Asset Management Investment Company PLC

Annual Report 2009

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 cash 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:	66
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 Nomination 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:	67
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 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 Nomination Committee
Shareholding in the company:	1,820,998 (of which 270,618 are held on non-beneficial basis)

Barry Aling

Status:	Non-Executive Director
Age:	59
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 a member of the Remuneration and Nomination Committees.
Shareholding in the company:	50,000

Geoff Miller

Status:	Senior Independent Non-Executive Director
Age:	43
Length of service:	Appointed June 2005
Relevant experience:	Geoff Miller has worked for twenty two years in the global financial services industry, both in research and in fund management. He is currently based in Moscow, having previously worked for Troika Dialog in Moscow and as 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. Mr Miller is also Chairman of Greenwich Loan Income Fund (formerly T2 income Fund), an AIM listed Company.
Committee membership:	Member of the Audit, Remuneration and Nomination Committees
Shareholding in the company:	Nil

Hugh Tilney

Status:	Non-Executive Director
Age:	66
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:	109,500

Chairman's Statement

The dislocation in credit markets which commenced in August 2007 and to which I referred in my statement which accompanied the annual report for 2008 introduced a period of economic recession and great uncertainty and turbulence in all financial markets. Many well known names in the sector either disappeared or had to accept radical financial restructuring. These conditions to some extent are still present, but at the end of 2009 it is now possible to have some degree of optimism that the worst has passed and we are seeing the beginning of the hoped for economic recovery.

Your Company's investment portfolio inevitably was not immune from the general financial sector problems through the difficult period, during which the valuation of investments had to be lowered to reflect the reduced level of assets under management by investee companies. However, the period also reflected the improved conditions, particularly the strong performance of world stock markets, since March 2009. The markets through 2008 anticipated world recession and possible deflation and depression, but this has been replaced by the anticipation of recovery and better times ahead. However, despite the strong stock market recovery this year there are still many who believe in the real danger of a second dip into a further period of recession and there can be no room for complacency.

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-end companies and the company and the price of its shares have benefitted greatly this year through good investment management performance and the general strength in emerging markets. The level of assets under management has seen a strong recovery, which is being reflected in revenue flows and it is expected in due course will benefit the dividends received by your Company. Integrated Asset Management in September completed a transaction by which the company sold the bulk of its funds under management to its largest shareholder, the German private bank Sal. Oppenheim, in exchange for a cash consideration and the cancellation of the 28% of the equity held by Sal. Oppenheim. The company now has healthy cash balances, the ownership of an institutional broker and a modest residue of funds under management. The directors of Integrated Asset Management have under review a number of options for the future of the company.

Inevitably weakness in the Japanese stock markets in the course of the year had an impact on the valuation of your Company's investment in **IFDC Group S.A**. However, there has been a significant recovery in the level of assets under management and your Board remain confident in the future prospects for the business. **International Foreign Exchange Concepts Holdings**, Inc, an investment manager specialising in the foreign exchange markets, in October 2008 exercised its option to buy back the equity held by your Company and AMIC now holds a $5 million note repayable in June 2011 which is a major contributor to revenue. **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 also seen their assets under management recover with better markets and a consistently excellent investment management performance to almost $2 billion, the highest level during the period of your company's investment.

Two exits from investments were completed in the course of the year. **MMCM Holdings Inc.** was sold back to its management for a nominal amount, and **Columbus Financial Services Limited** was dissolved. Both investments had been held at a nil valuation for a number of years. The second payment of $0.54 million due following the disposal of your Company's interest in **Hillview Capital Advisors Inc.**, a private wealth management company located in New York City, which was sold to the management of Hillview in December 2007, was received earlier than anticipated in September 2009 and your company has a continuing participation in the revenues of Hillview in respect of the years 2009, 2010 and 2011.

Your Board continues to take a cautious and prudent approach to the valuation of the investments in the portfolio, notwithstanding the recovery both in equity markets generally and the assets under management in the companies in which AMIC is invested.

Corporate developments

In 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 ordinary shares of FX Concepts Inc held by AMIC. Following receipt of the sterling amount of the consideration of approximately £5.7 million in October 2008 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. On 21 November 2008 a circular was sent to Shareholders detailing the arrangements for the return of 27p per share in cash, which was duly completed on 15 February 2009.

Your Company will continue the programme of buying back ordinary shares for cancellation as and when reasonable lines of shares are available at levels of discount which make such buy-backs of advantage to shareholders. Between 1 October 2008 and 30 September 2009 642,500 ordinary shares were bought back and cancelled at a cost of £0.32 million, equal to 3.38% 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 £1.87 million (2008: £1.79 million), an increase of 4.47%. Profit after taxation increased by 9.39% to £1.50 million (2008: £1.37 million) and revenue return per ordinary share increased by 15.66% to 8.05p (2008: 6.96p). Your Board is recommending payment of a final dividend of 4.5p net per share (2008: 4.5p net per share), which, together with the interim dividend of 2.5p net per share (2008: 2.0p net per share) paid on 14 August 2009, will make a total payment of 7.0p net per share (2008: 6.5p net per share). The final dividend will be proposed at the Annual General Meeting on 4 February 2010 for payment on 9 February 2010 to shareholders on the register at the close of business on 15 January 2010. At 30 September 2009 gearing (being the proportion of interest bearing debt to total assets) stood at Nil (30 September 2008: 9.54%).

Outlook

The major economic and financial problems throughout the world still persist and the impact of the credit crunch is likely to be felt for a considerable time to come. However, there are signs that the worst of the crisis is over and hopefully 2010 will confirm this. Provided the current level of stock markets is maintained the current year should be an easier one for the asset management industry, with improved revenue flow and a more receptive marketing environment. Your Board believes that the companies in which AMIC is invested are all well positioned to benefit from better market conditions and able to continue to survive in the event that there is a further downturn.

Your Board have the future of the Company and its management under regular view, with particular regard to the continuing reduction in total assets as investments are realised and cash returned to shareholders.

Charles Wilkinson *Chairman* 6 January 2010

Largest Investments – Listed Investments *(as at 30 September 2009)*

City of London Investment Group PLC

	Percentage of equity held %	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	5.76	726,827	4,200,000	32.1	UK – 1997

City of London Investment Group was founded in 1991 and manages funds 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 2009	May 2008
Earnings per share	16.10p	29.3p
Net Dividend per Share	15.0p	19.5p
Dividend Cover	1.07	1.50
Attributable Net Assets '000	£503	£577

Integrated Asset Management PLC

	Percentage of equity/debt instrument %	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	6.69%	1,250,198	348,937	2.7	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 owns one of the leading institutional brokers in Italy. Following the sale of the major part of its funds of hedge funds business the company has a strong balance sheet to fund future growth.

Year End	December 2008	December 2007
(Loss)/Earnings per share	(43.42)p	0.05p
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets '000	£982	£1,462

Largest Investments – Unlisted Investments *(as at 30 September 2009)*

IFDC S.A. Group

	Percentage of equity held %	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	17.25	2,417,169	3,270,463	25.0	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 2008	December 2007
Earnings per share	US$2,753	US$3,640
Net Dividend per Share	US$2,577	US$2,580
Dividend Cover	1.07	1.41
Attributable Net Assets '000	US$6,257	US$6,239

International Foreign Exchange Concepts, Inc.

	Percentage of debt instrument held %	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
10% Loan Note 2011	100	3,567,351	4,099,041	31.4	US – 2001

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$8 billion under management.

Lombardia Capital Partners LLC

	Percentage of equity/debt instrument %	Diluted percentage of equity upon conversion	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
8% Convertible Note 2010	100	10.0	3,458,588	639,974	4.9	US – 2001
Ordinary Shares	2.65	2.65	185,579	169,579	1.3	US – 2003

Lombardia Capital Partners located in Pasadena, CA, is a registered investment adviser managing primarily tax-exempt institutional accounts with approximately US$2 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 2008	December 2007
Earnings/(Loss) per share	US$0.83	US$(1.03)
Net Dividend per Share	Nil	Nil
Dividend Cover	n/a	n/a
Attributable Net Assets/(Liabilities) '000	US$37	US$29

Largest Investments – Unlisted Investments *(as at 30 September 2009)* *continued*

The Mayberry Group, Inc.

	Percentage of equity held %	Cost £	Value at 30 September 2009 £	Percentage of portfolio %	Country and year of investment
Ordinary shares	7.89	702,190	39,831	0.3	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$70 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 2009 plus cash at Bank.

Directors' Report *(as at 30 September 2009)*

The Directors present their report and financial statements for the year to 30 September 2009.

Business Review

A review of the Company's activities is given in the Chairman's Statement on pages 5 and 6 and this includes a review of the Company 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 Company are included in the Chairman's Statement under "Financial Results" and the Balance Sheet. The major risks associated with the Company are detailed in note 25 to the Financial Statements. Other risks include:

- Market share price risk

  The Company's share price can trade at a discount to its underlying net asset value which is not a factor the Company 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 Company.

- Regulatory risk

  The Company 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 could lead to detrimental outcomes. The Audit Committee monitors compliance with regulations by reviewing control reports both internally and externally.

Additionally, each Director confirms that, so far as he is aware, there is no relevant audit information of which the Company'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 Company'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 Company 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 listed asset management companies.

Status

The Company is an investment company as defined by Section 833 of the Companies Act 2006 (previously 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 2008.

The Directors are of the opinion, under advice, that the Company has conducted its affairs for the year ended 30 September 2009 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 Income Statement on page 26. The Company revenue profit after tax for the year was £1,502,000 (2008: £1,373,000). An interim dividend of 2.5p per share was paid on 14 August 2009. The Directors propose to pay a final dividend of 4.5p per share on 9 February 2010.

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 George Robb and Geoff Miller will offer themselves for re-election at the forthcoming Annual General Meeting.

The Directors at 30 September 2009 and their beneficial interests in the ordinary shares of the Company are as follows:

		At 30 September 2009 (or date of appointment if later) Number of Ordinary Shares	At 30 September 2008 (or date of appointment if later) Number of Ordinary Shares
George Robb	beneficial	**1,550,380**	1,550,380
Barry Aling	beneficial	**50,000**	150,000
Geoff Miller	beneficial	**–**	–
Hugh Tilney	beneficial	**109,500**	55,000
Charles Wilkinson	beneficial	**–**	–

At 30 September 2009, Mr Robb had a non-beneficial interest in a further 270,618 Ordinary shares (2008: 270,618). The above interests were unchanged at 8 January 2010 being the nearest practicable date prior to signing of the Annual Report.

Corporate Governance

The Statement of Corporate Governance is shown on pages 19 to 23.

Financial Statements

The Directors' responsibilities regarding the financial statements are set out on pages 17 and 18. 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 Company's businesses are market risk, liquidity risk and credit risk. The Company has established a comprehensive framework for managing these risks, which evolves as the Company's business activities change in response to market, credit and other developments. The Company's policies for managing each of these risks and its exposure thereto are detailed in note 25 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 Company and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Conflict of Interest

At an Extraordinary General Meeting held on 17 December 2008 shareholders authorised changes to the Company's Articles of Association to reflect the requirements of directors' duties arising from the Companies Act 2006 and in particular the duty of directors to avoid conflicts of interests. The new Company articles give directors authority to approve such situations.

There are safeguards that apply and only directors who have no interest in the matter being considered are able to authorise a conflict or potential conflict. The Directors must act in a way they consider, in good faith, will most likely promote the Company's success. The Directors may impose limits or conditions if they think this is appropriate.

All Directors have notified the Company Secretary of any possible conflict of interest. A register is maintained of conflicts which has been reviewed and authorised by the Board. A continuing obligation exists for the Directors to notify the Company of any new situation which may give rise to a possible conflict of interest or any change to a situation previously notified. On an annual basis the Board reviews the register of interests and that the procedures are being followed.

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.

Social and Environmental Policies

The Board believes that sound social and environmental policies are important and take these issues into account when making any decisions.

The Company has two employees, the Managing Director and the Company Secretary/Financial Controller.

The Company in carrying out its activities with suppliers and its employees, aims to conduct itself responsibly, ethically and fairly and complies with all legislation and regulations.

Share Capital and Share Repurchases

Full details of the Company's share capital are given in note 16 on page 39. Details of the voting rights in the Company's shares as at the date of this report are given in note 8 to the Notice of the Annual General meeting on page 46.

The Company continued the programme of buying back ordinary shares for cancellation as and when the opportunity arose. Purchase of shares will be made from time to time by the Board, but only if such purchases would be to the advantage of the Company and its shareholders. Any such purchases would be at a discount to the Net Asset Value per ordinary share ("NAV"), therefore the NAV of the remaining shares should increase following such repurchase of shares.

During the year under review 642,500 ordinary shares were repurchased at a cost of £324,052 and cancelled. This is equal to 3.38% of the ordinary share capital in issue at the start of the financial year.

Additionally, during the year under the 'return of cash' programme to shareholders a total of 18,453,594 irredeemable B bonus shares and 554,739 C redeemable bonus shares were allotted on 5 February 2009. The 18,453,594 B shares were subsequently repurchased and 554,739 C shares were redeemed. The aggregate cost of repurchase and redemption was £5,132,549. All B and C bonus shares repurchased or redeemed have been cancelled.

During the year following an Extraordinary General Meeting held on 17 December 2008 the Company approved the cancellation of £8.76 million standing to the credit of capital redemption reserve via a court order. This amount of £8.76 million was transferred to Special Reserve which is a distributable reserve.

Section 992 Companies Act 2006

- The following disclosures are made in accordance with Section 992 Companies Act 2006.
- The Company's Capital Structure is summarised on page 12.
- Details of the voting rights in the Company's shares as at the date of this Report are given on page 46 in the Notes to the Notice of the Annual General Meeting.
- Notifiable interests in the Company's voting rights are set out below:
  On 30 September 2009 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	3,934,382	21.42%
Carrousel Capital Ltd	3,225,000	17.56%
Advance UK Trust plc	2,450,000	13.34%
Mr George Robb	1,820,998	9.91%
Mr John Taylor	768,422	4.18%
HALB Nominees Clients	637,975	3.47%
Mr Thomas Sneddon	643,201	3.50%

- The rules concerning the appointment and replacement and directors service contracts are detailed in the Directors Remuneration Report on page 15.
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreement between holders of securities regarding their transfer known to the Company; and no agreement which the Company is party to that affects its control following a takeover bid.

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 2,753,038 ordinary shares representing 14.99% of the issued share capital as at 6 January 2010 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 and would be in the interests of shareholders generally. Any repurchased shares will be cancelled.

Resolution 8, which is also a special resolution, relates to the proposed adoption of new Articles of Association. The law in relation to companies has been undergoing a number of changes following the introduction of new companies legislation in the United Kingdom under the Companies Act 2006 ("**2006 Act**") and the implementation of the Companies (Shareholders Rights) Regulations 2009 ("**Regulations**") which were introduced in August 2009. The changes brought about by the 2006 Act have been implemented in stages, and the remaining parts were implemented on 1 October 2009. The Company has been updating its articles in stages to accommodate the revisions required as a consequence of the latest parts of the 2006 Act to be implemented. Whilst the majority of the changes introduced on 1 October 2009 will apply automatically to the Company, it is best practice to update the Company's articles to reflect the law when the opportunity arises. Accordingly, resolution 8(b) is a special resolution relating to the adoption of new Articles of Association ("**New Articles**") in order to ensure full compliance with the provisions of the 2006 Act.

The principal changes proposed to be made to the existing Articles of Association to incorporate these changes ("**Existing Articles**") at the Company's Annual General Meeting are detailed in the Appendix at the back of this Annual Report. The proposed New Articles showing all the changes are available for inspection at the Company's registered office from the date of this Annual Report until the close of the Annual General Meeting.

Auditors

Nexia Smith & Williamson LLP have indicated their willingness to continue in office and a resolution to reappoint Nexia Smith & Williamson 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* 6 January 2010

Directors' Remuneration Report

This Report is prepared in accordance with Section 420-422 of the Companies Act 2006.

Report of the Board on Remuneration

This report has been approved by the Directors on 25 November 2009 and will be put to the shareholders for approval at the Annual General Meeting on 4 February 2010.

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 2006 (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 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 terms of employment of the Managing Director are as follows:

(1) The basic salary payable per annum to Mr George Robb is £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.

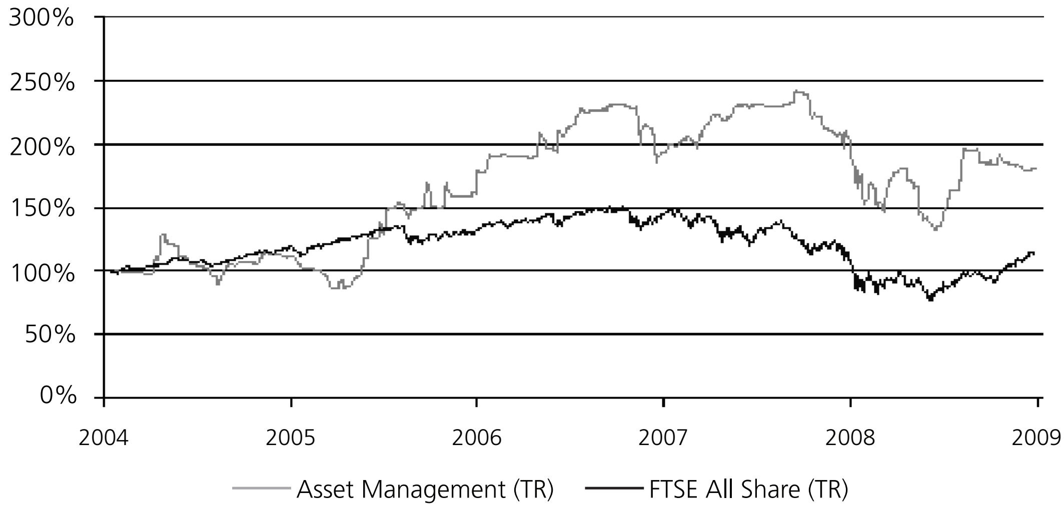
(4) Termination on the earlier of 20 May 2010 or on expiry of twelve months notice by either party.

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 2009.

The following paragraph charts the total return index of the Company since 1 October 2004 against the FTSE all share index which is regarded as the most direct comparator for this purpose.



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 of the 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 Directors 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 is obliged to retire by rotation at each Annual General Meeting and if they wish may 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* 6 January 2010

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statement in accordance with applicable laws and regulations.

Company law requires the Directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 2006 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 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Company'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.

Responsibility Statement

The Directors each confirm to the best of our knowledge:

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and issued by the International Accounting Standards Board ("IASB") and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

Statement of Directors' Responsibilities *continued*

The Chairman's Statement and Directors Report includes a fair review of the information required by Rules 4.1.8-4.1.11 of the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority and an indication of important events that have occurred during the financial year and description of principal risks and uncertainties.

Approved by the Board on 6 January 2010 and signed on its behalf by

Charles Wilkinson *Chairman* 6 January 2010

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 on Corporate Governance (the "Combined Code"), published in June 2008, have been applied by the Company throughout the year ended 30 September 2009.

Additionally, as the Company is a member of the Association of Investment Companies ("AIC"), the Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code"). The AIC Code as explained by the AIC guide, addresses all principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance for investment companies.

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 2009 and the number of meetings attended by each Director. Between these formal meetings there is regular contact with the Managing Director.

Attendance at the board and committee meetings held during the year was as follows:

	Quarterly Board Meetings attended	Ad Hoc Board Meetings attended	Audit Committee Meetings attended	Remuneration Committee Meetings attended	Nomination Committee Meetings attended
Charles Wilkinson	4	3	2	1	1
Barry Aling	3	4	1	1	1
Geoff Miller	4	5	2	1	1
Hugh Tilney	4	4	2	1	1
George Robb (MD)	4	5	N/A	N/A	1

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 of 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 Company 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 Company;
- 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 Company'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 Company'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;
- 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 Company, the investment strategy, legal responsibilities and investment trust industry matters. Directors are provided on a regular basis with key information on the Company'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 Company 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 and Remuneration and Nomination Committees have been established.

Nomination Committee

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

During the year the Nomination Committee, together with the Board, reviewed the composition of the Board to ensure that the balance of its membership and 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 Company 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 Company's internal controls and reviewed the scope of the year-end statutory audit and the auditors' management report to the Board.

The Company 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 Company 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 Company via the Company website, and the Managing Director and Company Secretary respond to all shareholder queries.

Accountability and Audit

The Directors' Statement of Responsibilities in respect of the Financial Statements is on pages 17 and 18 and the Statement of Going Concern is included in the Directors' Report on page 11. 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 Company'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 Company'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 Company includes:

Policies

- Core values, Company standards and Company controls together comprising the Company'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;
- There is an ongoing process for identifying, evaluating and managing significant risks faced by the Company;
- The Board are responsible for the system of internal control and for reviewing its effectiveness. It is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss;
- A summary of the processes the board applied in reviewing the effectiveness of the system and dealing with material internal control aspects of any significant problems disclosed in the report and accounts;
- 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 Company's exposure to interest and exchange rate movements and record the level of compliance with the Company'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 Board confirms that the system of internal control operated by the Company accords with guidance in the Turnbull Report and has been in place throughout the year and up to the date of the approval of this Annual Report.

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.

Going Concern

The Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Statement of Compliance

Throughout the year ended 30 September 2009 the Company has been in compliance with Code provisions set out in Section I of the 2006 Combined Code on Corporate Governance and the AIC Code, except in respect of the need for an internal audit function.

The above statement explains that 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 throughout the year.

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 therefore ensure that they take regular account of social, environmental and ethical factors, which may affect the performance or value of the Company investments.

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

We have audited the financial statements of Asset Management Investment Company PLC for the year ended 30 September 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity, and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Section 495 to 497 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 17 and 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2009 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 19 to 23 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 11, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 19 to 23 relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Carl Deane
Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson LLP
Statutory Auditor
Chartered Accountants
Portwall House
Portwall Lane
Bristol
BS1 6NA

Date: 6 January 2010

Income Statement

for the year ended 30 September 2009

	Notes	Year ended 30 September 2009 Revenue £'000	Capital £'000	Total £'000	Year ended 30 September 2008 Revenue £'000	Capital £'000	Total £'000
Gain or loss on investments held at fair value through profit or loss	2	**–**	**(4,039)**	**(4,039)**	–	(1,212)	(1,212)
Investment income	3	**2,020**	**–**	**2,020**	2,109	–	2,109
Administration expenses	4	**(200)**	**(601)**	**(801)**	(287)	(860)	(1,147)
Profit/(loss) before finance costs and taxation		**1,820**	**(4,640)**	**(2,820)**	1,822	(2,072)	(250)
Interest payable	5	**(19)**	**(55)**	**(74)**	(75)	(226)	(301)
Fair value movement on loan redemption derivative	24	**39**	**118**	**157**	(11)	(34)	(45)
Interest receivable		**30**	**–**	**30**	54	–	54
Profit/(loss) on ordinary activities before taxation		**1,870**	**(4,577)**	**(2,707)**	1,790	(2,332)	(542)
Taxation	8	(368)	179	(189)	(417)	229	(188)
Profit/(loss) for the period		**1,502**	**(4,398)**	**(2,896)**	1,373	(2,103)	(730)
Earnings per share							
Return per ordinary share (basic)		**8.05p**	**(23.56p)**	**(15.51p)**	6.96p	(10.66p)	(3.7p)
Return per ordinary share (diluted)		**8.05p**	**(23.56p)**	**(15.51p)**	6.96p	(10.66p)	(3.7p)

The total column of this statement represents the 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 30 to 44 form part of the financial statements.

Balance Sheet

as at 30 September 2009

	Notes	30 September 2009 £'000	30 September 2009 £'000	30 September 2008 £'000	30 September 2008 £'000
Non-current assets					
Property, plant and equipment	11		**4**		2
Investments					
Fair value through profit or loss					
– Listed investments	12	**4,549**		3,765	
– Unlisted investments	12	**8,219**		13,319	
			12,768		17,084
			12,772		17,086
Current assets					
Investment	12	**–**		5,614	
Receivables	13	**1,134**		2,675	
Cash and cash equivalents	14	**303**		1,233	
			1,437		9,522
Total assets			**14,209**		26,608
Current liabilities					
Payables	15	**(275)**		(400)	
Bank loans	15	**–**		(2,244)	
Loan Redemption Derivative		**(137)**		(295)	
			(412)		(2,939)
Net assets			**13,797**		23,669
Equity					
Ordinary share capital	16		**4,591**		4,752
Special Reserve	17		**7,435**		4,433
Capital Redemption Reserve	18		**180**		8,764
Other capital reserves	19,20		**(1,031)**		3,367
Retained earnings	21		**2,618**		2,430
Own share reserve	22		**4**		(77)
Total equity			**13,797**		23,669
Allocation of shareholders' funds					
Net asset value per ordinary 25p share (basic)	23		**75.12p**		125.46p
Net asset value per ordinary 25p share (diluted)	23		**75.12p**		125.46p

The financial statements were approved by the Board of Directors on 6 January 2010 and were signed on its behalf by:

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

The notes on pages 30 to 44 form part of the financial statements.

Statements of Changes in Equity

for the year ended 30 September 2009

	Share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Own share reserve £'000	Other capital reserve £'000	Retained earnings £'000	Total £'000
Net assets as at 30 September 2007	5,186	6,438	8,330	(68)	5,470	2,267	27,623
Profit/(loss) for the year	–	–	–	–	(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 dividends paid	–	–	–	–	–	(1,210)	(1,210)
Movement in own shares	–	–	–	(9)	–	–	(9)
Net assets as at 30 September 2008	**4,752**	**4,433**	**8,764**	**(77)**	**3,367**	**2,430**	**23,669**
Profit/(loss) for the year	–	–	–	–	(4,398)	1,502	(2,896)
Total recognised income and expenses for the period	4,752	4,433	8,764	(77)	(1,031)	3,932	20,773
Cancellation of capital redemption	–	8,764	(8,764)	–	–	–	–
Cancellation of ordinary shares	(161)	(324)	161	–	–	–	(324)
Cancellation of non-voting B & C shares	(19)	(5,132)	19	–	–	–	(5,132)
Cost associated with cancellation of B & C shares	–	(287)	–	–	–	–	(287)
Bonus issue of B and C shares	19	(19)	–	–	–	–	–
Ordinary dividends paid	–	–	–	–	–	(1,314)	(1,314)
Movement in own shares	–	–	–	81	–	–	81
Net assets as at 30 September 2009	**4,591**	**7,435**	**180**	**4**	**(1,031)**	**2,618**	**13,797**

Cash Flow Statement

for the year ended 30 September 2009

	30 September 2009		30 September 2008	
	£'000	**£'000**	£'000	£'000
Net income from operations before tax	**(2,707)**		(542)	
Depreciation	**2**		1	
Decrease in receivables	**1,541**		994	
(Decrease)/increase in payables	**(143)**		140	
Losses on investments held at fair value through profit and loss	**4,039**		1,212	
(Gains)/loss on derivative	**(157)**		44	
Net payment to EBT scheme	**81**		(9)	
Cash generated by operations		**2,656**		1,840
Taxation		**(171)**		103
Investing activities				
Sale of investments	**5,704**		4,157	
Purchase of tangible fixed assets	**(4)**		–	
Net cash inflow from investing activities		**5,700**		4,157
Net cash inflow before financing		**8,185**		6,100
Financing activities				
Repurchase of ordinary shares	**(5,743)**		(2,005)	
Repayment of loan	**(2,244)**		(4,286)	
Drawdown of loan	**–**		1,000	
Equity dividend paid	**(1,314)**		(1,210)	
Net cash outflow from financing		**(9,301)**		(6,501)
Decrease in cash		**(1,116)**		(401)
Effect of foreign exchange rate changes		**186**		235
Changes in cash and cash equivalents		**(930)**		(166)
Cash and cash equivalents at beginning of period		**1,233**		1,399
Cash and cash equivalents at end of period		**303**		1,233

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 2006. The 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 a continuing 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.

IFRS 7 introduced disclosure requirements relating to financial instruments. This standard does not have any impact on the classification and/or valuation of the Company's financial instruments. The disclosures required by this standard are given in note 25 on pages 41 and 44.

(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 reserves.

(c) Presentation of 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 833 of the Companies Act 2006, 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 Company's compliance with certain requirements set out in section 842 of the Income and Corporation Taxes Act 1988. Note 25 explains the fair value gains relating to financial instruments.

(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 25 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 per cent to the capital column of the Income Statement and 25 per cent 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 company.

(f) Taxation

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

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

(g) Foreign currency

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 Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company 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 money held by the Company's bankers.

(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 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 held-for-trading. Investments are initially measured at cost, including transaction costs. At subsequent reporting dates held-for-trading 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 through the Income Statement, as set out in accounting policy 1(b).

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 Company 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 measured at fair value.

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 company 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 and overdrafts are recorded as the proceeds are received, net of direct issue costs. Finance costs are accounted for on an accrual 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 that are considered by the Directors to be potentially relevant to the entity were in issue but not yet effective. The company has not applied these Standards and Interpretations in the preparation of these financial statements.

IFRS 8 "Operating Segments", which has an effective date of application of 1 January 2009. The standard will replace IAS 14 "Segment Reporting".

IAS 1 (revised) 'Presentation of financial statements'; IAS 23 'Borrowing costs'; IAS 32 'Financial Instruments presentation' IFRS 2 'Share based payment'; IFRS 3 'Business combinations'; IAS 27 'Consolidated and separate financial statements' all apply to accounting periods after 1 January 2009.

The impact on the company's financial statements of the future adoption of the Standards and Interpretations will have no material impact on the financial statements, except for IFRS 8 and IAS 1 (revised) which require some additional disclosures for periods commencing on or after 1 January 2009.

(p) Consolidated Financial Statements

AMIC Canada Limited a subsidiary in Canada was dissolved in June 2008. With the disposal of this remaining subsidiary in the previous financial year only Company financial Statements have been presented in this year and only the Company comparatives have been included in these financial statements.

(q) Critical Accounting Judgements

In the process of applying the Company's accounting policies described above, the Directors have made critical accounting judgements regarding the fair value of the unlisted investments that may have a significant impact on the financial statements of the Company.

(r) Capital Disclosures

The Company is not a financial institution and is not subject to externally imposed capital requirements. The Company's objective is to effect an orderly realisation of its investment portfolio and manage capital to ensure that the Company will be able to continue as a going concern.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets.

The table below sets out the capital that is managed by the Company:

	2009 £'000	2008 £'000
Shareholders equity	**4,591**	4,752
Capital reserves	**6,584**	16,564
Retained earnings	**2,618**	2,430
Own share reserve	**4**	(77)
	13,797	23,669

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

	Listed £'000	Unlisted £'000	2009 Total £'000	2008 Total £'000
Realised	–	5,163	5,163	8,602
Unrealised	784	(10,172)	(9,388)	(10,049)
Foreign exchange movement	–	186	186	235
Total return on investments in the year	784	(4,823)	(4,039)	(1,212)

Transaction costs

	30 September 2009 £'000	30 September 2008 £'000
Purchases	–	–
Sales	2	2
	2	2

3 Income

	2009 £'000	2008 £'000
Income from listed investments		
Franked investment income	278	232
	278	232
Income from unlisted investments		
Unfranked investment income (North America)	905	732
Foreign income dividends (Europe)	837	1,145
	1,742	1,877
Total Income	2,020	2,109
Total income comprises:		
Dividends	1,115	1,377
Interest	905	732
	2,020	2,109
Income from investments		
Listed UK	278	232
Unlisted	1,742	1,877
	2,020	2,109

4 Administration expenses

The following have been charged to revenue in arriving at return on ordinary activities.

	Revenue £'000	**Capital £'000**	**2009 Total £'000**	Revenue £'000	Capital £'000	2008 Total £'000
Depreciation of property, plant and equipment	**–**	**2**	**2**	–	1	1
Directors' remuneration	**61**	**181**	**242**	103	310	413
Auditors' remuneration:						
for audit	**7**	**22**	**29**	9	26	35
for other services	**2**	**6**	**8**	7	22	29
Other expenses	**130**	**390**	**520**	168	501	669
	200	**601**	**801**	287	860	1,147

Auditors' remuneration for the period in respect of UK audit services amounted to £29,000 (2008: £35,000). Total fees in respect of non-audit services amounted to £8,395 (2008: £29,000). Non-audit services during the year related to tax compliance £8,395 (2008: £8,765) and other services £Nil (2008: £19,889).These fees have been recognised in the Income Statement. These services are reviewed by the Audit Committee to ensure that the independence and objectivity of the auditors is not compromised.

The amounts shown above represent expenses allocated to the revenue account. A full analysis of the Directors' remuneration is shown in note 7.

5 Interest

	2009 £'000	2008 £'000
Interest due on bank loans and Loan Notes repayable within five years, not by instalments	**19**	75
	19	75

A further £55,000 (2008: £226,000) of interest payable has been charged to the capital reserve (note 19).

6 Staff costs

	2009	2008
Average number of persons employed during the year	**2**	2

	2009 £'000	2008 £'000
Staff costs and Executive Director's costs		
Salaries and annual bonus	**227**	398
Social Security costs	**46**	31
Pension costs	**31**	30
Other Staff costs	**9**	8
	313	467

7 Directors' remuneration

	2009 £'000	2008 £'000
Non-Executive and Executive Directors' fees and emoluments	**218**	390
Pension costs	**19**	19
Other benefits	**5**	4
	242	413

Included in the above are Directors' remuneration of £181,500 (2008: £310,000) which has been charged to capital reserve (note 19).

Details of service contracts with Directors are given in the Report of the Board on Remuneration on pages 15 and 16.

Details of Remuneration

	Salary and Fees £'000	Bonus Payments £'000	Other benefits £'000	Total before pension £'000	Pension costs £'000	2009 Total £'000	2008 Total £'000
Executive							
G A Robb	130	–	5	135	19	**154**	325
Non-Executive							
G Miller	20	–	–	20	–	**20**	20
B Aling	20	–	–	20	–	**20**	20
H Tilney	20	–	–	20	–	**20**	20
C E Wilkinson	28	–	–	28	–	**28**	28
	218	–	5	223	19	**242**	413

8 Taxation

	2009 £'000	2008 £'000
UK Corporation Tax		
Current tax on income for the period	**201**	216
Adjustment to tax charge in respect of previous periods	**(12)**	(28)
Tax on profit on ordinary activities	**189**	188
Allocated:		
Revenue	**368**	417
Capital	**(179)**	(229)
	189	188

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 28% (2008: 29%). The differences are explained below.

	2009 %	2008 %
Standard rate of tax for the period	**28**	29
Non-taxable income	**(7.2)**	(3.7)
Expenses not deductible	**(0.1)**	0.9
	20.7	26.2

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

	2009 £'000	2008 £'000
Amounts recognised as distributions to equity holders in the period		
Final dividend of 4.5p per ordinary share (2008: 4.0p)	**855**	830
Interim dividend of 2.5p per ordinary share (2008: 2.0p)	**459**	380
	1,314	1,210
Amounts not recognised as distributions in the period:		
Proposed final dividend of 4.5p per ordinary share (2008: 4.5p)	**826**	855
	826	855

The proposed final dividend of 4.5p per ordinary share for 2009 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:

	2009 £'000	2008 £'000
Final dividend of 4.5p per ordinary share (2008: 4.0p)	**826**	855
Interim dividend of 2.5p per ordinary share (2008: 2.0p)	**459**	380
	1,285	1,235

10 Earnings per share

The earnings per ordinary share is based on the net profit after taxation of £1,502,000 (2008: £1,373,000) and on 18,668,628 (2008: 19,865,833) being the weighted average number of ordinary shares in issue during the year.

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

	Revenue	**Capital**	**2009 Total**	Revenue	Capital	2008 Total
Profit for the period	**1,502**	**(4,398)**	**(2,896)**	1,373	(2,103)	(730)
Earnings per share						
Return per ordinary share (basic)	**8.05p**	**(23.56p)**	**(15.51p)**	6.96p	(10.66p)	(3.7p)

11 Property, Plant and Equipment

	Office equipment £'000	**Fixtures and fittings £'000**	**Total £'000**	2008 Total £'000
Cost				
At 1 October 2008	**11**	**13**	**24**	24
Additions	**3**	**1**	**4**	–
At 30 September 2009	**14**	**14**	**28**	24
Depreciation				
At 1 October 2008	**11**	**11**	**22**	21
Charge for the year	**1**	**1**	**2**	1
At 30 September 2009	**12**	**12**	**24**	22
Net book value				
At 30 September 2009	**2**	**2**	**4**	
At 30 September 2008	–	2	2	

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

	2009 Listed investments £'000	2009 Unlisted investments £'000	2009 Total £'000	2008 Total £'000
Cost				
At 1 October 2008	1,977	15,582	17,559	30,540
Disposals	–	(5,254)	(5,254)	(13,185)
At 30 September 2009	**1,977**	**10,328**	**12,305**	**17,355**
Unrealised capital gain/(loss)				
At 1 October 2008	1,788	(2,263)	(475)	(2,047)
Movement in year	784	(5,009)	(4,225)	(1,448)
Transfer to realised capital reserve	–	5,163	5,163	8,838
Transfer of FX Concepts Inc Ordinary Shares to current assets	–	–	–	(5,614)
At 30 September 2009	**2,572**	**(2,109)**	**463**	**(271)**
Valuation				
At 30 September 2009	**4,549**	**8,219**	**12,768**	**–**
At 30 September 2008	3,765	13,319	–	17,084

The market value of listed investments at the year-end was £4,549,000 (2008: £3,765,000).

Current asset investment

	2009 £'000	2008 £'000
At 1 October 2008 (FX Concepts Inc)	**5,614**	–
Additions	**–**	**5,614**
Disposal in year	**(5,614)**	–
At 30 September 2009	**–**	**5,614**

The current asset investment was disposed of in the year for £5.7 million. A gain of £4.9 million has been transferred from the unrealised capital reserve to the realised capital reserve (note 19 and 20).

Significant Holdings

At 30 September 2009 the Company had the following holdings of more than 3 percent 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	5.76	United Kingdom
Integrated Asset Management	Ordinary	6.69	United Kingdom
IFDC Group	Ordinary	17.25	Luxembourg
The Mayberry Group	Ordinary	7.89	United States of America

None of the investments are associated 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

	2009 %	2008 %
UK	**36**	18
North America	**39**	50
Europe	**25**	32
	100	100

13 Receivables

	2009 £'000	2008 £'000
Prepayments and accrued income	**41**	51
Other receivables	**972**	75
Deferred consideration	**121**	2,549
	1,134	2,675

- The deferred consideration is neither past due, nor impaired at the year-end. Included in the deferred consideration is a balance of £121,000 (2008: £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

	2009 £'000	2008 £'000
Cash at Bank	**303**	1,233

15 Payables: amounts falling due within one year

	2009 £'000	2008 £'000
Accruals and deferred income	**40**	184
Corporation Tax Creditor	**235**	216
	275	400

At the year-end the Company's bank loans had been repaid in full. The Directors consider the carrying amount of payables approximate to their fair value.

16 Called up share capital

	2009 £'000	2008 £'000
Authorised		
28,000,000 (2008: 28,000,000) ordinary shares of 25p each	**7,000**	7,000
Allotted, issued and fully paid		
18,365,833 (2008: 19,008,333) ordinary shares of 25p each	**4,591**	4,752

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

Date	Number of shares	Total cost of repurchase including expenses £'000
21/01/2009	142,500	82
26/03/2009	400,000	179
29/05/2009	100,000	63
Total	642,500	324

During the year following an Extraordinary General Meeting of the Company held on 17 December 2008 it was resolved to authorise the conversion of 76,034 unissued ordinary shares of 25 pence each forming part of the authorised but unissued share capital of the Company. These 76,034 unissued Ordinary Shares were subdivided into 250 ordinary 0.1 pence each into 19,008,500 B and/or C bonus shares. Following the return of cash of 27p per ordinary share, the B and C shares have been cancelled during the year.

The Company Employee Benefit Trust held Nil shares as at 30 September 2009 (2008: 142,500).

17 Special Reserve

	£'000
At 1 October 2008	4,433
Cancellation Capital Redemption	8,764
Issue and Repurchase of B and C bonus shares and cancellation of ordinary shares	(5,762)
At 30 September 2009	7,435

The movements during the year in the special reserve relate to the cost of repurchasing the ordinary share capital, B shares, C shares and the nominal cost of issue of B and C shares.

18 Capital Redemption Reserve

The movements through this reserve represents the nominal value of the repurchased shares. Following the Extraordinary General Meeting held on 17 December 2008, the capital redemption reserve was cancelled via a court order and approximately £8.7 million were trasferred to Special Reserve. This Special Reserve is a distributable reserve.

19 Realised Capital Reserve

	Listed £'000	Unlisted £'000	Administration charges £'000	Total £'000
At 1 October 2008	(1,433)	10,090	(10,528)	(1,871)
Transfer from unrealised capital reserve (Investments – note 12)	–	(5,163)	–	(5,163)
Transfer from unrealised capital reserve (current investment – note 12)	–	4,925	–	4,925
Charge for the year	–	–	(477)	(477)
Movement on Loan Redemption Derivative	–	–	118	118
At 30 September 2009	**(1,433)**	**9,852**	**(10,887)**	**(2,468)**

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 Company's accounting policy 1c.

20 Unrealised capital reserve

	Listed £'000	Unlisted £'000	Total £'000
At 1 October 2008	2,439	2,799	5,238
Movement in year	784	(5,009)	(4,225)
Transfer to realised capital reserve (note 12)	–	(4,925)	(4,925)
Transfer to realised capital reserve (investments – note 12)	–	5,163	5,163
Foreign exchange	–	186	186
At 30 September 2009	**3,223**	**(1,786)**	**1,437**

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

21 Revenue reserve

	2009 £'000	2008 £'000
At 1 October 2008	**2,430**	2,267
Profit for the year	**1,502**	1,373
Dividends paid	**(1,314)**	(1,210)
At 30 September 2009	**2,618**	2,430

22 Own Share Reserve

	£'000
At 1 October 2008	(77)
Additions	–
Disposals	81
At 30 September 2009	**4**

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 2009 was £Nil (2008:£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 Income Statement.

23 Net asset value

The net asset value per ordinary share for the Company is based on a net asset value of £13,797,000 (30 September 2008: £23,669,000) and on 18,365,833 (30 September 2008: 18,865,833) ordinary shares in issue at year-end.

The basic net asset value per ordinary share as at 30 September 2009 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 which at 30 September 2009 was Nil (2008: 142,500).

24 Loan Redemption Derivative

A gain of £157,000 (2008: loss £45,000) has been reflected in the Income Statement, being the movement in the equity-based derivative equal to 5% of the increase in the market capitalisation of the LSE listed ordinary shares of the Company from 13 September 2006, the date at which the loan was taken out. An amount of £137,000 has been reflected as a current liability in the Balance Sheet, representing the final payment due to Investec Bank.

25 Financial Instruments

The Company'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 Company's principal risks are:

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

Market price risk

Market price risk arises from uncertainty about future prices of investments held in its portfolio. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Managing Director constantly monitors the price of listed investments held by the Company on a real-time basis. The Managing Director reports to the Board on the unlisted investments and constantly monitors their carrying values. A list of the main investments held by the Company is shown in the Investment Portfolio on pages 7 to 9. 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 2009 would have been increased by £1,819,600 (2008: increased by £1,506,000) and equity reserves would have increased/(decreased) by the same amount.

The Company'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 Company 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 Company holds listed investments. Any cash held is with reputable banks.

During the year the Company's outstanding Bank loan of US$4,000,000 was paid from receipt of monies which was due and received from International Foreign Exchange Concepts Inc ("IFEC").

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

The Company's contractual maturities of financial liabilities at the year-end, based on the earliest date on which payment can be required are set out below:

	2009 Three months or less £'000	**Total £'000**	2008 Three months or less £'000	Total £'000
Accruals and deferred income	**40**	**40**	184	184

Credit risk exposure

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

The exposure to credit risk at year-end comprised the amount of cash at bank of £303,000 (2008: £1,233,000) and debtors of £1,134,000 (2008: £2,675,000) in the Balance Sheet represent the maximum exposure to credit risk at 30 September 2009.

Most of the debtors are Receivables from the Investee Companies (see note 13) and of this amount £729,000 has been received after year-end. Included in the debtors is an amount of £121,000 due after more than one year (see note 13).

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

Foreign Currency risk

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

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

Foreign currency risk arises as the income and capital value of the Company's investments can be affected by exchange rate movements as some of the Company's assets and income are denominated in currencies other than sterling which is the Company's reporting currency. As at 30 September 2009, the Company 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:

2009	**Non-current assets £'000**	**Investments £'000**	**Current asset receivables £'000**	**Cash and cash equivalents £'000**	**Current liabilities £'000**	**Net exposure £'000**
Sterling	**4**	**4,549**	**40**	**135**	**(412)**	**4,316**
US dollar		**8,219**	**1,094**	**168**	**–**	**9,481**
CAD dollar	**–**	**–**	**–**	**–**	**–**	**–**
	4	**12,768**	**1,134**	**303**	**(412)**	**13,797**

2008	**Non-current assets £'000**	**Investments £'000**	**Current asset receivables £'000**	**Cash and cash equivalents £'000**	**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

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 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:

	2009 £'000	2008 £'000
Income statement revenue after taxation:		
Revenue Return	**(174)**	(182)
Capital Return	**(45)**	(90)
Total Revenue after taxation for the year	**(219)**	(272)
Net Assets	**(219)**	(272)

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

	2009 £'000	2008 £'000
Income statement revenue after taxation:		
Revenue Return	**174**	182
Capital Return	**45**	90
Total Revenue after taxation for the year	**219**	272
Net Assets	**219**	272

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 Company's bank loans. As at 30 September 2009 the Company has no loans.

Interest rate risk profile of financial assets and financial liabilities

Financial assets

The majority of the Company'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 2009 is:

2009	Sterling £'000	US$ £'000	Total £'000
Fixed rate investments	**–**	**4,099**	**4,099**
Weighted average interest rate	**–**	**9.73%**	**9.73%**
Weighted average period for which interest rate is fixed	**–**	**2.1 Years**	**2.1 Years**
2008			
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

Financial liabilities

As at 30 September 2009, the Company's bank loans were £nil (2008: US$4 million).

Fair value of financial instruments

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

	2009 Carrying value £'000	**2009** Fair value £'000	2008 Carrying value £'000	2008 Fair value £'000
Long term loan	**–**	**–**	2,244	2,244

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, valued at £137,000 (2008: £295,000) has been calculated at the loan redemption date of 2 July 2009 and is waiting to be settled with Investec Bank.

26 Related party transaction and ultimate controlling party

The Company has a related party relationship with its key management personnel, being its Directors.

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate and further details are available in the Directors remuneration report on pages 15 and 16.

	2009 £'000	2008 £'000
Short term employee benefits*	**284**	441
Post employment benefits	**–**	–
Equity compensation benefits	**–**	–
	284	441

*Includes employers national insurance and pension benefits.

The terms of the agreement between the Company and the Managing Director is also set out in the Directors remuneration report on page 15.

The Directors consider there is no ultimate controlling party.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take or about the contents of this document, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (or in the case of recipients outside the United Kingdom, a stockbroker, bank manager, solicitor, accountant or other independent financial adviser).

If you have sold or otherwise transferred all of your shares in Asset Management Investment Company PLC, please pass this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Asset Management Investment Company PLC will be held at One London Wall, London, EC2Y 5AB at 10.00 a.m. on 4 February 2010 for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 30 September 2009, 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 elect Geoff Miller, who retires by rotation, as a Director.
5. To elect George Robb, 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 resolutions which will be proposed as special resolutions:

7. THAT, the Company be generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares of 25p each in the capital of the Company ("Ordinary Shares"), and to cancel or hold in treasury such shares provided that:
   (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 2,753,038 representing 14.99 percent. of the Ordinary shares in issue as at the date of the passing of this Resolution 7;
   (b) the minimum price which may be paid for an Ordinary share is 25p;
   (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than the higher of (i) an amount equal to 105 percent. above the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;
   (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and
   (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

8. THAT,

   (a) the Articles of Association of the Company be amended by deleting all of the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as part of the Company's Articles of Association; and

   (b) the Articles of Association produced to the meeting and, for the purposes of identification, initialled by the chairman of the meeting be adopted as the Articles of Association of the Company in substitution for, and to the entire exclusion of, the existing Articles of Association.

By Order of the Board

Bharat Bhagani *Secretary* 6 January 2010

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 a member. If multiple proxies are appointed they must not be appointed in respect of the same shares

2 A form of proxy is enclosed. 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 2 February 2010.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 UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at www.euroclear.com/CREST. 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6 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.

7 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.

8 As at 6 January 2010 (being the latest practicable date prior to the publication of this Annual Report), the Company's issued share capital comprised 18,365,833 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at general meetings of the Company.

9 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 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

10 The right to vote at the meeting is determined by reference to the Company's register of members as at 6.00 p.m. on 2 February 2010 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

11. Members have the right to put questions at the meeting relating to the business being dealt with at the meeting.

12. Information about this meeting is available from the Company's website: www.amicplc.com.

13. It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting: or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Appendix
Explanatory note of principal changes to the Company's Articles of Association

1. **THE COMPANY'S OBJECTS**

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are contained in a company's memorandum, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all the other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 8(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

2. **ARTICLES WHICH DUPLICATE STATUTORY PROVISIONS**

Provisions in the Existing Articles which replicate provisions contained in the 2006 Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. **CHANGE OF NAME**

Under the Companies Act 1985, a company could only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4. **AUTHORISED SHARE CAPITAL AND UNISSUED SHARES**

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

5. **REDEEMABLE SHARES**

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

6. **AUTHORITY TO PURCHASE OWN SHARES AND REDUCE SHARE CAPITAL**

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Existing Articles include these enabling provisions. Under the 2006 Act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

Explanatory note of principal changes to the Company's Articles of Association *continued*

7. **SUSPENSION OF REGISTRATION OF SHARE TRANSFERS**

The Existing Articles permit the directors to suspend the registration of transfers. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Existing Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

8. **VOTING BY PROXIES ON A SHOW OF HANDS**

The Regulations have amended the 2006 Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles have been drafted to reflect these changes.

9. **VOTING BY CORPORATE REPRESENTATIVES**

The Regulations have amended the 2006 Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

10. **ELECTRONIC CONDUCT OF MEETINGS**

Amendments made to the 2006 Act by the Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles have been amended to reflect more closely the relevant provisions.

11. **CHAIRMAN'S CASTING VOTE**

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the 2006 Act.

12. **NOTICE OF GENERAL MEETINGS**

The Regulations amend the 2006 Act to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles amend the provisions of the Existing Articles to be consistent with the new requirements.

13. **ADJOURNMENTS FOR LACK OF QUORUM**

Under the 2006 Act as amended by the Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles have been drafted to reflect this requirement.

14. **VOTING RECORD DATE**

Under the 2006 Act as amended by the Regulations the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles have been drafted to reflect this requirement.

15. **RIGHTS ATTACHING TO B SHARES AND C SHARES**

The Existing Articles have been updated to remove the references to the B shares and C shares which were created, issued and redeemed or bought back by the Company in February 2009, and are no longer in existence.

16. **GENERAL**

Generally the opportunity has been taken to bring clearer language into the New Articles and therefore non-material changes and stylistic amendments have also been made to the Existing Articles.

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