

# Shires Income PLC

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

## Half Yearly Report

for the six months ended 30 September 2017



# Contents

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1	Highlights and Financial Calendar
2	Interim Board Report – Chairman’s Statement
6	Interim Board Report – Other Matters
7	Investment Portfolio – Equities
8	Investment Portfolio – Other Investments
9	Distribution of Assets and Liabilities
10	Condensed Statement of Comprehensive Income
11	Condensed Balance Sheet
12	Condensed Statement of Changes in Equity
13	Condensed Cash Flow Statement
14	Notes to the Financial Statements
19	Investor Information
25	Corporate Information

## Investment Objective

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

# Highlights and Financial Calendar

## Highlights

	30 September 2017	31 March 2017	% change
Equity shareholders' funds (£'000)	84,805	81,477	+4.1
Net asset value per share	282.71p	271.61p	+4.1
Share price (mid-market)	267.00p	243.25p	+9.8
Discount to net asset value	5.56%	10.44%	
Dividend yield	4.78%	5.20%	
Net gearing <sup>A</sup>	18.4%	21.1%	
Ongoing charges ratio <sup>B</sup>	0.97%	1.04%	

<sup>A</sup> Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".

<sup>B</sup> Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses (annualised) divided by the average cum income net asset value throughout the year. The ratio for 30 September 2017 is based on forecast ongoing charges for the year ending 31 March 2018.

## Performance (total return)

	6 months ended 30 September 2017	1 year ended 30 September 2017	3 years ended 30 September 2017	5 years ended 30 September 2017
Net asset value	+6.7%	+14.6%	+33.3%	+81.1%
Share price	+12.8%	+23.5%	+29.8%	+66.9%
FTSE All-Share Index	+3.6%	+11.9%	+27.8%	+61.2%

All figures are for total return and assume re-investment of net dividends excluding transaction costs.

## Financial Calendar

26 January 2018	Ordinary shares second interim dividend 2017/18 payable
31 March 2018	3.5% Preference shares half year dividend payable
27 April 2018	Ordinary shares third interim dividend 2017/18 payable
May 2018	Announcement of results for year ending 31 March 2018
June 2018	Annual Report posted to shareholders
5 July 2018	Annual General Meeting (London)
27 July 2018	Ordinary shares final dividend 2017/18 payable

# Interim Board Report – Chairman’s Statement

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This is my first Chairman’s Statement following the retirement of Tony Davidson at the Company’s Annual General Meeting on 11 July 2017. I would like to thank Tony for his excellent stewardship of your Company during the period of nearly nine years that he was Chairman.

## Background

Compared to the strong gains that characterised the start of 2017, market returns were more muted during the period under review. They have, however, been positive and reflective of a more normalised level of return. Smaller companies have, on average, performed approximately twice as strongly as the broader market.

Politics has dominated sentiment surrounding the domestic economy. Brexit has been at the forefront of investors’ minds and the associated uncertainty was increased by Theresa May’s decision to call a snap general election and the ensuing result that saw her party lose its majority. Markets reacted quite calmly, and as Sterling weakened further this provided additional support for businesses with significant levels of overseas earnings.

Inflation remained at a relatively high level during the period and, although the initial impact of Sterling weakness is beginning to moderate on an annual basis, the elevated level of inflation combined with the low level of unemployment led the Bank of England to suggest that interest rates were likely to rise sooner rather than later. Equity markets took the news in their stride given expectations of limited tightening, although recognising that any increase would further squeeze the consumer who was already suffering from the effects of higher inflation and low wage growth. Since the end of the period, the Bank of England has increased interest rates by 0.25%, the first such move since 2007.

The first quarter’s reporting season for corporate earnings was characterised by solid aggregate results. One theme was the clear sign of improvement in the health of European economies as the region as whole made progress. A number of potentially troublesome elections were navigated without the feared populist and anti-EU agenda making significant progress. In Italy, the government was able to recapitalise some of the more distressed banks without re-igniting a debt crisis. And, although the Brexit negotiations have seen the expected political positioning taking place, there have been occasional signs that there is a growing realisation that an agreeable resolution is in all parties’ interests. However a more abrupt exit remains a risk for the UK domestic economy.

The US economy has also prospered over the period. Despite the sabre rattling over North Korea, the political tensions relating to the 2018 budget and the need to extend the debt

ceiling, growth has been sufficiently strong to allow the Federal Reserve to increase interest rates for a second time this year.

The oil price has continued to be volatile and, indeed, it declined by almost 20% between April and June before rebounding to finish the period ahead of where it started. The portfolio remains underweight to the oil and gas producers but such significant swings in the commodity’s price can have a marked effect on relative performance.

Both the main political parties in the UK have been indicating a rising preparedness to intervene in various industries and this could inject some added uncertainty. With specific regard to the challenges being posed to the power providers, the portfolio’s only direct exposure is to National Grid, and therefore the impact of this action has been limited.

## Investment Performance

During the six month period ended 30 September 2017, the Company’s net asset value per share increased by 4.1% from 271.61p to 282.71p. The total return on net assets, which includes dividends paid, was 6.7%, representing an outperformance of our benchmark, the FTSE All-Share Index, which reported a total return of 3.6%. The total return of the Company’s share price was 12.8% and there was a pleasing reduction in the discount from 10.4% to 5.6%.

## Portfolio Profile

Seven new holdings were introduced into the equity portfolio during the period. The Manager has continued to take advantage of opportunities to invest in a small number of high quality overseas companies, bringing an exposure to the portfolio that is difficult to replicate in the UK. Importantly, these investments create further diversification of the portfolio’s dividend stream, thereby reducing the Company’s dependency on some of the very significant dividend paying companies that dominate the UK market. No new investments were made in preference shares or convertible securities during the period.

Unibail-Rodamco, a French company, is Europe’s largest listed commercial property company active in the development, investment and operations of shopping centres, offices and convention and exhibition venues. The business benefits from a portfolio of high quality assets and a strong balance sheet. The rental streams provide a high level of earnings visibility which manifest themselves in an attractive dividend that has been growing ahead of inflation.

As the largest food and beverage company in the world, Nestle, which is listed in Switzerland, has an unmatched product and brand portfolio and genuine global reach. This includes 34 brands that generate sales in excess of CHF 1

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billion each. The small value, everyday purchase consumable nature of what they sell results in an attractive and relatively predictable earnings stream. Although the dividend yield is only 2.8% it is regarded as a safer investment and, additionally, there is the potential for a marked increase in the rate of dividend growth.

Euromoney is a UK-based provider of high value data and analytics to the banking, asset management and commodity sectors. With 90% of their content being proprietary they have no direct competitors. Approximately one third of revenues are derived from emerging markets. The business has been through a transition that has seen them shed traditional print and advertising based assets and replace them with digital content, sponsorship and events.

Nordea is a Swedish company and the largest bank in the Nordic region, with over 10 million retail customers. Additionally it is the largest private bank, asset manager and life and pensions provider in the region. Nordea management is highly regarded, with a strong reputation for shareholder value creation. The company has one of the strongest credit ratings of any international bank and successfully navigated the financial crisis without any government support.

GIMA, an Italian company, produces packaging machines for tobacco companies. A key opportunity for the business lies in the field of next generation products ('NGPs'). They have a 65% share in this market. The tobacco companies are directing increasing proportions of their capital expenditure budgets towards NGPs and it is anticipated that these products could become significant revenue generators for them in the medium term.

Big Yellow is the UK's leading provider of self-storage facilities. Although this is a very fragmented market, new supply is constrained by the difficulty of finding suitable sites. There is significant potential for growth in demand as product awareness rises. Demand is correlated with housing transactions as customers use storage when they move house. There is, however, no obvious correlation with house prices. Around 1/3 of their space is occupied by businesses, with this market being driven by the rise of small scale e-commerce.

LondonMetric Property is a UK-based company which specialises in owning distribution centres for omni-channel retailing. The growth of e-commerce drives an increasing need for logistics space because of the requirement to carry deeper stock levels and, importantly, to be able to handle returns. Supply remains constrained because the sites with the most favourable transport logistics are largely already occupied.

During the period, two companies in the portfolio conducted fundraisings in which the Company participated.

Assura Group is seeing increasing opportunities to both purchase and develop General Practitioner facilities. The fundraising will allow them to accelerate their progress whilst retaining a suitably conservative balance sheet.

Ultra Electronics conducted a fundraising to help fund its acquisition of Sparton Corporation. Ultra has a joint venture with Sparton for the production of sonobuoys for the US market. The deal will strengthen the company in an area of core competency, move them closer to an important customer and increase their exposure to an area of defence expenditure that is well set for long term growth.

Three holdings were exited during the period.

Provident Financial issued a series profit warnings as they have sought to transition their Home Collected Credit business from one that largely utilises self-employed agents to one where the staff are employees of the company. This has caused significant disruption to both collections and new lending. In addition it has emerged that the company has agreed with the Financial Conduct Authority that the Vanquis Bank business will stop selling a very profitable supplementary product. With the uncertainty caused by the associated investigation, the possibility of regulatory redress, and the potential that these events could impact the business's liquidity profile it was decided to sell the holding.

Pearson needs to make significant changes to its US Higher Education business model. Whilst there may be a sizable opportunity, it is currently difficult to determine the likelihood of success. In light of this and, despite the fact that it has already been cut, it is difficult to be confident about the future growth prospects for the dividend. Therefore the holding was exited.

Elementis have acquired the personal care business Summit Reheis. Although this is in line with their strategy, the scale of the acquisition will limit the company's dividend paying capability for some time, so it was decided to sell the holding.

### **Investment Income**

There have been welcome increases in the dividends paid by some of the holdings in the portfolio. British American Tobacco, Hansteen, Imperial Brands, Prudential, Unilever and Schroders were among the companies that announced increases of 10% or more. BHP Billiton delivered a trebling of its final dividend as its earnings began to recover from the declines that had led to the prior year's reduced distribution. In line with the Company's objective, we pay careful

## Interim Board Report – Chairman’s Statement continued

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attention both to the absolute level of dividends from investee companies but also the potential for them to grow.

For many holdings, the weakness of Sterling played a role in the early part of the period. Some of the dividends received from companies such as Royal Dutch Shell, Vodafone and BP increased by in excess of 10% despite the fact that the actual US Dollar or Euro-based dividends that they declared were unchanged. This effect had largely annualised by the end of the period under review and, absent further changes in foreign currency rates, it is not expected to repeat during the second half.

Although Pearson’s decision to cut the dividend was announced in the previous financial year the negative impact from the reduction has been felt this year. However, and despite the travails experienced by Provident Financial as described above, the level of investment income received by the Company during the period actually increased, contributing to revenue earnings per share of 7.44p, an increase of 6.0% compared to the equivalent period last year.

### Dividends

A first interim dividend of 3.0p per share in respect of the year ending 31 March 2018 was paid on 27 October 2017. The Board declares a second interim dividend of 3.0p per share, payable on 26 January 2018 to shareholders on the register at close of business on 5 January 2018. Subject to unforeseen circumstances, it is proposed to pay a further interim dividend of 3.0p per share prior to the Board deciding on the rate of final dividend at the time of reviewing the full year results.

The current annual rate of dividend is 12.75p per share, representing a dividend yield of 4.8% based on the share price of 267.0p at 30 September 2017. The Board considers that one of the key attractions of the Company is its high level of income and recognises that, in the current economic environment, there is likely to be a continuing demand for an attractive and reliable level of income. Whilst the Company aims to cover its annual dividend cost with net income, the Board is conscious of the significant revenue reserves, which amounted to 1.3 times the annual dividend cost as at 30 September 2017.

### Gearing

Gearing decreased during the period from 21.1% to 18.4%. The primary cause of this was the increase in net assets since the previous year-end. There has been no significant change to the overall allocations in the portfolio. Fixed interest securities represented 27.1% of total assets at the end of the period, the increase compared to the prior year-end being due to the strength of their performance. Equities dipped below 70% of total assets in large part because Pearson was

exited very close to the period end and the proceeds were held as cash.

The Board continually monitors the level of gearing and, although the absolute level looks high, I would remind shareholders that it is deployed notionally in fixed interest securities which should prove less volatile than equities and do bring a further element of diversification to the Company’s total revenue stream. At the period-end, these fixed interest securities had a value of £28.2 million, materially in excess of borrowings of £19 million.

Since the end of the period, the Company has announced that it has entered into a new £20 million loan facility agreement with Scotiabank Europe PLC (the “New Facility”). The New Facility is for a three year period to 30 October 2020 and replaces the Company’s previous £20 million loan facility agreement with Scotiabank Europe PLC which was due to mature on 19 December 2017.

Under the terms of the New Facility, a £10 million fixed rate loan has been drawn down at an all-in interest rate of 1.956% per annum. This rate of interest is fixed until the maturity of the facility on 30 October 2020 and the proceeds have been used to repay the Company’s previous £10 million fixed rate loan which had an all-in interest rate of 2.103% per annum. In repaying the previous fixed rate loan early, the Company has incurred a small break cost.

In addition, £9 million has been drawn down on a revolving basis, at an initial all-in interest rate of 1.3782% per annum, with first maturity on 1 December 2017, and the proceeds have been used to repay the Company’s previous drawings under the old facility.

Following the drawdowns under the New Facility, the Company’s borrowings are unchanged at £19 million.

### Investment Objective

Shareholders may have noticed that we have made minor changes to the wording of the Company’s investment objective, which is included on the Contents page. The changes are not significant and do not therefore require shareholder approval, and are designed to align the wording of the objective more closely to the investment policy, which has not changed. However the Board believes that the wording makes clearer the diversified sources of income generation.

### Manager

The Board notes the recent completion of the merger between Aberdeen Asset Management PLC, which is the parent company of the Manager, and Standard Life PLC. The Board will continue to monitor developments closely to

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ensure that satisfactory arrangements are in place for the continued effective management of the Company.

## Outlook

Any debate regarding the prospects for the domestic economy is dominated by the Brexit process. Currently there is little clarity regarding the outcome which will materialise, how long it will take to reach or how much it will cost. Such an environment creates material uncertainty for investors. However, companies and fund managers alike need to work with the information that they have. The Board has reviewed the portfolio with the Manager who believes that, although the companies in the portfolio will be impacted to indeterminate and varying degrees, they typically have sound balance sheets and management teams with significant international expertise. These two characteristics confer a level of optionality that will allow them to address the challenges that arise. The complexities and indeed costs of doing business may increase but these should not be insurmountable. More tangibly, the portfolio remains overweight to overseas earnings and by consequence it is underweight in its direct exposure to the more consumer orientated cyclical domestic companies. Although economic prospects are not a direct proxy for the performance of stock markets, this positioning might be expected to provide some protection in the event of a deterioration in the performance of the UK economy.

In the meantime, the domestic economic fundamentals show rising inflation, with the CPI reading reaching 3% in September. The upward pressure arose principally from food and transport costs which have been pushed higher by the weakness in Sterling. At the time of the increase in interest rates following the period-end, the Governor of the Bank of England, Mark Carney, also expressed a view that no further increases are expected in the near term. The Manager believes that the companies in the portfolio have sufficient funding and liquidity to allow them to cope with any tightening of credit conditions.

Although the major central banks are at different points in the interest rate cycle, they are generally pointing towards a tightening of monetary conditions and a reduction in either the rate of or absolute size of their stimulus packages. This all suggests that policy makers have a broadly favourable view of the outlook for their economies. Indeed when one considers the outlook for the global economy the prognosis is quite positive. Although there is the potential for additional political disruption, investors have so far looked through this and focussed on the fundamentals.

The US economy is continuing to grow strongly and, whilst this will inevitably slow at some point, Europe is recovering well and growth is picking up across the region. Elsewhere, the increasingly significant Chinese and Indian economies

also appear on good growth trajectories. In the former, the recent Communist Party Congress seemed to re-emphasise the importance of further developing domestic demand while the reform agenda in the latter still appears intact.

Valuations, and in particular those of good quality companies, remain elevated, and any disappointment in the levels of growth achieved has the potential to result in a de-rating of equities. For the time being, and despite the fact that we are entering a rising interest rate cycle, markets are in an optimistic frame of mind. However, the number of potential political and geopolitical flashpoints that could materialise, together with the uncertainty generated by the likely scaling back of central bank support to global financial markets, should make investors vigilant to the possibility of more volatile market returns than have been enjoyed over the last few years.

## Robert Talbut

Chairman

17 November 2017

# Interim Board Report – Other Matters

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## Directors' Responsibility Statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements within the Half Yearly Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting'; and
- the Interim Board Report (constituting the Interim Management Report) includes a fair review of the information required by rules 4.2.7R of the Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could so do).

## Principal Risks and Uncertainties

The Board regularly reviews the principal risks and uncertainties faced by the Company together with the mitigating actions it has established to manage the risks. These are set out within the Strategic Report contained within the Annual Report for the year ended 31 March 2017 and comprise the following risk headings:

- Investment performance
- Failure to maintain and grow the dividend over the longer term
- Widening of discount
- Financial and economic
- Gearing
- Regulatory
- Operational

In addition to these risks, the Board considers that there may be an increase in economic risk should satisfactory progress not be made in the UK Government's negotiations with the European Union in respect of the UK's decision in the 2016 referendum to leave the European Union. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the remaining six months of the Company's financial year.

## Going Concern

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if

necessary. The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. Borrowings of £20 million are committed to the Company until 30 October 2020. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the Board

**Robert Talbut**

Chairman

17 November 2017



## Investment Portfolio – Equities

As at 30 September 2017

Company	Market value £'000	Total portfolio %
Aberdeen Smaller Companies Income Trust	8,144	8.1
Royal Dutch Shell 'B'	3,533	3.5
Unilever	3,261	3.3
Chesnara	3,040	3.0
British American Tobacco	2,953	3.0
AstraZeneca	2,899	2.9
HSBC Holdings	2,680	2.7
Prudential	2,653	2.7
GlaxoSmithKline	2,620	2.6
BHP Billiton	2,287	2.3
<b>Ten largest investments</b>	<b>34,070</b>	<b>34.1</b>
Vodafone	2,239	2.2
BP	2,082	2.1
Schroders	2,032	2.0
Compass	1,905	1.9
Sage Group	1,774	1.8
BBA Aviation	1,599	1.6
Close Brothers	1,541	1.5
Inmarsat	1,471	1.5
Imperial Brands	1,401	1.4
Standard Chartered	1,378	1.4
<b>Twenty largest investments</b>	<b>51,492</b>	<b>51.5</b>
National Grid	1,263	1.3
Rolls Royce	1,224	1.2
Croda International	1,208	1.2
Weir Group	1,179	1.2
Experian	1,169	1.2
Diageo	1,167	1.2
Inchcape	1,096	1.1
Aveva	1,089	1.1
Wood Group (John)	1,079	1.1
Rotork	1,068	1.0
<b>Thirty largest investments</b>	<b>63,034</b>	<b>63.1</b>
Essentra	1,005	1.0
Novo-Nordisk	902	0.9
Assura	885	0.9
Hansteen	849	0.8
Ultra Electronic Holdings	771	0.8
Unibail-Rodamco	687	0.7
Associated British Foods	607	0.6
Capita	582	0.6
Euromoney Institutional Investor	410	0.4
Nordea Bank	393	0.4
<b>Forty largest investments</b>	<b>70,125</b>	<b>70.2</b>
Big Yellow	379	0.4
Londonmetric Property	375	0.4
Nestlé	375	0.4
Manx Telecom	323	0.3
Gima TT	146	0.1
<b>Total equity investments</b>	<b>71,723</b>	<b>71.8</b>

## Investment Portfolio – Other Investments

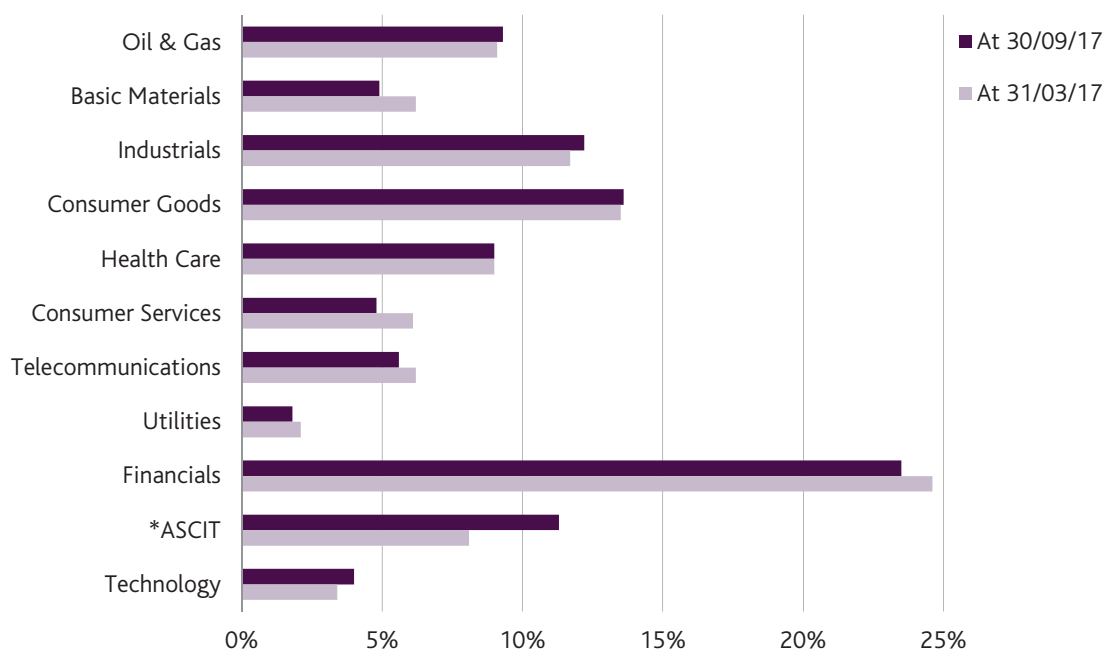
As at 30 September 2017

Company	Market value £'000	Total portfolio %
<b>Convertibles</b>		
Balfour Beatty Cum Conv 10.75%	553	0.6
<b>Total Convertibles</b>	<b>553</b>	<b>0.6</b>
<b>Preference shares</b>		
Ecclesiastical Insurance Office 8 5/8%	6,328	6.3
Royal & Sun Alliance 7 3/8%	6,188	6.2
General Accident 7.875%	5,215	5.2
Santander 10.375%	4,964	5.0
Standard Chartered 8.25%	3,941	3.9
R.E.A. Holdings 9%	1,032	1.0
<b>Total Preference shares</b>	<b>27,668</b>	<b>27.6</b>
<b>Total other investments</b>	<b>28,221</b>	<b>28.2</b>
<b>Total investments</b>	<b>99,944</b>	<b>100.0</b>

## Distribution of Assets and Liabilities

	Valuation at		Movement during the period				Valuation at	
	31 March 2017		Purchases	Sales	Other	Gains	30 September 2017	
	£'000	%	£'000	£'000	£'000	£'000	£'000	%
<b>Listed investments</b>								
Equities	72,118	88.5	4,158	(6,295)	–	1,742	71,723	84.6
Convertibles	575	0.7	–	–	(20)	(2)	553	0.7
Other Fixed Interest	25,133	30.9	–	–	(28)	2,563	27,668	32.6
<b>Total investments</b>	<b>97,826</b>	<b>120.1</b>	<b>4,158</b>	<b>(6,295)</b>	<b>(48)</b>	<b>4,303</b>	<b>99,944</b>	<b>117.9</b>
Current assets	2,881	3.5					4,236	5.0
Current liabilities	(19,230)	(23.6)					(19,375)	(22.9)
<b>Net assets</b>	<b>81,477</b>	<b>100.0</b>					<b>84,805</b>	<b>100.0</b>
<b>Net asset value per Ordinary share</b>	<b>271.61p</b>						<b>282.71p</b>	

## Analysis of Listed Equity Portfolio



\*The Company's investment in Aberdeen Smaller Companies Income Trust PLC ("ASCIT") is classified under "Financials" for FTSE classification purposes.

# Condensed Statement of Comprehensive Income

	Note	30 September 2017 (unaudited)			30 September 2016 (unaudited)			31 March 2017 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value		–	3,352	3,352	–	8,822	8,822	–	12,856	12,856
Currency (losses)/gains		–	(21)	(21)	–	2	2	–	7	7
<b>Investment income</b>										
Dividend income		2,265	–	2,265	1,928	–	1,928	3,603	–	3,603
Interest income/(expense)		284	(52)	232	287	(49)	238	569	(101)	468
Stock dividends		17	–	17	171	–	171	259	–	259
Traded option premiums		81	–	81	91	–	91	204	–	204
Other income		–	–	–	–	–	–	55	–	55
Money market interest		1	–	1	3	–	3	4	–	4
Underwriting commission		–	–	–	–	–	–	1	–	1
		2,648	3,279	5,927	2,480	8,775	11,255	4,695	12,762	17,457
<b>Expenses</b>										
Management fee		(108)	(108)	(216)	(97)	(97)	(194)	(198)	(198)	(396)
Administrative expenses		(203)	–	(203)	(189)	–	(189)	(386)	–	(386)
Finance costs		(79)	(79)	(158)	(84)	(84)	(168)	(164)	(164)	(328)
		(390)	(187)	(577)	(370)	(181)	(551)	(748)	(362)	(1,110)
<b>Profit before taxation</b>		2,258	3,092	5,350	2,110	8,594	10,704	3,947	12,400	16,347
Taxation	2	(26)	22	(4)	(3)	3	–	(22)	20	(2)
<b>Profit attributable to equity holders</b>	4	2,232	3,114	5,346	2,107	8,597	10,704	3,925	12,420	16,345
<b>Earnings per Ordinary share (pence)</b>	4	7.44	10.38	17.82	7.02	28.66	35.68	13.08	41.41	54.49

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

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

All items in the above statement derive from continuing operations.

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

## Condensed Balance Sheet

	Note	As at 30 September 2017 (unaudited) £'000	As at 30 September 2016 (unaudited) £'000	As at 31 March 2017 (audited) £'000
<b>Non-current assets</b>				
Equities		71,723	68,298	72,118
Convertibles		553	560	575
Other fixed interest		27,668	25,396	25,133
<b>Securities at fair value</b>		<b>99,944</b>	<b>94,254</b>	<b>97,826</b>
<b>Current assets</b>				
Trade and other receivables		30	20	126
Accrued income and prepayments		844	765	982
Cash and cash equivalents		3,362	1,821	1,773
		4,236	2,606	2,881
<b>Total assets</b>		<b>104,180</b>	<b>96,860</b>	<b>100,707</b>
<b>Creditors: amounts falling due within one year</b>				
Trade and other payables		(375)	(223)	(230)
Short-term borrowings		(19,000)	(9,000)	(19,000)
		(19,375)	(9,223)	(19,230)
<b>Net current liabilities</b>		<b>(15,139)</b>	<b>(6,617)</b>	<b>(16,349)</b>
<b>Total assets less current liabilities</b>		<b>84,805</b>	<b>87,637</b>	<b>81,477</b>
<b>Non-current liabilities</b>				
Long-term borrowings		–	(10,000)	–
<b>Net assets</b>		<b>84,805</b>	<b>77,637</b>	<b>81,477</b>
<b>Share capital and reserves</b>				
Called-up share capital		15,049	15,049	15,049
Share premium account		19,308	19,308	19,308
Capital reserve	6	43,726	36,789	40,612
Revenue reserve		6,722	6,491	6,508
<b>Equity shareholders' funds</b>		<b>84,805</b>	<b>77,637</b>	<b>81,477</b>
<b>Net asset value per Ordinary share (pence)</b>	5	<b>282.71</b>	<b>258.81</b>	<b>271.61</b>

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

## Condensed Statement of Changes in Equity

### Six months ended 30 September 2017 (unaudited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2017	15,049	19,308	40,612	6,508	81,477
Revenue profit for the period	–	–	–	2,232	2,232
Capital profit for the period	–	–	3,114	–	3,114
Equity dividends	–	–	–	(2,018)	(2,018)
<b>As at 30 September 2017</b>	<b>15,049</b>	<b>19,308</b>	<b>43,726</b>	<b>6,722</b>	<b>84,805</b>

### Six months ended 30 September 2016 (unaudited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2016	15,049	19,308	28,192	6,253	68,802
Revenue profit for the period	–	–	–	2,107	2,107
Capital profit for the period	–	–	8,597	–	8,597
Equity dividends	–	–	–	(1,869)	(1,869)
<b>As at 30 September 2016</b>	<b>15,049</b>	<b>19,308</b>	<b>36,789</b>	<b>6,491</b>	<b>77,637</b>

### Year ended 31 March 2017 (audited)

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2016	15,049	19,308	28,192	6,253	68,802
Revenue profit for the year	–	–	–	3,925	3,925
Capital profit for the year	–	–	12,420	–	12,420
Equity dividends	–	–	–	(3,670)	(3,670)
<b>As at 31 March 2017</b>	<b>15,049</b>	<b>19,308</b>	<b>40,612</b>	<b>6,508</b>	<b>81,477</b>

## Condensed Cash Flow Statement

	Six months ended 30 September 2017 (unaudited) £'000	Six months ended 30 September 2016 (unaudited) £'000	Year ended 31 March 2017 (audited) £'000
<b>Net cash inflow from operating activities</b>			
Dividend income received	2,409	2,098	3,423
Interest income received	283	295	721
Options premium received	76	80	204
Other income	–	–	55
Money market interest received	1	3	4
Management fee paid	(211)	(185)	(385)
Other cash expenses	(222)	(153)	(349)
<b>Cash generated from operations</b>	<b>2,336</b>	<b>2,138</b>	<b>3,673</b>
Interest paid	(158)	(168)	(327)
Overseas taxation	(8)	–	(4)
<b>Net cash inflows from operating activities</b>	<b>2,170</b>	<b>1,970</b>	<b>3,342</b>
<b>Cash flows from investing activities</b>			
Purchases of investments	(4,011)	(5,468)	(9,092)
Sales of investments	5,469	5,313	9,313
<b>Net cash inflow/(outflow) from investing activities</b>	<b>1,458</b>	<b>(155)</b>	<b>221</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	(2,018)	(1,869)	(3,670)
<b>Net cash outflow from financing activities</b>	<b>(2,018)</b>	<b>(1,869)</b>	<b>(3,670)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,610</b>	<b>(54)</b>	<b>(107)</b>
<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b>			
Increase/(decrease) in cash and cash equivalents as above	1,610	(54)	(107)
Net cash and cash equivalents at start of period	1,773	1,873	1,873
Effect of foreign exchange rate changes	(21)	2	7
<b>Cash and cash equivalents at end of period</b>	<b>3,362</b>	<b>1,821</b>	<b>1,773</b>

# Notes to the Financial Statements

## 1. Accounting policies

### Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 31 March 2017 financial statements, which received an unqualified audit report.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on 'Going Concern and Liquidity Risk' the Directors have undertaken a review of the Company's assets which primarily consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale.

## 2. Taxation

The taxation expense reflected in the Condensed Statement of Comprehensive Income is based on the estimated annual tax rate expected for the full financial year. The estimated annual corporation tax rate used for the year to 31 March 2018 is a rate of 19%.

Detailed below is an analysis of the tax charge for each period.

Taxation	Six months ended 30 September 2017			Six months ended 30 September 2016			Year ended 31 March 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK Corporation tax	22	(22)	–	3	(3)	–	20	(20)	–
Overseas tax suffered	4	–	4	–	–	–	2	–	2
<b>Total tax charge</b>	<b>26</b>	<b>(22)</b>	<b>4</b>	<b>3</b>	<b>(3)</b>	<b>–</b>	<b>22</b>	<b>(20)</b>	<b>2</b>

## 3. Dividends

The following table shows the revenue for each period less the dividends declared in respect of the financial period to which they relate.

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000	Year ended 31 March 2017 £'000
Revenue	2,232	2,107	3,925
Dividends declared	(1,800) <sup>A</sup>	(1,800) <sup>B</sup>	(3,825) <sup>C</sup>
	<b>432</b>	<b>307</b>	<b>100</b>

<sup>A</sup> Dividends declared relate to first two interim dividends (both 3.00p each) in respect of the financial year 2017/18.

<sup>B</sup> Dividends declared relate to first two interim dividends (both 3.00p each) in respect of the financial year 2016/17.

<sup>C</sup> First three interim dividends (each 3.00p) and the final dividend (3.75p) declared in respect of the financial year 2016/17.



	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000	Year ended 31 March 2017 £'000
<b>4. Return per share</b>			
Returns are based on the following figures:			
Revenue return	2,232	2,107	3,925
Capital return	3,114	8,597	12,420
<b>Total return</b>	<b>5,346</b>	<b>10,704</b>	<b>16,345</b>
<b>Weighted average number of Ordinary shares in issue</b>	<b>29,997,580</b>	<b>29,997,580</b>	<b>29,997,580</b>

#### 5. Net asset value per share

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

	As at 30 September 2017 (unaudited)	As at 30 September 2016 (unaudited)	As at 31 March 2017 (audited)
Attributable net assets (£'000) per Balance Sheet	84,805	77,637	81,477
Number of Ordinary shares in issue	29,997,580	29,997,580	29,997,580
Net asset value per Ordinary share (p)	282.71	258.81	271.61

#### 6. Capital reserve

The capital reserve reflected in the Balance Sheet at 30 September 2017 includes unrealised gains of £25,597,000 (30 September 2016 – gains of £16,409,000; 31 March 2017 – gains of £21,294,000) which relate to the revaluation of investments held at the reporting date.

#### 7. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments at fair value in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000	Year ended 31 March 2017 £'000
Purchases	16	29	41
Sales	2	3	5
	<b>18</b>	<b>32</b>	<b>46</b>

## Notes to the Financial Statements *continued*

	Six months ended 30 September 2017 £'000	Six months ended 30 September 2016 £'000	Year ended 31 March 2017 £'000
<b>8. Movement in net debt</b>			
Increase/(decrease) in cash and cash equivalents	1,610	(54)	(107)
Effect of foreign exchange rate changes	(21)	2	7
Change in net debt in the year	1,589	(52)	(100)
Opening net debt	(17,227)	(17,127)	(17,127)
<b>Closing net debt</b>	<b>(15,638)</b>	<b>(17,179)</b>	<b>(17,227)</b>

### 9. Transactions with the Manager

The Company has an agreement with Aberdeen Fund Managers Limited ("AFML") for the provision of management, secretarial, accounting and administration services and for the carrying out of promotional activities in relation to the Company.

The management fee is based on 0.45% per annum up to £100 million and 0.40% per annum over £100 million, by reference to the net assets of the Company and any borrowings up to a maximum of £30 million, and excluding commonly managed funds, calculated monthly and paid quarterly. The fee is allocated 50% to revenue and 50% to capital. The agreement is terminable on not less than six months' notice. The total of the fees paid and payable during the period to 30 September 2017 was £216,000 (30 September 2016 – £194,000; 31 March 2017 – £396,000) and the balance due to AFML at the period end was £107,000 (30 September 2016 – £100,000; 31 March 2017 – £102,000). The Company held an interest in a commonly managed fund, Aberdeen Smaller Companies Income Trust PLC, in the portfolio during the period to 30 September 2017 (30 September 2016 and 31 March 2017 – same). The value attributable to this holding is excluded from the calculation of the management fee payable by the Company.

The total fees paid and payable under the management agreement in relation to promotional activities were £39,000 (30 September 2016 – £43,000; 31 March 2017 – £83,000) and the balance due to AFML at the period end was £19,000 (30 September 2016 – £20,000; 31 March 2017 – £20,000). The Company's management agreement with AFML also provides for the provision of company secretarial and administration services to the Company; no separate fee is charged to the Company in respect of these services, which have been delegated to Aberdeen Asset Management PLC.

### 10. Segmental information

For management purposes, the Company is organised into one main operating segment, which invests in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

### 11. Fair value hierarchy

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

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

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

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

The financial assets and liabilities measured at fair value in the Condensed Balance Sheet are grouped into the fair value hierarchy as follows:

At 30 September 2017	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted investments	a)	99,944	–	–	99,944
<b>Financial liabilities at fair value through profit or loss</b>					
Derivatives	b)	–	(39)	–	(39)
<b>Net fair value</b>		<b>99,944</b>	<b>(39)</b>	<b>–</b>	<b>99,905</b>

At 30 September 2016	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted investments	a)	94,254	–	–	94,254
<b>Financial liabilities at fair value through profit or loss</b>					
Derivatives	b)	–	(22)	–	(22)
<b>Net fair value</b>		<b>94,254</b>	<b>(22)</b>	<b>–</b>	<b>94,232</b>

As at 31 March 2017	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted investments	a)	97,826	–	–	97,826
<b>Financial liabilities at fair value through profit or loss</b>					
Derivatives	b)	–	(30)	–	(30)
<b>Net fair value</b>		<b>97,826</b>	<b>(30)</b>	<b>–</b>	<b>97,796</b>

**a) Quoted investments**

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

**b) Derivatives**

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

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

12. The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2017 and 30 September 2016 has not been reviewed or audited by the Company's independent auditor.

## Notes to the Financial Statements *continued*

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The information for the year ended 31 March 2017 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the independent auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

13. This Half Yearly Financial Report was approved by the Board on 17 November 2017.

# Investor Information

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## AIFMD

The Company has appointed Aberdeen Fund Managers Limited as its alternative investment fund manager and BNP Paribas Securities Services, London Branch as its depository under the AIFMD. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: [shiresincome.co.uk](http://shiresincome.co.uk).

Aberdeen Fund Managers Limited is a wholly-owned subsidiary of Aberdeen Asset Management PLC. The Aberdeen Asset Management PLC group of companies (the "Aberdeen Group") are subsidiaries of Standard Life Aberdeen PLC.

## Pre-investment Disclosure Document ("PIDD")

The AIFMD requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of Shires Income PLC, to make available to investors certain information prior to such investors' investment in the Company. The Company's PIDD is available for viewing on its website.

## Website

Further information on the Company can be found on its own dedicated website: [shiresincome.co.uk](http://shiresincome.co.uk). This allows internet users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

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

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

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

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: [fca.org.uk/consumers/scams](http://fca.org.uk/consumers/scams)

## Keeping You Informed

For internet users, detailed information on the Company, including price, performance information and a monthly fact sheet is available from the Company's website and the TrustNet website ([trustnet.com](http://trustnet.com)). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline).

If you have any questions about your Company, the Manager or performance, please telephone the Aberdeen Customer Services Department (direct private investors) on 0808 500 0040. Alternatively, you may email Aberdeen at [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com) or write to Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

## Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephoning on 0371 384 2508. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes.

Changes of address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, Shires Income PLC, 40 Princes Street, Edinburgh EH2 2BY or by emailing [company.secretary@aberdeen-asset.com](mailto:company.secretary@aberdeen-asset.com).

## Direct Investment

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

## Aberdeen's Investment Plan for Children

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

## Investor Information continued

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restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

### Aberdeen's Investment Trust Share Plan

Aberdeen runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

### Stocks and Shares ISA

An investment of up to £20,000 can be made in the 2017/2018 tax year.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

### ISA Transfer

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

### Dividend Tax Allowance

For the 2017/2018 tax year there is an annual £5,000 tax-free allowance on dividend income. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to

HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

### Literature Request Service

For literature and application forms for the Company and the Aberdeen Group's investment trust products, please contact:

Telephone: 0808 500 4000

Website: [invtrusts.co.uk/en/investmenttrusts/literature-library](http://invtrusts.co.uk/en/investmenttrusts/literature-library)

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

### Aberdeen Investment Trust Administration

PO Box 11020

Chelmsford

Essex CM99 2DB

Telephone: 0808 500 0040

(free when dialling from a UK landline)

Terms and conditions for the Aberdeen managed savings products can also be found under the literature section of [invtrusts.co.uk](http://invtrusts.co.uk).

### Online Dealing details

#### Investor information

There are a number of other ways in which you can buy and hold shares in this investment trust.

#### Online dealing

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

- AJ Bell You Invest
- Alliance Trust Savings
- Barclays Stockbrokers
- Charles Stanley Direct
- Halifax Share Dealing
- Hargreave Hale
- Hargreaves Lansdown
- Idealing
- Interactive Investor/TD Direct
- Selftrade Equiniti
- The Share Centre
- Stocktrade

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### Discretionary private client stockbrokers

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

### Financial advisers

To find an adviser on investment trusts, visit: [unbiased.co.uk](http://unbiased.co.uk).

### Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or at [fca.org.uk/firms/systems-reporting/register/search](http://fca.org.uk/firms/systems-reporting/register/search)

Email: [register@fca.org.uk](mailto:register@fca.org.uk)

### Suitable for Retail/NMPI Status

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

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments ("NMPs").

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

### Note

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

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

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

*The information on pages 19 to 21 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.*

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# Corporate Information

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## Directors

Robert Talbut (Chairman)  
Robin Archibald  
Marian Glen  
Andrew S Robson

## Registered Office

Bow Bells House  
1 Bread Street  
London EC4M 9HH

## Company Secretary

Aberdeen Asset Management PLC  
40 Princes Street  
Edinburgh EH2 2BY

## Alternative Investment Fund Manager

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

## Investment Manager

Aberdeen Asset Managers Limited  
40 Princes Street  
Edinburgh EH2 2BY

## Customer Services Department and Aberdeen Children's Plan, Share Plan and ISA enquiries

Aberdeen Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

Freephone: 0808 500 0040  
(open Monday to Friday, 9.00 a.m. to 5.00 p.m.)  
Email: [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com)

## Company Registration Number

00386561 (England & Wales)

## Website

[shiresincome.co.uk](http://shiresincome.co.uk)

## Registrars

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

Shareholder Helpline: 0371 384 2508\*

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

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

## Depositary

BNP Paribas Securities Services, London Branch  
10 Harewood Avenue  
London NW1 6AA

## Stockbroker

JPMorgan Cazenove  
25 Bank Street  
London E14 5JP

## Independent Auditor

Ernst & Young LLP  
10 George Street  
Edinburgh EH2 2DZ

## Solicitors

Dentons LLP  
One London Wall  
London EC2Y 5AB

## United States Internal Revenue Service FATCA Registration Number (GIIN)

4PPXT6.99999.SL.826

## Legal Entity Identifier ("LEI")

549300HVCIHQNZNZAYA89



