators	2,281	3.2	1,680
Level E Maya Fund	United Kingdom	Artificial intelligence based algorithmic trading	2,061	2.9	2,129
Schindler	Continental Europe	Elevators	2,058	2.9	999
Ocean Wilsons	United Kingdom	Tugboats, platform supply vessels and container handling – Brazil	1,824	2.5	1,344
Sky Deutschland	Continental Europe	German pay TV provider	1,770	2.5	–
Visa	North America	Payments network	1,654	2.3	–
Fuchs Petrolub	Continental Europe	Specialty lubricant manufacture	1,545	2.2	1,030
East African Breweries	Emerging Markets	East African brewer	1,415	2.0	–
Seadrill	Continental Europe	Deep water oil rigs	1,332	1.9	541
Priceline.com	North America	Online travel/hotel reservation service	1,193	1.7	623
Naspers	Emerging Markets	Media company	1,189	1.6	846
Nanoco	United Kingdom	Quantum dot manufacture, second generation LEDs	1,165	1.6	691
Better Capital	United Kingdom	Fund investing in distressed businesses	1,088	1.5	1,114
Ulker Biskuvi Sanayi	Emerging Markets	Food manufacturer – Turkey and surrounding region	1,077	1.5	–
ASOS.com	United Kingdom	Online fashion retailer	1,059	1.5	761
Odontoprev	Emerging Markets	Dental health services – Brazil	1,055	1.5	2,127
Reynolds Group 9.5% 2017	Fixed Interest	Food and beverage packaging and storage company bond	1,043	1.4	903
BIM Birlesik Magazalar	Emerging Markets	Discount food stores – Turkey	1,037	1.4	1,193
Genus	United Kingdom	Livestock farming products	939	1.3	602
IMAX	North America	Media technology company	926	1.3	–
Tripadvisor	North America	Travel website	923	1.3	655
Seek	Asia Pacific including Japan	Online employment agency	910	1.3	684
The Biotech Growth Trust	United Kingdom	Biotechnology investment trust	881	1.2	1,064
Zillow	North America	Internet based property site – US	851	1.2	–
Zodiac Aerospace	Continental Europe	Aerospace and defence parts	839	1.2	–
M3	Asia Pacific including Japan	Medical-related internet services	834	1.2	572
Santos Brasil Participacoes	Emerging Markets	Container handling and logistics services – Brazil	829	1.2	921
Doric Nimrod Air Two	United Kingdom	Fund to acquire, lease and sell A380 aircraft	828	1.1	792
			41,416	**57.9**	**26,991**

Classification of Investments

Classification Equities*:	UK %	Continental Europe %	North America %	Asia Pacific incl. Japan %	Emerging Markets %	2013 Total %	2012 Total %
Oil and gas producers	1.0	–	–	–	1.1	2.1	5.9
Oil equipment, services and distribution	–	1.9	–	–	–	1.9	1.3
Oil and Gas	**1.0**	**1.9**	**–**	**–**	**1.1**	**4.0**	**7.2**
Chemicals	1.2	2.2	–	–	–	3.4	1.6
Industrial metals and mining	–	–	–	–	0.6	0.6	0.6
Mining	–	–	0.5	–	–	0.5	3.0
Basic Materials	**1.2**	**2.2**	**0.5**	**–**	**0.6**	**4.5**	**5.2**
Construction and materials	–	0.7	–	–	–	0.7	0.6
Aerospace and defence	–	1.2	–	–	–	1.2	–
General industrials	–	–	–	–	–	–	1.8
Electronic and electrical equipment	0.9	–	–	–	–	0.9	0.8
Industrial engineering	–	6.1	–	–	–	6.1	4.0
Industrial transportation	4.7	0.4	–	–	1.2	6.3	7.3
Support services	–	–	1.1	1.3	–	2.4	1.9
Industrials	**5.6**	**8.4**	**1.1**	**1.3**	**1.2**	**17.6**	**16.4**
Automobiles and parts	–	–	1.3	–	–	1.3	1.3
Beverages	–	–	–	–	2.0	2.0	–
Food producers	–	1.0	–	–	–	1.0	1.9
Household goods	–	0.7	–	–	–	0.7	0.6
Personal goods	–	0.7	–	–	–	0.7	0.9
Tobacco	–	–	0.9	–	0.9	1.8	0.9
Consumer Goods	**–**	**2.4**	**2.2**	**–**	**2.9**	**7.5**	**5.6**
Healthcare equipment and services	–	0.7	–	–	1.5	2.2	4.7
Pharmaceuticals and biotechnology	2.6	1.0	1.6	–	–	5.2	5.4
Health Care	**2.6**	**1.7**	**1.6**	**–**	**1.5**	**7.4**	**10.1**
Food and drug retailers	–	–	1.0	–	2.9	3.9	1.8
General retailers	1.5	–	2.2	–	1.7	5.4	6.3
Media	–	2.5	2.8	1.2	1.6	8.1	3.1
Travel and leisure	–	1.0	3.0	0.9	–	4.9	3.7
Consumer Services	**1.5**	**3.5**	**9.0**	**2.1**	**6.2**	**22.3**	**14.9**
Gas, water and multiutilities	–	–	–	–	–	–	0.4
Utilities	**–**	**–**	**–**	**–**	**–**	**–**	**0.4**
Banks	–	–	0.9	–	–	0.9	0.8
Insurance	–	–	0.6	–	–	0.6	–
Nonlife insurance	–	–	1.0	–	–	1.0	–
Real estate investment and services	–	0.9	–	–	–	0.9	1.0
General financial	5.7	–	–	–	–	5.7	9.5
Financial services	–	–	2.3	–	1.0	3.3	–
Investment companies	6.8	3.8	–	–	–	10.6	14.3
Financials	**12.5**	**4.7**	**4.8**	**–**	**1.0**	**23.0**	**25.6**
Software and computer services	0.3	–	1.6	2.1	–	4.0	6.2
Technology hardware and equipment	2.0	–	2.2	1.4	–	5.6	1.0
Technology	**2.3**	**–**	**3.8**	**3.5**	**–**	**9.6**	**7.2**
Total Equities*	**26.7**	**24.8**	**23.0**	**6.9**	**14.5**	**95.9**	
Total Equities* – 2012	28.6	19.0	20.6	5.5	18.9		**92.6**
Bonds	**–**	**2.0**	**1.7**	**–**	**–**	**3.7**	**5.0**
Net Liquid Assets	**(0.3)**	**0.1**	**0.6**	**–**	**–**	**0.4**	**2.4**
Total Assets (before deduction of bank loans)	**26.4**	**26.9**	**25.3**	**6.9**	**14.5**	**100.0**	
Total Assets – 2012	28.4	21.0	26.2	5.5	18.9		**100.0**
Bank Loans	**(3.5)**	**(3.6)**	**–**	**–**	**–**	**(7.1)**	**(7.4)**
Shareholders' Funds	**22.9**	**23.3**	**25.3**	**6.9**	**14.5**	**92.9**	
Shareholders' Funds – 2012	24.7	17.3	26.2	5.5	18.9		**92.6**
Number of equity investments*	**22**	**16**	**23**	**8**	**13**	**82**	**96**

* Equities include limited partnerships, unit trusts, OEICs, SICAVs, index options and convertible loan notes expected to convert to equity.

Managers' Portfolio Review

The Portfolio

Seven of this year's top ten holdings were among the largest holdings last year too. The new arrivals in the list are **Sky Deutschland**, **Visa** and **East African Breweries**, while reductions were made to **Odontoprev**, **The Biotech Growth Trust** and **Marine Harvest**, and they have dropped out. The latter two produced strong performance prior to being trimmed while we reduced Odontoprev because we were becoming concerned about the quality of revenue growth and the prospect of increasingly challenging short term trading conditions. Complete sales from within last year's top twenty holdings include **MMX Mineracao e Metalicos** royalty bonds – Eike Batista's Brazilian empire is in a parlous condition and risk is rising accordingly – and **Yoox.com**. Yoox is a business we still like but where we disagreed strongly with the remuneration committee's decision to award the CEO a further large tranche of options.

Ten Largest Holdings

IP Group

IP Group has unrivalled access to the best ideas emanating from a growing range of the UK's best universities. It adds value by helping develop ideas into companies and often into large, successful enterprises. Help takes the form of funding, people, collaboration and at times ultimately listing. Many interesting businesses have started life with IP Group. Mid Wynd separately owns shares in Retroscreen Virology and Tissue Regenix, two such companies that are in the process of being spun out and have been listed. While IP Group stands at a premium to its net asset value, this is a backward-looking measure in most instances and fails to reflect the very significant progress being made by a number of its investments.

Reinet Investments

Reinet is a holding company spun out of Richemont roughly 5 years ago. Our principal fellow shareholders are members of the Rupert family. Johann Rupert, through BAT and Richemont and their predecessor companies, has consistently done very well for his minority shareholders over the years. Reinet's principal holding is in BAT shares. The yield to Reinet shareholders, who buy BAT shares effectively at a 30% discount, exceeds 6%, which is

Kone
Elevators – modern simplicity.

worthwhile in these times of historically low yields on almost all classes of investments. The cash flows from BAT are not paid out to Reinet shareholders, however, but rather re-invested in various ways, mostly in private equity type propositions. While Reinet does not, therefore, contribute to our Company's revenue stream, it should continue to make worthwhile contributions to total returns.

Kone

This Finnish elevator company has continued to build on its success of recent years. Rapid growth in orders speaks well for future revenues. Margins may have further to rise and returns and cash flow generation are admirable. Bolt on acquisitions, primarily in the maintenance business, boost revenue growth and frequently fit well into Kone's pre-existing maintenance network. There are few quoted businesses with these qualities and Kone has proved its worth over the decade since it was spun out, during all of which time Mid Wynd has owned the shares.

Level E Maya Fund

We are now 3 years into this investment, where we seeded a new fund in return for an option to own a share of the fund's management company should things go well for the fund and thus its manager. Disappointingly, there is little positive or new to report on the performance of either the fund or the management company. Over the three years, and in part due to teething troubles of different kinds, we have lost close to one fifth of our initial investment. More troubling is that for all the various market conditions that have prevailed during this period, we have yet to meet one that has allowed the investment strategy to make strong absolute returns. The investment results have, nevertheless, delivered low volatility largely uncorrelated to stock markets. This was always an experiment with relatively controlled downside risk and high upside potential. At this stage the former looks more likely than the latter.

Schindler

The investment case for Schindler is similar to that for Kone. This is another family influenced company run for the long term and operating in an attractive industry. Schindler has perhaps been more cautious in growing its new installation business in Asia, which has been the source of most incremental good news in the industry. Elevator operating margins are also somewhat behind those of Kone. Both companies have a long way to go to hit the sort of operating margins achieved by Otis, the global industry leader owned by United Technologies, the US conglomerate.

Ocean Wilsons

Brazil has endured some setbacks over the past year. Lower commodity prices are amongst them. The currency has been correspondingly weak. However, Wilson Sons has fared relatively well through its various maritime businesses during this period, though it has been affected by weak currency translation effects, and is investing in order to fare even better in future. The company's South Eastern and North Eastern ports are well placed to continue to benefit from the exports that Brazil has to offer the world, volumes of which are unlikely to be materially affected. Coastal trade has enormous scope to continue to grow over time, which will prove beneficial to the towage business. The offshore oil and gas business, too, seems likely to provide great opportunities for the platform supply vessel operation. Ocean Wilsons, the holding company with majority ownership in Wilson Sons, stands at a 30% discount to net asset value.

Sky Deutschland

For the first time, Sky has been able to win exclusive rights to live Bundesliga football for an extended period. This, together with many other enhancements to the offering, and multiple deals to sell the service over other German viewing platforms, provides the opportunity to make substantial progress in subscriber growth and also in monthly revenues per user. Both metrics are very low relative to their potential. We bought a small initial holding based on this hypothesis and added to it subsequently as we have seen a steady stream of evidence suggesting things are evolving well.

Schindler Elevators.

Sky Deutschland German pay TV.

Visa

Electronic payments are taking market share away from cash over time. Rapid growth of both internet and mobile internet usage is catalysing this process. Multiple new forms of 'e payment' systems are contributing to these changes. The position of Visa within this eco-system is very strong. For example, a high percentage of Paypal payments are ultimately made through Visa. It would seem that Visa stands to gain from change rather than to become a casualty of it. The rating of the shares would not seem to indicate that others agree.

Fuchs Petrolub

Fuchs has a very strong business within the field of speciality lubricants. These play an increasingly important and valuable role to many end clients, especially those in the automotive industry where engine technologies are changing rapidly. Fuchs is a family controlled business with a long record of successfully meeting its customers' needs and generating a healthy, growing stream of profits for its shareholders in the process. We anticipate there will be many more good years ahead. We believe the market has under-estimated both growth rates and margins for the business possibly because there are relatively few comparators in what is globally still a fairly fragmented and disparate area of activity.

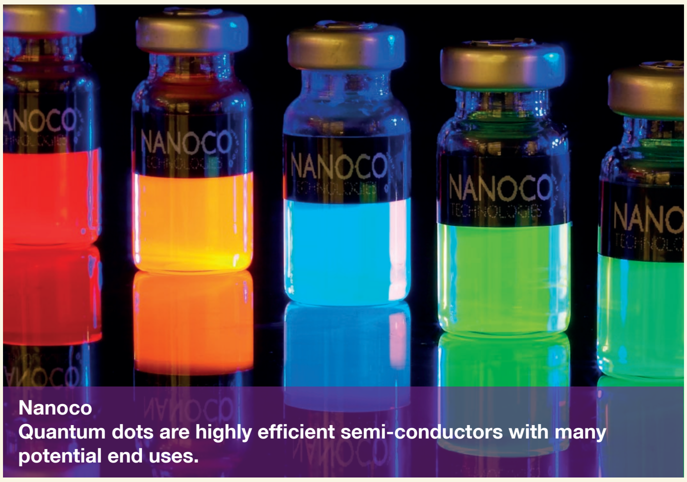
East African Breweries

Kenya and its immediately surrounding region enjoy excellent demographics and are seeing high levels of capital and infrastructure investment that are likely to result in healthy productivity growth over time and thus worthwhile improvements in living standards. These provide the opportunity for beer and spirits consumption to rise and for pricing power and mix improvements within this to be meaningful. East African Breweries is investing significantly to increase its capacity in the region, particularly in Uganda, South Sudan and Tanzania. Under the guidance of majority owner, Diageo, we have high hopes both that the company's optimism will prove well founded and that minority shareholders will be rewarded accordingly.

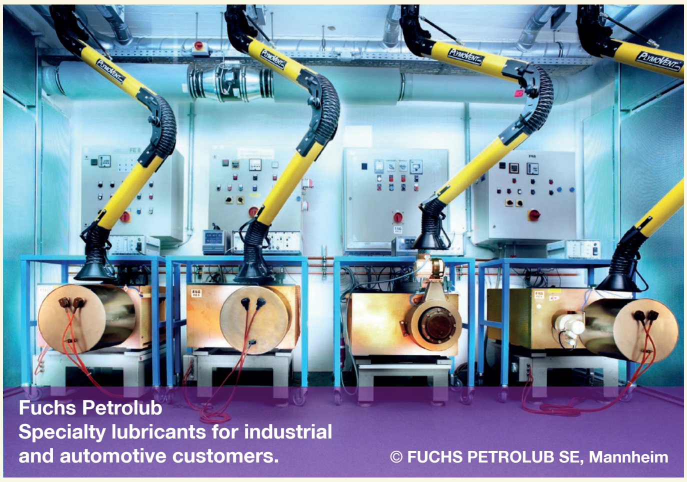
Contributors to Performance

The Chairman's Statement discusses the portfolio insurance strategy which detracted significantly from investment results in the first half of the Company's year. Markets are said to climb a wall of worry. We were worried and markets climbed. We believe that a diverse portfolio of individual and typically idiosyncratic stock-picks offers the best chance of delivering worthwhile real returns over time and in so doing beating stock market indices. We shall endeavour to avoid making the same mistake again.

The most notable thematic influence over the period under review has been disappointment emanating from our oil and gas exploration and development companies. Last year was a bad year to be a cash hungry proposition asking for more money, added to which operational news on both oil and gas and gold stocks was nearly universally bad. The most valuable thing one can do with mistakes is to learn from them, and we hope it may be of comfort that while the Company remains invested in a number of young and rapidly growing companies, these are nearly all now defined by an uncertainty relating only to the speed of that growth and the degree of future profitability rather than whether they can fund that growth internally.



Nanoco
Quantum dots are highly efficient semi-conductors with many potential end uses.



Fuchs Petrolub
Specialty lubricants for industrial and automotive customers.

A second broader factor has been the weakening of prospects for holdings exposed to Brazil where our response was, in retrospect, too slow. Companies affected by this include direct Brazilian holdings **Santos**, **Odontoprev** and **MercadoLibre** and the now sold **Cetip**, **TOTVS** and **MMX Mineracao e Metalicos** royalty bonds. Indirect exposures include **Ocean Wilsons** and **Edenred**. Domestic conditions in Brazil may deteriorate further currently as interest rates rise, but the strong likelihood is that the long term strengths will reassert themselves in due course. Our desire to persist with our holdings is driven by an unusual combination of exceptional companies and some exceptional opportunities they face. Summing our reduced continued direct and indirect exposure to Brazil gives a figure of around 5% of gross assets.

Separately, **IP Group** detracted from one year performance. While much has gone very well for the group over the past twelve months, as our spun out holding in IP Group investment **Retroscreen Virology** demonstrates (on the positive contributors page), a combination of delays with its commercial product launch and a news blackout tied to litigation now successfully concluded has held up developments at **Oxford Nanopore**. We are hopeful that Nanopore, a meaningful but by no means dominant part of IP Group's value, will soon update the market on progress and remove the information void that has led to volatility in IP Group's stock.

Successes, by contrast, were rather more typical of our idiosyncratic, stock-picking history. **Kone** has been a strong contributor regularly for many years and continues to be so, as does its peer **Schindler**. **Marine Harvest** benefits from the operational, capital allocation and people-related skills that John Fredriksen's companies typically exhibit. **ASOS** continues to drive home its expanding advantage in online fashion for twenty-somethings and to seize market share from typical High Street stores across a growing range of geographies. **Seattle Genetics**, **Sky Deutschland**, **Alnylam Pharmaceuticals**, **Angie's List**, **Zillow**, **Retroscreen Virology** and **Nanoco** are all examples of rapidly evolving younger companies that have proved themselves and are in the process of transitioning, we believe, to high returns, rapid growth and cash generation.

List of Investments at 30 June 2013

Classification	Name	Business	Fair value £'000	% of total assets
United Kingdom				
Oil and gas producers	Enquest	Independent oil and gas development and production	274	
	President Energy	Oil and gas exploration and production – Argentina and Paraguay	453	
			727	**1.0**
Chemicals	HaloSource	Clean water technology	180	
	Victrex	Speciality chemicals	665	
			845	**1.2**
Electronic and electrical equipment	Renishaw	Robotic probes	**625**	**0.9**
Industrial transportation	Doric Nimrod Air One	Fund to acquire, lease and sell A380 aircraft	704	
	Doric Nimrod Air Two	Fund to acquire, lease and sell A380 aircraft	828	
	Ocean Wilsons	Tugboats, platform supply vessels and container handling – Brazil	1,824	
			3,356	**4.7**
Pharmaceuticals and biotechnology	Genus	Livestock farming products	939	
	Retroscreen Virology	Clinical and pre-clinical services	700	
	Tissue Regenix Group	Medical products	228	
			1,867	**2.6**
General retailers	ASOS.com	Online fashion retailer	**1,059**	**1.5**
Banks	NBNK Investments	UK High Street banking shell company	**28**	**–**
General financial	IP Group	Commercialisation of intellectual property	**4,101**	**5.7**
Investment companies	Better Capital	Fund investing in distressed businesses	1,088	
	Damille Investments II	Investment fund	297	
	IG Group	Spread betting	574	
	Level E Maya Fund	Artificial intelligence based algorithmic trading	2,061	
	The Biotech Growth Trust	Biotechnology investment trust	881	
			4,901	**6.8**
Software and computer services	Craneware	Hospital software	**184**	**0.3**
Technology hardware and equipment	Imagination Technologies	Graphics related semiconductors	303	
	Nanoco	Quantum dot manufacture, second generation LEDs	1,165	
			1,468	**2.0**
Total United Kingdom Equities			**19,161**	**26.7**
Continental Europe				
Oil equipment, services and distribution	Seadrill	Deep water oil rigs	**1,332**	**1.9**
Chemicals	Fuchs Petrolub	Speciality lubricant manufacture	**1,545**	**2.2**
Construction and materials	Geberit	Plumbing systems	**488**	**0.7**
Aerospace and defence	Zodiac Aerospace	Aerospace and defence parts	**839**	**1.2**
Industrial engineering	Kone	Elevators	2,281	
	Schindler	Elevators	2,058	
			4,339	**6.1**
Industrial transportation	Frontline 2012*	Marine transport services	**322**	**0.4**
Food producers	Marine Harvest	Salmon farming	**744**	**1.0**
Household goods	Bang & Olufsen	Audiovisual equipment	**524**	**0.7**
Personal goods	Richemont	Luxury goods	**495**	**0.7**

* Denotes an unlisted security quoted on the Norwegian OTC market.

Classification	Name	Business	Fair value £'000	% of total assets
Continental Europe (continued)				
Healthcare equipment and services	Essilor	Ophthalmology	**533**	**0.7**
Pharmaceuticals and biotechnology	Novozymes	Enzyme producer	**740**	**1.0**
Media	Sky Deutschland	German pay TV provider	**1,770**	**2.5**
Travel and leisure	Edenred	Prepaid service vouchers	**751**	**1.0**
Real estate investment and services	Deutsche Wohnen	Residential property – Germany	**668**	**0.9**
Investment companies	Reinet Investments SCA	Investment holding company	**2,709**	**3.8**
Total Continental Europe Equities			**17,799**	**24.8**
North America				
Mining	Silver Wheaton	Silver mining royalty company	**390**	**0.5**
Support services	IHS	Technical databases	**812**	**1.1**
Automobiles and parts	Harley-Davidson	Motorcycle manufacturer	450	
	Westport Innovations	Combustion technology	521	
			971	**1.3**
Tobacco	Philip Morris International	Tobacco	**613**	**0.9**
Pharmaceuticals and biotechnology	Alnylam Pharmaceuticals	Biopharmaceuticals	628	
	Seattle Genetics	Biopharmaceuticals	528	
			1,156	**1.6**
Food and drug retailers	Kraft Foods Group	Food and beverage company	**736**	**1.0**
General retailers	Burger King Worldwide	Restaurant chain	795	
	TJX Companies	Discount clothing and homeware stores	779	
			1,574	**2.2**
Media	Angie's List	Internet based services – US	684	
	Facebook	Social networking website	439	
	Zillow	Internet based property site – US	851	
			1,974	**2.8**
Travel and leisure	Priceline.com	Online travel/hotel reservation service	1,193	
	Tripadvisor	Travel website	923	
			2,116	**3.0**
Banks	First Republic Bank San Francisco	Banking and wealth management	**621**	**0.9**
Insurance	American International Group	Insurance company	**466**	**0.6**
Nonlife insurance	Fairfax Financial Holdings	Insurance company	**748**	**1.0**
Financial services	Visa	Payments network	**1,654**	**2.3**
Software and computer services	Solera	Software services for automobile claims processing	630	
	Teradyne	Supplier of semi-conductor test equipment	521	
			1,151	**1.6**
Technology hardware and equipment	IMAX	Media technology company	926	
	Stratasys	Manufacturer of 3D printers and production systems	623	
			1,549	**2.2**
Total North American Equities			**16,531**	**23.0**

Classification	Name	Business	Fair value £'000	% of total assets
Asia Pacific including Japan				
Support services	Seek	Online employment agency	**910**	**1.3**
Media	M3	Medical-related internet services	**834**	**1.2**
Travel and leisure	Shimano	Manufacturer of cycling equipment	**671**	**0.9**
Software and computer services	Digital Garage	Internet business incubator – Japan	406	
	Trade Me Group	Internet auction and classifieds site – New Zealand	678	
	Xero	Online accounting software for businesses	406	
			1,490	**2.1**
Technology hardware and equipment	Sarin Technologies	Systems for diamond grading and gemstone production	676	
	Tokyo Electron	Manufacturer of semiconductor production equipment	377	
			1,053	**1.4**
Total Asia Pacific including Japan Equities			**4,958**	**6.9**
Emerging Markets				
Oil and gas producers	Dragon Oil	Oil and gas exploration and production – Turkmenistan	**770**	**1.1**
Industrial metals and mining	Ferro Alloy Resources†	Vanadium and rare earths production – Kazakhstan	**420**	**0.6**
Industrial transportation	Santos Brasil Participacoes	Container handling and logistics services – Brazil	**829**	**1.2**
Beverages	East African Breweries	East African brewer	**1,415**	**2.0**
Tobacco	Eastern Tobacco	Cigarette production – Egypt	**644**	**0.9**
Healthcare equipment and services	Odontoprev	Dental health services – Brazil	**1,055**	**1.5**
Food and drug retailers	BIM Birlesik Magazalar	Discount food stores – Turkey	1,037	
	Ulker Biskuvi Sanayi	Food manufacturer – Turkey and surrounding region	1,077	
			2,114	**2.9**
General retailers	Jubilant Foodworks	Pizza restaurant chain – India	609	
	MercadoLibre	eBay's Latin American partner	675	
			1,284	**1.7**
Media	Naspers	Media company	**1,189**	**1.6**
Investment companies	Vision Opportunity China Fund†	Investment fund – China	**20**	**–**
Financial services	Letshego	Consumer lending – Africa	**721**	**1.0**
Total Emerging Markets Equities			**10,461**	**14.5**
Total Equity Investments			**68,910**	**95.9**

†Denotes an unlisted security.

Classification	Name	Business	Fair value £'000	% of total assets
Fixed Interest				
Euro denominated	Marfin 5% 19/03/2015 CV	Investment holding company – Greece	56	
	Reynolds Group 9.5% 2017	Food and beverage packaging and storage company bond	1,043	
	Semper Finance FRN SLP 2015	East German housing association funding	304	
			1,403	**2.0**
US dollar denominated	Avangardco 10% 2015	Leading egg producer bond – Ukraine	558	
	K1 Life Settlements 0% 2016	Life settlements bond	220	
	Venezuela 9.25% 15/09/2027	Venezuelan bond	178	
	Venezuela 11.75% 21/10/2026	Venezuelan bond	301	
			1,257	**1.7**
Total Fixed Interest			**2,660**	**3.7**

Total Investments	**71,570**	**99.6**
Net Liquid Assets	**288**	**0.4**
Total Assets at Fair Value (before deduction of bank loans)	**71,858**	**100.0**

Directors' Report

The Directors present their Report together with the financial statements of the Company for the year to 30 June 2013.

Business Review

Business and Status

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company carries on business as an investment trust. It was approved as an investment trust under section 1158 of the Corporation Tax Act 2010 for the year ended 30 June 2012, subject to matters that may arise from any subsequent enquiry by HM Revenue and Customs into the Company's tax return. In accordance with recent changes to section 1158, the Company has obtained approval as an investment trust from HM Revenue and Customs for accounting periods commencing on or after 1 July 2012. The Company intends to conduct its affairs so as to enable it to comply with the ongoing requirements.

Objective

The Company's objective is to achieve capital and income growth by investing on a worldwide basis.

Investment Policy

Mid Wynd seeks to meet its objective of achieving capital and income growth through investment principally in a portfolio of international quoted equities. Investments are selected for their inclusion within the portfolio solely on the basis of the strength of the investment case.

The Company is prepared to move freely between different markets, sectors, industries, market capitalisations and asset classes as investment opportunities dictate. Geographical and sectoral exposures are reported to, and monitored by, the Board in order to ensure that the portfolio provides adequate diversification. The total number of investments will typically be between 50 and 150.

Exposures to individual entities are monitored by the Board. On acquisition, no holding shall exceed 15% of the portfolio. Investment may also be made in funds (open and closed-ended) including those managed by Baillie Gifford & Co. The maximum permitted investment in UK listed investment companies in aggregate is 15% of gross assets. Assets other than equities will be purchased from time to time including but not limited to fixed interest holdings, unquoted securities and derivatives. Subject to prior Board approval, the Company may use derivatives for investment purposes or for efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk).

It is an aim of the Trust to provide dividend growth over time, although this is subordinate to the primary aim of maximising total returns to shareholders.

While there is a comparative index for the purpose of measuring performance, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index. A long term view is taken and there may be periods when the net asset value per share declines both in absolute terms and relative to the comparative index. The number of individual holdings will vary over time and the portfolio is managed on a global basis rather than as a series of regional sub-portfolios.

Borrowings are invested in equity and other markets as considered to be appropriate on investment grounds. The level of gearing is discussed by the Board and Managers at every Board meeting.

The portion of borrowings which is not invested in equities may be invested in fixed interest or other liquid securities. Except in exceptional circumstances the Board will not take out additional borrowings if, at the time of borrowing, this would take the level of effective gearing to equities beyond 130%. Equity exposure will, on occasions, be below 100% of shareholders' funds.

Details of investment strategy and activity this year can be found in the Chairman's Statement on pages 4 and 5 and the Managers' Portfolio Review on pages 12 to 14.

Premium/Discount

The Board recognises that it is in the long term interests of shareholders to maintain a share price as close as possible to net asset value and believes that the prime driver of premiums/discounts over the longer term is performance. The Company issues shares at such times as the premium indicates that demand is not being met by natural liquidity in the market, and buys back when discounts widen. At the AGM in October 2012 the Company confirmed its intention to limit the discount to a maximum of 2% in normal circumstances. During the year the Company bought back 500,000 ordinary shares, all of which are held in treasury, increasing net asset value per share by 0.05%. No shares were issued in the year. Between 1 July 2013 and the date of this report a further 140,000 shares have been bought back which are being held in treasury, no shares have been issued.

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

The key performance indicators (KPIs) used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in net asset value per ordinary share compared to the FTSE World Index;
- the movement in the share price;
- the premium/discount;
- the ongoing charges ratio; and
- dividend per share.

The one, five and ten year records for the KPIs can be found on pages 2, 3 and 8 respectively.

Results and Dividends

The net asset value per share (after deducting borrowings at fair value) increased by 10.1% during the year, compared to an increase in the comparative index of 18.9%. The premium moved from 0.4% to 1.4% and the ongoing charges ratio was 0.88%.

The Board recommends a final dividend of 2.10p per ordinary share which, together with the interim already paid, makes a total of 3.40p for the year compared with 3.30p for the previous year.

If approved, the recommended final dividend on the ordinary shares will be paid on 11 October 2013 to shareholders on the register at the close of business on 6 September 2013. The ex-dividend date is 4 September 2013.

The Company's Registrar offers a Dividend Reinvestment Plan (see page 50) and the final date for receipt of elections for this dividend is 20 September 2013.

Borrowings

The Company's borrowings at 30 June 2013 and 30 June 2012 were €3 million and £2.5 million 3 year fixed-rate loans with Scotiabank Europe, both of which expire 20 February 2015.

Review of the Year and Future Trends

A review of the main features of the year and the investment outlook is contained in the Chairman's Statement and the Managers' Portfolio Review on pages 4 and 5 and 12 to 14 respectively.

Regulation

The Board has been in discussions with the Managers on how best to address the requirements of the EU Alternative Investment Fund Managers Directive. This came into law in July 2013 although the Company has until July 2014 to comply fully with the legislation. The Directive requires the Company to appoint an Alternative Investment Fund Manager (AIFM) who will be responsible for portfolio and risk management and will be regulated under the Directive. Having taken external advice, the Board is of the view that Baillie Gifford is best positioned to act as the Company's AIFM.

Principal Risks and Uncertainties

The Company's assets consist mainly of listed securities and its principal risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 20 to the financial statements on pages 41 to 46.

Other risks faced by the Company include the following:

Regulatory risk – failure to comply with applicable legal and regulatory requirements could lead to suspension of the Company's Stock Exchange Listing, financial penalties or a qualified audit report. Breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains.

The Managers monitor compliance with the provisions of Section 1158. Baillie Gifford's Business Risk & Internal Audit and Regulatory Risk Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes.

Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised.

Operational/Financial Risk – failure of the Managers' accounting systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. The Managers have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The Board reviews the Managers' Report on Internal Controls and the reports by other key third party providers are reviewed by the Managers on behalf of the Board.

Premium/Discount Volatility – the premium/discount at which the Company's shares trade can change. The Board monitors the level of premium/discount and the Company has authority to issue or buy back its own shares. The Company's intention is to limit the discount to a maximum of 2% in normal circumstances.

Gearing Risk – the Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the extent of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings.

All borrowings require the prior approval of the Board and gearing levels are discussed by the Board and Managers at every meeting. The majority of the Company's investments are in listed securities that are readily realisable.

Employees

The Company has no employees.

Social and Community Issues

As an investment trust, the Company has no direct social or community responsibilities. The Company however believes that it is in the shareholders' interests to consider environmental, social and governance factors when selecting and retaining investments. Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 23.

Corporate Governance

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the main principles of the June 2010 UK Corporate Governance Code (the 'Code') which can be found at **www.frc.org.uk** and the principles of the Association of Investment Companies (AIC) 2010 Code of Corporate Governance were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at **www.theaic.co.uk**.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code.

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. The Board also reviews the financial statements, investment transactions, revenue budgets and performance. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

The Board comprises five Directors, all of whom are non-executive. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibility for investment management has been delegated to the Company's Managers and Secretaries, Baillie Gifford & Co, and, in the context of a Board comprising only non-executive Directors, there is no chief executive officer. The Senior Independent Director is Mr MCN Scott.

The Directors believe that the Board has a balance of skills and experience that enables it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 6 and 7.

There is an agreed procedure for Directors to seek independent professional advice, if necessary, at the Company's expense.

Appointments

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting. Directors are required to submit themselves for re-election at least once every three years and Directors who have served for more than nine years offer themselves for re-election annually.

Appointments to the Board are made on merit with due regard for the benefits of diversity including gender. The priority in appointing new directors is to identify the candidate with the best range of skills and experience to complement existing Directors.

Independence of Directors

All the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the value of progressive refreshing of, and succession planning for, company boards and the Board's composition is reviewed annually. However, the Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can be a benefit to the board. The Board concurs with the view expressed in the AIC Code that long serving directors should not be prevented from being considered as independent.

Mr RRJ Burns and Mr MCN Scott, having served on the Board for more than nine years, offer themselves for re-election annually. Following formal performance evaluation, and notwithstanding their length of service, the Board has concluded that Mr RRJ Burns and Mr MCN Scott continue to demonstrate independence of character and judgement and their skills and experience add significantly to the strength of the Board. The Board believes that none of the other commitments of Mr RRJ Burns and Mr MCN Scott, as set out on pages 6 and 7 of this report, interfere with the discharge of their duties to the Company and the Board is satisfied that they are capable of devoting sufficient time to the Company.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The following table shows the attendance record for the Board and Committee Meetings held during the year. The Annual General Meeting was attended by all Directors.

Directors' Attendance at Meetings

	Board	Audit Committee	Nomination Committee
Number of meetings	**6**	**2**	**1**
RRJ Burns	5	2	1
HJ Morgan	6	2	1
RAR Napier	6	2	1
AG Scott	6	2	1
MCN Scott	6	2	1

Nomination Committee

The Nomination Committee consists of the independent non-executive Directors and the Chairman of the Board is the Chairman of the Committee. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised. The terms of reference are available on request from the Company and on the Company's page of the Managers' website: **www.midwynd.co.uk**.

Performance Evaluation

The Nomination Committee met to assess the performance of the Chairman, each Director, the Board as a whole and its Committees, after inviting each Director and the Chairman to consider and respond to an evaluation questionnaire. The appraisal of Mr RRJ Burns was led by Mr MCN Scott.

The appraisals considered, amongst other criteria, the balance of skills of the Board, the contribution of individual Directors and the overall competency and effectiveness of the Board and its Committees during the year. Following this process it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and each Director and the Chairman remain committed to the Company.

A review of the Chairman's and the other Directors' commitments was carried out and the Nomination Committee is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chairman's other commitments during the year.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. Briefings were provided during the year on industry and regulatory matters. Directors receive other relevant training as necessary.

Remuneration

As all the Directors are non-executive there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on page 26.

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's risk management and internal controls systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the guidance 'Internal Control: Revised Guidance for Directors on the Combined Code'.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review.

The practical measures to ensure compliance with regulation and company law, and to provide effective and efficient operations and investment management, have been delegated to the Managers and Secretaries, Baillie Gifford & Co, under the terms of the Management Agreement. The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the assets of the Company and to manage its affairs properly, including the maintenance of effective operational and compliance controls and risk management, have also been delegated to Baillie Gifford & Co. The Board acknowledges its responsibilities to supervise and control the discharge by the Managers and Secretaries of their obligations.

Baillie Gifford & Co's Business Risk & Internal Audit and Regulatory Risk Departments provide the Board with regular reports on Baillie Gifford & Co's monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conduct an annual review of their system of internal controls which is documented within an internal controls report which complies with Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's auditors and a copy is submitted to the Audit Committee.

The Company's investments are segregated from those of Baillie Gifford & Co and their other clients through the appointment of The Bank of New York Mellon SA/NV as independent custodian of the Company's investments. The custodian prepares a report on its internal controls which is independently reviewed by KPMG LLP.

A detailed risk map is prepared which identifies the significant risks faced by the Company and the key controls employed to manage these risks.

These procedures ensure that consideration is given regularly to the nature and extent of the risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage the risks identified. The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report.

Internal Audit

The Audit Committee carries out an annual review of the need for an internal audit function. The Audit Committee continues to believe that the compliance and internal control systems and the internal audit function in place within the Managers and Secretaries provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the financial statements are set out on pages 27 and 28.

Going Concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is contained in note 20 to the financial statements. The Company's assets, the majority of which are investments in listed securities which are readily realisable, exceed its liabilities significantly. The Board approves borrowing limits and reviews regularly the amount of any borrowings and compliance with borrowing covenants. Accordingly, the financial statements have been prepared on the going concern basis as it is the Directors' opinion that the Company will continue in operational existence for the foreseeable future.

Audit Committee

An Audit Committee has been established consisting of all the independent non-executive Directors. Its authority and duties are clearly defined within its written terms of reference which are available on request and on the Company's page of the Managers' website: **www.midwynd.co.uk**. Mr RAR Napier is Chairman of the Audit Committee. The Committee's responsibilities which were discharged during the year include:

— monitoring and reviewing the integrity of the half-yearly and annual financial statements and any formal announcements relating to the Company's financial performance;

— reviewing the adequacy and effectiveness of internal control and risk management systems;

— making recommendations to the Board in relation to the appointment of the external auditor and approving the remuneration and terms of their engagement;

— developing and implementing policy on the engagement of the external auditor to supply non-audit services (there were no non-audit services during the year);

— reviewing and monitoring the independence, objectivity and effectiveness of the external auditor;

— reviewing the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company;

— reviewing annually the terms of the Investment Management Agreement; and

— considering annually whether there is a need for the Company to have its own internal audit function.

Scott-Moncrieff are engaged as the Company's Auditor. Having considered the experience and tenure of the audit partner and staff and the nature and level of services provided, the Committee remains satisfied with the Auditor's effectiveness. The audit partners responsible for the audit are rotated every 5 years and the current lead partner Mr ID Lee was appointed a year ago. There are no contractual obligations restricting the Company's choice of external auditor. The Committee receives confirmation from the Auditor that they have complied with the relevant UK professional and regulatory requirements on independence.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and report shareholders' views to the Board. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any members of the Board may do so by writing to them at the Company's Registered Office.

The Company's Annual General Meeting provides a forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's page of the Managers' website: **www.midwynd.co.uk** subsequent to the meeting. The notice period for the Annual General Meeting is at least twenty working days. Shareholders and potential investors may obtain up-to-date information on the Company from the Company's pages of the Manager's website: **www.midwynd.co.uk**.

Corporate Governance and Stewardship

The Company has given discretionary voting powers to the Investment Managers, Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests.

The Company believes that it is in the shareholders' interests to consider environmental, social and governance (ESG) factors when selecting and retaining investments and have asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long term investment returns. The Managers' Statement of Compliance with the UK Stewardship Code can be found on the Managers' website at **www.bailliegifford.com**. The Managers' policy has been reviewed and endorsed by the Board.

The Managers are signatories of the United Nations Principles for Responsible Investment and the Carbon Disclosure Project.

Conflicts of Interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them, and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year. Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Bribery Act 2010

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Investment Managers

The Board as a whole fulfils the function of the Management Engagement Committee. An Investment Management Agreement between the Company and Baillie Gifford & Co sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The notice period for terminating the Management Agreement is 12 months. Careful consideration has been given by the Board as to the basis on which the management fee is charged. The Board considers that maintaining a relatively low ongoing charges ratio is in the best interests of all shareholders as lower costs mean higher returns, particularly when compounded over long periods. The Board is also of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence over the long term performance. Details of the fee arrangements with Baillie Gifford & Co are shown on page 34.

The Board considers the Company's investment management and secretarial arrangements on an ongoing basis and a formal review is conducted annually. The Board considers, amongst others, the following topics in its review: the quality of the personnel assigned to handle the Company's affairs; the investment process and the results achieved to date; the administrative services provided by the Secretaries and the marketing efforts undertaken by the Managers. Following the most recent review it is the opinion of the Directors that the continuing appointment of Baillie Gifford & Co as Managers, on the terms agreed, is in the interests of shareholders as a whole.

Directors

Information about the Directors, including their relevant experience, can be found on pages 6 and 7.

Mr RRJ Burns and Mr MCN Scott, having served for more than nine years, are subject to annual re-election and will therefore be retiring at the Annual General Meeting and will offer themselves for re-election. Following formal performance evaluation, the Board considers that the performance of Mr RRJ Burns and Mr MCN Scott continues to be effective and each remains committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders.

Director Indemnification and Insurance

The Company has entered into deeds of indemnity in favour of each of its Directors. The deeds cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company also maintains directors' and officers' liability insurance.

Directors' Interests

The Directors at the year end, and their interests in the Company, were as shown in the following table. There have been no changes intimated in these Directors' interests up to 15 August 2013.

Name	Nature of interest	Ordinary 5p shares held at 30 June 2013	Ordinary 5p shares held at 30 June 2012
RRJ Burns	Beneficial	812,500	812,500
	Non-beneficial trustee	119,500	119,500
HJ Morgan	Beneficial	7,000	5,000
RAR Napier	Beneficial	273,825	273,825
AG Scott	Beneficial	150,000	150,000
	Beneficial trustee	140,000	–
MCN Scott	Beneficial	581,690	581,690
	Non-beneficial trustee	250,000	250,000

Major Interests in the Company's Shares

Name	Ordinary 5p shares held at 30 June 2013	% of issue *
Brewin Dolphin Securities Limited – Indirect	1,301,940	4.9
Mr MWMR MacPhee – Direct	1,158,315	4.4
Mr RRJ Burns – Direct	812,500	3.1
– Indirect	119,500	0.5

There have been no changes to the major interests in the Company's shares intimated up to 15 August 2013.

* Ordinary shares in issue excluding treasury shares.

Share Capital

Capital Structure

The Company's capital structure as at 30 June 2013 consisted of 26,863,830 ordinary shares of 5p each, of which 26,363,830 are allotted and fully paid and 500,000 are held in treasury. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas the proposed final dividend is subject to shareholder approval.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Information on the deadlines for proxy appointments can be found on pages 48 and 49.

Annual General Meeting

The following business falls to be considered at the Annual General Meeting to be held at noon on Monday 7 October 2013.

Purchase of Own Shares

At the AGM in October 2012 the Company was granted authority to make market purchases of ordinary shares equivalent to 14.99% of its issued share capital, such authority to expire at the AGM of the Company to be held in 2013.

During the year to 30 June 2013 the Company bought back 500,000 ordinary shares (nominal value £25,000 representing 1.9% of the called up share capital at 30 June 2012), on the London Stock Exchange, all of which are held in treasury. The total consideration for these shares was £1,264,000. At 30 June 2013 the Company held 500,000 treasury shares. Between 1 July 2013 and the date of this report the Company has bought back a further 140,000 shares which are held in treasury, at a cost of £369,000.

The principal reasons for share buy-backs are:

(i) to enhance the net asset value for continuing shareholders by purchasing shares at a discount to the prevailing net asset value; and

(ii) to address any imbalance between the supply of and demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per ordinary share.

Resolution 10, which is being proposed as a special resolution seeks shareholders' approval to renew the authority to make market purchases of up to 14.99% of the Company's ordinary shares in issue (excluding treasury shares) at the date of passing of the resolution, such authority to expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the date of passing of the resolution, whichever is earlier.

In accordance with the Listing Rules of the UK Listing Authority, the maximum price (excluding expenses) that may be paid on the exercise of the authority will be the higher of:

(i) 5 percent above the average closing price of the ordinary shares over the five business days immediately preceding the date of purchase; and

(ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange.

The minimum price (exclusive of expenses) that may be paid for any ordinary share is the nominal value thereof.

The authority will not of itself force the Company to make market purchases of its ordinary shares but it is considered desirable for the Company to have the power to purchase such shares when considered appropriate. The authority may be used by the Company to make a series of purchases of its ordinary shares or a single purchase of them and any purchase(s) of ordinary shares will be made within guidelines established by the Board from time to time.

The authority to make market purchases, if conferred, will only be exercised if the Directors are of the opinion that the net asset value per ordinary share will be enhanced for the continuing shareholders and it is considered to be in the best interests of shareholders generally or if the overall financial position of the Company was to benefit from such purchases. If the Company purchases any shares under this authority, it may cancel such shares or hold them in treasury. The Directors believe it is advantageous for the Company to have this choice. No dividends would be paid on treasury shares and the Company cannot exercise any rights (including any right to attend or vote at meetings) in respect of those shares. Shares will only be re-sold from treasury at a premium to the net asset value per ordinary share.

Authority to Allot Shares and Disapply Pre-emption Rights

Resolution 8 in the Notice of the Annual General Meeting seeks to renew the Directors' general authority to allot shares in the Company up to an aggregate nominal value of £436,626. This amount represents approximately 33.3% of the Company's total ordinary share capital in issue (excluding treasury shares) as at 15 August 2013 (the latest practicable date prior to publication of this document) and meets institutional guidelines.

Resolution 9, which is proposed as a special resolution, seeks to provide the Directors with authority to allot equity securities and to sell ordinary shares held in treasury on a non-pre-emptive basis for cash (i.e. without first offering them to existing shareholders pro-rata to their existing shareholdings) up to an aggregate nominal amount of £131,119 (representing approximately 10% of the issued share capital (excluding treasury shares) of the Company as at 15 August 2013) (the latest practicable date prior to publication of this document). The authorities sought in Resolutions 8 and 9 will continue until the earlier of the Annual General Meeting to be held in 2014 or the expiry of 15 months from the date of passing of these resolutions.

The Directors intend to use the authorities which will be conferred by Resolutions 8 and 9 at times when the share price stands at a premium to net asset value and natural liquidity is unable to meet demand. The Directors will not make any issue of new ordinary shares to investors unless they consider it advantageous to the Company to do so, and no issue of ordinary shares will be made pursuant to the authorisation in Resolution 9 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

During the year the Company did not allot any shares or sell any shares held in treasury.

At 15 August 2013, the latest practicable date prior to publication of this document, the Company held 640,000 treasury shares, representing 2.4% of the ordinary shares in issue (excluding treasury shares) at 15 August 2013. The Company does not have any warrants or options in issue.

Independent Auditor

The Auditor, Scott-Moncrieff, is willing to continue in office and resolutions concerning their reappointment and remuneration will be proposed at the Annual General Meeting.

Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that they might 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.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting as it is their view that the resolutions are in the best interests of the Company and its shareholders as a whole, consistent with the Directors' duty to act in the way most likely to promote the success of the Company for the benefit of its shareholders as a whole.

Creditor Payment Policy

It is the Company's payment policy for the forthcoming financial year to obtain the best terms for all business. In general, the Company agrees with its suppliers the terms on which business will take place and it is its policy to abide by these terms. The Company had no trade creditors at 30 June 2013 or 30 June 2012.

By order of the Board
Richard RJ Burns
Chairman
16 August 2013

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on page 28.

Remuneration Committee

The Company has five Directors all of whom are non-executive. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co, who have been appointed by the Board as Managers and Secretaries, provide advice, and comparative information when the Board considers the level of Directors' fees.

Policy on Directors' Fees

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. It should also reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. It is intended that this policy will continue for the year ending 30 June 2014 and subsequent years.

The Board carried out a review of the level of Directors' fees during the year and concluded that the annual fee payable to each Director should remain unchanged at £14,000, the Chairman's additional fee should remain at £5,000, and the Audit Committee Chairman's additional fee should remain at £1,500 per annum. Directors' fees were last increased on 1 July 2011.

The fees for the non-executive Directors are determined within an aggregate limit set out in the Company's Articles of Association, which currently stands at £125,000. Non-executive Directors are not eligible for any other remuneration apart from the reimbursement of allowable expenses.

Directors' Remuneration for the Year (audited)

Name	2013 £	2012 £
RRJ Burns (Chairman)	19,000	14,000
HJ Morgan (appointed 21 May 2012)	14,000	1,577
RAR Napier (Audit Committee Chairman)	15,500	15,500
AG Scott (appointed 21 May 2012)	14,000	1,589
MCN Scott	14,000	14,000
PMS Barron (retired 30 June 2012)	–	19,000
	76,500	**65,666**

The Directors who served in the year received the above remuneration in the form of fees.

Sums paid to Third Parties (audited)

The Directors' fees payable to RAR Napier were paid to Orlock Advisors Limited for making his services available as a Director of the Company. The Directors' fees payable to HJ Morgan were paid to Thomas Miller Investment Ltd.

Directors' Service Details

Name	Date of appointment	Due date for election/re-election
RRJ Burns	25 September 1981	AGM 2013
HJ Morgan	21 May 2012	AGM 2015
RAR Napier	10 August 2009	AGM 2015
AG Scott	21 May 2012	AGM 2015
MCN Scott	12 February 1990	AGM 2013

Directors' Service Contracts

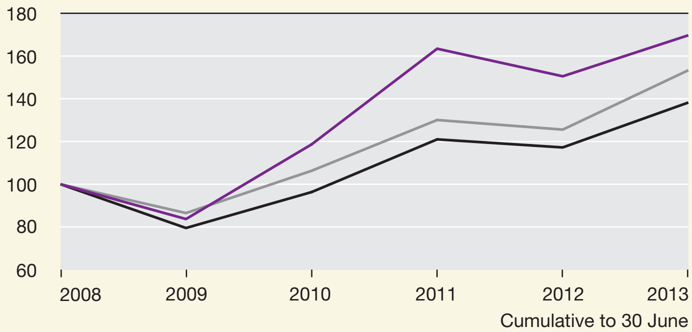
It is the Board's policy that none of the Directors has a service contract. All of the Directors have been provided with appointment letters and the terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Thereafter they are obliged to retire every three years, and may, if they wish, offer themselves for re-election. The Board has also resolved that Directors who have served on the Board for more than nine years will submit themselves for re-election annually. There is no notice period and no provision for compensation upon early termination of appointment.

Company Performance

The following graph compares the total return (assuming all dividends are reinvested) to Mid Wynd's ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes, as it is a widely used measure of performance for UK listed companies (FTSE World Index in sterling terms, which is the Company's comparative index, is provided for information purposes only).

Performance Graph

(figures rebased to 100 at 30 June 2008)



Source: Thomson Reuters Datastream.

Mid Wynd's share price

FTSE World Index (in sterling terms)

FTSE All-Share

All figures are total returns (assuming net dividends are reinvested).

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on this page was approved by the Board of Directors and signed on its behalf on 16 August 2013.

Richard RJ Burns
Chairman

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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 respectively; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report 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.

The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed within the Directors and Management section confirm that, to the best of their knowledge:

— the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return 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 that it faces.

By order of the Board
Richard RJ Burns
Chairman
16 August 2013

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

— The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

— Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

to the shareholders of Mid Wynd International Investment Trust PLC

We have audited the financial statements of Mid Wynd International Investment Trust PLC for the year ended 30 June 2013 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 27, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

— give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of its results for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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; and

— the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Under the Listing Rules we are required to review:

— the Directors' statement, set out on page 27, in relation to going concern;

— the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and

— certain elements of the report to shareholders by the Board on Directors' remuneration.

Iain D Lee (Senior Statutory Auditor) for and on behalf of
Scott-Moncrieff, Statutory Auditor
Exchange Place 3,
Semple Street
Edinburgh EH3 8BL
16 August 2013

Income Statement

For the year ended 30 June

	Notes	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Gains/(losses) on investments	9	–	7,725	**7,725**	–	(5,604)	**(5,604)**
(Losses)/gains on futures contracts	9	–	(1,058)	**(1,058)**	–	614	**614**
Currency losses	14	–	(172)	**(172)**	–	(346)	**(346)**
Income	2	1,347	–	**1,347**	1,259	–	**1,259**
Investment management fee	3	(161)	(161)	**(322)**	(151)	(151)	**(302)**
Other administrative expenses	4	(246)	–	**(246)**	(233)	–	**(233)**
Net return before finance costs and taxation		940	6,334	**7,274**	875	(5,487)	**(4,612)**
Finance costs of borrowings	5	(64)	(64)	**(128)**	(63)	(63)	**(126)**
Net return on ordinary activities before taxation		876	6,270	**7,146**	812	(5,550)	**(4,738)**
Tax on ordinary activities	6	(45)	–	**(45)**	(32)	–	**(32)**
Net return on ordinary activities after taxation		**831**	**6,270**	**7,101**	**780**	**(5,550)**	**(4,770)**
Net return per ordinary share	8	**3.11p**	**23.43p**	**26.54p**	**2.93p**	**(20.88p)**	**(17.95p)**

A final dividend for the year of 2.10p per share is proposed (2012 – 2.00p), making a total of 3.40p for the year (2012 – 3.30p). More information on dividend distributions can be found in note 7 on page 35.

The total column of this statement is the profit and loss account of the Company.

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 33 to 46 are an integral part of the financial statements.

Balance Sheet

As at 30 June

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		71,570		65,167
Current assets					
Debtors	10	76		985	
Cash and deposits	20	1,203		1,239	
		1,279		2,224	
Creditors					
Amounts falling due within one year	11	(991)		(628)	
Net current assets			288		1,596
Total assets less current liabilities			71,858		66,763
Creditors					
Amounts falling due after more than one year	12		(5,071)		(4,927)
Total net assets			**66,787**		**61,836**
Capital and reserves					
Called up share capital	13		1,343		1,343
Capital redemption reserve	14		16		16
Share premium	14		4,983		4,983
Capital reserve	14		59,010		54,004
Revenue reserve	14		1,435		1,490
Shareholders' funds	15		**66,787**		**61,836**
Net asset value per ordinary share (after deducting borrowings at fair value)	15		**253.1p**		**229.8p**
Net asset value per ordinary share (after deducting borrowings at par)	15		**253.3p**		**230.2p**

The financial statements of Mid Wynd International Investment Trust PLC (Company registration number SC042651) were approved and authorised for issue by the Board and were signed on 16 August 2013.

Richard RJ Burns
Chairman

The accompanying notes on pages 33 to 46 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 June 2013

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2012		1,343	16	4,983	54,004	1,490	**61,836**
Net return on ordinary activities after taxation	14	–	–	–	6,270	831	**7,101**
Shares bought back	13	–	–	–	(1,264)	–	**(1,264)**
Shares issued	13	–	–	–	–	–	**–**
Dividends paid during the year	7	–	–	–	–	(886)	**(886)**
Shareholders' funds at 30 June 2013	14	**1,343**	**16**	**4,983**	**59,010**	**1,435**	**66,787**

For the year ended 30 June 2012

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 July 2011		1,318	16	3,818	59,554	1,583	**66,289**
Net return on ordinary activities after taxation		–	–	–	(5,550)	780	**(4,770)**
Shares bought back		–	–	–	–	–	**–**
Shares issued	13	25	–	1,165	–	–	**1,190**
Dividends paid during the year	7	–	–	–	–	(873)	**(873)**
Shareholders' funds at 30 June 2012	14	**1,343**	**16**	**4,983**	**54,004**	**1,490**	**61,836**

The accompanying notes on pages 33 to 46 are an integral part of the financial statements.

Cash Flow Statement

For the year ended 30 June

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Net cash inflow from operating activities	16		744		691
Servicing of finance					
Interest paid		(129)		(129)	
Net cash outflow from servicing of finance			(129)		(129)
Financial investment					
Acquisitions of investments		(24,073)		(29,882)	
Disposals of investments		26,243		29,608	
Futures		(643)		200	
Realised currency loss		(28)		(457)	
Net cash inflow/(outflow) from financial investment			1,499		(531)
Equity dividends paid	7		(886)		(873)
Net cash inflow/(outflow) before financing			1,228		(842)
Financing					
Shares issued	13	–		1,190	
Shares purchased for cancellation	13	(1,264)		–	
Bank loans repaid		–		(5,465)	
Bank loans drawn down		–		4,997	
Net cash (outflow)/inflow from financing			(1,264)		722
Decrease in cash	17		**(36)**		**(120)**

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Reconciliation of net cash flow to movement in net debt	17				
Decrease in cash in the year			(36)		(120)
Net cash outflow from bank loans			–		468
Exchange movement on bank loans			(144)		111
Movement in net debt in the year			(180)		459
Net debt at 1 July			(3,688)		(4,147)
Net debt at 30 June			**(3,868)**		**(3,688)**

The accompanying notes on pages 33 to 46 are an integral part of the financial statements.

Notes to the Financial Statements

1 Principal Accounting Policies

A summary of the principal accounting policies, which are unchanged from the prior year and have been applied consistently, is set out below.

(a) Basis of Accounting

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments, and on the assumption that approval as an investment trust will continue to be granted.

The financial statements have been prepared in accordance with The Companies Act 2006, applicable United Kingdom accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in January 2009.

In order to better reflect the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the income statement.

Financial assets and financial liabilities are recognised in the Company's balance sheet when it becomes a party to the contractual provisions of the instrument.

The Directors consider the Company's functional currency to be sterling as the Company's shareholders are predominantly based in the UK and the Company is subject to the UK's regulatory environment.

(b) Investments

Purchases and sales of investments are accounted for on a trade date basis.

Investments are designated as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value. The fair value of listed investments is bid value or, in the case of FTSE 100 constituents or holdings on certain recognised overseas exchanges, at last traded prices. Listed investments include Open Ended Investment Companies ('OEICs') authorised in the UK and Société d'Investissement À Capital Variable ('SICAVs') authorised in Europe; these are valued at closing prices and are classified in the list of investments according to the principal geographical area of the underlying holdings.

The fair value of unlisted investments uses valuation techniques, determined by the Directors, based upon latest dealing prices, stockbroker valuations, net asset values and other information, as appropriate.

(c) Derivatives

The Company may use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating risk in its investments and protection against currency risk) and to achieve capital growth. Such instruments are recognised on the date of the contract that creates the Company's obligation to pay or receive cash flows and are measured as financial assets or liabilities at fair value at subsequent reporting dates, while the relevant contracts remain open. The fair value is determined by reference to the open market value of the contract.

Where the investment rationale for the use of derivatives is to hedge specific risks pertaining to the Company's portfolio composition, hedge accounting will only be adopted where the derivative instrument relates specifically to a single item, or group of items, of equal and opposite financial exposure, and where the derivative instrument has been explicitly designated as a hedge of such item(s) at the date of initial recognition. In all other circumstances changes in the fair value of derivative instruments are recognised immediately in the income statement as capital or revenue as appropriate.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(e) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Equity investment income includes distributions from Collective Investment Schemes other than those that relate to equalisation, which are treated as capital items.

(ii) Interest from fixed interest securities is recognised on an effective yield basis.

(iii) Unfranked investment income includes the taxes deducted at source.

(iv) Franked investment income is stated net of tax credits.

(v) Underwriting commission and interest receivable on deposits are recognised on an accruals basis.

(vi) If scrip is taken in lieu of dividends in cash, 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.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows: where they relate directly to the acquisition or disposal of an investment, in which case they are added to the cost of the investment or deducted from the sale proceeds; and where they are connected with the maintenance or enhancement of the value of investments, in which case they are charged 50:50 to the revenue account and capital reserve.

(g) Finance Costs

Loan interest is accounted for on an accruals basis and is allocated 50:50 to the revenue account and capital reserve. Loan breakage costs are charged to the capital reserve.

(h) Deferred Taxation

Deferred taxation is provided on all timing differences which have originated but not reversed by the balance sheet date, calculated at the current tax rate relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(i) Dividend Distributions

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which the dividends are approved by the Company's shareholders.

(j) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the balance sheet date, with the exception of forward exchange contracts which are valued at the forward rate ruling at the balance sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in capital reserve or revenue reserve as appropriate.

(k) Capital Reserve

Gains and losses on sales of investments, exchange differences of a capital nature and the amount by which the fair value of assets and liabilities differs from their book value are dealt with in this reserve. 50% of management fees and finance costs together with any associated tax relief are allocated to the capital reserve in accordance with the Company's objective of combining capital and income growth. Purchases of the Company's own shares are also funded from this reserve.

2 Income

	2013 £'000	2012 £'000
Income from investments		
Franked investment income	249	183
UK unfranked investment income	–	3
Overseas dividends	781	853
Overseas interest	317	219
	1,347	**1,258**
Other income		
Underwriting commission and commitment fees	–	1
	–	**1**
Total income	**1,347**	**1,259**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	1,030	1,036
Interest from financial assets designated at fair value through profit or loss	317	222
Other income not from financial assets	–	1
	1,347	**1,259**

3 Investment Management Fee

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Investment management fee	161	161	**322**	151	151	**302**

Baillie Gifford & Co are employed by the Company as Managers and Secretaries under a management agreement which is terminable on not less than one year's notice, or on shorter notice in certain circumstances. The fee in respect of each quarter is 0.125% of the net assets of the Company attributable to its shareholders on the last day of that quarter. The management fee is levied on all assets, including, if applicable, holdings in collective investment schemes (OEICs) managed by Baillie Gifford & Co. However, the OEICs' share classes held by the Company do not incur management fees.

4 Other Administrative Expenses – all charged to revenue

	2013 £'000	2012 £'000
General administrative expenses	158	155
Directors' fees (see Directors' Remuneration Report on page 26)	76	66
Auditor's remuneration for audit services	12	12
	246	**233**

5 Finance Costs of Borrowings

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Bank loans repayable within five years:						
Interest	64	64	**128**	63	63	**126**

6 Tax on Ordinary Activities

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Overseas taxation	45	–	**45**	32	–	**32**
Total tax	**45**	**–**	**45**	**32**	**–**	**32**

	2013 £'000	2012 £'000
The tax charge for the year is lower than the average standard rate of corporation tax in the UK (23.75%)		
The differences are explained below:		
Net return on ordinary activities before taxation	7,146	(4,738)
Net return on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	1,697	(1,208)
Effects of:		
Capital returns not taxable	(1,542)	1,361
Income not taxable (UK dividend income)	(59)	(47)
Income not taxable (overseas dividend income)	(178)	(203)
Overseas tax – non offsettable	45	32
Taxable losses in the year not utilised	82	97
Current tax charge for the year	**45**	**32**

As an investment trust, the Company's capital returns are not taxable.

The standard rate of corporation tax in the UK changed from 24% to 23% on 1 April 2013.

Factors that may affect future tax charges

At 30 June 2013 the Company had a potential deferred tax asset of £289,000 (2012 – £219,000) in respect of taxable losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been provided on these losses as it is considered unlikely that the Company will make suitable taxable revenue profits in excess of deductible expenses in future periods. The potential deferred tax asset has been calculated using a corporation tax rate of 23%. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

7 Ordinary Dividends

	2013	2012	2013 £'000	2012 £'000
Amounts recognised as distributions in the year:				
Previous year's final (paid 12 October 2012)	2.00p	2.00p	537	527
Interim (paid 4 April 2013)	1.30p	1.30p	349	346
	3.30p	**3.30p**	**886**	**873**

We also set out below the total dividends paid and payable in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £831,000 (2012 – £780,000).

	2013	2012	2013 £'000	2012 £'000
Dividends paid and payable in respect of the year:				
Interim dividend per ordinary share (paid 4 April 2013)	1.30p	1.30p	349	346
Proposed final dividend per ordinary share (payable 11 October 2013)	2.10p	2.00p	554	537
	3.40p	**3.30p**	**903**	**883**

8 Net Return per Ordinary Share

	2013 Revenue	2013 Capital	2013 Total	2012 Revenue	2012 Capital	2012 Total
Net return on ordinary activities after taxation	**3.11p**	**23.43p**	**26.54p**	**2.93p**	**(20.88p)**	**(17.95p)**

Revenue return per ordinary share is based on the net revenue on ordinary activities after taxation of £831,000 (2012 – £780,000), and on 26,754,925 (2012 – 26,577,628) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Capital return per ordinary share is based on the net capital gain for the financial year of £6,270,000 (2012 – net capital loss of £5,550,000), and on 26,754,925 (2012 – 26,577,628) ordinary shares, being the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

There are no dilutive or potentially dilutive shares in issue.

9 Fixed Assets – Investments

As at 30 June 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	66,087	2,061	–	**68,148**
Listed equity index options	–	–	–	**–**
Listed convertible securities	56	–	–	**56**
Listed debt securities	2,080	–	524	**2,604**
Unlisted equities quoted on an investment exchange	–	322	–	**322**
Unlisted equities	–	–	440	**440**
Total financial asset investments	**68,223**	**2,383**	**964**	**71,570**

As at 30 June 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	57,843	2,129	–	**59,972**
Listed equity index options	812	–	–	**812**
Listed convertible securities	712	–	–	**712**
Listed debt securities	1,341	684	1,248	**3,273**
Unlisted equities quoted on an investment exchange	–	–	–	**–**
Unlisted equities	–	–	398	**398**
Total financial asset investments	**60,708**	**2,813**	**1,646**	**65,167**

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition. In accordance with Financial Reporting Standard 29 'Financial Instruments: Disclosures', the preceding tables provide an analysis of these investments based on the fair value hierarchy described below which reflects the reliability and significance of the information used to measure their fair value.

Fair Value Hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – investments with quoted prices in an active market;

Level 2 – investments whose fair value is based directly on observable current market prices or is indirectly being derived from market prices; and

Level 3 – investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or are not based on observable market data.

9 Fixed Assets – Investments (continued)

	Listed equities £'000	Unlisted equity £'000	Listed debt £'000	Total £'000
Cost of investments held at 1 July 2012	50,128	405	3,040	**53,573**
Investment holding gains and losses at 1 July 2012	11,285	(7)	316	**11,594**
Fair value of investments held at 1 July 2012	61,413	398	3,356	**65,167**
Movements in year:				
Purchases at cost	23,927	369	575	**24,871**
Sales – proceeds	(24,464)	(58)	(1,710)	**(26,232)**
– (losses)/gains on sales	(39)	–	529	**490**
Amortisation of fixed interest book cost	–	–	39	**39**
Change in listing	(648)	648	–	**–**
Changes in investment holding gains and losses	7,959	(595)	(129)	**7,235**
Fair value of investments held at 30 June 2013	**68,148**	**762**	**2,660**	**71,570**

	Listed equities £'000	Unlisted equity £'000	Listed debt £'000	Total £'000
Cost of investments held at 30 June 2013	48,904	1,364	2,473	**52,741**
Investment holding gains and losses at 30 June 2013	19,244	(602)	187	**18,829**
Fair value of investments held at 30 June 2013	**68,148**	**762**	**2,660**	**71,570**

The purchases and sales proceeds figures above include transaction costs of £60,000 on purchases (2012 – £38,000) and £85,000 on sales (2012 – £30,000), making a total of £145,000 (2012 – £68,000).

Listed equities include OEICs, SICAVs, index options and convertible loan notes expected to convert to equity.

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

For the year to 30 June 2013	Value at 1 July 2012 £'000	Purchases/ amortisation * £'000	Sales proceeds £'000	Change in category £'000	Gains on sales £'000	Holding gains and losses £'000	Value at 30 June 2013 £'000
Listed debt	1,248	7	(968)	–	434	(197)	**524**
Unlisted equities	398	8	(58)	648 †	–	(556)	**440**
	1,646	**15**	**(1,026)**	**648**	**434**	**(753)**	**964**

* Purchases/amortisation includes amortisation of fixed income securities of £7,000.
† This relates to a closed end fund which is being wound up and which cancelled its listing.

The gains and losses included in the above table have all been recognised in the income statement on page 29. The Company believes that other reasonably possible alternative valuations for its Level 3 holdings would not be significantly different from those included in the financial statements.

For the year to 30 June 2012	Value at 1 July 2011 £'000	Purchases/ amortisation * £'000	Sales proceeds £'000	Change in category £'000	Gains on sales £'000	Holding gains and losses £'000	Value at 30 June 2012 £'000
Listed debt	2,101	6	(772)	–	279	(366)	**1,248**
Unlisted debt	678	–	(1,005)	–	327	–	**–**
Unlisted equities	153	253	–	–	–	(8)	**398**
	2,932	**259**	**(1,777)**	**–**	**606**	**(374)**	**1,646**

* Purchases/amortisation includes amortisation of fixed income securities of £6,000.

9 Fixed Assets – Investments (continued)

	2013 £'000	2012 £'000
Net (losses)/gains on investments designated at fair value through profit or loss on initial recognition		
Fixed asset investments		
Gains/(losses) on sales	490	(947)
Changes in investment holding gains and losses	7,235	(4,657)
	7,725	**(5,604)**
Equity index futures		
Realised gains on closed contracts	(1,507)	1,063
Changes in investment holding gains and losses	449	(449)
	(1,058)	**614**

Of the gains on sales of fixed asset investments of £490,000 (2012 – losses of £947,000) during the year, a net gain of £1,027,000 (2012 – £4,023,000) was included in the investment holding gains at the previous year end.

10 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Income accrued (net of overseas withholding tax)	44	71
Sales for subsequent settlement	–	11
Amounts due from equity index futures brokers	–	863
Other debtors and prepayments	32	40
	76	**985**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value.

11 Creditors – Amounts falling due within one year

	2013 £'000	2012 £'000
Purchases for subsequent settlement	868	70
Unrealised losses on open futures contracts	–	449
Other creditors and accruals	123	109
	991	**628**

Included in other creditors is £83,000 (2012 – £77,000) in respect of the investment management fee. The above creditors at 30 June 2012 of £449,000 in respect of unrealised losses on open futures contracts are financial liabilities designated at fair value through profit or loss.

12 Creditors – Amounts falling due after more than one year

	2013 £'000	2012 £'000
Bank loans	**5,071**	**4,927**

Borrowing facilities

Two three-year, fixed rate loan facilities, maturing 20 February 2015, have been arranged with Scotiabank Europe PLC.

At 30 June 2013 and 30 June 2012 drawings were as follows:
Scotiabank Europe – £2.5 million at an interest rate of 2.6530% per annum
– €3 million at an interest rate of 2.4780% per annum

The main covenants relating to the loans are:
(i) Total borrowings shall not exceed 33.33% of the Company's investment portfolio.
(ii) The Company's minimum net asset value shall be £32 million.

13 Called Up Share Capital

	2013 Number	2013 £'000	2012 Number	2012 £'000
Allotted, called up and fully paid ordinary shares of 5p each	26,363,830	1,318	26,863,830	1,343
Treasury shares of 5p each	500,000	25	–	–
Total	**26,863,830**	**1,343**	**26,863,830**	**1,343**

The Company's authority permits it to hold shares bought back 'in treasury'. Such treasury shares may be subsequently either sold for cash (at, or at a premium to, net asset value per ordinary share) or cancelled. In the year to 30 June 2013 a total of 500,000 ordinary shares with a nominal value of £25,000 were bought back at a total cost of £1,264,000 and held in treasury. (No shares were bought back in the year to 30 June 2012.) At 30 June 2013 the Company had authority to buy back a further 3,526,888 ordinary shares.

Under the provisions of the Company's Articles the share buy-backs were funded from the capital reserve.

In the year to 30 June 2013 the Company did not allot any ordinary shares (2012 – allotted 500,000 ordinary shares with a nominal value of £25,000 for consideration of £1,190,000). At 30 June 2013 the Company had authority to allot 2,686,383 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in October 2012.

14 Capital and Reserves

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 July 2012	1,343	16	4,983	54,004	1,490	**61,836**
Gains on sales of investments	–	–	–	490	–	**490**
Changes in investment holding gains and losses on investments	–	–	–	7,235	–	**7,235**
Losses on futures contracts	–	–	–	(1,507)	–	**(1,507)**
Changes in investment holding gains and losses on futures	–	–	–	449	–	**449**
Exchange differences on bank loans	–	–	–	(144)	–	**(144)**
Other exchange differences	–	–	–	(28)	–	**(28)**
Investment management fee	–	–	–	(161)	–	**(161)**
Finance costs of borrowings	–	–	–	(64)	–	**(64)**
Revenue return on ordinary activities after taxation	–	–	–	–	831	**831**
Shares bought back	–	–	–	(1,264)	–	**(1,264)**
Dividends paid in the year	–	–	–	–	(886)	**(886)**
At 30 June 2013	**1,343**	**16**	**4,983**	**59,010**	**1,435**	**66,787**

The capital reserve includes investment holding gains on fixed asset investments of £18,829,000 (2012 – gains of £11,594,000) as disclosed in note 9.

The revenue reserve is distributable by way of dividend.

15 Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net assets attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2013	2012	2013 £'000	2012 £'000
Ordinary shares	**253.3p**	**230.2p**	**66,787**	**61,836**

	2013 £'000	2012 £'000
The movements during the year of the assets attributable to the ordinary shares were as follows:		
Total net assets at 1 July	61,836	66,289
Total recognised gains and losses for the year	7,101	(4,770)
Shares bought back	(1,264)	–
Shares issued	–	1,190
Dividends appropriated in the year	(886)	(873)
Total net assets at 30 June	**66,787**	**61,836**

Net asset value per ordinary share is based on net assets as shown above and on 26,363,830 (2012 – 26,863,830) ordinary shares, being the number of ordinary shares in issue (excluding treasury shares) at the year end.

Deducting borrowings at fair value (see note 20, page 45) would have had the effect of decreasing the net asset value per ordinary share from 253.3p to 253.1p. Taking the market price of the ordinary shares at 30 June 2013 of 256.6p, this would have given a premium to net asset value of 1.4% as against 1.3% on debt at par basis. At 30 June 2012 the effect would have been to reduce the net asset value from 230.2p to 229.8p. Taking the market price of the ordinary shares at 30 June 2012 of 230.8p, this would have given a premium to net asset value of 0.4% as against 0.3% on debt at par basis.

16 Reconciliation of Net Return before Finance Costs and Taxation to Net Cash Inflow from Operating Activities

	2013 £'000	2012 £'000
Net return before finance costs and taxation	7,274	(4,612)
(Gains)/losses on investments	(7,725)	5,604
Losses/(gains) on futures contracts	1,058	(614)
Currency losses	172	346
Amortisation of fixed interest book cost	(39)	(25)
Decrease in accrued income	30	46
Decrease/(increase) in debtors	8	(4)
Increase/(decrease) in creditors	14	(10)
Overseas tax suffered	(48)	(40)
Net cash inflow from operating activities	**744**	**691**

17 Analysis of Change in Net Debt

	At 1 July 2012 £'000	Cash flows £'000	Exchange movement £'000	At 30 June 2013 £'000
Cash at bank and in hand	1,239	(36)	–	**1,203**
Bank loans due after more than one year	(4,927)	–	(144)	**(5,071)**
	(3,688)	**(36)**	**(144)**	**(3,868)**

18 Contingent Liabilities, Guarantees and Financial Commitments

At 30 June 2013 and 30 June 2012 the Company had no contingent liabilities, guarantees or financial commitments.

19 Related Party Transactions

The Directors' fees for the year are detailed in the Directors' Remuneration Report on page 26.

No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

20 Financial Instruments

As an Investment Trust, the Company invests in equities and makes other investments so as to meet its investment objective of achieving capital and income growth by investing on a worldwide basis. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposure to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short term volatility.

The Company may enter into derivative transactions as explained in the Investment Policy on page 19. In the period under review the Company purchased and sold equity index options and equity index futures. There were no derivative financial instruments open at the balance sheet date (those open at 30 June 2012 are shown on page 46).

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Investment Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis. Details of the Company's investment portfolio are shown in note 9 and on pages 15 to 18.

(i) Currency Risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Investment Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Investment Managers assess the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown overleaf. The main changes to net currency exposure during the year are as follows: exposure to the Euro increased, reflecting purchases of a euro denominated bond, equity investments and market movements; exposure to the Swiss franc with additions to equity investments and market movements; exposure to the Kenyan shilling through the purchase of an equity investment and exposure to the Brazilian real decreased through the sale of the Brazilian equities. Explanations of changes in asset allocation can be found in the Chairman's Statement and Managers' Portfolio Review on pages 4 and 5 and 12 to 14 respectively.

20 Financial Instruments (continued)

(i) Currency Risk (continued)

At 30 June 2013	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	17,765	1,169	–	(712)	**18,222**
Euro	12,499	9	(2,571)	31	**9,968**
Swiss franc	3,041	–	–	–	**3,041**
Norwegian krone	2,398	–	–	–	**2,398**
Japanese yen	2,288	–	–	4	**2,292**
Turkish lira	2,114	–	–	–	**2,114**
Brazilian real	1,884	–	–	2	**1,886**
Kenyan shilling	1,415	–	–	–	**1,415**
Danish krone	1,264	–	–	–	**1,264**
South African rand	1,189	–	–	–	**1,189**
Other overseas currencies	5,782	–	–	–	**5,782**
Total exposure to currency risk	**51,639**	**1,178**	**(2,571)**	**(675)**	**49,571**
Sterling	19,931	25	(2,500)	(240)	**17,216**
	71,570	**1,203**	**(5,071)**	**(915)**	**66,787**

* Includes net non-monetary assets of £8,000.

At 30 June 2012	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	15,730	1,401	–	246	**17,377**
Euro	8,185	(107)	(2,427)	172	**5,823**
Swiss franc	1,671	–	–	–	**1,671**
Norwegian krone	1,841	–	–	–	**1,841**
Japanese yen	2,973	–	–	11	**2,984**
Turkish lira	1,193	–	–	–	**1,193**
Brazilian real	5,487	–	–	–	**5,487**
Kenyan shilling	–	–	–	–	**–**
Danish krone	1,133	–	–	–	**1,133**
South African rand	1,754	–	–	–	**1,754**
Other overseas currencies	4,597	–	–	15	**4,612**
Total exposure to currency risk	**44,564**	**1,294**	**(2,427)**	**444**	**43,875**
Sterling	20,603	(55)	(2,500)	(87)	**17,961**
	65,167	**1,239**	**(4,927)**	**357**	**61,836**

* Includes net non-monetary assets of £9,000.

Currency Risk Sensitivity

At 30 June 2013, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown opposite. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the financial statement amounts. The analysis is performed on the same basis for 2012.

20 Financial Instruments (continued)

(i) Currency Risk (continued)

Currency Risk Sensitivity (continued)

	2013 £'000	2012 £'000
US dollar	911	869
Euro	498	291
Swiss franc	152	84
Norwegian krone	120	92
Japanese yen	115	149
Turkish lira	106	60
Brazilian real	94	274
Kenyan shilling	71	–
Danish krone	63	57
South African rand	60	88
Other overseas currencies	289	230
	2,479	**2,194**

(ii) Interest Rate Risk

Interest rate movements may affect directly:

— the fair value of the investments in fixed interest rate securities;

— the level of income receivable on cash deposits;

— the fair value of the Company's fixed-rate borrowings; and

— the interest payable on any variable rate borrowings which the Company may take out.

Interest rate movements may also impact upon the market value of the Company's investments outwith fixed income securities. The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity.

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 decisions and when entering borrowing agreements.

The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The Company finances part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board. Movements in interest rates, to the extent that they affect the market value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value.

The interest rate risk profile of the Company's financial assets and liabilities at 30 June is shown below.

Financial Assets

	2013 Fair value £'000	2013 Weighted average interest rate	2013 Weighted average period until maturity	2012 Fair value £'000	2012 Weighted average interest rate	2012 Weighted average period until maturity
Fixed rate:						
US dollar bonds	1,037	10.4%	8 years	1,067 *	4.9%	8 years
Euro bonds	1,099	9.3%	4 years	986	9.1%	5 years
Floating rate:						
US dollar bonds (interest rate linked to reinsurance rate)	–	–	–	684	13.6%	4 years
Euro bonds (interest rate linked to Euro LIBOR)	304	8.4%	2 years	287	8.7%	3 years
Fixed interest collective investment schemes:						
Athena Debt Opportunities Fund	–	–	–	746	2.5%	25 years
K1 Life Settlements	220	–	n/a	215	–	n/a

* Includes convertible treated as equity.

The cash deposits generally comprise call deposits or short term money market deposits with original maturities of less than three months, which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the bank base rate.

20 Financial Instruments (continued)

Financial Liabilities

The interest rate risk profile of the Company's bank loans and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 30 June are shown below.

Interest Rate Risk Profile

	2013 £'000	2012 £'000
Fixed rate – Sterling denominated	2,500	2,500
Fixed rate – Euro denominated	2,571	2,427
	5,071	**4,927**

Maturity Profile

	2013 Within 1 year £'000	2013 Between 1 and 5 years £'000	2013 More than 5 years £'000	2012 Within 1 year £'000	2012 Between 1 and 5 years £'000	2012 More than 5 years £'000
Repayment of loans	–	5,071	–	–	4,927	–
Interest on loans	130	87	–	126	212	–
	130	**5,158**	**–**	**126**	**5,139**	**–**

Interest Rate Risk Sensitivity

An increase of 100 basis points in bond yields as at 30 June 2013 would have decreased total net assets and total return on ordinary activities by £122,000 (2012 – £83,000). A decrease of 100 basis points would have had an equal but opposite effect.

An increase of 100 basis points in bond yields as at 30 June 2013 would have decreased the net asset value per share (with borrowings at fair value) by 0.15p (2012 – increased by 0.16p). A decrease of 100 basis points would have had an equal but opposite effect.

(iii) Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets.

The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Managers. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the index. Investments are selected based upon the merit of individual companies and therefore performance may well diverge from the short term fluctuations of the comparative index.

Other Price Risk Sensitivity

Fixed asset investments are valued at bid prices which equate to their fair value. A full list of the Company's investments is given on pages 15 to 18. In addition, an analysis of the investment portfolio by geographical split and broad industrial or commercial sector and a list of the 30 largest investments by their aggregate market value is given on pages 10 and 11. Details of derivative financial instruments open at 30 June 2012 are shown on page 46.

After deducting borrowings 102.0% (2012 – 100.0%) of the Company's net assets are invested in quoted equities.

The Company had no equity derivative instruments at 30 June 2013. At 30 June 2012 the sensitivity of the Company's equity investments to general movements in equity markets was adjusted by the use of the equity derivative instruments detailed on page 46, with the purchase of equity index call options increasing it and the sale of equity index futures decreasing it. After taking into account the impact of the equity index options and equity index futures open at the balance sheet date, a 3% increase in quoted equity valuations at 30 June 2012 would have increased total assets and total return on ordinary activities by £1,637,000. A decrease of 3% would have had an equal but opposite effect.

Liquidity Risk

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

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Board monitors the exposure to any one holding.

The Company has the power to take out borrowings, which give it access to additional funding when required. The Company's borrowing facilities are detailed in note 12.

20 Financial Instruments (continued)

Credit Risk

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

This risk is managed as follows:

— Where the Investment Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question.

— The Board regularly receives information from the Investment Managers on the credit ratings of those bonds and other securities in which the Company has invested.

— The Company's listed investments are held on its behalf by The Bank of New York Mellon, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Investment Managers monitor the Company's risk by reviewing the custodian's internal control reports and reporting their findings to the Board.

— Investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.

— Transactions involving derivatives, 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 Managers of the creditworthiness of that counterparty.

— Cash is only held at banks that are regularly reviewed by the Managers.

Credit Risk Exposure

The exposure to credit risk at 30 June was:

	2013 £'000	2012 £'000
Fixed interest investments	2,660	3,356
Cash and deposits	1,203	1,239
Debtors and prepayments	76	985
	3,939	**5,580**

None of the Company's financial assets are past due or impaired.

Fair Value of Financial Assets and Financial Liabilities

The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the balance sheet with the exception of long term borrowings which are stated in accordance with FRS26. Short term borrowings have a fair value equal to par.

	2013 Book £'000	2013 Fair £'000	2012 Book £'000	2012 Fair £'000
Fixed rate sterling loan	2,500	2,530	2,500	2,553
Fixed rate euro loan	2,571	2,606	2,427	2,476
Total long term borrowings	**5,071**	**5,136**	**4,927**	**5,029**

20 Financial Instruments (continued)

Gains and Losses on Purchased Options

The Company had no purchased options at 30 June 2013, the following purchased options were in position at 30 June 2012:

At 30 June 2012 Description	Number of contracts	Strike price	Expiration date	Potential exposure £'000	Premium paid £'000	Fair value £'000
FTSE 100 call	80	5,500	21/12/12	2,286	291	233
Eurostoxx 50 call	200	2,500	21/12/12	898	295	74
S&P 500 call	50	1,225	21/12/12	2,684	259	505
				5,868	**845**	**812**

Gains and (Losses) on Equity Index Futures Sales

The Company had no equity index futures sales at 30 June 2013, the following equity index futures sales were in position at 30 June 2012:

At 30 June 2012 Description	Expiration date	Notional amount	Position	Counterparty	Fair value £'000
FTSE 100 Sept 2012	21/9/12	(£4,304,200)	Sale	UBS	(114)
Eurostoxx 50 Sept 2012	21/9/12	(€4,275,000)	Sale	UBS	(188)
S&P 500 Sept 2012	21/9/12	(US$6,486,975)	Sale	UBS	(147)
					(449)

Gains and losses on hedges

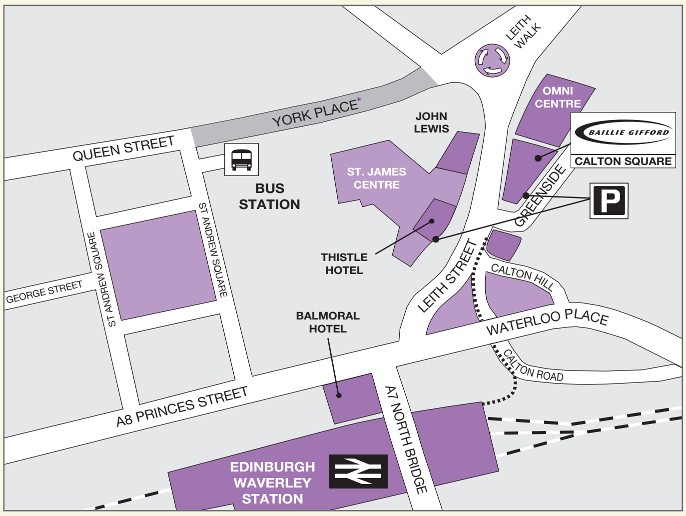
At 30 June 2013 and 30 June 2012 there were no unrecognised gains/losses on hedges.

Currency gains/losses are taken to the capital reserve and are not reflected in the revenue account unless they are of a revenue nature.

Capital Management

The capital of the Company is its share capital and reserves as set out in notes 13 and 14 together with its borrowings (see note 12). The objective of the Company is to achieve capital and income growth by investing on a worldwide basis. The Company's investment policy is set out on page 19. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on page 22. The Company has the ability to issue and buy back its shares (see pages 24 and 25) and changes to the share capital during the year are set out in notes 13 and 15. The Company does not have any externally imposed capital requirements other than the covenants on its loans which are detailed in note 12.

Notice of Annual General Meeting



The Annual General Meeting of the Company will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, on Monday, 7 October 2013 at 12.00 noon.

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 027 0133.

Baillie Gifford may record your call.

* Please note: Traffic disruptions and road closures are in place on York Place due to the Edinburgh Tramwork Project.

By Rail:
Edinburgh Waverley – approximately a 5 minute walk away

By Bus:
Lothian Buses local services include:
1, 5, 7, 8, 10, 12, 14, 15, 15A, 16, 22, 25, 34

.... Access to Waverley Train Station on foot

Notice is hereby given that the Annual General Meeting of Mid Wynd International Investment Trust PLC will be held within the Registered Office of the Company at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Monday, 7 October 2013 at 12.00 noon (the 'Meeting') for the following purposes:

Ordinary Business

To consider and, if thought fit, pass Resolutions 1 to 8 (inclusive) which will be proposed as ordinary resolutions:

1. To receive and adopt the Annual Report and the Financial Statements of the Company for the financial year ended 30 June 2013 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Remuneration Report for the financial year ended 30 June 2013.
3. To declare a final dividend of 2.10p per ordinary share for the financial year ended 30 June 2013.
4. To re-elect Mr RRJ Burns as a Director of the Company.
5. To re-elect Mr MCN Scott as a Director of the Company.
6. To reappoint Scott-Moncrieff as Independent Auditor of the Company to hold office from the conclusion of the Meeting until the conclusion of the next meeting at which the financial statements are laid before the Company.
7. To authorise the Directors to determine the remuneration of the Independent Auditor.
8. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (such shares and rights together being 'Securities') up to an aggregate nominal value of £436,626, being equal to approximately 33.3% of the Company's issued share capital as at 15 August 2013, to such persons and on such terms as the Directors may determine, such authority to expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution or on the expiry of 15 months from the date of passing of this resolution, whichever is the earlier, 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 this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, to pass Resolutions 9 and 10 as special resolutions:

9. That, subject to the passing of Resolution 8 above (the 'Section 551 Resolution'), and in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Sections 570 and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (as defined in Section 560 of the Act), for cash pursuant to the Section 551 Resolution or by way of a sale of treasury shares, in each case as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power:
   (a) shall be limited to the allotment of equity securities in connection with an offer of such securities to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their respective holdings of such shares but subject to such exclusions, limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever; or
   (b) shall be limited to the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) of this resolution) up to an aggregate nominal value of £131,119 being approximately 10% of the nominal value of the issued share capital of the Company, as at 15 August 2013; and

(c) expires at the conclusion of the next Annual General Meeting of the Company held after the passing of this Resolution or on the expiry of 15 months from the date of passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

10. 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 and is hereby generally and unconditionally authorised pursuant to Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693(4) of the Act) of any of its ordinary shares in the capital of the Company ('ordinary shares') in such manner and upon such terms as the Directors of the Company may from time to time determine, provided that:

(a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 3,930,952, or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date on which this resolution is passed;

(b) the minimum price (excluding expenses) which may be paid for any ordinary share is the nominal value thereof;

(c) the maximum price (excluding expenses) which may be paid for any ordinary share shall not be more than the higher of:

(i) 5 per cent above the average closing price of an ordinary share on the London Stock Exchange over the five business days immediately preceding the date of purchase; and

(ii) the higher of the price of the last independent trade in ordinary shares and the highest current independent bid for such shares on the London Stock Exchange; and

(d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution or on the expiry of 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

By order of the Board
Baillie Gifford & Co
Managers and Secretaries
27 August 2013

Notes

1. Information about the Meeting is available on the Company's page of the Managers' website at **www.midwynd.co.uk**.

2. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A proxy need not be a shareholder of the Company.

3. A Form of Proxy is enclosed and to be valid must be lodged with the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or **www.eproxyappointment.com** so as to arrive not later than two days, excluding non-working days, before the time set for the Meeting, or any adjourned meeting. Any Power of Attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the Meeting in person.

4. The right to vote at the Meeting is determined by reference to the Register of Members of the Company as at the close of business on 3 October 2013.

   Changes to entries on the Register of Members after the close of business on 3 October 2013 shall be disregarded in determining the rights of any shareholder to attend and vote at the Meeting.

5. As a shareholder, you have the right to put questions at the Meeting relating to the business being dealt with at the Meeting.

6. Shareholders participating in the Baillie Gifford Investment Trust Share Plan, Children's Savings Plan or the Baillie Gifford Investment Trust ISA who wish to vote and/or attend the Meeting must complete and return the enclosed reply-paid Form of Direction.

7. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the '2006 Act') to enjoy information rights (a 'Nominated Person') may, under agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 2 and 3 above does not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders of the Company.

8. As at 15 August 2013, the latest practicable date before publication of this document, the Company had 26,223,830 ordinary shares (excluding treasury shares) of 5p each in issue. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 15 August 2013 is 26,223,830.

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual on the Euroclear website at **www.euroclear.com/CREST**. 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.
10. In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID number 3RA50) not later than two days (excluding non-working days) before the time appointed for holding the Meeting. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. 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.
13. No Director has a contract of service with the Company. Copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting.
14. It is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006 (the '2006 Act'), the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.

Further Shareholder Information

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker, by asking a professional adviser to do so, or through the Baillie Gifford savings vehicles (see page 51 for details). If you are interested in investing directly in Mid Wynd, you can do so online. There are a number of companies offering real time online dealing services. Find out more at www.midwynd.co.uk.

Sources of Further Information on the Company

The price of shares is quoted daily in the Financial Times and can also be found on the Mid Wynd page of the Managers' website at www.midwynd.co.uk, Trustnet at www.trustnet.co.uk and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Mid Wynd Share Identifiers

ISIN	GB00B6VTTK07
Sedol	B6VTTK0
Ticker	MWY

The Ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times.

Key Dates

Ordinary shareholders normally receive two dividends in respect of each financial year. An interim dividend is paid in April and a final dividend is paid in October. The AGM is normally held in October.

Capital Gains Tax

For Capital Gains Tax indexation purposes, the market value of an ordinary share in the Company as at 31 March 1982 was 52p. The equivalent price, adjusted for the five for one share split in October 2011, is 10.4p.

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0870 707 1186.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

— hear the latest share price;

— confirm your current share holding balance;

— confirm your payment history; and

— order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

By quoting the reference number on your share certificate you can also check your holding on the Registrars' website at www.investorcentre.co.uk.

They also offer a free, secure share management website service which allows you to:

— view your share portfolio and see the latest market price of your shares;

— calculate the total market price of each shareholding;

— view price histories and trading graphs;

— update bank mandates and change address details;

— use online dealing services; and

— pay dividends directly into your overseas bank account in your chosen local currency.

To take advantage of this service, please log in at www.investorcentre.co.uk. You will need your Shareholder Reference Number and Company Code to do this (this information can be found on the last dividend voucher or your share certificate).

Dividend Reinvestment Plan

Computershare operate a Dividend Reinvestment Plan which can be used to buy additional shares instead of receiving your dividend via cheque or into your bank account. For further information log in to www.investorcentre.co.uk and follow the instructions or telephone 0870 707 1694.

Electronic Proxy Voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at www.eproxyappointment.com.

If you have any questions about this service please contact Computershare on 0870 707 1186.

Mid Wynd is an investment trust. Investment trusts offer investors the following:

— participation in a diversified portfolio of shares;

— constant supervision by experienced professional managers; and

— the Company is free from capital gains tax on capital profits realised within its portfolio, although investors are still liable for capital gains tax on profits when selling their investment.

Analysis of Shareholders at 30 June

	2013 Number	2013 %	2012 Number	2012 %
Institutions	452,060	1.7	388,803	1.5
Intermediaries	13,150,512	49.9	13,456,136	50.1
Individuals	5,971,967	22.6	6,405,231	23.8
Baillie Gifford Share Plans/ISA	6,789,291	25.8	6,613,660	24.6
	26,363,830	**100.0**	**26,863,830**	**100.0**

Cost-effective Ways to Buy and Hold Shares in Mid Wynd

The Share Plan and ISA brochure available at **www.midwynd.co.uk**

Press advertisement for the Baillie Gifford Children's Savings Plan

Baillie Gifford Savings Management Limited offers a number of plans that enable you to buy and hold shares of Mid Wynd cost-efficiently. Purchases and sales are normally subject to a dealing price spread and Government stamp duty of 0.5% is payable on purchases.

The Baillie Gifford Investment Trust Share Plan

- No initial charge
- No annual wrapper charge
- Normally cheaper than dealing through a stockbroker
- Invest a lump sum from £250 or monthly from just £30
- No maximum investment limits
- Stop and start saving at any time with no charge
- Twice weekly dealing (usually Tuesday and Friday)
- A withdrawal charge of just £22

The Baillie Gifford Investment Trust ISA

- Tax-efficient investment
- No set-up charge
- Flat rate annual management charge currently of £32.50 + VAT
- Lump sum investment from £2,000 currently up to a maximum of £11,520 each year
- Save monthly from £100
- A withdrawal charge of just £22

ISA Transfers

- Transfer existing ISAs from other plan managers into the Baillie Gifford ISA
- Consolidate your plans into a managed global investment
- Minimum transfer value £2,000

The Baillie Gifford Children's Savings Plan

- An excellent way for parents, grandparents or other adults to invest for a child
- No initial charge
- No annual wrapper charge
- The option of a designated account or a bare trust in favour of the child
- Flexible investment options: lump sum from £100 or monthly saving from just £25
- A withdrawal charge of just £22

Online Management Service

You can also open and manage your Share Plan/Children's Savings Plan* and/or ISA online, through our secure Online Management Service (OMS) which can be accessed through the Baillie Gifford website at **www.bailliegifford.com/oms**. As well as being able to view the details of your plan online, the service also allows you to:

- Obtain current valuations;
- Make lump sum investments, except where there is more than one holder;
- Sell part or all of your holding, except where there is more than one holder;
- Switch between investment trusts, except where there is more than one holder; and
- Update certain personal details e.g. address and telephone number.

*Please note that a bare trust cannot be opened via OMS. A bare trust application form must be completed.

Certain restrictions apply for accounts where there is more than one holder.

Risks

- Past performance is not a guide to future performance.
- Mid Wynd is listed on the London Stock Exchange. As a result, the value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.
- Mid Wynd invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

- Mid Wynd invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Mid Wynd has borrowed money to make further investments (sometimes known as 'gearing'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any borrowings will increase the amount of this loss.
- Mid Wynd can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its shares.
- Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.
- Mid Wynd can make use of derivatives. The use of derivatives may impact on its performance.
- Mid Wynd charges 50% of the investment management fee and 50% of borrowing costs to capital which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning Mid Wynd may not pay a dividend and the capital value would be further reduced.
- Corporate bonds are generally perceived to carry a greater possibility of capital loss than investment in, for example, higher rated UK government bonds. Bonds issued by companies and governments may be adversely affected by changes in interest rates and expectations of inflation.
- You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.
- The favourable tax treatment of ISAs may change.

The information and opinions expressed within this financial report are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co and does not in any way constitute investment advice.

Details of other risks that apply to investment in the plans shown on page 51 are contained in the product brochures.

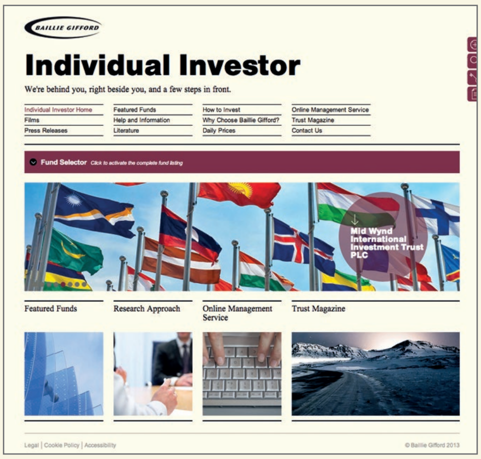
Mid Wynd International Investment Trust PLC is a UK public listed company and as such complies with the requirements of the UK Listing Authority. It is not authorised and regulated by the Financial Conduct Authority.

Baillie Gifford Savings Management Limited (BGSM) is the manager of The Baillie Gifford Investment Trust Share Plan, The Baillie Gifford Children's Savings Plan and The Baillie Gifford Investment Trust ISA. BGSM is wholly owned by Baillie Gifford & Co who are the Managers and Secretaries of Mid Wynd International Investment Trust PLC. BGSM and Baillie Gifford & Co are authorised and regulated by the Financial Conduct Authority and both are based at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.

The staff of Baillie Gifford & Co and the Directors of Mid Wynd may hold shares in Mid Wynd and may buy or sell shares from time to time.

Communicating with Shareholders

Trust Magazine



A Mid Wynd web page at www.midwynd.co.uk

Promoting Mid Wynd

Baillie Gifford carries out marketing activity to promote Mid Wynd to institutional, intermediary and direct investors. The Board warmly supports the promotion of the plans described on page 51 in order to bring the merits of Mid Wynd to as wide an audience as possible.

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published three times a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Mid Wynd. *Trust* plays an important role in helping to explain our products so that readers can really understand them. For a copy of *Trust*, please contact the Baillie Gifford Client Relations Team (see contact details opposite).

An online version of *Trust* can be found at www.bgtrustonline.com.

Mid Wynd on the Web

Up-to-date information about Mid Wynd is on the Mid Wynd page of the Managers' website at www.midwynd.co.uk. You will find full details of Mid Wynd, including recent portfolio information and performance figures.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcome. Please contact the Baillie Gifford Client Relations Team (see contact details below) and give them your suggestions. They will also be very happy to answer any questions that you may have, either about Mid Wynd or the plans described on page 51.

Literature in Alternative Formats

It is possible to provide copies of literature in alternative formats, such as large print or on audio tape. Please contact the Baillie Gifford Client Relations Team for more information.

Client Relations Team Contact Details

Telephone: 0800 027 0133
Your call may be recorded for training or monitoring purposes.

E-mail: trustenquiries@bailliegifford.com
Website: www.bailliegifford.com
Fax: 0131 275 3955

Client Relations Team
Baillie Gifford Savings Management Limited
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Mid Wynd specific queries

Please use the following contact details:
Website: www.midwynd.co.uk

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice or if you have any questions about the suitability of any of these plans for you, please ask an authorised intermediary.

Directors

Chairman:
RRJ Burns

HJ Morgan
RAR Napier
AG Scott
MCN Scott

Managers, Secretaries and Registered Office

Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
www.bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0870 707 1186

Banker

The Bank of
New York Mellon SA/NV
46 Rue Montoyerstraat
B-1000 Brussels
Belgium

Broker

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London
E14 5JP

Independent Auditor

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

www.midwynd.co.uk
Company Registration
No. SC042651