AMIC

Asset Management Investment Company PLC

Annual Report 2008

Contents

CORPORATE OBJECTIVE

AMIC operates as a specialist investor in the asset management industry.

Pursuant to the special resolution passed on 20 October 2006 AMIC adopted a new investment objective to effect an orderly realisation of its investment portfolio in order to return capital to shareholders.

Corporate Information

Directors	Charles Wilkinson *Non-Executive Chairman* George Robb *Managing Director and Chief Investment Officer* Geoff Miller *Senior Non-Executive Director* Barry Aling *Non-Executive Director* Hugh Tilney *Non-Executive Director*
Secretary and Registered Office	Bharat Bhagani 32 Ludgate Hill London EC4M 7DR
Company Number	2918390 (Incorporated and domiciled in England and Wales)
Auditors	Nexia Smith & Williamson LLP Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	Bank of Scotland Corporate Banking 155 Bishopsgate London EC2M 3YB
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Solicitors	Maclay Murray & Spens LLP One London Wall London EC2Y 5AB
Stockbrokers	Numis Securities Limited 10 Paternoster Square London EC4M 7LT

Board of Directors

Charles Wilkinson

Status:	Independent Non-Executive Chairman
Age:	65
Length of service:	Appointed June 2005
Relevant experience:	Charles Wilkinson is a retired solicitor who was a partner in Lawrence Graham LLP until 31 March 2005. As a solicitor he specialised in corporate finance law particularly in the investment company sector. He is currently non-executive Chairman of Premier Renewable Energy Fund PLC and a non-executive director of a number of quoted companies.
Committee membership:	Chairman of the Nominations and Remuneration Committees and a member of the Audit Committee
Shareholding in the company:	Nil

George Robb

Status:	Managing Director and Chief Investment Officer
Age:	66
Length of service:	Appointed June 2005
Relevant experience:	George Robb qualified as a solicitor before becoming fully involved with the asset management sector in 1971. He was a founder director and shareholder of Aberdeen Asset Management PLC and in 1994 was instrumental in establishing AMIC. He is a non-executive director of several companies in which AMIC is invested. He is also a member of the Association of Investment Companies Self Managed Investment Trust Committee.
Committee membership:	Member of the Nominations Committee
Shareholding in the company:	1,820,998 (of which 270,618 are held on non-beneficial basis)

Barry Aling

Status:	Independent Non-Executive Director
Age:	58
Length of service:	Appointed June 2005
Relevant experience:	Barry Aling has had a career centred on international capital markets with experience covering asset management, investment research and corporate finance. His appointments have included positions with Phillips & Drew, Gaffney Cline and Swiss Bank Corporation and the role of managing director of W.I. Carr Overseas based in Hong Kong.
Committee membership:	Chairman of the Audit Committee and member of the Remuneration and Nominations Committees.
Shareholding in the company:	150,000

Board of Directors *continued*

Geoff Miller

Status:	Senior Independent Non-Executive Director
Age:	42
Length of service:	Appointed June 2005
Relevant experience:	Geoff Miller has worked for twenty one years in the global financial services industry, both in research and in fund management. He currently works for investment bank Troika Dialog in Moscow, having previously been a director of Bridgewell Securities, Exeter Asset Management, and Brewin Dolphin Securities, and prior to that a portfolio manager at Norwich Union. Throughout his career he has been actively involved in both the asset management and investment company sectors.
Committee membership:	Member of the Audit, Remuneration and Nominations Committees
Shareholding in the company:	Nil

Hugh Tilney

Status:	Independent Non-Executive Director
Age:	65
Length of service:	Appointed June 2005
Relevant experience:	Hugh Tilney is a member of the board of directors, Chairman of the Management Committee, Chief Operating Officer and Chief Compliance Officer of FX Concepts. He joined FX Concepts in 1993 following a 28 year career in the insurance industry, both in the United States and the United Kingdom.
Committee membership:	Member of the Audit Remuneration and Nomination Committees
Shareholding in the company:	55,000

Chairman's Statement

In my statement which accompanied the annual report for 2007 sent to shareholders on 10 January 2008 I was able to comment on the favourable operating environment for the asset management industry continuing through much of the second half of that year. The dislocation in credit markets which commenced in August 2007 had at the time of my statement little effect on the companies in the AMIC portfolio and no negative effect on valuations or on income from these investments. Since then the world has changed, and your Company's investment portfolio has not been immune from the economic turmoil which has had no parallel since the great depression of the early 1930's.

The falling stock markets which are anticipating world recession and possibly deflation and depression inevitably have had a severe negative impact on the asset management industry and the values attributed to asset management companies. In valuing your Company's unquoted investments your Directors are required to take a careful and prudent approach, which includes comparison with valuations in the quoted sector and transactions occurring in the industry. The exceptional conditions in the course of the year resulted in downward reviews of these valuations and a year-end Net Asset Value per share of 125.46p compared with 133.76p on 30 September 2007. However, since the year-end this trend has accelerated and the Net Asset Value per share as at 8 January 2009 was 75.74p, adjusted for the capital distribution to shareholders of 27p per share referred to below.

The revenue picture has been much better. Your Company's three principal sources of revenue are the receipts from FX Concepts, IFDC Group and City of London Investment Group. FX Concepts Inc and IFDC Group report in United States dollars and the fee income of City of London is substantially received in United States dollars. The weakness of sterling against the United States dollar since the year-end is therefore enhancing current income, and may provide some cushion against the possibility of lower revenue receipts.

Investment portfolio

Your company holds two quoted investments, **City of London Investment Group plc** and **Integrated Asset Management plc**. City of London invests in emerging markets through the medium of international closed-ended companies and funds and inevitably has suffered a reduction in the level of funds under management as a consequence of markets. In accordance with the strategy adopted by your Company in October 2006 the holding was reduced in the course of the year with the sale of 281,275 shares for a consideration of £0.94 million at a price per share of 335p compared to the share price of 142p as at 8 January 2009. Integrated Asset Management in March completed the acquisition of the Altigefi hedge fund group in Paris to achieve assets under management of $2.8 million. The company's business is as a manager of funds of hedge funds and an institutional broker, and the unfashionable sector in which it operates, the AIM listing and poor liquidity have all contributed to an extremely depressed share price despite a strong balance sheet and a viable business.

IFDC Group S.A., a manager of funds invested in the Japanese stock market, continues to be the largest investment in the portfolio and a major contributor to our revenue, although the extreme weakness in the Japanese market has inevitably had a negative impact on the level of funds under management. **FX Concepts Inc**, an investment manager in the foreign exchange markets, has been less affected by stock markets and has had another excellent year, with close to $11.35 billion under management and revenues which are again well ahead of the level which ensures that AMIC will receive the maximum revenue of $1.4 million from its note. **Lombardia Capital Partners**, located in California, who are managers of large cap, mid cap and small cap equity portfolios invested in the United States stock markets, have suffered a market-related fall in funds under management to approximately $1.4 billion, but continue to maintain an excellent investment management performance in each investment area.

Three exits from investments were completed in the course of the year. Your Company's interest in **Hillview Capital Advisors**, a private wealth management company located in New York City, was sold to the management of Hillview in December 2007 for a total consideration of \$1.3 million, comprising a first payment of \$0.5 million received in December 2007, a deferred payment of \$0.54 million and the remainder due in stage payments.

In February the Company announced the disposal of its investment in **Principal Investment Holdings Limited** for a total consideration satisfied partly at completion and partly by a deferred payment. £2.45 million in cash (representing 80% of the value of the investment) was received on completion of the sale in March, and the balance of the consideration, calculated by reference to the performance of the FTSE 100 Index in 2008, is scheduled to be received on the first anniversary of completion. The current level of the FTSE Index suggests that it is unlikely that the deferred element will be received.

For a considerable period your Board and management were working to achieve a satisfactory outcome in connection with your Company's investment in **Financial Management Advisors**, a fixed income manager located in California. As previously reported a full provision was made against the value of the investment following FMA receiving an unfavourable judgement in a significant litigation in December 2006. Finally, your Company achieved an exit from the investment when the business was sold to First Western Bank of Colorado for a total consideration to AMIC of \$0.7 million.

Corporate developments

Your Board took the decision to apply the proceeds from the disposal of Principal and the shares in City of London to the reduction of the balance of the revolving credit facility provided by Investec Bank (UK) Limited. This resulted in the balance being eliminated, and borrowings from Investec were further reduced on the receipt of the third tranche of \$4 million from FX Concepts payable on 2 July 2008, leaving a balance of \$4 million which will be repaid on 2 July 2009.

On 4 September 2008 your Company announced that it had received notification from FX Concepts Inc. of its intention to exercise the call option which it held in respect of the 20,014 ordinary shares of FX Concepts Inc held by AMIC at a price of \$500 per share. The total amount receivable by your Company of approximately \$10.0 million was converted into sterling on 31 October 2008 using a forward contract at a £/US\$ exchange rate of 1.755 and the gross sterling equivalent of approximately £5.7 million was subsequently received. The investment held by AMIC in the 10% promissory loan note issued by FX Concepts Inc and the significant revenue derived from the note remain unaffected by the exercise of this call option.

Your Board consulted with major shareholders and its advisers to determine the most appropriate method for returning the proceeds of this sale to Shareholders in accordance with the strategy approved by Shareholders in October 2006. In formulating the return of cash the Board was mindful to ensure that all Shareholders were treated equally and that substantially all of the proceeds of the sale, after costs, were returned to Shareholders. On 21 November 2008 a circular was sent to Shareholders detailing the arrangements for returning 27p per share in cash, which is expected to be completed early in February 2009.

Your Company will continue the programme of buying back ordinary shares for cancellation as and when the opportunity is available. Between 1 October 2007 and 30 September 2008 1,737,093 ordinary shares were bought back and cancelled at a cost of £2.0 million, equal to 8.4% of the ordinary share capital in issue at the start of the financial year.

Financial results

Revenue profit before tax and minority interests for the year was £1.79 million (2007: £2.08 million), a decrease of 14%. Profit after taxation decreased by 17.1% to £1.37 million (2007: £1.65 million) and revenue return per ordinary share decreased by 11.2% to 6.96p (2007: 7.83p). Your Board is recommending payment of a final dividend of 4.5p per share (2007: 4.0p per share), which, together with the interim dividend of 2.0p per share (2007: 1.5p per share) paid on 15 August 2008, will make a total payment of 6.5p net per share (2007: 5.5p net per share). The final dividend will be proposed at the Annual General Meeting on 5 February 2009 for payment on 10 February 2009 to shareholders on the register at the close of business on 23 January 2009. At 30 September 2008 the gearing (being the proportion of interest bearing debt to total assets) stood at 9% (30 September 2007: 17%).

Outlook

Throughout the world there are major economic and financial problems, which your Board believe will take a considerable time to be resolved. The current year is likely to be a difficult one throughout the financial sector, including the asset management industry. It is not possible to forecast when growth will return to stock markets, and until then asset management companies will have to operate with lower levels of funds under management, revenues and earnings than in recent years. However, your Board is confident that in general the principal investments held by AMIC are well managed businesses, well equipped to deal with the problems of these difficult times and well positioned to take advantage of the recovery in markets which will come in due course.

Charles Wilkinson *Chairman* 9 January 2009

Investment Portfolio – Listed Investments *(as at 30 September 2008)*

City of London Investment Group PLC

	Percentage of equity held %	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	5.91%	726,827	3,375,000	14.1	UK – 1997

City of London Investment Group was founded in 1991 with funds under management of US$2.1 billion invested in emerging markets through the medium of international closed-end funds listed on some twenty stock markets around the world. The company has offices in London, Philadelphia, Dubai and Singapore and manages funds on behalf of clients principally in the United States, the United Kingdom and Canada.

Year End	May 2008	May 2007
Earnings per share	29.3p	19.9p
Net Dividend per Share	19.5p	10p
Dividend Cover	1.50	1.99
Attributable Net Assets '000	£577	£31

Integrated Asset Management plc

	Percentage of equity/debt instrument %	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	4.87%	1,250,198	389,988	1.6	UK – 1997

Integrated Asset Management is a global alternative investment group listed on the Alternative Investment Market (AIM) of the London Stock Exchange. The company's core businesses are "fund of hedge fund" management and institutional broking.

Year End	December 2007	December 2006 (re-stated)
Earnings per share	0.05p	1.79p
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets '000	£1,462	£773

Investment Portfolio – Unlisted Investments *(as at 30 September 2008)*

Columbus Financial Services Limited

	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	411,498	Nil	–	UK – 1996
Loans	118,242	Nil	–	2001-2003

Columbus Financial Services was a London based provider of financial services to private individuals and their advisers. During 2006, the business was not deemed to be a viable ongoing entity and the company is being wound up.

IFDC S.A. Group

	Percentage of equity held %	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	17.25	2,417,169	8,454,714	35.3	Europe – 1998

IFDC is a leading internationally recognised independent asset manager which has specialised in investment management in the Japanese stock markets since 1984. Focussed investment management during several economic cycles has contributed to an intimate knowledge of these markets. The company is in a unique position to provide a sophisticated and tailored quality of service to the institutional investor.

Year End	December 2007	December 2006
Earnings per share	US$3,640	US$4,945
Net Dividend per Share	US$2,580	US$2,641
Dividend Cover	1.41	1.87
Attributable Net Assets '000	US$6,239	US$3,641

International Foreign Exchange Concepts, Inc.

	Percentage of equity/debt instrument %	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
2011					
Note 10%	100	3,567,351	4,101,909	17.1	US – 2001
Ordinary shares	8.34	779,290	5,614,025	23.5	US – 2002

International Foreign Exchange Concepts, established in 1981, is headquartered in New York City with offices in Rochester NY, London, Singapore and Sydney. The company was founded as a specialist in foreign exchange and interest rate research, which it now provides to a list of clients including a variety of banks, international corporations and financial institutions. Since 1987 the company has been providing a wide selection of currency overlay and currency management solutions. The company is one of the largest private managers of foreign exchange risk with approximately US$11.35 billion under management.

Year End	May 2008	May 2007
Earnings per share	US$44.65	US$103.02
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets '000	US$4,560	US$717

Lombardia Capital Partners LLC

	Percentage of equity/debt instrument %	Diluted percentage of equity upon conversion	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Convertible Note 2011	100	10.0	3,458,588	574,236	2.4	US – 2001
Ordinary Shares	2.65	2.65	185,579	152,384	0.6	US – 2003

Lombardia (formerly Valenzuela) Capital Partners located in Pasadena, CA, is a registered investment adviser managing primarily tax-exempt institutional accounts with approximately US$1.4 billion under management. The company adopts a value approach and is one of the larger minority managers in the United States, managing small, mid and large cap stocks.

Year End	December 2007	December 2006
Earnings/(Loss) per share	$US(1.03)	$US(1.85)
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets/(Liabilities) '000	$29	$27

The Mayberry Group, Inc.

	Percentage of equity held %	Cost £	Value at 30 September 2008 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	7.89	702,190	35,739	0.1	US – 1995

The Mayberry Group is the holding company of Core Asset Management Company, Inc., which is based in San Rafael, California and manages funds for individual, corporate, trust and charitable foundation clients. The company has funds under management of approximately US$65 million.

Year End	December 2007	December 2006
Profit per share	US$0.04	US$0.23
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets/(Liabilities) '000	US$107	US$126

Note: The calculation of percentage of portfolio that each investment represents has been calculated as the valuation of each investment divided by the total investment valuation at 30 September 2008 plus cash at Bank.

Directors' Report *(as at 30 September 2008)*

The Directors present their report and financial statements for the year to 30 September 2008.

Business Review

A review of the Group's activities is given in the Chairman's Statement on pages 5 to 7 and this includes a review of the Group and its principal activities, likely future developments of the business and recommended dividend levels and details of the acquisition of its own shares. The key performance indicators for the Group including NAV performance are included in the Chairman's Statement under "Financial Results". The major risks associated with the Group are detailed in note 26 to the Financial Statements. Other risks include:

- Market share price risk

  The Group's share price can trade at a discount to its underlying net asset value which is not a factor the Group is able to control. Some influence over the discount may be exercised by the use of the buy-back of shares in the market by the Group.

- Regulatory risk

  The Group operates in a regulatory environment and faces a number of regulatory risks. Any breach of regulations, such as Section 842 of the Income and Corporation Taxes Act or the UKLA Listing Rules among other things could lead to detrimental outcomes. The Audit Committee monitors compliance with regulations by reviewing internal control reports from both internally and externally.

Additionally, each Director confirms that, so far as he is aware, there is no relevant audit information of which the Group's auditors are unaware, and he has taken all the steps that he ought to have taken as a Director in order to make himself aware of all relevant audit Information and to establish that the Group's auditors are aware of that information.

Additionally, there are no important events since the year end which have not been disclosed. Details of the Directors are given in Board of Directors on pages 3 and 4 and also further below in the Directors Report.

The Group has made no political or charitable donations during the year and in common with most investment trusts, Directors' & Officers liability insurance cover has been maintained throughout the year at the expense of the Company.

Principal Activity

The business of the Company is that of an investment trust investing in worldwide private or AIM listed asset management companies.

Status

The Company is an investment company as defined by Section 266 of the Companies Act 1985 and is registered as a public limited company. The Company is also a member of the Association of Investment Companies ("AIC").

The Company has been approved by HM Revenue & Customs as an Investment Trust under Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30 September 2006.

The Directors are of the opinion, under advice, that the Company has conducted its affairs for the year ended 30 September 2008 so as to be able to obtain approval as an Investment Trust.

Results and Dividends

The results for the year and the net total return are set out in the Consolidated Income Statement on page 23. The Group revenue profit after tax for the year was £1,373,000 (2007: £1,656,000). An interim dividend of 2.0p per share was paid on 15 August 2008. The Directors propose to pay a final dividend of 4.5p per share on 10 February 2009.

Directors

The current Directors of the Company are shown on pages 3 and 4 along with brief biographical details. In accordance with the Articles of Association Hugh Tilney and Barry Aling offer themselves for re-election at the forthcoming Annual General Meeting.

The Directors at 30 September 2008 and their beneficial interests in the Ordinary shares of the Company are as follows:

		Number of Ordinary Shares	At 30 September 2007 (or date of appointment if later) Number of Ordinary Shares
George Robb	beneficial	**1,550,380**	1,693,826
Barry Aling	beneficial	**150,000**	1,174,800
Geoff Miller	beneficial	**–**	–
Hugh Tilney	beneficial	**55,000**	55,000
Charles Wilkinson	beneficial	**–**	–

At 30 September 2008, Mr Robb had a non-beneficial interest in a further 270,618 ordinary shares (at 30 September 2007 – 30,314 ordinary shares). The above interests were unchanged at 9 January 2009 being the nearest practicable date prior to the signing of this Annual Report.

Corporate Governance

The Statement of Corporate Governance is shown on pages 17 to 20.

Financial Statements

The Directors' responsibilities regarding the financial statements are set out on page 16. The Directors acknowledge that their responsibility to present a balanced and understandable assessment extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

Risk Management

The major risks associated with the Group's businesses are market risk, liquidity risk and credit risk. The Group has established a comprehensive framework for managing these risks, which evolves as the Group's business activities change in response to market, credit and other developments. The Group's policies for managing each of these risks and its exposure thereto are detailed in note 26 to the financial statements.

Going Concern

The Company adopted a new investment objective on 20 October 2006 requiring the Company to effect an orderly realisation of its investment portfolio and return cash to shareholders. After making enquiries and given the nature of the Group and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Substantial Interests

On 30 September 2008 the following were registered or had notified the Company as being interested in 3% or more of the Company's ordinary share capital:

Name of Shareholder	Number of Ordinary Shares	% Held
Philip J Milton & Co. Plc Discretionary Clients	3,829,137	20.14%
Carrousel Capital Ltd	3,225,000	16.97%
Advance UK Trust plc	2,450,000	12.89%
Mr George Robb	1,820,998	9.58%
State Street Nominees clients	842,500	4.43%
Mr John Taylor	768,422	4.04%
HALB Nominees Clients	737,475	3.88%
Mr Thomas Sneddon	592,201	3.12%

Payables Payment Policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The Directors do not consider any creditors to represent trade payables.

Recommendation

Your Directors believe that the adoption of the Resolutions to be proposed at the Annual General Meeting is in the best interest of the Company and its Shareholders as a whole and accordingly recommend you to vote in favour of the Resolutions.

Special Business at the Annual General Meeting

Resolution 7, which is a special resolution, renews the authority at last year's Annual General Meeting and gives the Company authority to buy back its own ordinary shares as permitted by the Act. The Authority limits the number of ordinary shares that can be purchased to a maximum of 2,849,349 ordinary shares representing 14.99% of the issued share capital as at 9 January 2009 and sets the maximum and minimum prices that can be paid. The authority would only be exercised if the Directors believed that to do so would result in an increase in earnings per share for the remaining shareholders and if it would be in the interests of shareholders as a whole. Any repurchased shares will be cancelled.

Auditors

On 18 February 2008, Smith & Williamson Solomon Hare Audit LLP changed its name to Nexia Smith & Williamson Audit (Bristol) LLP trading as Nexia Smith & Williamson LLP. Nexia Smith & Williamson have indicated their willingness to continue in office and a resolution to reappoint Smith & Williamson Audit LLP as auditors will be proposed at the forthcoming Annual General Meeting, along with a resolution to authorise the Directors to agree their remuneration.

By order of the Board

B Bhagani *Secretary* 9 January 2009

Directors' Remuneration Report

This Report is prepared in accordance with Schedule 7A of the Companies Act 1985.

Report of the Board on Remuneration

This report has been approved by the Directors on 25 November 2008 and will be put to the shareholders for approval at the Annual General Meeting on 5 February 2009.

The Regulations require the auditors to report to the members of the Company on the "auditable part" of the Directors' Remuneration Report and to state whether in their opinion that part of the report has been properly prepared in accordance with the Companies Act 1985 (as amended by the Regulations). The report has therefore been divided into separate sections for audited and unaudited information.

Information not Subject to Audit

The remuneration of the Executive Director is determined by the Remuneration Committee, which consists of the non-executive Directors, Charles Wilkinson (Chairman), Barry Aling, Geoff Miller and Hugh Tilney. The members of the Remuneration Committee attend the Company's Annual General Meeting and are available to answer questions from shareholders about the remuneration of Directors.

Remuneration Policy

Subject to an aggregate limit of £150,000 as set out in the articles, it is the Company's policy to determine the level of non executive Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs.

No element of the non-executive Directors' remuneration is performance related.

The long-term incentive for the Managing Director with effect from 1 October 2007 is set out below:

(1) A basic salary payable per annum to Mr George Robb of £130,000.

(2) A contribution of 15% of the basic annual salary.

(3) A performance related bonus of 10% of the difference between the highest NAV achieved during the year and a performance hurdle, compounded annually, of 7% of the Benchmark NAV on 1 October 2007 of 131.42p.

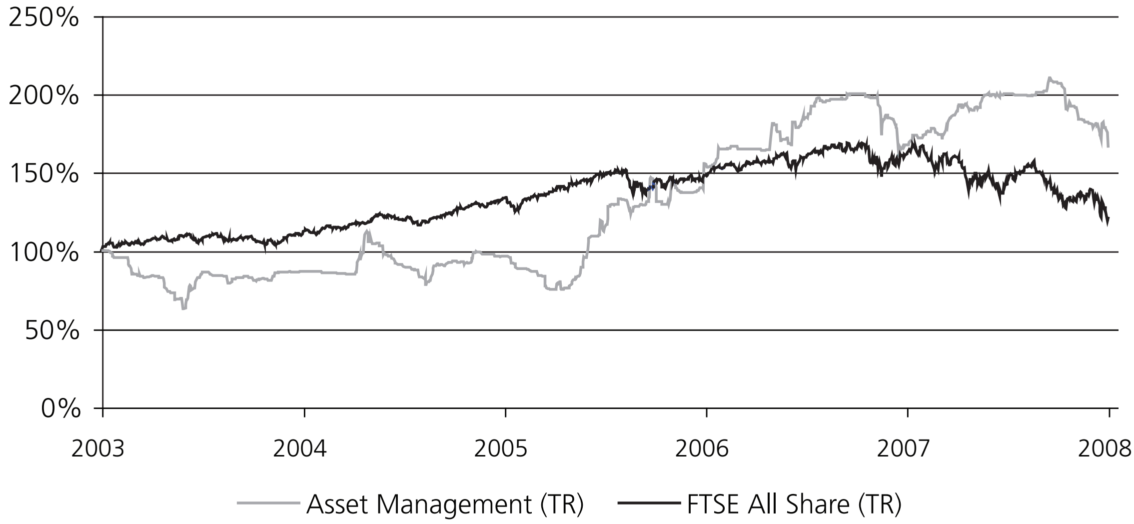
(4) Termination on the earlier of 20 May 2010 or on the expiry of twelve months notice by either party.

A resolution to receive and adopt the Directors' Remuneration policy will be proposed at the Annual General Meeting.

Total Shareholder Return

The graph below illustrates the total Shareholder return for a holding in the Company's Ordinary shares as compared to the FTSE All Share Total Return Index for the five years to 30 September 2008.

The following graph charts the total return index of the Company since 1 October 2003 against FTSE All Share Index which is regarded as the most direct comparator for this purpose.



Service Contracts

Each non-executive Director is appointed under the terms of a letter of appointment pursuant to which the Chairman with effect from 1 October 2007 is entitled to an annual fee of £28,000 and each of the non-executive directors are entitled to an annual fee of £20,000 payable in equal monthly instalments. Each Director's appointment is terminable upon three months written notice by either party. Save as disclosed above, there are no proposed service contracts or letters of engagement between any of the Directors and the Company.

The Company articles set out that a Director shall retire and be subject to re-election at the first Annual General Meeting after their first appointment. In addition one-third of the Board of Directors are obliged to retire by rotation at each Annual General Meeting and if they wish, offer themselves for re-election.

Pension benefits

Pension benefits are provided and are based on basic salary. A contribution of £19,500 was paid to George Robb during the year which represents 15% of basic salary.

Information subject to Audit

Details of Directors' remuneration are given in note 7 to the Financial Statements.

By order of the Board

B Bhagani *Secretary* 9 January 2009

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements.

Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation. International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to:

- Properly select and apply accounting policies and apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Prepare the financial statements on a going concern basis unless, having assessed the ability of the company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative but to do so.

Each of the Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which complies with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The financial statements are published on www.amicplc.com, which is a website maintained by the Company. The Directors are responsible for the maintenance and integrity of the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from other jurisdictions and third parties in such jurisdictions should take their own legal or professional advice as appropriate.

Responsibility Statement

The Directors each confirm to the best of their knowledge:

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union;

This Annual Report, includes a fair review of the information required by the Disclosure and Transparency Rules, being an indication of important events that have occurred during the financial year and description of principal risks and uncertainties.

Approved by the Board on 9 January 2009 and signed on its behalf by

Charles Wilkinson *Chairman* 9 January 2009

Statement of Corporate Governance

The Company is committed to a high standard of corporate governance. This statement describes how the principles and supporting principles identified in the Combined Code, published in July 2003 (as amended in February 2006), have been applied by the Group throughout the year ended 30 September 2008 as set out below:

The Board

The Board currently consists of four non-executive Directors and one Executive Director.

All Directors, with the exception of Mr George Robb, are considered by the Board to be independent. Mr Robb is the Managing Director and the Chief Investment Officer and as such is not considered to be independent.

Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership of the Company. The Board considers that the post of chief executive officer is not relevant as this role has effectively been delegated to Mr Robb.

Mr Geoff Miller has been identified as the senior independent non-executive Director, to whom any concerns can be conveyed by the shareholders.

The biographies of the Directors appear on pages 3 and 4 of this annual report and indicate the range of Directors' investment, commercial and professional experience.

The following table sets out the number of Board and Committee Meetings held during the year ended 30 September 2008 and the number of meetings attended by each Director. Between these formal meetings there is regular contact with the Managing Director.

	Quarterly Board Meetings attended	Ad Hoc Board Meetings attended	Audit Committee Meetings attended	Remuneration Committee Meetings attended	Nominated Committee Meetings attended
Charles Wilkinson	4	3	2	1	1
Barry Aling	4	3	2	1	1
Geoff Miller	3	2	1	1	1
Hugh Tilney	4	3	2	1	1
George Robb (MD)	4	3	N/A	N/A	N/A

N/A: not a member of the Committees.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including a review of the investment portfolio and discussion documents regarding specific matters.

The Board and Committees have undertaken their annual performance evaluation, to ensure that members have devoted sufficient time and contributed adequately to the work of the Board and Committees. The Chairman has been evaluated by his fellow Directors.

The Board sets the Group's values and objectives and ensures that its obligations to its Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision by the Managing Director, thus ensuring that it maintains full and effective control over strategic, financial, operational and compliance issues.

These matters include:

- The maintenance of clear investment objectives and risk management policies;
- The monitoring of the business activities of the Group;
- Companies Act requirements such as the approval of the interim and annual financial statements and approval of the interim dividends;
- Major changes relating to the Group's structure, including share buybacks;
- Board appointments and related matters;
- Terms of reference and membership of Board Committees, and Stock Exchange, UK Listing Authority and Financial Services Authority matters, such as approval of all circulars and releases concerning matters decided by the Board.

There is an agreed procedure for Directors to take independent legal advice, if necessary, at the Group's expense.

The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board:

- For ensuring that Board procedures are complied with;
- Under the discretion of the Chairman, for ensuring good information flows with the Board and its committees; and
- For advising on corporate governance matters.

An induction meeting will be arranged by the Chairman on the appointment of any new Director, covering details about the Group, the investment strategy, legal responsibilities and investment trust industry matters. Directors are provided on a regular basis with key information on the Group's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

The Chairman of the Group is a non-executive Director.

External Agencies

The Board has contractually delegated the registration services to an external agency, whose contract was entered into after full and proper consideration by the Board of the quality and cost of services offered.

Board Committees

Separate Audit, Remuneration and Nominations Committees have been established.

Nominations Committee

A Nominations Committee has been established with written terms of reference and at year-end comprised Charles Wilkinson (Chairman), George Robb, Barry Aling, Geoff Miller and Hugh Tilney.

During the year the Nominations Committee, together with the Board, reviewed the composition of the Board to ensure that the balance of its membership and the experience of individual Directors remained appropriate to lead the Company. A formal, rigorous and transparent process for the appointment of any new Directors has been established.

Audit Committee

An Audit Committee has been established with written terms of reference and comprises Barry Aling (Chairman), Charles Wilkinson, Geoff Miller and Hugh Tilney. Two meetings were held during the year. The terms of reference of the Committee, which are available on request, are reviewed and re-assessed for their adequacy at each meeting.

The terms of reference of the Audit Committee include:

- The review of the effectiveness of the internal control environment of the Group including receiving reports from the secretary and external auditors;
- The review of the interim and annual reports and financial statements;
- The review of the terms of appointment of the Auditors together with their remuneration as well as any non-audit services provided by the Auditors;
- The review of the scope and results of the audit and the independence and objectivity of the Auditors.

At each meeting, the Audit Committee examined the annual or interim report and financial statements, reviewed the Group's internal controls and reviewed the scope of the year-end statutory audit and the auditors' year-end management report to the Board.

The Group has in place a policy for controlling the provision of non-audit services by the Auditors, in order to safeguard their independence and objectivity. Non-audit work which might compromise independence is prohibited.

Remuneration Committee

At the year-end this comprised Charles Wilkinson (Chairman), Barry Aling, Geoff Miller and Hugh Tilney. Details of the work of the Remuneration Committee are set out in the Directors' remuneration report.

Communication with Shareholders

The Group places a great deal of importance on communication with its Shareholders. As required under the Combined Code, the Annual Report is posted to Shareholders at least twenty business days before the Annual General Meeting. At the last Annual General Meeting, details of proxy votes received (including the number of abstentions) were disclosed in accordance with the Combined Code.

Shareholders also have direct access to the Group via the Company website. The Managing Director and Company Secretary respond to all any shareholder queries.

Accountability and audit

The Directors' Statement of Responsibilities in respect of the Financial Statements is on page 16 and the Statement of Going Concern is included in the Directors' Report on page 12. The Board is satisfied that the members of the Audit Committee have received recent and relevant financial experience.

Internal Controls

The Board is responsible for the Group's system of internal control and reviews its effectiveness at least annually. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Through the regular meetings of the Board and the schedule of matters reserved to the Board or its duly authorised Committees for decision, the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority. Each year, the Board considers and approves a strategic plan and an annual budget. In addition, there are established procedures and processes for planning and controlling expenditure and the making of investments. There are also information and reporting systems for monitoring the Group's businesses and their performance.

The risk process is regularly reviewed by the Board and the Audit Committee and complies with the internal control guidance for Directors on the Combined Code provided by the Turnbull Committee and issued by the Financial Reporting Council. The process established for the Group includes:

Policies

– Core values, Group standards and Group controls together comprising the Group's high level principles and controls, with which all Directors are expected to comply;

– Manuals of policies and procedures, with procedures for reporting weaknesses and for monitoring corrective action.

Processes

– A planning framework which incorporates a Board approved strategic plan;

– Formal business risk reviews performed by management which evaluate the potential financial impact and likelihood of identified risks and possible new risk areas;

– A comprehensive system of financial reporting to the Board, based on an annual budget with monthly reports against actual results, analysis of variances, scrutiny of key performance indicators and regular re-forecasting;

– Regular treasury reports to the Board, which analyse the funding requirements of each class of assets, track the generation and use of capital and the volume of liquidity, measure the Group's exposure to interest and exchange rate movements and record the level of compliance with the Group's funding objectives;

– Well defined procedures governing the appraisal and approval of investments including detailed investment and divestment approval procedures incorporating appropriate levels of authority and regular post investment reviews.

The Directors do not consider it appropriate for the Company to have an internal audit function due to the size of the organisation. The system of internal control was in place during the entire period under review.

Statement of Compliance

The Directors consider that the Company has complied during the year ended 30 September 2008 with all provisions set out in the combined code.

Socially Responsible Investment Policy

The Directors are aware of their duty to act in the interests of the Company. They acknowledge that there are risks associated with investments in companies which fail to conduct business in a socially responsible manner and the Directors, therefore ensure that they take regular account of the social, environmental and ethical factors, which may affect the performance or value of the Company investments.

Independent Auditors' Report *to the shareholders of Asset Management Investment Company PLC*

We have audited the group and parent company financial statements (the 'financial statements') of Asset Management Investment Company Plc for the year ended 30 September 2008 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Shareholders' Equity and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the group and parent company's affairs as at 30 September 2008; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements.

Nexia Smith & Williamson LLP
Chartered Accountants
Registered Auditors
Bristol

Date 9 January 2009

Consolidated Income Statement

for the year ended 30 September 2008

		Year ended 30 September 2008			Year ended 30 September 2007		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Notes	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Gains/(losses) on fair value through profit or loss	2	**–**	**(1,212)**	**(1,212)**	–	2,578	2,578
Investment income	3	**2,109**	**–**	**2,109**	2,424	–	2,424
Administration expenses	4	**(287)**	**(860)**	**(1,147)**	(214)	(645)	(859)
Profit/(loss) before finance costs and taxation		**1,822**	**(2,072)**	**(250)**	2,210	1,933	4,143
Interest payable	5	**(75)**	**(226)**	**(301)**	(154)	(460)	(614)
Movement on loan redemption derivative		**(11)**	**(34)**	**(45)**	(63)	(188)	(251)
Interest receivable		**54**	**–**	**54**	87	–	87
Profit/(loss) on ordinary activities before taxation		**1,790**	**(2,332)**	**(542)**	2,080	1,285	3,365
Taxation	8	**(417)**	**229**	**(188)**	(424)	291	(133)
Profit/(loss) for the period		**1,373**	**(2,103)**	**(730)**	1,656	1,576	3,232
Earnings per share							
Return per ordinary share (basic)		**6.96p**	**(10.66p)**	**(3.7p)**	7.83p	7.46p	15.29p
Return per ordinary share (diluted)		**6.96p**	**(10.66p)**	**(3.7p)**	7.83p	7.46p	15.29p

The total column of this statement represents the Group's Income Statement, prepared in accordance with International Financial Reporting Standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The notes on pages 28 to 44 form part of the financial statements.

Balance Sheets

for the year ended 30 September 2008

	Notes	30 September 2008 Group £'000	30 September 2008 Company £'000	30 September 2007 Group £'000	30 September 2007 Company £'000
Non-current assets					
Property, plant and equipment	11	**2**	**2**	3	3
Investments					
Fair value through profit or loss					
– Listed investments	12	**3,765**	**3,765**	6,964	6,964
– Unlisted investments	12	**13,319**	**13,319**	21,529	21,759
		17,086	**17,086**	28,496	28,726
Current assets					
Investment	12	**5,614**	**5,614**	–	–
Receivables	13	**2,675**	**2,675**	3,669	3,669
Cash and cash equivalents	14	**1,233**	**1,233**	1,424	1,399
Total assets		**26,608**	**26,608**	33,589	33,794
Current liabilities					
Payables	15	**(400)**	**(400)**	(196)	(390)
Bank loans	15	**(2,244)**	**(2,244)**	(1,963)	(1,963)
Loan Redemption Derivative	25	**(295)**	**(295)**	–	–
		(2,939)	**(2,939)**	(2,159)	(2,353)
Total assets less current liabilities		**23,669**	**23,669**	31,430	31,441
Non-current liabilities					
Bank loans	15	–	–	(3,567)	(3,567)
Loan Redemption Derivative	25	–	–	(251)	(251)
Net assets		**23,669**	**23,669**	27,612	27,623
Equity					
Ordinary share capital	17	**4,752**	**4,752**	5,186	5,186
Special Reserve	18	**4,433**	**4,433**	6,438	6,438
Capital Redemption Reserve	19	**8,764**	**8,764**	8,330	8,330
Other capital reserves	20,21	**3,367**	**3,367**	5,766	5,470
Retained earnings	22	**2,430**	**2,430**	1,960	2,267
Own share reserve	23	**(77)**	**(77)**	(68)	(68)
Total equity		**23,669**	**23,669**	27,612	27,623
Allocation of shareholders' funds					
Net asset value per ordinary 25p share (basic)	24	125.46p	125.46p	133.76p	133.82p
Net asset value per ordinary 25p share (diluted)	24	125.46p	125.46p	133.76p	133.82p

The financial statements were approved by the Board of Directors on 9 January 2009 and were signed on its behalf by:

Charles Wilkinson *Chairman* **George Robb** *Managing Director*

The notes on pages 28 to 44 form part of the financial statements.

Statements of Changes in Equity

for the year ended 30 September 2008

Group

	Share capital £'000	Special reserve £'000	Capital redemption reserve account £'000	Own share reserve £'000	Other capital reserve £'000	Retained earnings £'000	Total £'000
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,766	1,960	27,612
Profit for the period	–	–	–	–	(2,103)	1,373	(730)
Total recognised income and expenses for the period	5,186	6,438	8,330	(68)	3,663	3,333	26,882
Gain/(loss) on dissolution of subsidiary	–	–	–	–	(296)	307	11
Cancellation of Ordinary shares	(434)	(2,005)	434	–	–	–	(2,005)
Ordinary dividend paid	–	–	–	–	–	(1,210)	(1,210)
Movement in own shares	–	–	–	(9)	–	–	(9)
Net assets at 30 September 2008	**4,752**	**4,433**	**8,764**	**(77)**	**3,367**	**2,430**	**23,669**

Company

	Share capital £'000	Special reserve £'000	Capital redemption reserve account £'000	Own share reserve £'000	Other capital reserve £'000	Retained earnings £'000	Total £'000
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,470	2,267	27,623
Profit for the period	–	–	–	–	(2,103)	1,373	(730)
Total recognised income and expenses for the period	5,186	6,438	8,330	(68)	3,367	3,640	26,893
Cancellation of ordinary shares	(434)	(2,005)	434	–	–	–	(2,005)
Ordinary dividend paid	–	–	–	–	–	(1,210)	(1,210)
Movement in own shares	–	–	–	(9)	–	–	(9)
Net assets at 30 September 2008	**4,752**	**4,433**	**8,764**	**(77)**	**3,367**	**2,430**	**23,669**

Statements of Changes in Equity

for the year ended 30 September 2007

Group

	Ordinary share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Own share reserve £'000	Other capital reserves £'000	Retained earnings £'000	Total £'000
Net assets at 30 September 2006	5,396	9,380	7,107	(171)	3,179	2,227	27,118
Profit for the period	–	–	–	–	1,576	1,656	3,232
Total recognised income and expenses for the period	5,396	9,380	7,107	(171)	4,755	3,883	30,350
Cancellation of Ordinary shares	(210)	(918)	210	–	–	–	(918)
Cancellation of ZDP shares	–	(2,024)	1,013	–	1,011	–	–
Ordinary dividend paid	–	–	–	–	–	(1,923)	(1,923)
Movement in own shares	–	–	–	103	–	–	103
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,766	1,960	27,612

Company

	Ordinary share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Own share reserve £'000	Other capital reserves £'000	Retained earnings £'000	Total £'000
Net assets at 30 September 2006	5,396	9,380	7,107	(171)	2,995	2,544	27,251
Profit for the period	–	–	–	–	1,464	1,646	3,110
Total recognised income and expenses for the period	5,396	9,380	7,107	(171)	4,459	4,190	30,361
Cancellation of ordinary shares	(210)	(918)	210	–	–	–	(918)
Cancellation of ZDP shares	–	(2,024)	1,013	–	1,011	–	–
Ordinary dividend paid	–	–	–	–	–	(1,923)	(1,923)
Movement in own shares	–	–	–	103	–	–	103
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,470	2,267	27,623

Cash Flow Statements

for the year ended 30 September 2008

	30 September 2008		30 September 2007	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Net income from operations before tax	**(542)**	**(542)**	3,365	3,240
Depreciation	**1**	**1**	7	7
Decrease in receivables	**994**	**994**	4,140	4,129
Increase/(decrease) in payables	**334**	**140**	(572)	(546)
Losses/(gains) on investments held at fair value through profit and loss	**1,212**	**1,212**	(2,578)	(2,493)
Loss on derivative held at fair value	**44**	**44**	251	251
Net payment to EBT scheme	**(9)**	**(9)**	103	103
Cash generated by operations	**2,034**	**1,840**	4,716	4,691
Taxation	103	103	–	–
Net cash inflow from operating activities	**2,137**	**1,943**	4,716	4,691
Investing activities				
Purchase of investments	**–**	**–**	(2)	(2)
Sale of investments	**3,938**	**4,157**	2,656	2,656
Net cash inflow from investing activities	**3,938**	**4,157**	2,654	2,654
Net cash inflow from operating and investing activities	**6,075**	**6,100**	7,370	7,345
Financing activities				
Repurchase of ZDP shares	**–**	**–**	(2,024)	(2,024)
Repurchase of ordinary shares	**(2,005)**	**(2,005)**	(918)	(918)
Repayment of loan	**(4,286)**	**(4,286)**	(4,671)	(4,671)
Drawdown of loan	**1,000**	**1,000**	–	–
Equity dividend paid	**(1,210)**	**(1,210)**	(1,923)	(1,923)
Net cash outflow from financing	**(6,501)**	**(6,501)**	(9,536)	(9,536)
Decrease in cash	**(426)**	**(401)**	(2,166)	(2,191)
Effect of foreign exchange rate changes	**235**	**235**	467	467
Changes in cash and cash equivalents	**(191)**	**(166)**	(1,699)	(1,724)
Cash and cash equivalents at beginning of period	**1,424**	**1,399**	3,123	3,123
Cash and cash equivalents at end of period	**1,233**	**1,233**	1,424	1,399

Notes to the Financial Statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), comprising standards and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the European Union and in accordance with Companies Act 1985. The Consolidated financial Statements are presented in pounds sterling, rounded to the nearest thousand.

The financial statements are prepared under the historic cost convention except for measurement at fair value of investments. The financial statements have been prepared on an ongoing basis. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in December 2005 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The group has adopted IFRS7, 'Financial Instruments Disclosures' for the first time in these accounts. IFRS introduces new disclosure requirements relating to financial instruments. This standard does not have any impact on the classification and/or valuation of the Group's financial instruments. The disclosures required by this standard are predominantly given in note 26 on pages 40 to 43.

(b) Valuation of investments

Investments are classified as held for trading financial assets at fair value in accordance with IAS 39 and are held through profit or loss.

(i) Listed investments are initially recognised on purchase at trade date and measured at fair value. Subsequent to initial recognition, all listed investments are measured at fair value.

(ii) Unlisted investments are valued by the Directors at fair value having regard to the International Private Equity and Venture Capital Valuation Guidelines. Where fair values cannot be reliably measured, they are valued at cost less impairment. When a valuation is undertaken consideration is given to the most recent information available, including the latest trading figures, performance against forecast, management's view of prospects and the price of any transaction in the security.

Realisable value in the short term could differ materially from the amount at which these investments are included in the financial statements.

(iii) Changes in the fair value of all held-at-fair-value assets are taken to the Income Statement.

(iv) Investments are de-recognised at the trade date of disposal. On disposal, realised gains and losses are recognised in the Income Statement.

(c) Presentation of Consolidated Income Statement

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the Association of Investment Companies ('AIC'), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's status as a UK investment company under section 266 of the Companies Act 1985, net capital returns may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in section 842 of the Income and Corporation Taxes Act 1988.

(d) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Income from fixed interest debt securities is recognised using the effective interest rate method. Bank deposit interest is accounted for on an accruals basis. Note 26 explains the fair value gains relating to financial instruments.

(e) Expenses

All expenses and interest payable are accounted for on an accruals basis. Expenses are charged to the capital column of the Income Statement (net of tax) where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect all expenses have been allocated 75% to the capital column of the Income Statement and 25% to the revenue column of the Income Statement, in line with the Board's relative expected long-term returns in the form of capital gains and income respectively from the investment portfolio of the group.

(f) Taxation

The charge for taxation is based on taxable profits for the period.

Deferred tax is the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

(g) Foreign currency

For the purposes of the consolidated accounts, the results and financial position of each entity are expressed in pounds sterling, which is the functional currency of the Company and the presentational currency of the Group. Sterling is the functional currency because it is the currency of the primary economic environment in which the Group operates.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. Exchange differences are dealt with in the capital column of the Income Statement or revenue column of the Income Statement depending on the nature of the transaction.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and any money held by the Company's bankers on fixed term deposit and cash held by bank.

(i) Property, plant and equipment

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates calculated to write off each asset over its expected useful life as follows:

Office equipment	–	over 3 years
Fixtures and fittings	–	over 6 years

(j) Financial instruments

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

Investments are classified as either held-for-trading or available for sale at initial recognition and this designation is re-evaluated at each balance sheet date. At the balance sheet date all such investments are classified as available-for-sale. Investments are initially measured at cost, including transaction costs. At subsequent reporting dates available-for-sale investments are measured at fair value or at cost where fair value is not readily ascertainable. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss recognised previously in equity is included in the net profit or loss for the period.

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the income statement.

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans are recorded at the proceeds received, net of direct issue costs. Finance costs are accounted for on an accruals basis in the income statement using the effective interest method.

(k) Capital instruments

The ordinary shares are classified as equity share capital.

(l) Dividends payable

Dividends are recognised as a financial liability in the financial statements from the date they are declared in a general meeting of the Company.

(m) Going concern and valuation of investments

Whilst the Company's Articles of Association previously contained a provision that the Company had a fixed duration to 27 October 2006, on 20 October 2006 the shareholders voted to continue the Company and the Company adopted a new investment objective requiring the Company to effect an orderly realisation of its investment portfolio. The Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

(n) Pension costs

Contributions made by the Company to personal pension plans held by the employees are charged to the Income Statement as incurred.

(o) Summary of new standards and interpretations not applied

As at the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective. The group has not applied these Standards and Interpretations in the preparation of these financial statements:

IFRS8 'Operating Segments' applies to accounting periods beginning after 1 January 2009. This standard replaces IAS14 'Segment Reporting' and is mandatory only for companies whose equity instruments are traded in a public market.

IFRIC13 'Customer Loyalty Programmes' applies to accounting periods beginning after 1 July 2008 and is not expected to have any impact of the group's financial statements.

IFRIC14 IAS19 'Minimum Funding Requirements' applies to accounting periods beginning after 1 January 2008 and is not expected to have any impact on the group's financial statements.

Amendments to IAS1 'Presentation of Financial Statements'; IAS23 'Borrowing Costs'; IAS32 'Financial Instruments: Presentation'; IFRS3 'Business Combinations'; IFRS2 'Share-Based Payment'; and IAS27 'Consolidated and Separate Financial Statements' all apply to accounting periods beginning after 1 January 2009 and have not yet been endorsed by the EU.

The impact on the group's financial statements of the future adoption of the Standards and Interpretations is still under review, but the group does not expect any of these changes to have a material effect on the results or net assets of the group.

(p) Consolidated Financial Statements

AMIC Canada Limited a subsidiary in Canada was dissolved on 6 June 2008. Consolidated Financial Statements have therefore been presented for this year. It is expected that with the disposal of this remaining subsidiary only Company Financial Statements will presented in the next financial year.

2 Analysis of gains/(losses) on assets at fair value

Consolidated

	Listed £'000	Unlisted £'000	**2008** Total £'000	2007 Total £'000
Realised	**(804)**	**9,406**	**8,602**	3,389
Unrealised	**(1,455)**	**(8,594)**	**(10,049)**	(1,278)
Foreign exchange movement	**–**	**235**	**235**	467
Total return on investments in the year	**(2,259)**	**1,047**	**(1,212)**	2,578

Transaction costs

	30 September 2008		30 September 2007	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Purchases	**–**	**–**	2	2
Sales	**2**	**2**	19	19
	2	**2**	21	21

3 Income

	2008 Group £'000	2007 Group £'000
Income from listed investments		
Franked investment income	**232**	134
	232	134
Income from unlisted investments		
Unfranked investment income	**732**	748
Foreign income dividends	**1,145**	1,552
Other income	**–**	(10)
	1,877	2,290
Total Income	**2,109**	2,424
Total income comprises:		
Dividends	**1,377**	1,686
Interest	**732**	748
Other investment income	**–**	(10)
	2,109	2,424
Income from investments		
Listed UK	**232**	109
Unlisted	**1,877**	2,315
	2,109	2,424

4 Administration expenses

The following have been charged/(credited) to revenue in arriving at return on ordinary activities.

	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000	2007 Revenue £'000	2007 Capital £'000	2007 Total £'000
Depreciation of property, plant and equipment	**–**	**1**	**1**	2	6	8
Directors' remuneration	**103**	**310**	**413**	68	205	273
Auditors' remuneration:						
for audit	**9**	**26**	**35**	7	21	28
for other services	**7**	**22**	**29**	8	24	32
Other expenses	**168**	**501**	**669**	129	389	518
	287	**860**	**1,147**	214	645	859

Auditors' remuneration for the period in respect of UK audit services amounted to £35,000 (2007: £28,700). Total fees in respect of non-audit services amounted to £29,000 (2007: £32,460). Non-audit services during the year related to tax compliance (£8,765 (2007: £8,312)) and other services (£19,889 (2007: £24,148)).These fees have been recognised in the Consolidated Income Statement. These services are reviewed by the Audit Committee to ensure that the independence and objectivity of the auditors is not compromised.

A full analysis of the Directors' remuneration is shown in note 7.

5 Interest

	2008 Group £'000	2007 Group £'000
Interest due on bank loans and Loan Notes repayable, within five years not by instalments	**75**	154
	75	154

A further £226,000 (2007: £460,000) of interest payable has been charged to the capital reserve (note 19).

6 Staff costs

	2008 Group	2007 Group
Average number of persons employed during the year	**2**	2

	2008 Group £'000	2007 Group £'000
Staff costs and Executive Director's costs		
Salaries and annual bonus	**398**	326
Social Security costs	**31**	37
Pension costs	**30**	37
Other Staff costs	**8**	19
	467	419

7 Directors' remuneration

	2008 Group £'000	2007 Group £'000
Non-Executive and Executive Directors' fees and emoluments	**390**	267
Pension costs	**19**	16
Other benefits	**4**	6
	413	289

Included in the above are Directors' remuneration of £310,000 (Group and Company) (2007: £205,000) which has been charged to capital reserve.

Details of service contracts with Directors are given in the Report of the Board on Remuneration on page 15.

Details of Remuneration

	Salary and Fees £'000	**Bonus Payments £'000**	**Other benefits £'000**	**Total before pension £'000**	**Pension costs £'000**	**2008 Total £'000**	2007 Total £'000
Executive							
G A Robb	130	*172	4	306	19	325	213
Non–Executive							
G Miller	20	–	–	20	–	20	17
B Aling	20	–	–	20	–	20	17
H Tilney	20	–	–	20	–	20	17
C E Wilkinson	28	–	–	28	–	28	25
	218	172	4	394	19	413	289

* £25,000 relates to year-end 2007 and £146,670 relates to year-end 2008

8 Taxation

	2008 Group £'000	2008 Company £'000	2007 Group £'000	2007 Company £'000
UK Corporation Tax				
Current tax on income for the period	**216**	**216**	158	158
Double Taxation relief	**–**	**–**	(25)	(25)
Adjustment to tax charge in respect of previous period	**(28)**	**(28)**	–	–
Foreign Tax				
Current tax on income for the period	**–**	**–**	–	–
Tax on profit on ordinary activities	**188**	**188**	133	133
Allocated:				
Revenue	**417**	**417**	424	424
Capital (Note 20)	**(229)**	**(229)**	(291)	(291)
	188	**188**	133	133

Factors affecting the tax charge for the year

The effective rate of tax assessed in the revenue account for the period is different from the UK standard rate of 29% (2007: 30%). The differences are explained below.

	2008 Group %	2008 Company %	2007 Group %	2007 Company %
Standard rate of tax for the period	**29**	**29**	30.0	30.0
Non-taxable income	**(3.7)**	**(3.7)**	(2.1)	(2.1)
Expenses not deductible	**0.9**	**0.9**	0.6	0.6
Utilisation of losses	**–**	**–**	(0.7)	(0.7)
Small companies relief	**–**	**–**	(2.8)	(2.8)
Double taxation relief	**–**	**–**	(2.8)	(2.8)
	26.2	**26.2**	22.2	22.2

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an investment trust company.

9 Dividends

	2008 £'000	2007 £'000
Amounts recognised as distributions to equity holders in the period		
Final dividend paid of 4.0p per ordinary share (2007: 3.5p)	**830**	745
Interim dividend paid of 2.0p per ordinary share (2007: 1.5p)	**380**	320
Special interim dividend paid of nil per ordinary share (2007: 2.0p)	**–**	432
Special interim dividend paid of nil per ordinary share (2007: 2.0p)	**–**	426
	1,210	1,923
Amounts not recognised as distributions in the period:		
Proposed final dividend of 4.5p per ordinary share (2007: 4.0p)	**855**	830
	855	830

The proposed final dividend of 4.5p per ordinary share for 2008 will be approved after the year-end and has not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 842 Income and Corporation Taxes Act 1988 are considered:

	2008 £'000	2007 £'000
Final dividend of 4.5p per ordinary share (2007: 4.0p)	**855**	830
Interim dividend of 2.0p per ordinary share (2007: 1.5p)	**380**	320
Special interim dividend of nil per ordinary share (2007:2.0p)	**–**	426
	1,235	1,576

10 Earnings per share

The earnings per ordinary share is based on the net revenue profit after taxation of £1,373,000 (2007 – £1,656,000) and on 19,865,833 (2007 – 21,148,413) being the weighted average number of ordinary shares in issue during the year following for adjustments for shares held in an Employee Benefit Trust and All Share Employee Share Ownership Plan.

The return per Ordinary share can be further analysed between revenue and capital as follows:

	Revenue	**Capital**	**2008 Total**	Revenue	Capital	2007 Total
Profit for the period	**1,373**	**(2,103)**	**(730)**	1,656	1,576	3,232
Earnings per share						
Return per ordinary share (basic)	**6.96p**	**(10.66p)**	**(3.7p)**	7.83p	7.46p	15.29p

11 Property, Plant and Equipment

Group and Company	**Office equipment £'000**	**Fixtures and fittings £'000**	**Total £'000**	2007 Total £'000
Cost				
At 1 October 2007	**11**	**13**	**24**	24
Addition	**–**	**–**	**–**	–
At 30 September 2008	**11**	**13**	**24**	24
Depreciation				
At 1 October 2007	**11**	**10**	**21**	14
Charge for the year	**–**	**1**	**1**	7
At 30 September 2008	**11**	**11**	**22**	21
Net book value				
At 30 September 2008	**–**	**2**	**2**	
At 30 September 2007	–	3	3	3

12 Investments held at fair value through profit and loss and non-current asset investments

Group

	Listed investments £'000	Unlisted investments £'000	Total £'000
Cost			
At 1 October 2007	2,113	28,427	30,540
Disposals	(136)	(13,049)	(13,185)
At 30 September 2008	**1,977**	**15,378**	**17,355**
Unrealised capital (loss)/gain			
At 1 October 2007	4,851	(6,898)	(2,047)
Movement in year	(2,259)	811	(1,448)
Transfer to realised capital reserve	(804)	9,642	8,838
Transfer of Fx Concepts Inc ordinary shares to current assets	–	(5,614)	(5,614)
At 30 September 2008	**1,788**	**(2,059)**	**(271)**
Valuation			
At 30 September 2008	**3,765**	**13,319**	**17,084**
At 30 September 2007	6,964	21,529	28,493

The market value of listed investments at the year-end was £3,765,000 (2007: £6,964,000).

Company

	Subsidiary undertaking £'000	Listed investments £'000	Unlisted investments £'000	Total £'000
Cost				
At 1 October 2007	–	2,113	28,631	30,744
Disposals	–	(136)	(13,049)	(13,185)
At 30 September 2008	**–**	**1,977**	**15,582**	**17,559**
Unrealised capital gain/(loss)				
At 1 October 2007	236	4,851	(7,108)	(2,021)
Movement in year	–	(2,259)	817	(1,442)
Transfer to realised capital reserve	(236)	(804)	9,642	8,602
Transfer of FX Concepts Inc ordinary shares to current assets	–	–	(5,614)	(5,614)
At 30 September 2008	**–**	**1,788**	**(2,263)**	**(475)**
Valuation				
At 30 September 2008	**–**	**3,765**	**13,319**	**17,084**
At 30 September 2007	236	6,964	21,523	28,723

Current asset investment
Group and Company

	2008 £'000	2007 £'000
*Transfer of FX Concepts Inc from non-current asset investments	**5,614**	–

*The amount of £5,614,000 current asset investment relates to the exercise of a call option by FX Concepts Inc in respect of the ordinary shares held by the company. The call option was exercised on 31 October 2008.

Details of subsidiaries

During the year the remaining subsidiary AMIC Canada which has been dormant for some time now was dissolved.

Significant Holdings

At 30 September 2008 the Group had the following holdings of more than 3% of the ordinary share capital of the investee company:

Name of company	Class of capital	Percentage of equity held	Country of incorporation
City of London Investment Group	Ordinary	5.91	United Kingdom
Columbus Financial Services	Ordinary	25.50	United Kingdom
Integrated Asset Management	Ordinary	4.87	United Kingdom
IFDC Group	Ordinary	17.25	Luxembourg
International Foreign Exchange Concepts	Ordinary	8.34	United States of America
MMCM Holdings	Ordinary	47.95	United States of America
The Mayberry Group	Ordinary	7.89	United States of America

None of the investments are associate undertakings, as investment trust companies should include all investments that are held as part of their investment portfolio in the same way, even those over which the investor has significant influence or joint control. Investments are held as part of the investment portfolio.

Geographic analysis of investments	**2008** **%**	2007 %
UK	**18**	33
North America	**50**	40
Europe	**32**	27
	100	100

13 Receivables

	2008 **Group** **£'000**	**2008** **Company** **£'000**	2007 Group £'000	2007 Company £'000
Prepayments and accrued income	**51**	**51**	112	112
Other receivables	**75**	**75**	1	1
*Deferred consideration	**2,549**	**2,549**	3,556	3,556
	2,675	**2,675**	3,669	3,669

- The deferred consideration is neither past due, nor impaired at the year-end. Included in the deferred consideration is a balance of £138,000 which is due after more than one year.
- The Directors consider the carrying amount of receivables approximate to their fair value.

14 Cash and cash equivalents

	2008 **Group** **£'000**	**2008** **Company** **£'000**	2007 Group £'000	2007 Company £'000
Cash at Bank	**1,233**	**1,233**	1,424	1,399
	1,233	**1,233**	1,424	1,399

15 Payables: amounts falling due within one year

	2008 Group £'000	2008 Company £'000	2007 Group £'000	2007 Company £'000
Accruals and deferred income	**184**	**184**	63	63
Amount due to subsidiary company	**–**	**–**	–	194
Bank loan	**2,244**	**2,244**	1,963	1,963
Tax creditor	**216**	**216**	133	133
	2,644	**2,644**	2,159	2,353

At the year-end the Company had outstanding bank loans from Investec Bank (UK) Limited ('Investec') of (1) a term facility of remaining US$4 million from the receipt of monies due from International Foreign Exchange Concepts Inc ("IFEC") under the terms of a disposal agreement between the Company and IFEC dated 7 February 2006 and (2) a revolving facility of £4 million. Both facilities bear interest at a rate of 250 basis points above the London interbank rate and is calculated monthly in arrears. The Loans are secured by a debenture over the Company's assets.

At the year end the outstanding amount due to Investec are US$4 million under the term facility and £nil under the revolving credit facility.

The Directors consider the carrying amount of payables approximate to their fair value.

16 Non-current liabilities: amounts falling due after one year

	2008 Group £'000	2008 Company £'000	2007 Group £'000	2007 Company £'000
Bank Loan	**–**	**–**	3,567	3,567
	–	**–**	3,567	3,567

17 Called up share capital

	2008 £'000	2007 £'000
Authorised		
28,000,000 (2007: 28,000,000) ordinary shares of 25p each	**7,000**	7,000
Nil (2007: 9,000,000) zero dividend preference shares of £1 each	–	–
	7,000	7,000
Allotted, issued and fully paid		
19,008,333 (2007: 20,745,426) ordinary shares of 25p each	**4,752**	5,186
	4,752	5,186

During the year the following Ordinary Shares were repurchased for cancellation:

Date	Number of shares	Total cost of repurchase including expenses £'000
20/12/2007	100,000	108
07/01/2008	400,000	455
14/01/2008	50,000	57
12/02/2008	175,000	198
13/02/2008	324,300	371
18/03/2008	65,000	76
01/04/2008	114,793	135
22/04/2008	100,000	117
09/05/2008	50,000	58
09/06/2008	250,000	297
20/06/2008	108,000	133
Total	1,737,093	2,005

The Company Employee Benefit Trust held 142,500 shares as at 30 September 2008 (2007: 100,000).

18 Special Reserve

	£'000
At 1 October 2007	6,438
Movements during the year	(2,005)
At 30 September 2008	**4,433**

The movements during the year in the special reserve relate to the cost of repurchasing the ordinary share capital.

19 Capital Redemption Reserve

The movements through this reserve represents the nominal value of the repurchased shares.

20 Realised Capital Reserve

Group	Listed £'000	Unlisted £'000	Administration charges £'000	Total £'000
At 1 October 2007	1,394	17,180	(11,151)	7,423
Transfer from unrealised capital reserve (Investments)	804	(9,406)	–	(8,602)
Charge for the year	–	–	(891)	(891)
Dissolution of subsidiary (AMIC Canada)	–	(41)	–	(41)
Foreign exchange	–	–	240	240
At 30 September 2008	**2,198**	**7,733**	**(11,802)**	**(1,871)**

Company

	Listed £'000	Unlisted £'000	Administration charges £'000	Total £'000
At 1 October 2007	(2,237)	19,496	(9,877)	7,382
Transfer from unrealised capital reserve (Investments)	804	(9,406)	–	(8,602)
Charge for the year	–	–	(891)	(891)
Foreign Exchange	–	–	240	240
At 30 September 2008	**(1,433)**	**10,090**	**(10,528)**	**(1,871)**

The charge for the year represents net transfer of administration costs, interest payable and taxation to capital in the income statement. This is made in line with the Group's accounting policy 1c.

21 Unrealised capital reserve

Group

	Listed £'000	Unlisted £'000	Total £'000
At 1 October 2007	1,955	(3,612)	(1,657)
Movement in year	(2,259)	811	(1,448)
Transfer to capital reserve (Investments)	(804)	9,406	8,602
Foreign exchange	–	(4)	(4)
Dissolution of subsidiary (AMIC Canada)	–	(255)	(255)
At 30 September 2008	**(1,108)**	**6,346**	**5,238**

Company

	Listed £'000	Unlisted £'000	Total £'000
At 1 October 2007	5,502	(7,414)	(1,912)
Movement in year	(2,259)	811	(1,448)
Transfer from capital reserve	(804)	9,406	8,602
Foreign exchange	–	(4)	(4)
At 30 September 2008	**2,439**	**2,799**	**5,238**

The movement during the year represents the gains/(losses on investments held at fair value through profit and loss.

22 Revenue reserve

	2008		2007	
	Group £'000	**Company £'000**	Group £'000	Company £'000
At 1 October 2007	**1,960**	**2,267**	2,227	2,544
Dissolution of subsidiary	**307**	**–**	–	–
Profit for the year	**1,373**	**1,373**	1,656	1,646
Dividends paid	**(1,210)**	**(1,210)**	(1,923)	(1,923)
At 30 September 2008	**2,430**	**2,430**	1,960	2,267

23 Own Share Reserve

	Group and Company £'000
At 1 October 2007	68
Additions	50
Disposals	(41)
At 30 September 2008	**77**

The Company's investment in its own shares consists of shares purchased by the Company's Employee Benefit Trust ("EBT"). The market value of these shares as at 30 September 2008 was £138,225. The costs of purchasing own shares held by EBT are shown as a deduction against shareholders funds. The proceeds from the sale of own shares held increase shareholders funds. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group Consolidated Income Statement.

24 Net asset value

The net asset value per ordinary share for the Group is based on a net asset value of £23,669,000 (30 September 2007: £27,612,000) and on 18,865,833 (30 September 2007: 20,642,632) ordinary shares in issue at year-end.

The basic net asset value per ordinary share as at 30 September 2008 is calculated on the basis of net assets attributable to equity shareholders divided by the number of shares that would be in issue following adjustment for shares held in Employee Benefit Trust (142,500).

25 Contingent liabilities (Loan Redemption Derivative)

A charge of £45,000 has been reflected in the Consolidated Income Statement, being the movement in the fair value of the equity-based derivative for the redemption premium payable to Investec Bank on the date the last loan facility is settled in full, equal to 5% of the increase in market capitalisation of the LSE listed ordinary shares of the Company from 13 September 2006, the date of funding.

26 Financial Instruments

The Group's financial instruments comprise:

- Cash and short term debtors and creditors which arise from investment activities
- Bank loan in US Dollars
- Listed and unlisted securities held within the portfolio

The Group's principal risks are:

- Market price risk
- Liquidity risk
- Foreign currency risk
- Interest rate risk

Market price risk

Market price risk arises mainly from uncertainty about future prices of investments held in its portfolio. It represents the potential loss the group might suffer through holding market positions in the face of price movements. The Investment Manager constantly monitors the price of listed investments held by the Group on a real-time basis. The Investment Manager reports to the Board on the unlisted investments and constantly monitors their carrying values. A list of the main investments held by the Group is shown in the Investment Portfolio on pages 8 to 10. All investments are stated at fair value.

Market price sensitivity

If the market prices of the quoted investments at the Balance Sheet date had been 40% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 30 September 2008 would have increased/(decreased) by £1,506,000 (2007 increased/(decreased) by £2,786,000) and equity reserves would have increased/(decreased) by the same amount.

The Group's unquoted investments are not at risk of changes in market prices in the short term. The unquoted investments are valued at fair value in accordance with International Private Equity and Venture Capital ("IPEVC") valuation guidelines. The valuation of such unquoted investments involves exercising judgement. The Group does not hedge against movements in the value of these quoted and unquoted investments, and the effect in the changes in the exchange rate. The unquoted investments, by their nature, involve uncertainty as to the value likely to be realised on the disposal of these investments, particularly as their unquoted nature means that a ready market may not exist for them.

Liquidity risk

Liquidity risk arises as the investment portfolio will comprise mainly unlisted securities, which represent a potential delay for realisation. This risk is managed by the holding of cash balances to meet payments in the foreseeable future.

Liquidity risk exposure

Liquidity risk is not considered to be significant as the Group holds listed investments and short-term flexibility is achieved through the use of loan facilities, details of which can be found in note 15. Any cash held is with reputable banks.

At 30 September 2008 the Group's outstanding Bank loan of US$4,000,000 was due for repayment within twelve months. This loan amount is repayable from receipt of monies due from International Foreign Exchange Concepts Inc ("IFEC").

The Group, generally does not hold significant cash balances as this is returned to Shareholders via either capital repayment scheme or share buybacks.

The group contractual maturities of the financial liabilities at the year-end, based on the earliest date on which payment can be required, were as set out below:

	2008		2007	
	Three months or less £'000	**Total £'000**	Three months or less £'000	Total £'000
Accruals and deferred income	**184**	**184**	63	63

Credit risk exposure

The amount of cash at bank of £1,233,000 (2007: £1,424,000) and debtors £2,675,000 (2007: 3,669,000) in the Balance Sheet represent the maximum exposure to credit risk at 30 September 2008. Most of the debtors are Receivables from sale of investments in the Investee Companies see note 13.

Foreign Currency risk

The Board has identified three principal areas where foreign currency risk could impact the Group:

- Movements in exchange rates affect the value of investments
- Movement in exchange rates affect the income received
- Movement in exchange rates affect the value of bank borrowings and interest payments

Foreign currency risk arises as the income and capital value of the Group's investments can be affected by exchange rate movements as some of the Group's assets and income are denominated in currencies other than sterling which is the Group's reporting currency. As at 30 September 2008, the Group had no open forward contracts. The Company may use short term forward currency contracts to manage capital requirements.

Foreign currency exposure

The principal currency to which the Group was exposed during the year was US dollar.

2008	Non-current assets £'000	Current and non-current Investments £'000	Current asset receivables £'000	Cash and cash equivalents £'000	Current liabilities £'000	Non-current liabilities £'000	Net exposure £'000
Sterling	**2**	**3,765**	**127**	**664**	**(695)**	**–**	**3,863**
US dollar	**–**	**18,933**	**2,548**	**564**	**(2,244)**	**–**	**19,801**
CAD dollar	**–**	**–**	**–**	**5**	**–**	**–**	**5**
	2	**22,698**	**2,675**	**1,233**	**(2,939)**	**–**	**23,669**

2007	Non-current assets £'000	Current and non-current Investments £'000	Current asset receivables £'000	Cash and cash equivalents £'000	Current liabilities £'000	Non-current liabilities £'000	Net exposure £'000
Sterling	3	9,684	113	1,308	(196)	(2,001)	8,911
US dollar	–	18,809	3,556	5	(1,963)	(1,817)	18,590
CAD dollar	–	–	–	111	–	–	111
	3	28,493	3,669	1,424	(2,159)	(3,818)	27,612

Foreign currency sensitivity

The following tables illustrate the sensitivity of profit after taxation for the year and equity with regard to the Company's financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the company's monetary currency financial instruments held at each balance sheet date and assumes a 10% appreciation or depreciation in Sterling against the US Dollar, which is deemed reasonable during the year.

If sterling had strengthened this would have had the following effect:

	2008 £'000	2007 £'000
Income statement revenue after taxation:		
Revenue Return	**(182)**	(112)
Capital Return	**(90)**	4
Total Revenue after taxation for the year	**(272)**	(108)
Net Assets	**(272)**	(108)

Conversely if sterling had weakened this would have had the following effect:

	2008 £'000	2007 £'000
Income statement revenue after taxation:		
Revenue Return	**182**	112
Capital Return	**90**	(4)
Total Revenue after taxation for the year	**272**	108
Net Assets	**272**	108

These analyses are representative of the Company's activities and the above sensitivity analysis is broadly representative of the whole year.

Interest rate risk

Interest rate risk arises in respect of the Group's bank loans. As at 30 September 2008 the Group's loans carried a variable rate of interest of 2.5% over LIBOR.

Interest rate risk profile of financial assets and financial liabilities

Financial assets

The majority of the Group's financial assets are equity shares or other investments which neither pay interest nor have maturity dates. However, the portfolio does contain certain instruments which exhibit one or both of these characteristics. The analysis of such investments at 30 September 2008 is:

2008	Sterling £'000	US$ £'000	Total £'000
Fixed rate investments	**–**	**4,675**	**4,675**
Weighted average interest rate	**–**	**9.75%**	**9.75%**
Weighted average period for which interest rate is fixed	**–**	**3.1 Years**	**3.1 Years**
2007			
Fixed rate investments	–	7,782	7,782
Weighted average interest rate	–	10.00%	9.93%
Weighted average period for which interest rate is fixed	–	4.0 Years	4.0 Years

Financial liabilities

As at 30 September 2008, the Company's bank loans of US$4 million (2007: US$8 million) and £nil (2007: £1.75 million bearing interest at a rate of 250 basis points above the London interbank rate and is calculated monthly in arrears. Details are given in note 15 of the maturity of the bank loan.

In accordance with the SORP, the following covenants are attached to the loans at 30 September 2008:

- At least £3,500,000 of the Total Assets of the Company be invested in cash or listed investments,
- At all times the ratio of Income to loan Interest shall not be less than 3:1,
- At all times the total debt: income ratio shall be less than 5:1.

In addition, Investec retain charge over the Company's current and future investment holdings, cash and rights to receive payments under the International Foreign Exchange Concepts Inc agreement.

Fair value of financial instruments

The Directors consider the fair value of the loans to be the value of the book values.

	2008		2007	
	Carrying value £'000	**Fair value £'000**	Carrying value £'000	Fair value £'000
Long term loan	**2,244**	**2,244**	5,530	5,530

Interest rate sensitivity

Movements in interest rates would not significantly affect net asset attributable to the Company Shareholders and total profit.

Other market risk exposure

The Loan Redemption Derivative, being the movement in the equity-based derivative for the redemption premium payable to Investec Bank on the date the last loan facility is settled in full, equal to 5% of the increase in market capitalisation of the LSE listed ordinary shares of the Company from 13 September 2006, the date of funding. The Loan Redemption Derivative, valued at £295,000 (2007: £251,000) is therefore exposed to market price changes.

27 Related party transaction and ultimate controlling party

Please refer to the information given in the Directors remuneration report on page 14 for compensation given to Group's key management personnel.

The terms of the agreement between the Company and the Managing Director is also set out in the Directors remuneration report on page 14.

The Directors consider there is no ultimate controlling party.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Asset Management Investment Company PLC will be held at the offices of Maclay Murray & Spens LLP at One London Wall, London, EC2Y 5AB at 10.00 a.m. on 5 February 2009 for the following purposes:

To consider the following resolutions which will be proposed as ordinary resolutions:

Ordinary Business

1 To receive and adopt the Directors' Report and Financial Statements for the year ended 30 September 2008, together with the Auditors' Report thereon.

2 To approve the proposed final dividend of 4.5p per ordinary share.

3 To receive and adopt the Directors' Remuneration Report.

4 To re-elect Hugh Tilney, who retires by rotation, as a Director.

5 To re-elect Barry Aling, who retires by rotation, as a Director.

6 To approve the re-appointment of Nexia Smith & Williamson LLP as Auditors and to authorise the Directors to agree their remuneration.

Special Business

To consider the following resolution which will be proposed as a special resolution:

7 That the Company is, pursuant to Section 166 of the Companies Act 1985 ("the Act"), hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Act) of ordinary shares provided that;

   1 The maximum number of ordinary shares hereby authorised to be purchased is 2,849,349 representing 14.99% of the issued ordinary share capital of the Company;

   2 The minimum price which may be paid for ordinary shares is 25 pence per ordinary share;

   3 The maximum price (exclusive of expenses) which may be paid for an ordinary share shall be higher of not more than (i) 5% above the average of the middle market quotations for an ordinary share on the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any such purchase is made and (ii) the higher of the last independent trade and the highest current bid on the London Stock Exchange;

   4 The Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract to purchase will be executed wholly or partly after the expiry of such authority, and may make the purchase of the ordinary shares in pursuance of any such contract; and

   5 The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2010.

By Order of the Board

Bharat Bhagani *Secretary* 9 January 2009

Notice of Annual General Meeting *continued*

Notes

1 A member entitled to attend, vote and speak is entitled to appoint one or more proxies to attend, vote and speak instead of him. A proxy need not be a member of the Company but must attend the Meeting to represent you. If multiple proxies are appointed they must not be appointed in respect of the same shares

2 A Form of Proxy in order to be valid must be delivered duly executed, together with any power of attorney or other authority under which it is signed or a certified copy thereof, to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL not later than 10.00 a.m. on 3 February 2009. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder.

3 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. 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.

4 In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID RA 19) by the latest time for receipt of proxy appointments specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

5 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 Copies of all contracts of service and letters of appointment of Directors of the Company are available for inspection during normal business hours at the Company's registered office on any weekday except public holidays, and at the place of the meeting for a period of fifteen minutes prior to the annual general meeting and during the meeting.

7 As at 9 January 2009 (being the latest practicable date prior to the publication of this Annual Report), the Company's issued share capital comprised 19,008,333 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at general meetings of the Company.

8 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in this paragraph can only be exercised by members of the Company.

9 In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that: (i) if a corporate Shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that corporate Shareholder present at the meeting then, on a poll, those corporate representatives will give voting directions to the Chairman of the meeting and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives in attendance on behalf of the corporate Shareholder who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives *www.icsa.org.uk* for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in sub-paragraph (i) of this Note.

10 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend, vote and speak at the meeting (and for the purposes of determination by the Company of the number of votes they may cast), holders of ordinary shares must be entered in the relevant register of securities by 6.00 p.m. on 3 February 2009 or, in the event that the meeting is adjourned, on the Register of Members as at 6.00 p.m. on the day two days prior to any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their names at that time. Changes to the entries on the Register of Members after 6.00 p.m. on 3 February 2009 or, in the event that the meeting is adjourned, in the Register of Members as at 6.00 p.m. on the day two days prior to any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary.

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