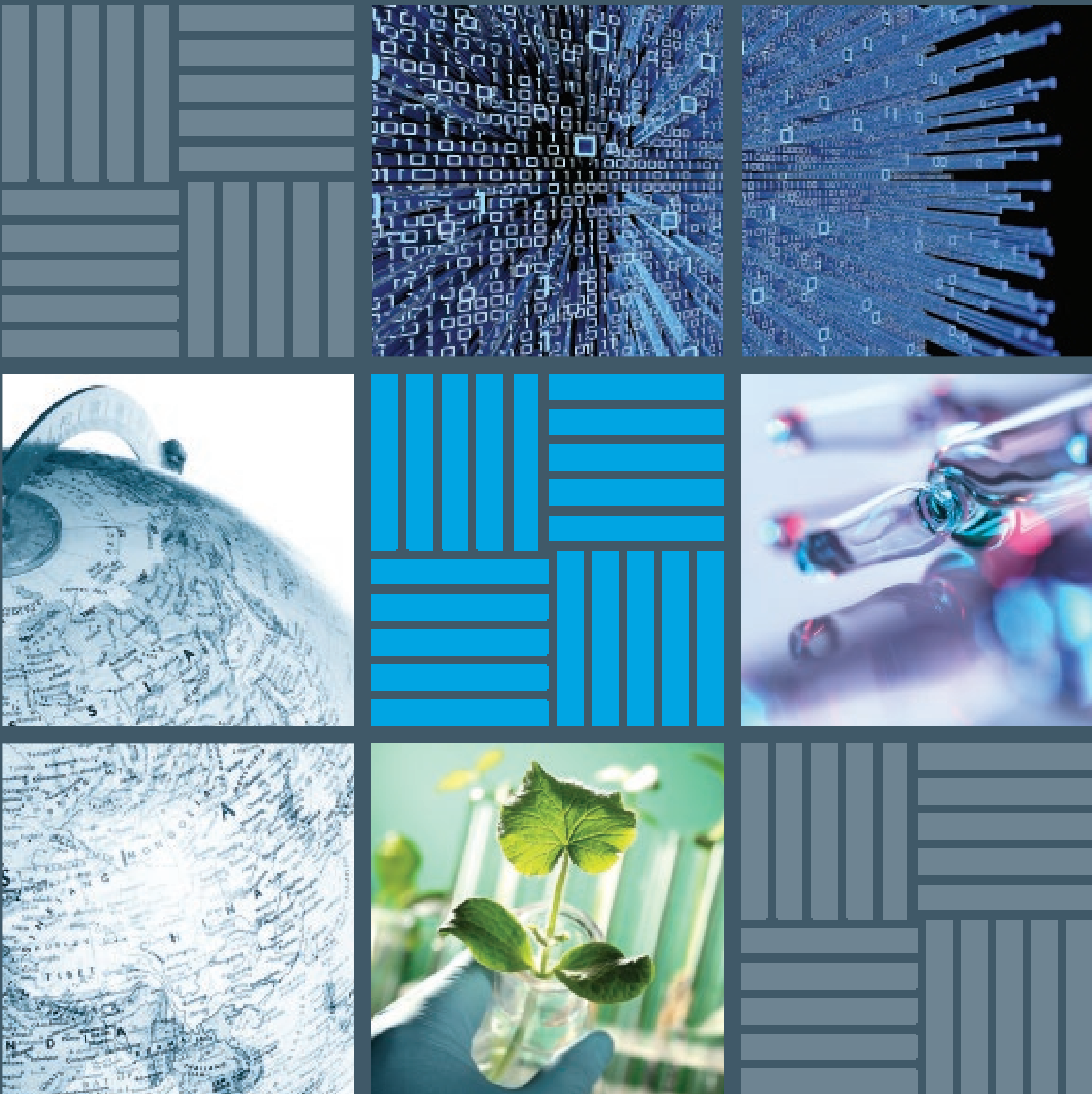
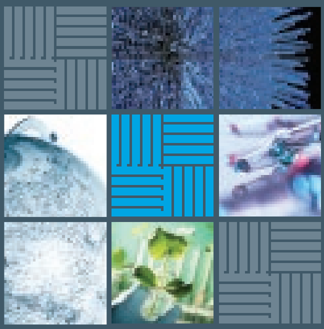
EDINBURGH WORLDWIDE INVESTMENT TRUST plc



Annual Report and Financial Statements
31 October 2015

BAILLIE GIFFORD



Edinburgh Worldwide's objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

Contents

Investor Disclosure Document

The EU Alternative Investment Fund Managers Directive requires certain information to be made available to investors prior to their making an investment in the Company. The Company's Investor Disclosure Document is available for viewing at **www.edinburghworldwide.co.uk**.

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.

Edinburgh Worldwide Investment Trust plc currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

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 Edinburgh Worldwide 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.

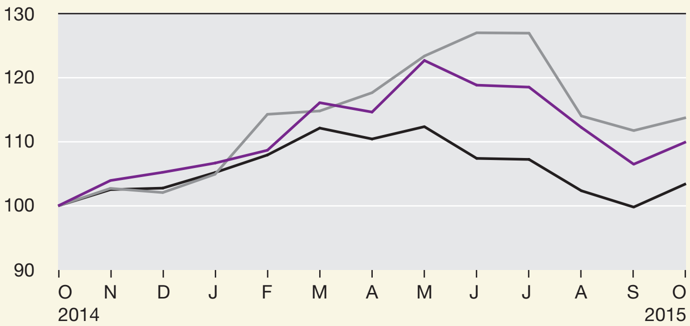
Financial Highlights – Year to 31 October 2015

Share Price 13.8% | **NAV* 10.0%** | **Comparative Index† 3.5%**

* After deducting borrowings at fair value.

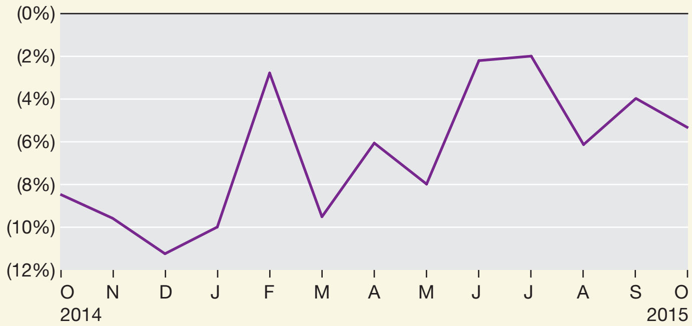
NAV, Share Price and Comparative Index

(rebased to 100 at 31 October 2014)



†S&P Global Small Cap Index (in sterling terms).
Source: Thomson Reuters Datastream/Baillie Gifford.

Discount



Company Summary

Investment Policy

Edinburgh Worldwide Investment Trust plc aims to achieve long term capital growth by investing primarily in listed companies throughout the world. Further details of the investment policy are given in the Business Review on page 7.

Comparative Index

The index against which performance is compared is the S&P Global Small Cap Index* (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

*Formerly named S&P Citigroup Global Small Cap Index.

Management Details

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. The Management Agreement can be terminated on three months' notice.

The annual management fee payable is 0.95% on the first £50m of net assets and 0.65% on the balance. Management fees are calculated and paid on a quarterly basis.

Capital Structure

At the year end the Company's share capital consisted of 49,004,319 fully paid ordinary shares of 5p each. The Company currently has powers to buy back shares at a discount to net asset value per share (NAV) for cancellation or retention as treasury shares as well as to issue shares/sell treasury shares at a premium to NAV.

Savings Vehicles

Edinburgh Worldwide shares can be held through a variety of savings vehicles (see page 54 for details).

AIC

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

Notes

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Past performance is not a guide to future performance.

Strategic Report

This Strategic Report, which includes pages 2 to 16 and incorporates the Chairman's Statement, has been prepared in accordance with the Companies Act 2006.

Chairman's Statement

David Reid, Chairman

Performance

This was the Company's first full financial year since shareholders approved a broadening of the investment policy at the January 2014 Annual General Meeting. It is therefore pleasing to note that in the year to 31 October 2015 the Company's net asset value outperformed its comparative index by 6.5 percentage points. The Company's net asset value per share, when calculated at fair value, increased by 10.0% and the share price by 13.8%. The comparative index, the S&P Global Small Cap Index, increased by 3.5% in sterling terms during this period. Over the course of the year the discount to net assets at fair value averaged 7.3% and stood at 5.3% as at 31 October 2015.

The Company's financial year can be split into two distinct halves, with the first showing notable strength in returns followed by a second half where the Company retraced some absolute but not relative performance. Following the summer highs achieved by many indices, the reported slowdown of the Chinese economy appeared to catch many investors unaware. The subsequent Chinese devaluation of the currency led to broader concerns over the state of the global economy and growth in general, resulting in what appeared to be investor panic, with global equities seemingly sold indiscriminately due to broader concerns over global growth. Given this backdrop, the Company's results for the full year are encouraging and the Board and Managers remain convinced of the long term merits of the investment approach employed; equities are selected on their respective merits and periods of market volatility provide opportunities for long term discerning investors to invest in growth companies at attractive valuations. Greater detail on the performance of the underlying holdings in the portfolio can be found within the Managers' Review on pages 9 and 10.

It should be noted that due to the nature of the investment process and focus on smaller companies at time of initial investment, the portfolio's lack of correlation to a benchmark, in accordance with the Company's policy, and the deployment of gearing, there will be periods when the portfolio underperforms its comparative index. However, such periods should be put into context against the longer period that Baillie Gifford has been managing the assets; over the past twelve years net asset value per share has increased by 219%, the share price by 276% and the comparative index by 153%*.

Unlisted Investments

At the Company's 2014 Annual General Meeting, shareholders granted the Company authority to invest up to 5% of total assets in unlisted equity investments in aggregate at time of acquisition. At its year end, the Company held two unlisted equity investments, Souq Group and Oxford Nanopore Technologies, accounting for 1.7% of total assets. The ability to invest in unlisted equities through a closed ended vehicle is one of the notable benefits of the investment trust structure and a differentiating factor versus open ended peers. The Board and Managers are excited by the business models of these two investments and their potential as long term investments within the portfolio. Further information on them and the Managers' strategy towards investing in unlisted equities are outlined in further detail on pages 9 and 10.

Borrowings

The Managers invest in companies that are believed to have long term attractions and the Company will therefore typically be geared to equities to maximise potential returns. Equity gearing was maintained throughout the year and stood at 10% at the financial year end (2014 – 10%).

The Company has a five year fixed rate multi-currency loan from National Australia Bank Limited, expiring in September 2019. At present, drawings are €9.4 million, US$25.6 million and £7.5 million.

Earnings and Dividend

The Company's objective is that of generating capital growth. Consequently, the Managers do not invest in companies based on the level of income they may pay out as dividends.

As highlighted in my statement last year, the Board does not intend to draw on the Company's revenue reserve to pay or maintain dividends. This year the net revenue return per share was a deficit of 0.18p (2014: surplus of 0.14p), so the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Past performance is not a guide to future performance.

* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure. Figures are total return with net asset value at par.

The Board

I intend to stand down as Chairman and retire from the Board in a year's time, at the conclusion of the Company's 2017 Annual General Meeting. It is intended that Mr Henry Strutt will replace me as Chairman. The process for identifying a new Board member has commenced and the Board intends that a new Director will have been identified and appointed by this time next year. The appointment would then fall to be ratified by shareholders at the Company's 2017 Annual General Meeting.

Investment Outlook

The economic backdrop is one of uncertainty and polarisation between economies that are growing and those that are struggling to do so. The US Federal Reserve is seemingly close to raising rates for the first time since 2006 and there is some speculation that the Bank of England would be the next major central bank to follow suit. In contrast, it is more likely that rates will be coming down in Europe. Elsewhere, China's economy is slowing as it continues its shift to an innovation rather than investment led model with the focus on domestic consumption rather than exports. This mixed global picture is causing some investor schizophrenia, resulting in periods of notable market volatility from which very few companies are sheltered.

Immature, innovative, fast-growing businesses are not immune from exhibiting price volatility. However, the Board and Managers believe that business fundamentals ultimately prevail over the investment cycle. Successful smaller companies create and exploit their own long term opportunities despite the economic conditions at any given time. As mentioned last year, being able to identify the companies that value innovation, which have both a cultural acceptance of it and a means to develop commercial opportunities around it, is key to unearthing the market leaders of the future and is a key focus for the Managers.

An overview is provided by the Managers on pages 9 and 10.

Annual General Meeting

The Annual General Meeting of the Company will be held at Baillie Gifford's offices in Edinburgh at 12 noon on Thursday 28 January 2016. The Company will once again be seeking to renew its share buyback, issuance and treasury share powers. Further information on these resolutions can be found on page 19.

Douglas Brodie and John MacDougall, the portfolio's Manager and Deputy Manager, will give a presentation and answer any questions. The Board will also be available to respond to any questions that you may have. I hope that you will be able to attend.

David HL Reid
Chairman
10 December 2015

One Year Summary

The following information illustrates how Edinburgh Worldwide has performed over the year to 31 October 2015.

	31 October 2015	31 October 2014	% change
Total assets (before deduction of loan)	£258.2m	£237.2m	
Loan	£30.8m	£30.8m	
Shareholders' funds	£227.4m	£206.4m	
Net asset value per ordinary share (after deducting borrowings at fair value)	462.74p	420.58p	10.0
Net asset value per ordinary share (after deducting borrowings at par)	463.95p	421.11p	10.2
Share price	438.00p	385.00p	13.8
Comparative Index* (in sterling terms)			3.5
Dividends paid and proposed per ordinary share	Nil	2.00p	(100.0)
Revenue (loss)/earnings per ordinary share	(0.18p)	0.14p	(128.6)
Ongoing charges	0.93%	0.92%	
Discount (borrowings at fair value)	(5.3%)	(8.5%)	
Discount (borrowings at par)	(5.6%)	(8.6%)	
Active share†	98%	99%	

Year to 31 October	2015	2014
Total returns (%)#		
Net asset value (after deducting borrowings at fair value)	10.4	(2.2)
Share price	14.2	(4.5)
Comparative Index* (in sterling terms)	5.4	3.1

Year to 31 October	2015	2015	2014	2014
Year's high and low	**High**	**Low**	**High**	**Low**
Share price	500.50p	382.00p	451.25p	340.63p
Net asset value (after deducting borrowings at fair value)	518.89p	414.20p	465.24p	367.84p
Net asset value (after deducting borrowings at par)	520.03p	414.73p	465.63p	368.12p
Premium/(discount) (borrowings at fair value)	(0.9%)	(13.2%)	3.5%	(11.8%)
Premium/(discount) (borrowings at par)	(1.1%)	(13.5%)	3.4%	(11.8%)

	31 October 2015	31 October 2014
Net return per ordinary share		
Revenue	(0.18p)	0.14p
Capital	44.52p	(9.94p)
Total	**44.34p**	**(9.80p)**

Performance since broadening of investment policy	31 October 2015	31 January 2014	% change
21 months from 31 January 2014			
Net asset value per ordinary share (after deducting borrowings at fair value)	462.74p	436.72p	6.0
Net asset value per ordinary share (after deducting borrowings at par)	463.95p	437.17p	6.1
Share price	438.00p	405.00p	8.1
Comparative Index*			8.4

* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

† See Glossary on page 57.

Source: Thomsons Reuters Datastream.

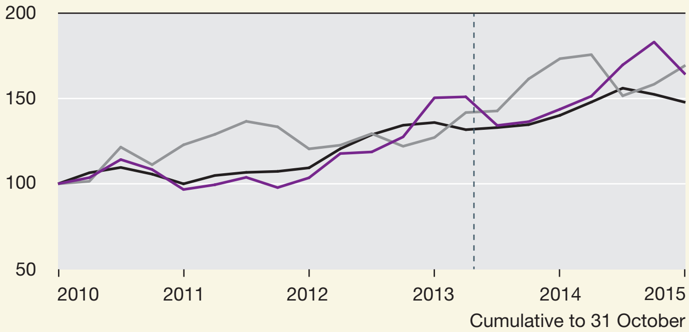
Past performance is not a guide to future performance.

Five Year Summary

The following charts indicate how Edinburgh Worldwide has performed relative to its comparative index* and the relationship between share price and net asset value over the five year period to 31 October 2015.

Five Year Total Return Performance

(figures rebased to 100 at 31 October 2010)



Source: Thomson Reuters Datastream.

Share price total return

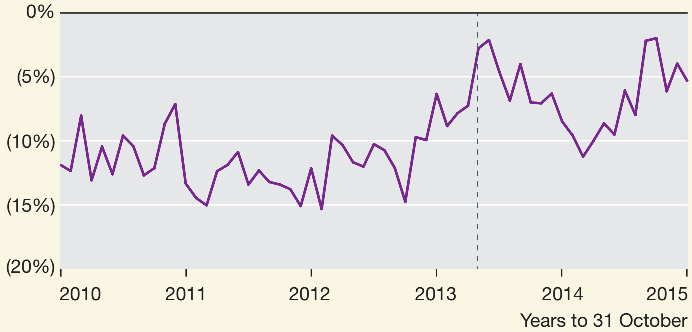
NAV (fair) total return

Comparative index* (in sterling terms) total return

Broadened investment policy implemented on 31 January 2014

Discount to Net Asset Value

(plotted on a monthly basis)



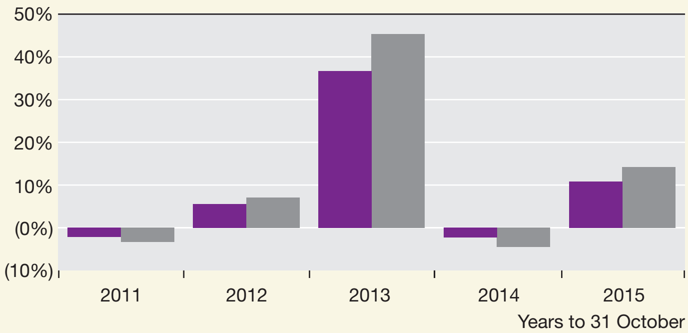
Source: Thomson Reuters Datastream/Baillie Gifford.

Edinburgh Worldwide discount

Broadened investment policy implemented on 31 January 2014

The discount is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (after deducting borrowings at fair).

Annual Net Asset Value and Share Price Total Returns

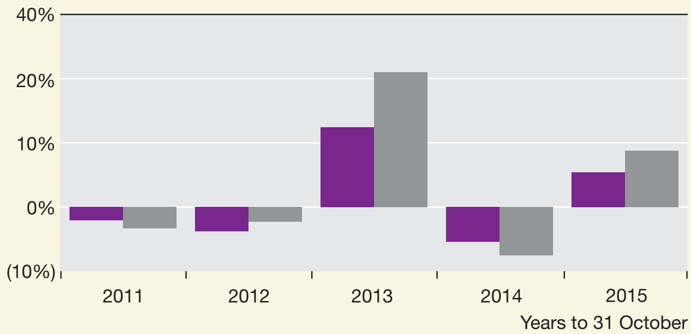


Source: Thomson Reuters Datastream.

NAV (fair) total return

Share price total return

Relative Annual Net Asset Value and Share Price Total Returns (relative to the benchmark total return)



Source: Thomson Reuters Datastream.

NAV (fair) total return relative to the comparative index* total return

Share price total return relative to the comparative index* total return

* The comparative index is the S&P Global Small Cap Index (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

Past performance is not a guide to future performance.

Ten Year Record

Capital

At 31 October	Total assets * £'000	Borrowings £'000	Shareholders' funds £'000	Net asset value per share (par) p	Share price p	Discount (par) † %
2005#	135,861	(27,825)	108,036	220.46	200.00	9.3
2006	150,098	(26,062)	124,036	253.11	234.00	7.6
2007	173,633	(24,326)	149,307	304.68	267.75	12.1
2008	105,856	(21,600)	84,256	171.94	141.00	18.0
2009	149,312	(23,501)	125,811	256.73	220.75	14.0
2010	177,716	(24,803)	152,913	312.04	275.00	11.9
2011	179,621	(29,981)	149,640	305.36	264.00	13.5
2012	186,209	(29,318)	156,891	320.16	280.50	12.4
2013	241,969	(29,823)	212,146	432.91	405.00	6.4
2014	237,224	(30,862)	206,362	421.11	385.00	8.6
2015	**258,155**	**(30,799)**	**227,356**	**463.95**	**438.00**	**5.6**

* Total assets comprise total assets less current liabilities, before deduction of bank loan.

† Discount is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (deducting borrowings at par) expressed as a percentage of net asset value.

\# Restated for changes in accounting policies implemented in 2006.

Revenue

Gearing Ratios

Year to 31 October	Income £'000	Net return on ordinary activities after tax £'000	Revenue earnings per ordinary share p	Dividend paid and proposed per ordinary share (net) p	Ongoing charges ‡ %	Ongoing charges (incl. performance fee) ¶ %	Gearing § %	Potential gearing ^ %
2005	2,379	1,105	2.26	2.00	1.17	2.11	15	25
2006	2,116	817	1.67	2.00	1.22	1.29	15	21
2007	2,827	1,287	2.63	2.00	1.04	1.57	12	16
2008	3,280	1,705	3.48	2.70 **	1.10	1.10	22	26
2009	3,088	1,816	3.71	3.00 **	1.08	1.08	13	19
2010	1,931	910	1.86	2.00	1.03	1.06	14	16
2011	2,412	1,231	2.51	2.00	1.02	1.02	14	20
2012	2,414	1,225	2.50	2.00	1.02	1.02	17	19
2013	1,987	823	1.68	2.00	0.99	0.99	8	14
2014	1,186	68	0.14	2.00	0.92	0.92	10	15
2015	**1,106**	**(90)**	**(0.18)**	**Nil**	**0.93**	**0.93**	**10**	**14**

‡ Total operating costs divided by average net asset value (with debt at fair value). Figures prior to 2012 have not been recalculated as the change in methodology is not considered to result in a materially different figure.

¶ Ratio of total operating costs to average shareholders' funds including any performance fee charged. No performance fee is payable under the current management fee arrangements (see note 3 on page 36).

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

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

** Includes special dividend.

Cumulative Performance (taking 2005 as 100)

At 31 October	Net asset value per share (at par)	Net asset value total return (at par) ††	Comparative index ^^	Comparative index total return ††	Share price	Share price total return ††	Revenue earnings per ordinary share	Dividend paid and proposed per ordinary share (net)	Retail price index
2005	100	100	100	100	100	100	100	100	100
2006	115	116	111	114	117	118	74	100	104
2007	138	140	125	131	134	136	116	100	108
2008	78	79	88	95	71	72	154	135	113
2009	116	120	104	115	110	115	164	150	112
2010	142	149	120	136	138	145	82	100	117
2011	139	146	116	136	132	140	111	100	123
2012	145	154	124	149	140	150	111	100	127
2013	196	210	150	185	203	218	74	100	130
2014	191	205	151	191	193	209	6	100	133
2015	**210**	**228**	**157**	**201**	**219**	**238**	**(8)**	**0**	**134**
Compound annual returns									
5 year	8.2%	8.9%	5.5%	8.1%	9.8%	10.4%	n/a	n/a	2.8%
10 year	7.7%	8.6%	4.6%	7.2%	8.2%	9.1%	n/a	n/a	3.0%

†† Source: Thomson Reuters Datastream.

^^ MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of Section 1158 of the Corporation Tax Act 2010.

The Company is an Alternative Investment Fund (AIF) for the purposes of the EU Alternative Investment Fund Managers Directive (AIFMD).

Objective and Policy

The Company's investment policy which was approved by shareholders at the Annual General Meeting held on 27 January 2014 is set out below.

Edinburgh Worldwide's investment objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

While the policy is global investment, the approach adopted is to construct a portfolio through the identification of individual companies which offer long term growth potential, normally over at least a five year horizon and which typically have a market capitalisation of less than US$5bn at the time of initial investment. The portfolio is actively managed and does not seek to track the comparative index hence a degree of volatility against the index is inevitable.

In constructing the equity portfolio a spread of risk is achieved by diversifying the portfolio through investment in:

- 75 to 125 holdings
- a minimum of 6 countries
- a minimum of 15 industries

On acquisition, no holding shall exceed 5% of total assets and no more than 15% of the Company's total assets will be invested in other listed investment companies. No more than 10% of the Company's total assets will be invested in other pooled vehicles, such as open ended funds.

Unlisted equity investments may be held. On acquisition of any unlisted equity investments, the Company's aggregate holding in unlisted equity investments shall not exceed 5% of total assets. From time to time, fixed interest holdings or non equity investments, may be held on an opportunistic basis.

Derivative instruments are not normally used but, in certain circumstances and with the prior approval of the Board, their use may be considered either as a hedge or to exploit an investment opportunity.

The Company recognises the long term advantages of gearing and would seek to have a maximum gearing level of 30% of shareholders' funds in the absence of exceptional market conditions.

Borrowings are invested when it is considered that investment grounds merit the Company taking a geared position. Gearing levels, and the extent of gearing, are discussed by the Board and Managers at every Board Meeting.

Discount

The Board considers that a key driver of the discount is a good long term performance record. The Company has buyback powers which are to be used on occasions when the Board considers that there is a need to balance supply and demand factors in the interest of all shareholders. The discount is discussed at every Board meeting. Shares which are bought back may be held in treasury with a view to possible future re-issue at a premium should there be demand from appropriate potential long term holders. No shares were bought back during the year.

Performance

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

Key Performance Indicators

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 comparative index;
- the movement in the share price;
- the premium/(discount) of the share price to the net asset value per share; and
- the ongoing charges.

The one, five, and ten year records of the KPIs are shown on pages 4, 5 and 6.

Borrowings

The Company has a five year fixed rate facility with National Australia Bank Limited which expires on 30 September 2019. At 31 October 2015 and 2014 the drawings were €9.4 million, US$25.6 million and £7.5 million.

Principal Risks

As explained on pages 22 and 23 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The principal risks associated with the Company are as follows:

Financial Risk – 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 43 to 47. To mitigate this risk, at each Board meeting the composition and diversification of the portfolio by geographies, sectors and capitalisation are considered along with sales and purchases of investments. Individual investments are discussed with the Managers as well as the Managers' general views on the various investment markets and sectors. A strategy meeting is held annually.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UKLA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit and Management Engagement 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. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes, and procedures are in place to ensure adherence to the Transparency Directive with reference to inside information. During the year under review, the most significant change to legislation impacting the Company was the implementation of the AIFM Directive and the embedding of procedures to comply with the requirements of the legislation.

Custody and Depositary Risk – safe custody of the Company's assets may be compromised through control failures by the Depositary, including cyber hacking. To mitigate this risk, the Board receives six monthly reports from the Depositary confirming safe custody of the Company's assets. Cash and portfolio holdings are independently reconciled to the Custodians records by the Managers. In addition, the existence of assets is subject to annual external audit and the Custodian's audited internal controls reports are reviewed by Baillie Gifford's Internal Audit Department and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns investigated.

Small Company Risk – the Company has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions. To mitigate this risk, the Board reviews the investment portfolio at each meeting and discuss the merits and characteristics of individual investments with the Managers. A spread of risk is achieved by holding stocks classified across at least fifteen industries and six countries.

Operational Risk – failure of Baillie Gifford's 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. To mitigate this risk, Baillie Gifford has 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 Baillie Gifford's Report on Internal Controls and the reports by other third party providers are reviewed by Baillie Gifford on behalf of the Board.

Discount/Premium Volatility – the discount/premium at which the Company's shares trade can widen. To mitigate this risk, the Board monitors the level of discount/premium and the Company has authority to buy back its own shares or issue shares (including authority to sell shares held in treasury) when deemed by the Board to be in the best interest of the Company and its shareholders.

Leverage 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. To mitigate this risk, all borrowings require the prior approval of the Board and gearing levels are discussed by the Board and Managers at every Board meeting. Covenant levels are monitored regularly. The majority of the Company's investments are in listed securities that are readily realisable. Further information on leverage can be found in note 21 on page 48 and the Glossary of Terms on page 57.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code, published by the Financial Reporting Council in September 2014, the Directors have assessed the prospects of the Company over a minimum period of five years. The Directors believe this period to be appropriate as it is reflective of the longer term strategy of the Company, and over which, in the absence of any adverse change to the regulatory environment and the favourable tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal risks and to the adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the Company's principal risks and uncertainties detailed on pages 7 and 8 and in particular the impact of a significant fall in the global equity markets on the value of the Company's investment portfolio. All of the key operations required by the Company are outsourced to third party providers and alternative providers could be engaged at relatively short notice if necessary. The Directors have also considered the Company's leverage and liquidity in the context of the fixed rate loan which is due to expire in September 2019, the income and expenditure projections and the fact that the Company's investments comprise mainly ready realisable quoted equity securities which can be sold to meet funding requirements if necessary.

Based on the Company's processes for monitoring operating costs, share price discount, the Manager's compliance with the investment objective, asset allocation, the portfolio risk profile, gearing, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years as a minimum.

Employees, Human Rights and Community Issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, these requirements do not apply to the Company.

Gender Representation

The Board comprises five Directors, four male and one female. The Company has no employees. The Board's policy on diversity is set out on page 22.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 23.

Future Developments of the Company

The outlook for the Company for the next 12 months is set out in the Chairman's Statement on page 3 and the Managers' Report on pages 9 and 10.

Managers' Review

We are approaching the second anniversary of re-focusing Edinburgh Worldwide to the opportunity in innovative smaller companies. At the time we emphasised that our approach of identifying attractive growth companies earlier in their lifecycle, retaining ownership of successful companies as they grow and thrive, was one that required patience and a long term stance. Hence it should come as no surprise that 23 of the current 25 largest holdings, in aggregate comprising just over half the assets, have been held since then.

Our rationale for targeting innovative smaller companies stems from our belief that such companies are playing an increasingly important role in shaping the world in which we live, either through disruption of incumbent businesses or creation of entirely new markets. We sense that the competitive playing field between small and large companies across many industries is becoming much more balanced with technology being the great leveller. Whilst technology is available for businesses to utilise, it's often the innovative, more nimble smaller businesses that are best positioned to exploit it; they tend to lack the bureaucracy and fixed mindset that often prevails in large businesses and they possess the incentive and drive to do things differently. Technology, in all its different guises, not only creates much of the opportunity for innovation, it also is having radical effects on the rate at which businesses can scale and globalise; digitisation bypasses much of the requirement for costly infrastructure and distribution, a trend that is seen in industries as diverse as retail, finance, transportation and healthcare. For those companies prepared to experiment and think big we believe the opportunity is as great as it has ever been.

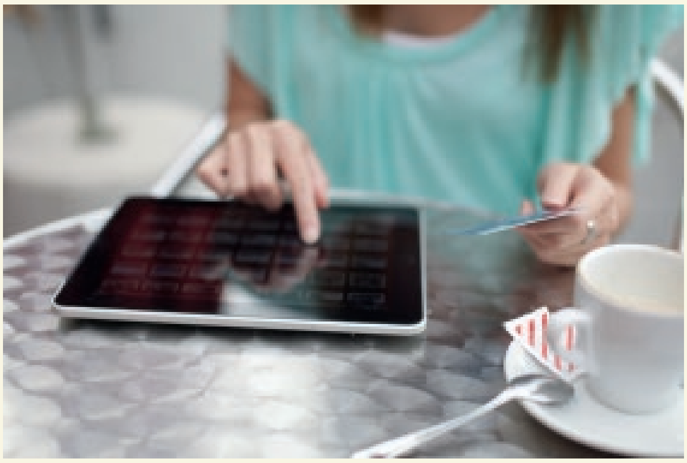
While stock markets agonise over the (inevitable) ending of quantitative easing and timing of interest rate rises we think there is a danger that such myopic approaches are in danger of overlooking the bigger, much more structural theme; that of a deepening and broadening out of technology across all areas of business and our lives. These developments create a backdrop of immense opportunity and will drive a new age of innovation, business creation and disruption over the coming decades. The impacts of this will be profound; many industries will be forced into periods of accelerated evolution, incumbents will face severe challenges and new champions will be created. It's a backdrop that excites us and one which we believe to be well suited to our approach.

The underlying progress and application of technology observed thus far owes a huge debt to the silicon wafer and advances in computer processing power. Increasingly though we think such progress will synergise with advances in areas such as material sciences, sensors, robotics and our growing understanding of biology. It's the latter of these areas that intrigues us the most, not least because of the size of the opportunity in medicine but also we sense that the traditional serendipitous drug discovery approach is set to be replaced by one which emphasises rationally designed, highly targeted therapies that are much better at treating the root cause of a disease. The rise in the share prices of many biotechnology companies over the past three or so years has led some to speculate that a biotech bubble is forming. We find such generalisations difficult and often dangerous where the commonality between individual companies is often no higher than an index-centric sector definition. We concede that markets are beginning to recognise that healthcare innovation is accelerating but much of the biotech sectors rerating thus far relates to investors rediscovering a sector that, until comparatively recently, was viewed very unfavourably (all the inherent risk of drug discovery and development but without the diversification of a large pharmaceutical company). Advances in areas such as gene editing, DNA sequencing and protein engineering have created a readily accessible toolkit for scientists to experiment and explore. These tools, when used in conjunction with our increased molecular and cellular understanding of disease, create a wealth of new therapeutic opportunities and they are helping to lay the foundations of a healthcare revolution. Importantly, while the requirement for clinical trials will always mean that bringing a drug to market is a long cycle activity, the use of more rational, science-led approaches potentially has favourable effects on the risk-reward characteristics of drug development. Those companies that are successful at R&D will ultimately build out significant 'biological real-estate'; a land grab phase that we think has interesting parallels with early years of the internet (e.g. desire to be the dominant gene editing company versus the battle to be the dominant search engine). The Trust invests in many healthcare companies which we believe are building out highly relevant, potentially transformational, biological real-estate; we would highlight holdings in Alnylam (gene silencing), Cellectis (gene editing for cancer therapy), 4D Pharma (microbiome-based therapies) and Dexcom (real time blood glucose monitoring for diabetics).

Within the 12 months under review the healthcare holdings contributed strongly to performance. Encouraging clinical trial data was well received for two of our European biotechnology companies, Galapagos and Genmab. With regard to Genmab we are pleased to note that, post the Trust's year end, the company has received approval for its first-to-market antibody treatment for multiple myeloma. Whilst still early stage, we are highly encouraged by the progress made by the French biotechnology company Cellectis. The company has a well differentiated offering in the field of cell-based cancer treatment which feeds heavily off its world-leading expertise in gene editing. We would also highlight the progress made by 4D Pharma at identifying, and bringing towards the clinic, novel bacteria with a range of potential therapeutic applications. To our minds the notion that naturally occurring, gut based bacteria play an important role in health is intriguing and is a proposition where the supportive scientific evidence is rapidly building.

Outside of the Trust's healthcare holdings we would also highlight a very strong contribution from MarketAxess, the US based electronic bond trading platform. The combination of increasing regulatory pressure and a desire to access liquidity will continue to push bond investors towards the MarketAxess platform and, in time, we think the company can broaden out geographically and into alternative investment instruments. On a less encouraging note, and as highlighted in the interim report, Stratasys reduced its shorter term earnings guidance as an increased level of investment in the business has coincided with weak demand for 3D printers. We are closely watching how the industry develops and our belief is that structural growth will prevail given the extent to which automation and additive manufacturing techniques are likely to transform how many products are made.

We acquired a number of new holdings in the period including positions in two unlisted companies, Oxford Nanopore Technologies and Souq. At the 2014 Annual General Meeting, shareholders granted the Company authority to invest up to 5% of total assets in unlisted equity investments in aggregate at time of acquisition. Our rationale for seeking this flexibility related to our observation that a number of companies with the attributes we seek were coming to equity markets at a later stage in their development than might have historically been the case. Oxford Nanopore is developing a novel system for direct and exquisitely sensitive electronic analysis of single molecules in real time. It's a business we have got to know over a number of years on account of it being one of the larger companies to emerge from IP Group, the intellectual property commercialisation business held by the Trust. We are excited by the progress Oxford Nanopore has made at applying its technology in the area of DNA sequencing where we feel the inherent advantages of their approach begin to open up sequencing to a much larger market opportunity than is currently the case. Souq operates Souq.com, an online market place that is one of the most popular websites in the Middle East. We are attracted to the broad e-commerce opportunity that Souq offers driven in part by the favourable wealth and population demographics within its key markets.



Within the listed area we would also highlight new holdings in Grubhub, an online food ordering and delivery service for take-away restaurants in the US, Puretech, a healthcare-focused holding company with strong links to many leading academics and an interesting portfolio of young high potential businesses, and Wayfair, a homeware and furniture focused e-commerce company.

Investment Philosophy

Most small businesses are destined to stay small given their limited scope for both structural growth and meaningful differentiation. Such businesses constitute the bulk of the smaller companies' universe yet are of no appeal to us. However, what is intriguing about the smaller companies' universe is that it contains a subset of immature but potentially high growth companies. By identifying attractive growth companies earlier we seek to benefit from growth at an earlier stage in a company's lifecycle and retain ownership of successful companies as they grow and thrive; we see our role as investing in what are potentially the larger companies of the future as opposed to the smaller companies of today.

We are looking to concentrate on the part of the market where we believe our analytical effort and the pursuit of genuinely transformational growth can be better exploited. The focus at time of initial investment is on younger, more immature companies that are global and exhibiting strong growth.

It is important to remember that big successful ideas typically start out as small, tentative and unproven. Early iterations are easy to dismiss as unworkable but experimentation with, and evolution of, an initially raw concept can, over time, yield huge commercial relevance. Our philosophy involves weighing up what is proven and tangible alongside what has promise and long term potential. Integral to this approach is recognising the role of innovation in business development; it provides the fuel for business creation, growth and long term competitive differentiation. Consequently, identifying companies that value innovation, having both a cultural acceptance of it and a means to develop commercial opportunities around it, is fundamental to our investment approach.

Growth companies, especially those which are young and hard to model, are difficult businesses to value. The wide range of potential outcomes and profitability that is heavily skewed to future years is a combination of uncertainties that many investors struggle with. We do not have all the answers but by approaching the challenge with a genuine long term perspective, accepting a degree of uncertainty, backing robust innovation and entrepreneurial management, we believe we are well positioned to identify the smaller businesses most likely to shape the world in which we live. As technological advancements encroach into an increasing pool of opportunity, the rate and extent of growth that a small business can achieve, in a relatively short period of time, is almost unrecognisable to that of a few years ago. Innovative smaller businesses that are unburdened by the legacy of historic business practices, or those willing to adapt to change, are best positioned to harness this opportunity.

Portfolio and Equity Performance as at 31 October 2015

Name	Business	Fair value 2015 £'000	% of total assets	Absolute † performance %	Relative † performance %	Fair value 2014 £'000
IP Group	Intellectual property commercialisation	11,698	4.5	15.8	9.8	8,631
MarketAxess	Electronic bond trading platform	10,905	4.2	63.6	55.2	6,673
Alnylam Pharmaceuticals	Therapeutic gene silencing	9,723	3.8	(4.0)	(8.9)	10,121
4D Pharma	Bacteria derived novel therapeutics	8,039	3.1	135.2	123.1	3,900
Ocado	Online food retailer	6,764	2.6	51.4	43.6	3,965
Tesla Motors	Electric cars	6,017	2.3	(11.3)	(15.9)	6,784
TripAdvisor	Online travel review platform	5,994	2.3	(2.1)	(7.1)	6,123
EPAM Systems	Outsourced software and services	5,740	2.2	67.8	59.2	3,420
Stamps.com	Website for postage services	5,251	2.0	112.3	101.4	2,474
IPG Photonics	High-power fibre lasers	5,231	2.0	16.6	10.6	4,485
MonotaRO	Online business supplies	4,945	1.9	109.5	98.8	2,370
LinkedIn	Professional networking site	4,568	1.8	9.0	3.4	5,190
Temenos	Banking software	3,990	1.6	41.0	33.8	2,860
Financial Engines	Investment advisory firm	3,956	1.5	(15.7)	(20.0)	3,612
Dexcom	Real time blood glucose monitoring	3,932	1.5	91.7	81.9	4,887
Xeros Technology Group	Commercial laundry manufacturer	3,580	1.4	95.1	85.1	1,947
M3	Online medical database	3,541	1.4	23.5	17.1	2,876
Novadaq Technologies	Medical systems for intra-surgical imaging	3,449	1.3	(13.5)	(17.9)	3,978
Imagination Technologies	Graphics semiconductor designer	3,363	1.3	16.4	10.4	2,888
Next	Provides online property information	3,361	1.3	182.5	168.0	1,540
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	3,325	1.3	1.3	(3.9)	2,498
Zillow Class C	US online real estate portal	3,258	1.3	12.8 *	15.8 *	–
Genus	Animal breeding services	3,206	1.2	19.5	13.4	2,721
Wirecard	Internet payment and processing services	3,157	1.2	50.7	43.0	2,684
Start Today	Internet fashion retailer	3,048	1.2	66.4	57.9	1,849
Seattle Genetics	Antibody conjugates based biotechnology	3,047	1.2	17.2	11.2	3,106
Oxford Nanopore Technologies‡	Novel DNA sequencing technology	3,000	1.2	0.0 *	2.8 *	–
Xaar	Ink jet printing technology	2,915	1.1	87.3	77.7	1,594
Splunk	Data diagnostics	2,817	1.1	(12.0)	(16.5)	3,199
ASOS	Online fashion retailer	2,772	1.1	22.8	16.5	2,258
Genmab	Therapeutic antibody company	2,695	1.1	126.7 *	113.7 *	–
Renishaw	Measurement and calibration equipment	2,654	1.0	8.6	3.0	2,500
Rightmove	UK online property portal	2,647	1.0	82.9	73.5	1,899
Dialog Semiconductor	Analogue chips for mobile phones	2,572	1.0	12.4	6.6	3,791
Aerovironment	Small unmanned aircraft systems	2,566	1.0	(22.0)	(26.0)	3,292
Morphosys	Therapeutic antibodies	2,566	1.0	(32.1)	(35.6)	3,796
Xing	Professional networking	2,554	1.0	94.6	84.6	1,844
Puretech Health	IP commercialisation focused on health care	2,543	1.0	(3.3) *	0.8 *	–
Galapagos	Clinical stage biotechnology company	2,430	0.9	247.4	229.6	1,459
SEEK	Online recruitment portal	2,369	0.9	(33.2)	(36.7)	3,642
Victrex	High-performance thermo-plastics	2,351	0.9	14.4	8.5	2,153
iRobot	Domestic and military robots	2,344	0.9	(12.7)	(17.2)	3,810
Abcam	Scientific reagent supplier	2,336	0.9	53.2	45.3	1,551
Wayfair	Online furniture and homeware retailer	2,335	0.9	0.2 *	(6.5) *	–
AAC Technologies	Miniature acoustic components	2,296	0.9	12.6	6.8	2,085
Cellectis	Biotech focused on genetic engineering	2,231	0.9	113.8	102.9	1,045
Avacta Group	Analytical reagents and instrumentation	2,173	0.8	81.8	72.5	682
National Instruments Corp	Instrumentation equipment used in research and testing	2,157	0.8	2.4 *	9.5 *	–

Name	Business	Fair value 2015 £'000	% of total assets	Absolute † performance %	Relative † performance %	Fair value 2014 £'000
Yoox Net-A-Porter	Online luxury fashion retailer	2,056	0.8	91.3	81.5	1,073
Kingdee International Software	Enterprise management software	2,041	0.8	32.2	25.4	408
Faro Technologies	Designs and develops measurement devices	2,028	0.8	(37.5)	(40.7)	3,252
Teradyne	Semiconductor testing equipment manufacturer	1,895	0.7	11.1	5.4	1,725
Stratasys	3D printer manufacturer	1,892	0.7	(78.0)	(79.2)	7,641
SDL	Language translation services	1,858	0.7	(0.9)	(6.0)	1,882
Digital Garage	Internet business incubator	1,833	0.7	28.2	21.6	2,177
Zillow Class A	US online real estate portal	1,809	0.7	(13.7)	(18.1)	6,172
Basware	Software solutions for financial transactions	1,800	0.7	(13.8)	(18.2)	1,558
hVIVO (formerly Retroscreen Virology)	Outsourced pre-clinical analytical services	1,717	0.7	2.1	(3.1)	1,710
Tissue Regenix	Regenerative medical devices	1,672	0.7	(20.3)	(24.4)	657
Xero	Cloud-based accounting software	1,659	0.6	(9.1)	(13.8)	1,843
Infomart Corp	Internet platform for restaurant supplies	1,652	0.6	4.1 *	10.8 *	–
Noah	Distributes wealth management products in China	1,632	0.6	77.0	67.9	922
Zumtobel	Commercial lighting	1,546	0.6	35.3	28.3	1,144
Foundation Medicine	Develops cancer diagnostic technology	1,449	0.6	(10.3)	(14.9)	1,618
Barco	Designs and develops visualisation solutions	1,432	0.6	(5.0)	(9.9)	1,543
Nanoco	Quantum dot manufacturer	1,372	0.5	(57.8)	(60.0)	2,999
Power Integrations	Analogue integrated circuits	1,372	0.5	5.0	(0.4)	1,318
BitAuto	Chinese automotive website	1,371	0.5	(60.5)	(62.6)	3,474
Peptidream	Drug discovery platform	1,353	0.5	8.9 *	6.8 *	–
Exa	Simulation software and services	1,351	0.5	(1.3)	(6.4)	1,333
Bioamber	Bioengineering company	1,339	0.5	(17.8) *	(12.3) *	–
Evola Holdings	Yeast-based industrial biotechnology	1,324	0.5	(17.7) *	(11.5) *	–
Horizon Discovery	Customised cell lines to aid drug discovery	1,313	0.5	(15.9)	(20.3)	1,140
Souq Group‡	Middle East e-commerce website	1,295	0.5	(1.3) *	4.9 *	–
Ricardo	Automotive engineer	1,242	0.5	39.8	32.6	902
Oxford Instruments	Produces advanced instrumentation equipment	1,159	0.5	(50.9)	(53.4)	2,408
Ilika	Discovery and development of materials for mass market applications	1,155	0.5	(2.0) *	1.2 *	–
Fusionex	Software for data analytics	1,123	0.4	15.4 *	15.3 *	–
Senomyx	Developer of additives to amplify certain flavours in foods	1,104	0.4	(35.3)	(38.6)	1,708
Suss Microtec	Fabrication and inspection equipment	984	0.4	34.0	27.1	724
Medgenics	Therapeutic protein delivery technology	970	0.4	40.8	33.5	674
Nanocarrier	Drug delivery technology	969	0.4	(21.7) *	(23.2) *	–
Acacia Research	Patent licenser	958	0.4	(60.5)	(62.5)	2,498
GrubHub	Online and mobile platform for restaurant pick-up and delivery orders	931	0.4	(25.1) *	(22.8) *	–
China Financial Services	Small and medium-sized enterprises lending in China	907	0.4	30.4	23.7	716
Ceres Power Holding	Developer of fuel cell	821	0.3	2.2	(3.0)	821
Oisix	Organic food website	765	0.3	5.6	0.1	724
MakeMyTrip	Online travel services	763	0.3	(45.1)	(47.9)	2,336
Thin Film Electronics	Develops printed, rewritable memory media	711	0.3	(20.5)	(24.6)	895
Digimarc	Digital watermarking technology	675	0.3	(31.6) *	(36.2) *	–
Ensogo	South East Asian e-commerce	647	0.3	(52.5) *	(50.3) *	–

Name	Business	Fair value 2015 £'000	% of total assets	Absolute † performance %	Relative † performance %	Fair value 2014 £'000
Codexis	Manufacturer of custom industrial enzymes	627	0.3	0.4 *	3.0 *	–
Sarine Technologies	Systems for diamond grading and cutting	613	0.2	(49.0)	(51.7)	1,239
Intelligent Energy Holding	Developer of modular fuel cells	589	0.2	(52.5)	(54.9)	1,234
Summit Therapeutics	Drug discovery and development	521	0.2	(1.1)	(6.2)	533
Foamix Pharmaceuticals	Drug reformulation technology	513	0.2	(37.6) *	(34.9) *	–
C4X Discovery Holdings	Rational drug design and optimisation	465	0.2	(29.0)	(32.6)	651
Velocys	Gas to liquid technology	267	0.1	(64.5)	(66.3)	752
Applied Graphene Materials	Manufactures graphene nanoplatelets	208	0.1	(8.0)	(12.7)	228
GI Dynamics	Develops and markets medical devices	19	0.0	(90.7)	(91.2)	207
China Lumena New Materials	Mines, processes and manufactures natural thenardite products	0	0.0	(100.0)	(100.5)	0
Total Equities		**250,178**	**96.9**			
Net Liquid Assets		**7,977**	**3.1**			
Total Assets at Fair Value#		**258,155**	**100.0**			

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2014 to 31 October 2015 (performance figures for investments bought during the period are part-period returns – see note below). Absolute performance is in sterling terms; relative performance is against S&P Global Small Cap Index (in sterling terms).

* Figures relate to part-period returns where equity has been purchased during the period.

Before deduction of loan.

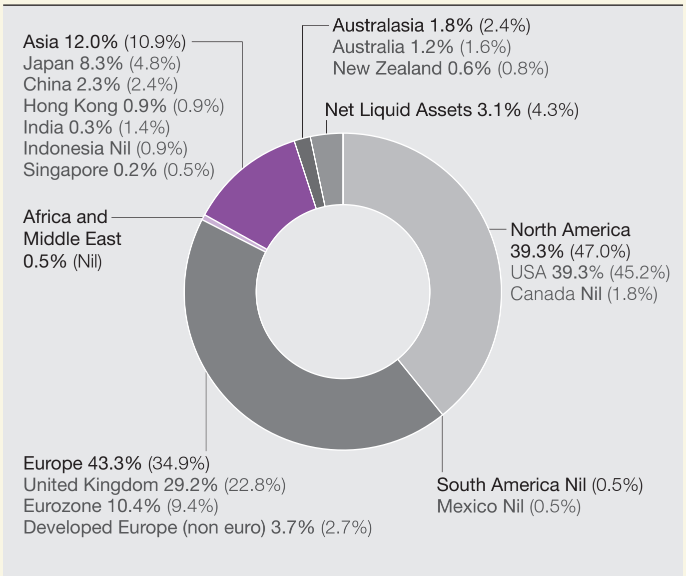
‡ Denotes unlisted security.

Source: Baillie Gifford/StatPro.

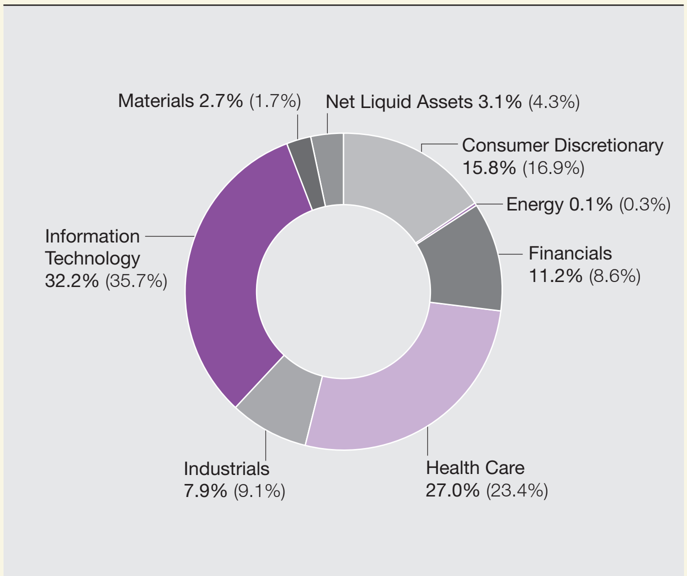
Past performance is not a guide to future performance.

Distribution of Total Assets

Geographical 2015 (2014)



Sectoral 2015 (2014)



Investment Changes

	Valuation at 31 October 2014 £'000	Net acquisitions/ (disposals) £'000	Appreciation/ (depreciation) £'000	Valuation at 31 October 2015 £'000
Equities:				
North America				
USA	107,071	(3,027)	(2,354)	101,690
Canada	4,392	(5,046)	654	–
South America				
Mexico	1,228	(718)	(510)	–
Europe				
United Kingdom	54,272	8,776	12,475	75,523
Eurozone	22,318	(7,837)	12,172	26,653
Developed Europe (non euro)	6,253	3,777	(797)	9,233
Africa and the Middle East				
U.A.E	–	1,311	(16)	1,295
Asia				
Japan	11,536	2,403	7,528	21,467
China	5,520	1,888	(1,457)	5,951
Hong Kong	2,085	–	211	2,296
India	3,185	(774)	(1,648)	763
Indonesia	2,221	(2,248)	27	–
Singapore	1,239	–	(626)	613
Australasia				
Australia	3,849	1,416	(2,230)	3,035
New Zealand	1,843	–	(184)	1,659
Total equities	**227,012**	**(79)**	**23,245**	**250,178**
Net current assets	10,212	(2,651)	416	7,977
Total assets	**237,224**	**(2,730)**	**23,661**	**258,155**

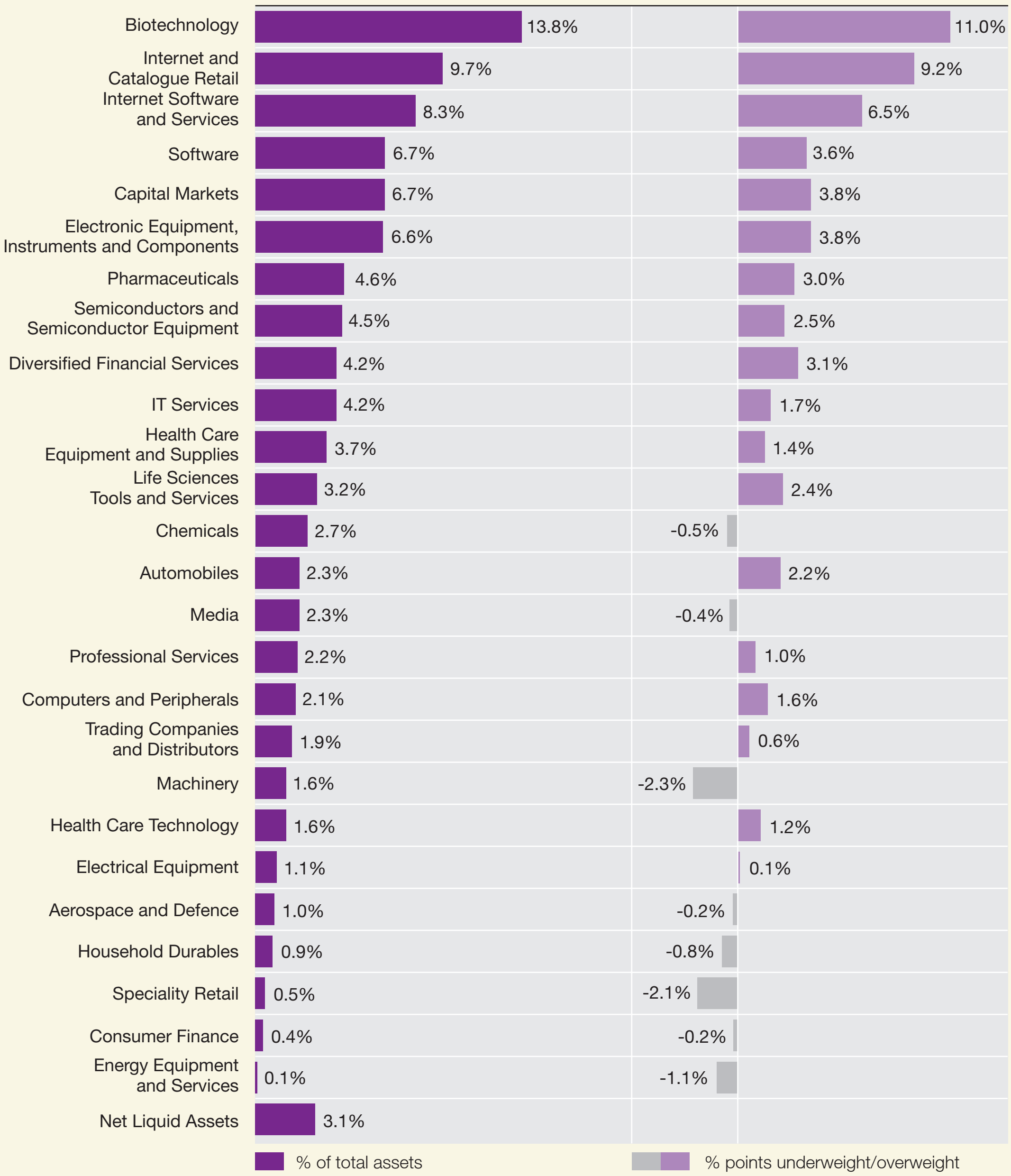
The figures above for total assets are made up of total assets less current liabilities before deduction of loan.

Distribution of Total Assets* by Industry

At 31 October 2015 Industry Analysis

Portfolio Weightings

(relative to comparative index†)



* Total assets before deduction of bank loan.
† S&P Global Small Cap Index (in sterling terms). Weightings exclude industries where the Company has no exposure.

The Strategic Report which includes pages 2 to 16 was approved by the Board on 10 December 2015.

David HL Reid
Chairman

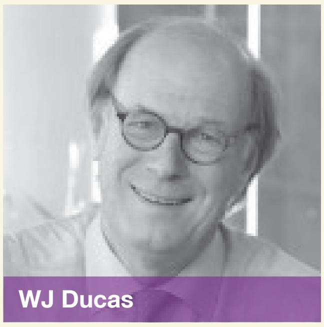
Directors and Management

Members of the Board come from a broad variety of backgrounds. The Board can draw on a very extensive pool of knowledge and experience.

Directors

David Reid was appointed a Director on 1 May 1998. He was appointed Chairman on 1 February 2011 and is Chairman of the Nomination Committee. He was previously a director of Smith and Williamson and of Fleming Private Asset Management.

Donald Cameron was appointed a Director on 2 December 2010. He is an advocate at the Scottish Bar where he has a general civil practice, with a particular emphasis on public law. He is also a qualified barrister in England and Wales, and a non-executive director of Murray Income Trust PLC.



William Ducas was appointed a Director on 22 March 2002 and is the Senior Independent Director. He is a member of the board of the Weir Foundation charitable trust and is on the International Advisory Board of Zamorano University. He was previously a director of West LB Mellon Asset Management and a managing director of F&C Management Ltd of North America.

Helen James was appointed a Director on 2 December 2010. She is the CEO of Investis, a leading digital corporate communications company. Previously, she was Head of Pan-European Equity Sales at Paribas. She is also a non-executive director of The Mercantile Investment Trust plc.

Henry Strutt was appointed a Director on 1 November 2011 and is Chairman of the Audit and Management Engagement Committee. He qualified as a chartered accountant in 1979, following which he spent over twenty years with the Robert Fleming Group, seventeen of which were in the Far East. He is a non-executive director of Smith & Williamson Holdings Ltd.

All Directors are members of the Nomination and Audit and Management Engagement Committees.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Baillie Gifford & Co is 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 is one of the largest investment trust managers in the UK and currently manages seven investment trusts. Baillie Gifford also manages 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 totalled around £120 billion at 31 October 2015. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 40 partners and a staff of around 820.

Douglas Brodie is the portfolio manager with John MacDougall as deputy. Douglas joined Baillie Gifford in 2001 and is Head of the Global Discovery Team, which focuses on the opportunities of smaller companies. John joined Baillie Gifford in 2000.

Baillie Gifford & Co Limited and Baillie Gifford & Co are both authorised and regulated by the Financial Conduct Authority.

Directors' Report

The Directors present their Report together with the Financial Statements of the Company for the year to 31 October 2015.

Corporate Governance

The Corporate Governance Report is set out on pages 21 to 23 and forms part of this Report.

Manager and Company Secretaries

In order to comply with the Alternative Investment Fund Managers Directive ('AIFMD'), the Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager ('AIFM') with effect from 1 July 2014. Baillie Gifford & Co Limited was also appointed Company Secretaries with effect from the same date. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co.

The Investment Management Agreement 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 Management Agreement is terminable on not less than three months' notice. Compensation fees would only be payable in respect of the notice period if termination by the Company were to occur sooner. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance. The annual management fee payable is 0.95% on the first £50m of net assets and 0.65% on the balance. Management fees are calculated and payable on a quarterly basis.

The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted by the Audit and Management Engagement Committee annually. The Committee considered the following topics amongst others in its review:

- investment process;
- investment performance;
- the quality of the personnel assigned to handle the Company's affairs;
- developments at the Managers, including staff turnover;
- the administrative services provided by the Secretaries;
- share price and discount; and
- charges and fees.

Following the most recent review the Audit and Management Engagement Committee concluded that the continuing appointment of Baillie Gifford & Co Limited as Managers and Secretaries, on the terms agreed, is in the interests of shareholders as a whole. This was subsequently approved by the Board.

Depositary

In accordance with the AIFMD, the Company appointed BNY Mellon Trust & Depositary (UK) Limited as its Depositary with effect from 1 July 2014. The Depositary Agreement replaced the custody agreement with the Bank of New York Mellon SA/NV. The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary has delegated the custody function to The Bank of New York Mellon SA/NV.

Directors

Information about the Directors who were in office during the year and up to the date the Financial Statements were signed including their relevant experience can be found on page 17.

Mr DHL Reid and Mr WJ Ducas, both having served for more than nine years, offer themselves for re-election annually.

Following formal performance evaluation, their performance 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/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company maintains Directors' and Officers' Liability Insurance.

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.

Dividends

The Company's objective is that of generating capital growth. Consequently, the Managers do not invest in companies based on the level of income they may payout as dividends.

As highlighted last year, the Board does not intend to draw on the Company's revenue reserve to pay or maintain dividends. This year the net revenue return per share was a deficit of 0.18p so the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Share Capital

Capital Structure

The Company's capital structure consists of 49,004,319 ordinary shares of 5p each at 31 October 2015 (2014 – 49,004,319 ordinary shares).

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 any 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 50 and 51.

Major Interests in the Company's Shares

The Company has received notifications of the following interests in 3% or more of the voting rights of the Company as at 31 October 2015.

Name	No. of ordinary 5p shares held	% of issue
Lazard Asset Management LLC (indirect)	2,419,590	4.9
Brewin Dolphin Limited (indirect)	2,250,980	4.6

There have been no changes to the major interests in the Company's shares intimated up to 10 December 2015.

Annual General Meeting

Resolutions 7 and 8 – Authority to allot shares and Disapplication of pre-emption rights

Resolution 7 in the Notice of Annual General Meeting seeks to renew the Directors' general authority to issue shares up to an aggregate nominal amount of £808,571. This amount represents approximately 33.0% of the Company's total ordinary share capital currently in issue and meets institutional guidelines. No issue of ordinary shares will be made pursuant to the authorisation in Resolution 7 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 8, which is proposed as a special resolution, seeks to provide the Directors with authority to issue shares or sell shares held in treasury on a non-pre-emptive basis for cash (i.e. without first offering such shares to existing shareholders pro-rata to their existing holdings) up to an aggregate nominal amount of £122,510 (representing approximately 5% of the issued ordinary share capital of the Company as at 10 December 2015). The authorities sought in Resolutions 7 and 8 will continue until the conclusion of the Annual General Meeting to be held in 2017 or on the expiry of 15 months from the passing of this resolution, if earlier.

Such authorities will only be used to issue shares or sell shares from treasury at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company and its shareholders to do so. The Directors believe that the ability to buy-back shares at a discount and sell them or issue new shares at a premium are useful tools in smoothing supply and demand. No shares were issued during the year to 31 October 2015 and no shares were held in treasury as at 10 December 2015.

Resolutions 9 – Market Purchases of Own Shares by the Company

At the last Annual General Meeting the Company was granted authority to purchase up to 7,345,747 ordinary shares (equivalent to approximately 14.99% of its issued share capital), such authority to expire at the Annual General Meeting in respect of the year ending 31 October 2015. No shares were bought back during the year under review and no shares are held in treasury.

Share buy-backs may be made principally:

(i) to enhance 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 the demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per share.

The Company may cancel or hold bought-back shares 'in treasury' and then:

(i) sell such shares (or any of them) for cash (or its equivalent under the Treasury Shares Regulations); or

(ii) cancel the shares (or any of them).

Shares will only be sold from treasury at a premium to net asset value.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 7,345,747 ordinary shares representing approximately 14.99% of the Company's ordinary shares in issue at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in 2017.

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 must not exceed the higher of:

(i) 5 percent above the average closing price on the London Stock Exchange of an ordinary share 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 will be 5p per share. Purchases of shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 9 in the Notice of Annual General Meeting.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Disclosure of Information to Auditor

The Directors confirm that so far as each of the Directors is 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 ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, KPMG LLP, is willing to continue in office and in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning their reappointment and remuneration will be submitted to the Annual General Meeting.

Post Balance Sheets Events

The Directors confirm that there have been no post Balance Sheet events up to 10 December 2015.

Greenhouse Gas Emissions

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

Bribery Act

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.

Recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do where possible in respect of their own beneficial holdings of shares which amount in aggregate to 544,758 shares, representing approximately 1.1% of the current issued share capital of the Company.

By order of the Board
David HL Reid
Chairman
10 December 2015

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2014 UK Corporate Governance Code (the 'Code') which can be found at **www.frc.org.uk** and the relevant principles of the Association of Investment Companies (AIC) 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 formally reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. A separate strategy session is held annually. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. 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 currently comprises five Directors all of whom are non-executive. The Chairman, Mr DHL Reid, is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. Mr WJ Ducas is the Senior Independent Director.

The executive responsibilities for investment management have been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and in the context of a Board comprising entirely non-executive Directors, there is no chief executive officer.

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on page 17.

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.

The names of Directors offering themselves for re-election together with the reasons why the Board supports the re-elections are set out on page 18.

Independence of Directors

All of 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 importance of succession planning for company boards and review the Board composition annually. 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 independent.

Mr DHL Reid and Mr WJ Ducas have served on the Board for more than nine years. Following formal performance evaluation the Board considers that Mr DHL Reid and Mr WJ Ducas continue to be independent in character and judgement and their skills and experience add significantly to the strength of the Board.

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 the Directors.

Directors' Attendance at Meetings

	Board	Audit and Management Engagement Committee	Nomination Committee
Number of meetings	**6**	**2**	**1**
DHL Reid	6	2	1
DAJ Cameron	6	2	1
WJ Ducas	6	2	1
H James	5	2	1
HCT Strutt	6	2	1

Nomination Committee

The Nomination Committee consists of the whole Board and the Chairman of the Board is 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.

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. The Board therefore does not consider it appropriate to set diversity targets.

The Committee's terms of reference are available on request from the Company and on the Company's page on the Managers' website: **www.edinburghworldwide.co.uk**.

Performance Evaluation

An appraisal of the Chairman, each Director and a performance evaluation and review of the Board as a whole and its Committees was carried out during the year. After considering and responding to an evaluation questionnaire each Director had an interview with the Chairman. The appraisal of the Chairman was led by Mr WJ Ducas.

The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and its Committees. 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 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.

Audit and Management Engagement Committee

The report of the Audit and Management Engagement Committee is set out on pages 24 and 25.

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 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the Alternative Investment Fund Managers Directive (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit and Management Engagement Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 and 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 Auditor and a copy is submitted to the Audit and Management Engagement Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit and Management Engagement Committee.

These procedures ensure that consideration is given regularly to the nature and extent of 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 these risks.

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 and up to the date of this Report.

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.

To comply with the Alternative Fund Managers Directive, the Company appointed BNY Mellon Trust & Depositary (UK) Limited as its Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Depositary has delegated the custody function to The Bank of New York Mellon SA/NV ('the Custodian'). The Custodian prepares a report on its key controls and safeguards which is independently reviewed by KPMG LLP.

The Depositary provides the Audit and Management Engagement Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see note 21 on page 48), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken.

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 quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis.

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.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and their representatives and report shareholders' views to the Board. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any member of the Board may do so by writing to them at the Company's registered office or through the Company's broker Numis Securities Limited (see contact details on the back cover).

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.edinburghworldwide.co.uk**. 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 at **www.edinburghworldwide.co.uk**.

Corporate Governance and Stewardship

The Company has given discretionary voting powers to 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 to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project and are also members of the Asian Corporate Governance Association and International Corporate Governance Network.

By order of the Board
David HL Reid
Chairman
10 December 2015

Audit and Management Engagement Committee Report

The Audit and Management Engagement Committee consists of all independent Directors. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mr HCT Strutt, Chairman of the Committee, is a Chartered Accountant.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at **www.edinburghworldwide.co.uk**. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year the Committee meets with the external Auditor without any representative of the Manager being present.

Main Activities of the Committee

The Committee met twice during the year and KPMG LLP, the external Auditor, attended both meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for these meetings.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

- the preliminary results announcement and the annual and interim reports;
- the Company's accounting policies and practices;
- the regulatory changes impacting the Company;
- the fairness, balance and understandability of the Annual Report and Financial Statements and provide advice to the Board whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the effectiveness of the Company's internal control environment;
- reappointment, remuneration and engagement letter of the external Auditor;
- whether the audit services contract should be put out to tender;
- the policy on the engagement of the external Auditor to supply non-audit services;
- the independence, objectivity and effectiveness of the external Auditor;
- the need for the Company to have its own internal audit function;
- internal controls reports received from the Managers and Custodian;
- the terms of the Investment Management Agreement, as described on page 18 and the continuing appointment of the Manager; and
- 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.

Internal Audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Managers 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.

Financial Reporting

The Committee considers that the most significant issue likely to affect the Financial Statements is the existence and valuation of investments as they represent 96.9% of total assets.

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding recording and pricing of investment and the reconciliation of investment holdings to third party.

The Auditor confirmed to the Committee that the investments had been valued in accordance with the stated accounting policies. The value of all the listed investments had been agreed to external price sources and the portfolio holdings agreed to confirmations from the Company's Custodian.

The Managers and Auditor confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on pages 22 and 23. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence of the external Auditor, the Committee reviewed:

- the audit plan for the current year;
- a report from the Auditor describing their arrangements to manage auditor independence and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditor. Non-audit fees for the year to 31 October 2015 were £20,700, £4,200 related to the provision of Indian tax services and £16,500 related to the provision of tax services in relation to the reclaim of French withholding tax (see note 19). The Committee does not believe that this has impaired the Auditor's independence.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

- the Auditor's fulfilment of the agreed audit plan;
- responses to the ICAS Annual Audit Assessment Questionnaire;
- feedback from the Secretaries on the performance of the audit team; and
- the Audit Quality Inspection Report from the FRC.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

— the Auditor's engagement letter;
— the Auditor's proposed audit plan;
— the audit fee; and
— a report from the Auditor on the conclusion of the audit.

Although KPMG LLP has been Auditor for seventeen years, the audit partners responsible for the audit are rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Ms Burnet, the current partner, was appointed over three years ago and will continue as partner until the conclusion of the 2016 audit.

KPMG LLP have confirmed that they believe they are independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

KPMG also act as Auditor to the Manager and Ms Burnet took on the lead relationship partner role with Baillie Gifford during 2013. A separate audit director is responsible for the Baillie Gifford audit and KPMG have outlined the procedures that would be put in place in the unlikely event that a conflict of interest should arise. The Committee is satisfied with the Auditor's independence.

Having carried out the review described above, the Committee is satisfied that the Auditor remains independent and effective and as such, has not considered it necessary to conduct a tender process for the appointment of its Auditor at this stage.

The Committee intends to undertake a tender process during the year to 31 October 2016 to coincide with the five year rotation cycle of the current partner Ms Burnet.

There are no contractual obligations restricting the Committee's choice of external auditor.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 28 to 30.

By order of the Board
Henry CT Strutt
Chairman of the Audit and Management Engagement Committee
10 December 2015

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was approved at the Annual General Meeting in January 2014 and no changes are proposed.

The Board reviewed the level of fees during the year and it was agreed there would be no change to the fees. The fees were last increased on 1 November 2014.

Directors' Remuneration Policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate Remuneration Committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co Limited, the Company Secretaries, provides comparative information when the Board considers the level of 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. The Board believes that the fees paid to the Directors should 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. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

The fees for the non-executive Directors are payable quarterly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £150,000 per annum in aggregate. Any change to this limit requires shareholder approval. Non-executive Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and there are no long term incentive schemes or pension schemes. No compensation is payable on loss of office.

The basic and additional fees payable to Directors in respect of the year ended 31 October 2015 and the fees payable in respect of the year ending 31 October 2016 are set out in the following table. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 31 Oct 2016 £	Fees for year ending 31 Oct 2015 £
Chairman's fee	30,000	30,000
Non-executive Director fee	20,000	20,000
Additional fee for Chairman of the Audit and Management Engagement Committee	3,000	3,000
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	150,000	150,000

Annual Report on Remuneration

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 in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 29 and 30.

Directors' Remuneration for the Year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2015 Fees £	2015 Taxable benefits* £	2015 Total £	2014 Fees £	2014 Taxable benefits* £	2014 Total £
DHL Reid (Chairman)	30,000	–	**30,000**	28,000	–	**28,000**
DAJ Cameron	20,000	229	**20,229**	18,500	129	**18,629**
WJ Ducas	20,000	1,116	**21,116**	18,500	–	**18,500**
H James	20,000	2,797	**22,797**	18,500	2,342	**20,842**
HCT Strutt (Audit and Management Engagement Committee Chairman)	23,000	6,134	**29,134**	21,500	1,548	**23,048**
	113,000	**10,276**	**123,276**	**105,000**	**4,019**	**109,019**

* Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings held at the Edinburgh offices of Baillie Gifford & Co Limited, the Company's Secretaries.

Directors' Interests (audited)

Name	Nature of interest	Ordinary 5p shares held at 31 Oct 2015	Ordinary 5p shares held at 31 Oct 2014
DHL Reid	Beneficial	444,715	469,715
DAJ Cameron	Beneficial	1,743	1,737
WJ Ducas	Beneficial	35,000	35,000
H James	Beneficial	2,300	2,300
HCT Strutt	Beneficial	61,000	61,000

The Directors are not required to hold shares in the Company. The Directors at the financial year end, and their interests in the Company, were as shown above. There have been no changes intimated in the Directors' interests up to 10 December 2015.

Statement of Voting at Annual General Meeting

At the last Annual General Meeting, of the proxy votes received in respect of the Directors' Remuneration Report, 98.9% were in favour, 0.9% were against and votes withheld were 0.2%.

Relative Importance of Spend on Pay

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

Directors' Service Details

Name	Date of appointment	Due date for re-election
DHL Reid	1 May 1998	AGM in 2016
DAJ Cameron	2 December 2010	AGM in 2017
WJ Ducas	22 March 2002	AGM in 2016
H James	2 December 2010	AGM in 2017
HCT Strutt	1 November 2011	AGM in 2018

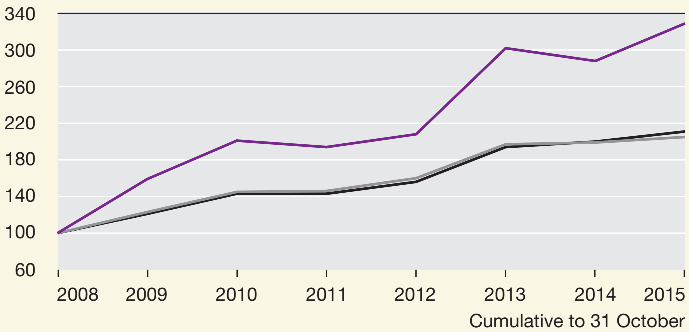
Company Performance

The following graph compares the total return (assuming all dividends are reinvested) to 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. (Comparative Index provided for information purposes only.)

Performance Graph

Edinburgh Worldwide's Share Price, FTSE All-Share Index and Comparative Index*

(figures have been rebased to 100 at 31 October 2008)



Source: Thomson Reuters Datastream.

Edinburgh Worldwide share price

FTSE All-Share Index

Comparative Index* (in sterling terms)

All figures are total return (assuming all dividends reinvested).

* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The comparative index data has been chain linked to form one comparative index figure.

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on pages 26 and 27 was approved by the Board of Directors and signed on its behalf on 10 December 2015.

David HL Reid
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 they have elected to prepare the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 year. 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; 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.

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

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 applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and net return of the Company;

— the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and

— the Strategic 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
David HL Reid
Chairman
10 December 2015

Independent Auditor's Report
To the Members of Edinburgh Worldwide Investment Trust plc only

Opinions and conclusions arising from our audit

Our opinion on the Financial Statements is unmodified

We have audited the Financial Statements of Edinburgh Worldwide Investment Trust plc for the year ended 31 October 2015 set out on pages 31 to 48. In our opinion the Financial Statements:

— give a true and fair view of the state of the Company's affairs as at 31 October 2015 and of its net return on ordinary activities after taxation for the year then ended;

— have been properly prepared in accordance with UK Accounting Standards; and

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

Our assessment of risks of material misstatement

In arriving at our audit opinion above on the Financial Statements the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of listed equity investments (£246m)

Refer to page 24 (Audit and Management Engagement Committee Report), page 35 (Accounting Policies) and pages 36 to 48 (Financial Disclosures).

— ***The risk:*** The Company's portfolio of quoted equity investments makes up 95.2% of the Company's total assets (by value) and is the key driver of operations and performance results. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the Financial Statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

— ***Our response:*** Our procedures over the completeness, valuation and existence of the Company's quoted investment portfolio included, but were not limited to:

  — documenting and assessing the processes in place to record investment transactions and to value the portfolio;

  — agreeing the valuation of 100% of quoted investments in the portfolio to externally quoted prices; and

  — agreeing 100% of investment holdings in the portfolio to independently received third party confirmations.

Our application of materiality and an overview of the scope of our audit

The materiality for the Financial Statements as a whole was set at £2.59m (2014 – £3.57m), determined with reference to a benchmark of Total Assets, of which it represents 1.0%, reflecting the industry consensus levels (2014 – 1.5%).

We report to the Audit and Management Engagement Committee any uncorrected identified misstatements exceeding £129,356, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at the head office of Baillie Gifford & Co Limited, in Edinburgh.

Opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

— the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

— the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

— the information given in the Corporate Governance Statement set out on pages 22 and 23 in the Corporate Governance Report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

— the Directors' statement of viability on page 8, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Company's continuing in operation over the five years to 2020; or

— the disclosures in note 1 of the Financial Statements concerning the use of the going concern basis of accounting.

We have nothing to report in respect of the matters on which we are required to report by exception

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

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

— we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or

— the Audit and Management Engagement Committee Report does not appropriately address matters communicated by us to the Audit and Management Engagement Committee.

Under the Companies Act 2006 we are required 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 pages 23 and 8, in relation to going concern and longer term viability; and
- the part of the Corporate Governance Statement on pages 21 to 23 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

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

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at **www.frc.org.uk/auditscopeukprivate**. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at **www.kpmg.com/uk/auditscopeukco2014a**, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Catherine Burnet (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Castle Terrace
Edinburgh
EH1 2EG
10 December 2015

Income Statement

For the year ended 31 October

	Notes	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Gains/(losses) on investments	9	–	23,245	**23,245**	–	(3,952)	**(3,952)**
Currency gains	14	–	479	**479**	–	749	**749**
Income	2	1,106	–	**1,106**	1,186	–	**1,186**
Investment management fee	3	(415)	(1,245)	**(1,660)**	(362)	(1,085)	**(1,447)**
Other administrative expenses	4	(498)	–	**(498)**	(428)	–	**(428)**
Net return before finance costs and taxation		193	22,479	**22,672**	396	(4,288)	**(3,892)**
Finance costs of borrowings	5	(220)	(660)	**(880)**	(195)	(584)	**(779)**
Net return on ordinary activities before taxation		(27)	21,819	**21,792**	201	(4,872)	**(4,671)**
Tax on ordinary activities	6	(63)	–	**(63)**	(133)	–	**(133)**
Net return on ordinary activities after taxation		**(90)**	**21,819**	**21,729**	**68**	**(4,872)**	**(4,804)**
Net return per ordinary share	8	**(0.18p)**	**44.52p**	**44.34p**	**0.14p**	**(9.94p)**	**(9.80p)**

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.

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 35 to 48 are an integral part of the Financial Statements.

Balance Sheet

As at 31 October

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		250,178		227,012
Current assets					
Debtors	10	5,801		130	
Cash and short term deposits	20	2,734		10,595	
		8,535		10,725	
Creditors					
Amounts falling due within one year	11	(558)		(513)	
Net current assets			7,977		10,212
Total assets less current liabilities			258,155		237,224
Creditors					
Amounts falling due after more than one year	12		(30,799)		(30,862)
Net assets			**227,356**		**206,362**
Capital and reserves					
Called up share capital	13		2,450		2,450
Share premium	14		82,180		82,180
Special reserve	14		35,220		35,220
Capital reserve	14		106,625		84,806
Revenue reserve	14		881		1,706
Shareholders' funds			**227,356**		**206,362**
Net asset value per ordinary share (after deducting borrowings at fair value)	15		**462.74p**		**420.58p**
Net asset value per ordinary share (after deducting borrowings at par)	15		**463.95p**		**421.11p**

The Financial Statements of Edinburgh Worldwide Investment Trust plc (Company registration number SC184775) were approved and authorised for issue by the Board and were signed on 10 December 2015.

David HL Reid
Chairman

The accompanying notes on pages 35 to 48 are an integral part of the Financial Statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 October 2015

	Notes	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2014		2,450	82,180	35,220	84,806	1,706	**206,362**
Net return on ordinary activities after taxation	14	–	–	–	21,819	(90)	**21,729**
Dividends paid during the year	7	–	–	–	–	(735)	**(735)**
Shareholders' funds at 31 October 2015		**2,450**	**82,180**	**35,220**	**106,625**	**881**	**227,356**

For the year ended 31 October 2014

	Notes	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2013		2,450	82,180	35,220	89,678	2,618	**212,146**
Net return on ordinary activities after taxation	14	–	–	–	(4,872)	68	**(4,804)**
Dividends paid during the year	7	–	–	–	–	(980)	**(980)**
Shareholders' funds at 31 October 2014		**2,450**	**82,180**	**35,220**	**84,806**	**1,706**	**206,362**

The accompanying notes on pages 35 to 48 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 31 October

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Net cash outflow from operating activities	16		(974)		(700)
Servicing of finance					
Interest paid		(879)		(773)	
Net cash outflow from servicing of finance			(879)		(773)
Taxation					
Overseas tax incurred		(66)		(133)	
Total tax paid			(66)		(133)
Financial investment					
Acquisitions of investments		(38,913)		(220,402)	
Disposals of investments		33,290		218,714	
Realised currency gain		416		156	
Net cash outflow from financial investment			(5,207)		(1,532)
Equity dividends paid	7		(735)		(980)
Net cash outflow before use of financing			(7,861)		(4,118)
Financing					
Bank loan repaid		–		(28,971)	
Bank loan drawn down		–		30,603	
Net cash inflow from financing			–		1,632
Decrease in cash	17		**(7,861)**		**(2,486)**

Reconciliation of net cash flow to movement in net debt	17				
Decrease in cash in the period			(7,861)		(2,486)
Increase in bank loan			–		(1,632)
Exchange movement on bank loan			63		593
Movement in net debt in the year			(7,798)		(3,525)
Net debt at 1 November of the previous calendar year			(20,267)		(16,742)
Net debt at 31 October			**(28,065)**		**(20,267)**

The accompanying notes on pages 35 to 48 are an integral part of the Financial Statements.

Notes to the Financial Statements

1 Principal Accounting Policies

The Financial Statements for the year to 31 October 2015 have been prepared on the basis of the accounting policies set out below, which are unchanged from the prior year and have been applied consistently.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and 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 derivatives, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 will be retained.

The Financial Statements have been prepared in accordance with The Companies Act 2006, applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in January 2009.

In order to reflect better 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.

The Company has only one material segment being that of an investment trust company, investing in listed companies throughout the world.

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 and its investment manager, who are subject to the UK's regulatory environment, are also UK based.

(b) Investments

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

Investments in securities are designated as valued 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.

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

Changes in the fair value of investments and gains and losses on disposal are recognised as capital items in the income statement.

(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

Cash includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

(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.

(ii) Franked income is stated net of tax credits.

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

(iv) Interest receivable on deposits is recognised on an accruals basis.

(v) 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.

(vi) Special dividends are treated as repayments of capital or income depending on the facts of each particular case.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to 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 this respect the investment management fee is allocated 25% to revenue and 75% to capital, in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively.

(g) Finance Costs

Any long term borrowings are carried in the balance sheet at amortised cost, representing the cumulative amount of net proceeds after issue, plus accrued finance costs. The finance costs of borrowings are allocated 25% to the revenue account and 75% to the capital reserve. Gains and losses on the repurchase or early settlement of debt are wholly charged to capital.

(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 rates expected to apply when its timing differences reverse, based on what has been enacted or substantially enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(i) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Monetary assets, liabilities and equity investments held at fair value in foreign currencies are translated at the closing rates of exchange at the balance sheet date with the exception of foreign exchange contracts which are valued at the forward rate ruling at the time of 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 the income statement and classified as a revenue or capital item as appropriate.

(j) Capital Reserve

Gains and losses on disposal of investments, changes in the fair value of investments held, exchange differences of a capital nature and the amount by which other assets and liabilities valued at fair value differ from their book cost are dealt with in this reserve. Purchases of the Company's own shares can also be funded from this reserve. 75% of management fees and finance costs are allocated to the capital reserve.

2 Income

	2015 £'000	2014 £'000
Income from investments		
UK dividends	405	272
Overseas dividends	700	904
	1,105	**1,176**
Other income		
Deposit interest	1	10
	1	**10**
Total income	**1,106**	**1,186**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	1,105	1,176
Deposit interest from financial assets not designated at fair value through profit or loss	1	10
	1,106	**1,186**

3 Investment Management Fee

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Investment management fee	**415**	**1,245**	**1,660**	**362**	**1,085**	**1,447**

Details of the Investment Management Agreement are disclosed on page 18. The annual management fee is 0.95% on the first £50m of net assets and 0.65% on the remaining net assets, calculated and payable quarterly.

4 Other Administrative Expenses – all charged to the revenue column of the income statement

	2015 £'000	2014 £'000
Directors' fees (see Directors' Remuneration Report on page 26)	113	105
Auditor's remuneration for audit services	16	15
Auditor's remuneration for non-audit services – provision of Indian tax services	4	2
– provision of tax services in relation to the reclaim of French withholding tax	17	–
Other expenses	348	306
	498	**428**

5 Finance Costs of Borrowings

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Financial liabilities not at fair value through profit or loss						
Bank loan repayable within one year	–	–	**–**	177	529	**706**
Bank loan repayable within five years	220	660	**880**	18	55	**73**
	220	**660**	**880**	**195**	**584**	**779**

6 Tax on Ordinary Activities

	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
Overseas taxation	**63**	**–**	**63**	**133**	**–**	**133**

	2015 £'000	2014 £'000
Analysis of charge in year		
Overseas taxation	**63**	**133**
Factors affecting tax charge for year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.42% (2014 – higher, 21.83%)		
The differences are explained below:		
Net return on ordinary activities before taxation	21,792	(4,671)
Net return on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.42% (2014 – 21.83%)	4,450	(1,020)
Effects of:		
Capital returns not taxable	(4,844)	699
Income not taxable	(226)	(257)
Overseas withholding tax	63	133
Taxable losses in year not utilised	620	578
Current tax charge for the year	**63**	**133**

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

Factors that may affect future tax charges

At 31 October 2015 the Company had a potential deferred tax asset of £5,957,000 (2014 – £5,617,000) on 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 taxable revenue profits in the future and it is not liable to tax on its capital gains. The potential deferred tax asset has been calculated using a corporation tax rate of 20% (2014 – 21%).

7 Ordinary Dividends

	2015	2014	2015 £'000	2014 £'000
Amounts recognised as distributions in the year:				
Previous year's final (paid 5 February 2015)	1.50p	1.50p	735	735
Interim	–	0.50p	–	245
	1.50p	**2.00p**	**735**	**980**

Also set out below are the total dividends paid and proposed 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. There is no revenue available for distribution by way of dividend for the year (2015 – revenue loss of £90,000; 2014 – revenue gain £68,000).

	2015	2014	2015 £'000	2014 £'000
Dividends paid and payable in respect of the year:				
Interim dividend per ordinary share	Nil	0.50p	Nil	245
Proposed final dividend per ordinary share	Nil	1.50p	Nil	735
	Nil	**2.00p**	**Nil**	**980**

8 Net Return per Ordinary Share

	2015 Revenue	2015 Capital	2015 Total	2014 Revenue	2014 Capital	2014 Total
Net return on ordinary activities after taxation	**(0.18p)**	**44.52p**	**44.34p**	**0.14p**	**(9.94p)**	**(9.80p)**

Revenue return per ordinary share is based on the net revenue loss on ordinary activities after taxation of £90,000 (2014 – net revenue gain of £68,000) and on 49,004,319 ordinary shares, being the weighted average number of ordinary shares in issue during each year.

Capital return per ordinary share is based on the net capital gain for the financial year of £21,819,000 (2014 – net capital loss of £4,872,000) and on 49,004,319 ordinary shares, being the weighted average number of ordinary shares in issue during each year.

There are no dilutive or potentially dilutive shares in issue.

9 Fixed Assets – Investments

As at 31 October 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	245,883	–	–	**245,883**
Unlisted equities	–	–	4,295	**4,295**
Total financial asset investments	**245,883**	**–**	**4,295**	**250,178**

As at 31 October 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	227,012	–	–	**227,012**
Unlisted equities	–	–	–	**–**
Total financial asset investments	**227,012**	**–**	**–**	**227,012**

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.

	Listed equities £'000	Unlisted equities £'000	Total equities £'000
Cost of investments held at 1 November 2014	223,004	–	223,004
Investment holding gains at 1 November 2014	4,008	–	4,008
Fair value of investments held at 1 November 2014	**227,012**	**–**	**227,012**
Movements in year:			
Purchases at cost	34,602	4,311	38,913
Sales – proceeds	(38,992)	–	(38,992)
– gains on sales	8,319	–	8,319
Changes in investment holding gains	14,942	(16)	14,926
Fair value of investments held at 31 October 2015	**245,883**	**4,295**	**250,178**
Cost of investments held at 31 October 2015	226,933	4,311	231,244
Investment holding gains at 31 October 2015	18,950	(16)	18,934
Fair value of investments held at 31 October 2015	**245,883**	**4,295**	**250,178**

The Company incurred transaction costs on purchases of £29,000 (2014 – £358,000) and on sales of £22,000 (2014 – £122,000).

9 Fixed Assets – Investments (continued)

The following tables show reconciliations from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

	Value at 1 November 2014 £'000	Purchases £'000	Sales proceeds £'000	Change in listing £'000	Gains/ (losses) on sales £'000	Changes in holding gains/ (losses) £'000	Value at 31 October 2015 £'000
Equities	–	4,311	–	–	–	(16)	**4,295**

	2015 £'000	2014 £'000
Net gains/(losses) on investments designated at fair value through profit or loss on initial recognition		
Gains on sales	8,319	105,038
Changes in investment holding gains	14,926	(108,990)
	23,245	**(3,952)**

Of the gains on sales during the year a net gain of £2,101,000 (2014 – net gain of £102,418,000) was included in investment holding gains at the previous year end.

10 Debtors

	2015 £'000	2014 £'000
Due within one year:		
Income accrued (net of withholding tax) and prepaid expenses	40	62
Sales for subsequent settlement	5,702	–
Other debtors	59	68
	5,801	**130**

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

	2015 £'000	2014 £'000
Investment management fee	407	373
Other creditors and accruals	151	140
	558	**513**

12 Creditors – amounts falling due after more than one year

	2015 £'000	2014 £'000
National Australia Bank Limited multi-currency loan	**30,799**	**30,862**

The five year fixed rate facility with National Australia Bank Limited of €9.4m, US$25.6m and £7.5m, expires on 30 September 2019. The drawings were as follows:

At 31 October 2015 and 31 October 2014

National Australia Bank Limited:
– €9,400,000 at an interest rate of 1.59% per annum.
– US$25,600,000 at an interest rate of 3.14% per annum.
– £7,500,000 at an interest rate of 3.12% per annum.

The main covenants relating to the loan facility with National Australia Bank Limited are: total borrowings shall not exceed 35% of the Company's adjusted gross assets and the minimum adjusted gross assets shall be £110m.

13 Called Up Share Capital

	2015 Number	2015 £'000	2014 Number	2014 £'000
Allotted, called up and fully paid ordinary shares of 5p each	**49,004,319**	**2,450**	**49,004,319**	**2,450**

At the Annual General Meeting on 29 January 2015 the Company renewed its authority to purchase shares in the market, in respect of 7,345,747 ordinary shares (equivalent to approximately 14.99% of its issued share capital at that date). No shares were bought back during the years to 31 October 2015 or 2014. At 31 October 2015 the Company had authority to buy back 7,345,747 ordinary shares.

14 Capital and Reserves

	Called up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 November 2014	2,450	82,180	35,220	84,806	1,706	**206,362**
Net gains on disposal of investments	–	–	–	8,319	–	**8,319**
Changes in investment holding gains	–	–	–	14,926	–	**14,926**
Exchange differences on bank loan	–	–	–	63	–	**63**
Other exchange differences	–	–	–	416	–	**416**
Investment management fee	–	–	–	(1,245)	–	**(1,245)**
Finance cost of borrowings	–	–	–	(660)	–	**(660)**
Dividends paid in the year	–	–	–	–	(735)	**(735)**
Revenue return on ordinary activities after taxation	–	–	–	–	(90)	**(90)**
At 31 October 2015	**2,450**	**82,180**	**35,220**	**106,625**	**881**	**227,356**

The capital reserve includes investment holding gains of £18,934,000 (2014 – gains of £4,008,000) as disclosed in note 9.

The special reserve may be utilised to finance any purchase of the Company's ordinary shares.

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 asset value attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2015	2014	2015 £'000	2014 £'000
Ordinary shares	**463.95p**	**421.11p**	**227,356**	**206,362**

Net asset value per ordinary share is based on the net assets as shown above and 49,004,319 ordinary shares, being the number of ordinary shares in issue at each year end.

Deducting borrowings at fair value would have the effect of reducing net asset value per ordinary share from 463.95p to 462.74p. Taking the market price of the ordinary shares at 31 October 2015 of 438.00p, this would have given a discount to net asset value of 5.3% as against 5.6% on the basis of deducting borrowings at par.

Deducting borrowings at fair value would have had the effect of reducing net asset value per ordinary share at 31 October 2014 from 421.11p to 420.58p. Taking the market price of the ordinary shares at 31 October 2014 of 385.00p this would have given a discount to net asset value of 8.5% as against 8.6% on the basis of deducting borrowings at par.

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

	2015 £'000	2014 £'000
Net return before finance costs and taxation	22,672	(3,892)
(Gains)/losses on investments	(23,245)	3,952
Currency gains	(479)	(749)
Decrease/(increase) in accrued income	13	(16)
Decrease in debtors	21	23
Increase/(decrease) in creditors	44	(18)
Net cash outflow from operating activities	**(974)**	**(700)**

17 Analysis of Change in Net Debt

	At 1 November 2014 £'000	Cash flows £'000	Exchange movement £'000	At 31 October 2015 £'000
Cash at bank and in hand	10,595	(7,861)	–	2,734
Loan due in more than one year	(30,862)	–	63	(30,799)
	(20,267)	**(7,861)**	**63**	**(28,065)**

18 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.

19 Contingent Asset

Claims have been lodged with the French tax authorities regarding the refund of previously withheld taxes on income totalling £234,000. The expected recovery amount and timing of receipt remain uncertain and accordingly no such amount has been provided for in the Financial Statements.

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 long term capital growth. 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 exposures 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 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.

(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 on page 44.

20 Financial Instruments (continued)

(i) Currency Risk (continued)

At 31 October 2015	Investments £'000	Cash and deposits £'000	Bank loan £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	107,264	2,647	(16,576)	482	**93,817**
Yen	21,467	–	–	1,894	**23,361**
Euro	23,328	–	(6,723)	2,598	**19,203**
Swiss franc	8,639	–	–	–	**8,639**
Hong Kong dollar	5,244	–	–	–	**5,244**
Australian dollar	3,035	–	–	–	**3,035**
Danish krone	2,695	–	–	–	**2,695**
New Zealand dollar	1,659	–	–	–	**1,659**
Indian rupee	–	–	–	726	**726**
Norwegian krone	711	–	–	–	**711**
Singapore dollar	613	–	–	–	**613**
Indonesian rupiah	–	–	–	–	**–**
Mexican peso	–	–	–	–	**–**
Total exposure to currency risk	174,655	2,647	(23,299)	5,700	**159,703**
Sterling	75,523	87	(7,500)	(457)	**67,653**
	250,178	**2,734**	**(30,799)**	**5,243**	**227,356**

* Includes net non-monetary assets of £17,000.

At 31 October 2014	Investments £'000	Cash and deposits £'000	Bank loan £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	118,195	10,575	(16,001)	(29)	**112,740**
Yen	11,536	–	–	10	**11,546**
Euro	22,318	–	(7,361)	54	**15,011**
Swiss franc	5,358	–	–	–	**5,358**
Hong Kong dollar	3,209	–	–	–	**3,209**
Australian dollar	3,849	–	–	–	**3,849**
Danish krone	–	–	–	–	**–**
New Zealand dollar	1,843	–	–	–	**1,843**
Indian rupee	849	–	–	–	**849**
Norwegian krone	895	–	–	–	**895**
Singapore dollar	1,239	–	–	–	**1,239**
Indonesian rupiah	2,221	–	–	–	**2,221**
Mexican peso	1,228	–	–	–	**1,228**
Total exposure to currency risk	172,740	10,575	(23,362)	35	**159,988**
Sterling	54,272	20	(7,500)	(418)	**46,374**
	227,012	**10,595**	**(30,862)**	**(383)**	**206,362**

* Includes net non-monetary assets of £10,000.

20 Financial Instruments (continued)

(i) Currency Risk (continued)

Currency Risk Sensitivity

At 31 October 2015, 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 below. 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 2014.

	2015 £'000	2014 £'000
US dollar	4,691	5,637
Yen	1,168	577
Euro	960	751
Swiss franc	432	268
Hong Kong dollar	262	160
Australian dollar	152	192
Danish krone	135	–
New Zealand dollar	83	92
Indian rupee	36	43
Norwegian krone	35	45
Singapore dollar	31	62
Indonesian rupiah	–	111
Mexican peso	–	61
	7,985	**7,999**

(ii) Interest Rate Risk

Interest rate movements may affect directly:

- the fair value of investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- the fair value of fixed-rate borrowings; and
- the interest payable on any variable rate borrowings.

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.

20 Financial Instruments (continued)

(ii) Interest Rate Risk (continued)

The interest rate risk profile of the Company's financial assets and liabilities at 31 October is shown below:

Financial Assets

The Company's interest rate risk exposure on its financial assets at 31 October 2015 amounted to £2,734,000 (2014 – £10,595,000), comprising of its cash and short term deposits.

The cash deposits generally comprise overnight call or short term money market deposits of less than one month which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the bank base rate.

Financial Liabilities

	2015 £'000	2014 £'000
The interest rate risk profile of the Company's financial liabilities at 31 October was:		
Fixed rate – Sterling denominated	7,500	7,500
– US$ denominated	16,576	16,001
– Euro denominated	6,723	7,361
	30,799	**30,862**
The maturity profile of the Company's financial liabilities at 31 October was:		
In less than one year		
– accumulated interest	870	862
In more than one year, but not more than five years		
– repayment of loan	30,799	30,862
– accumulated interest	2,538	3,377
	34,207	**35,101**

Interest Rate Risk Sensitivity

An interest rate risk sensitivity analysis has not been performed as the Company does not hold bonds and has borrowed funds at a fixed rate of interest.

(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 Company's exposure to changes in market prices relates to the fixed asset investments as disclosed in note 9.

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 comparative 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 12 to 14. In addition, a geographical analysis of the portfolio and an analysis of the investment portfolio by broad industrial or commercial sector is given on pages 15 and 16.

108.1% (2014 – 110.0%) of the Company's net assets are invested in quoted equities. A 10% increase in quoted equity valuations at 31 October 2015 would have increased total assets and total return on ordinary activities by £24,588,000 (2014 – £22,701,000). A decrease of 10% 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 gives 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 Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Depositary has delegated the custody function to Bank of New York Mellon SA/NV London Branch. 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 Manager monitors the Company's risk by reviewing the Custodian's internal control reports and reporting its 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 maximum exposure to credit risk at 31 October was:

	2015 £'000	2014 £'000
Cash and short term deposits	2,734	10,595
Debtors and prepayments	5,801	130
	8,535	**10,725**

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 at amortised cost in accordance with FRS26.

	2015 Book £'000	2015 Fair* £'000	2014 Book £'000	2014 Fair* £'000
Fixed rate loan	30,799	31,394	30,862	31,120
Total long term borrowings	**30,799**	**31,394**	**30,862**	**31,120**

* The fair value of the bank loan is calculated with reference to government bonds of comparable yield and maturity.

Capital Management

The Company does not have any externally imposed capital requirements other than the loan covenants detailed in note 12 on page 41. The capital of the Company is the ordinary share capital as detailed in note 13. It is managed in accordance with its investment policy in pursuit of its investment objective, both of which are detailed on page 7. Shares may be issued and/or repurchased as explained on page 19.

21 Alternative Investment Fund Managers (AIFM) Directive

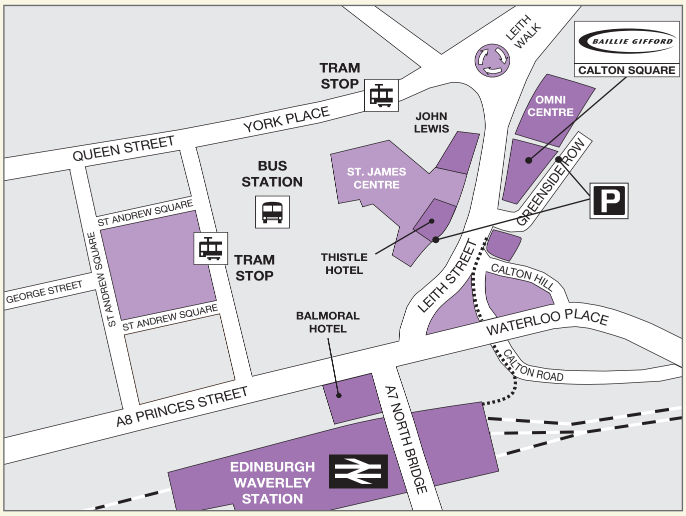
In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors. In accordance with the Directive, the AIFM remuneration policy is available from Baillie Gifford & Co Limited on request (see contact details on the back cover) and the numerical remuneration disclosures in respect of the AIFM's first relevant reporting period (year ended 31 March 2016) will be made available in due course.

The Company's maximum and actual leverage levels (see Glossary of Terms on page 57) at 31 October 2015 are shown below:

Leverage

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.14:1	1.14:1

Notice of Annual General Meeting



The Annual General Meeting of the Company will be held within the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Thursday, 28 January 2016 at 12 noon. A buffet lunch will be provided.

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 917 2112.

Baillie Gifford may record your call.

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

By Tram:
Stops at St Andrew Square and York Place

Access to Waverley Train Station on foot

NOTICE IS HEREBY GIVEN that the eighteenth Annual General Meeting of Edinburgh Worldwide Investment Trust plc (the 'Company') will be held within the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Thursday, 28 January 2016 at 12 noon for the following purposes:

Ordinary Business

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

1. To receive and adopt the Annual Report and Financial Statements of the Company for the financial year ended 31 October 2015 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 October 2015.
3. To re-elect Mr DHL Reid as a Director.
4. To re-elect Mr WJ Ducas as a Director.
5. To reappoint KPMG LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
6. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.
7. 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 ('Securities') provided that such authority shall be limited to the allotment of shares and grant of rights in respect of shares with an aggregate nominal value of up to £808,571 (representing approximately 33 per cent. of the nominal value of the issued share capital as at 10 December 2015), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a 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 8 and 9 as special resolutions:

8. That, subject to the passing of resolution 7 above, and in substitution for any existing power but without prejudice to the exercise of any such power 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 (within the meaning of Section 560(1) of the Act) for cash pursuant to the authority given by resolution 7 above and to sell treasury shares wholly for cash as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
   (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or 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; and
   (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £122,510 (representing approximately 5 per cent. of the nominal value of the issued share capital of the Company, as at 10 December 2015).

9. 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 and in accordance with Section 701 of the Companies Act 2006 ('the Act') to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid ordinary shares of 5p each in the capital of the Company ('Ordinary Shares') (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:
   (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 7,345,747, or, if less the number representing approximately 14.99 per cent. of the issued ordinary share capital of the Company as at the date of the passing of this resolution;
   (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 5p;
   (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share shall not be more than the higher of:
      (i) 5 per cent. above the average closing price on the London Stock Exchange of an Ordinary Share over the five business days immediately preceding the day of purchase; and
      (ii) the higher of the last Independent trade and the highest current independent bid 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 Company's Annual General Meeting to be held in respect of the year ending 31 October 2016, 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 Limited
Managers and Secretaries
21 December 2015

Notes:

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or **www.eproxyappointment.com**, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. Only those shareholders having their name entered on the Company's share register not later than 12 noon on 26 January 2016 or, if the meeting is adjourned, at 12 noon two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website **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.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's registrars, Computershare Investor Services PLC (ID 3RA50) by no later than 12 noon on 26 January 2016. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars are able to retrieve the message by enquiry to CREST. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear 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. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('Nominated Persons'). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

7. 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.

8. There are special arrangements for holders of shares through The Aberdeen Investment Trusts ISA and Shareplan. These are explained in the form of direction which such holders will have received with this report.

9. As at 10 December 2015 the Company's issued share capital comprised 49,004,319 ordinary shares of 5p each. Therefore, as at 10 December 2015, the total number of voting rights exercisable at the meeting is 49,004,319.

10. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.

11. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the auditors) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.

12. Information regarding the meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Manager's website, **www.edinburghworldwide.co.uk**.

13. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

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

Further Shareholder Information

Edinburgh Worldwide 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.

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 54 for details). If you are interested in investing directly in Edinburgh Worldwide, you can do so online. There are a number of companies offering real time online dealing services.

Sources of Further Information on the Company

The ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times and The Scotsman under 'Equity Investment Instruments'. The price of shares can also be found on the Company's page on Baillie Gifford's website at **www.edinburghworldwide.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.

Edinburgh Worldwide Share Identifiers

ISIN	GB0002916335
Sedol	0291633
Ticker	EWI

AIC

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

Key Dates

The Company pays the minimum permissible level of final dividend and no interim dividend. If a dividend was payable this would be due in February.

The AGM is normally held in late January or early February.

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 0370 707 1643.

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 check your holding on the Registrar's 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; and
- use online dealing services.

To take advantage of this service, please log in at **www.investorcentre.co.uk** and enter your Shareholder Reference Number and Company Code (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 0370 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 0370 707 1643.

CREST Proxy Voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as information only.

Analysis of Shareholders at 31 October

	2015 Number of shares held	2015 %	2014 Number of shares held	2014 %
Institutions	10,582,921	21.6	12,661,430	25.8
Intermediaries	27,661,030	56.4	25,611,665	52.3
Individuals	5,697,194	11.6	6,255,720	12.8
Baillie Gifford Share Plans/ISA	4,929,949	10.1	4,311,372	8.8
Marketmakers	133,225	0.3	164,132	0.3
	49,004,319	**100.0**	**49,004,319**	**100.0**

The Common Reporting Standard

As of 1 January 2016 a new piece of tax legislation, The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ('The Common Reporting Standard'), comes into effect.

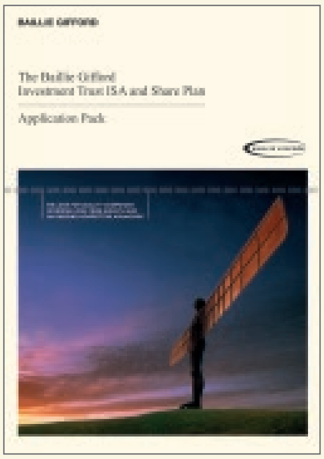
The legislation will require investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Edinburgh Worldwide Investment Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

All new shareholders, excluding those whose shares are held in CREST, who come on to the share register with effect from 1 January 2016 will be sent a certification form for the purposes of collecting this information.

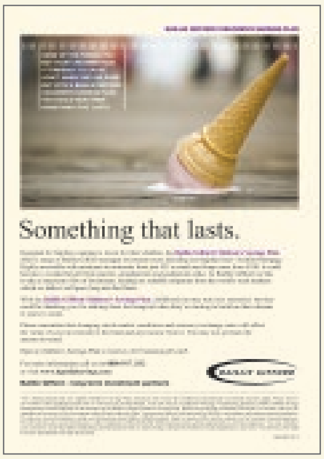
For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders **https://www.gov.uk/government/publications/exchange-of-information-account-holders**.

These Financial Statements have been approved by the Directors of Edinburgh Worldwide Investment Trust plc. Baillie Gifford Savings Management Limited ('BGSM') is the ISA Manager of the Baillie Gifford Investment Trust ISA and the Manager of the Baillie Gifford Investment Trust Share Plan and Children's Savings Plan. BGSM is wholly owned by Baillie Gifford & Co. Both are authorised and regulated by the Financial Conduct Authority. Baillie Gifford only provides information about its products and does not provide investment advice. The staff of Baillie Gifford and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy or sell such shares from time to time.

Cost-effective Ways to Buy and Hold Shares in Edinburgh Worldwide



The Share Plan and ISA brochure available at **www.edinburghworldwide.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 in Edinburgh Worldwide 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 £15,240 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 **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;

— switch between investment trusts, except where there is more than one holder;

— sell part or all of your holdings, 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.

Further information

If you would like more information on any of the plans described, please contact the Baillie Gifford Client Relations Team (see contact details on page 56).

Risks

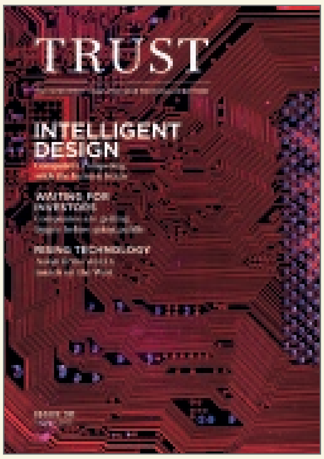
- Past performance is not a guide to future performance.
- Edinburgh Worldwide is a UK listed company. The value of the shares and any income from them can fall as well as rise and investors may not get back the amount invested.
- Edinburgh Worldwide invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.
- Edinburgh Worldwide invests in emerging markets where difficulties in dealing, settlement and custody could arise, resulting in a negative impact on the value of your investment.
- Edinburgh Worldwide 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 invested borrowings will increase the amount of this loss.
- Edinburgh Worldwide can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its own 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.
- Edinburgh Worldwide can make use of derivatives which may impact on its performance.
- Edinburgh Worldwide has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions.
- Edinburgh Worldwide charges 75% of the investment management fee and 75% 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 the Company may not pay a dividend and the capital value would be further reduced.
- The aim of the Company is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.
- You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

Details of other risks that apply to investment in the savings vehicles are contained in the product brochures. Further details of the risks associated with investing in the Company, including how charges are applied, can be found at **www.edinburghworldwide.co.uk**, or by calling Baillie Gifford on 0800 917 2112. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

The Financial Statements have been approved by the Directors of Edinburgh Worldwide. The information and opinions expressed within the Annual Report and Financial Statements are subject to change without notice. The information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Edinburgh Worldwide is a UK public listed company and as such comply with the requirements of the UK Listing Authority. It is not authorised or regulated by the Financial Conduct Authority.

Communicating with Shareholders



Trust Magazine

An Edinburgh Worldwide web page at **www.edinburghworldwide.co.uk**

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 Edinburgh Worldwide. *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.

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

Citywire Selection

Edinburgh Worldwide has been included in Citywire's Selection List. You can read more about this at **www.citywire.co.uk/selection**.

Edinburgh Worldwide on the Web

Up-to-date information about Edinburgh Worldwide, including a monthly commentary, recent portfolio information and performance figures, can be found on the Company's page of the Managers' website at **www.edinburghworldwide.co.uk**.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcomed, so please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have, either about Edinburgh Worldwide or the plans described on page 54.

Literature in Alternative Formats

It is possible to provide copies of the 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 917 2112
Your call may be recorded for training or monitoring purposes.

Email: 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

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.

Glossary of Terms

Total Assets
Total assets less current liabilities, before deduction of all borrowings.

Net Asset Value
Also described as shareholders' funds, Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue.

Net Asset Value at Fair
Borrowings are valued at an estimate of their market worth.

Discount/Premium
As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Total Return
The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes xd.

Ongoing Charges
The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value).

Active Share
Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Gearing
At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing is the Company's borrowings at par less cash and cash equivalents expressed as a percentage of shareholders' funds.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

Leverage
For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Directors

Chairman:
DHL Reid

DAJ Cameron
WJ Ducas
H James
HCT Strutt

Alternative Investment Fund Managers, Secretaries and Registered Office

Baillie Gifford & Co Limited
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: 0370 707 1643

Depositary

BNY Mellon Trust & Depositary
(UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Banker

The Bank of
New York Mellon SA/NV
One Canada Square
London
E14 5AL

Company Broker

Numis Securities Limited
The London Stock
Exchange Building
10 Paternoster Square
London
EC4M 7LT

Independent Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Company Details

www.edinburghworldwide.co.uk
Company Registration
No. SC184775
ISIN GB0002916335
Sedol 0291633
Ticker EWI

Further Information

Client Relations Team
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Management Limited
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Email:
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Fax: 0131 275 3955