Annual Report and Financial Statements for Margetts Opes Growth Fund

For the year ended 30 June 2013

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Manager

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(Authorised and regulated by the Financial Conduct Authority)

Directors of the Manager

T J Ricketts
T H Ricketts
A J M Quy
J E J Clay
M D Jealous
A S Weston
G M W Oakley (non-exec)

Trustee

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Auditors

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Chartered Accountants & Statutory Auditors
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Fund Manager's Report

For the year ended 30 June 2013

Investment Objective

The objective of the fund is to provide a total return to the investor on a medium risk basis over the medium to longer term. This will be achieved through an actively managed spread of collective investment schemes investing predominantly in equity, equity linked and fixed interest investments in various world markets.

As the objective of the Fund is total return, this will be achieved by holding a diversified portfolio of collective investment schemes investing mainly in equity and equity linked investments from anywhere around the world, as is felt appropriate by the Manager at any given time.

The Fund will be managed through tactical asset allocation with the possibility of high frequency portfolio adjustments.

Investment Review

Margetts Opes Growth Acc	18.33%
Margetts Opes Growth R Acc	18.74%

(As the R share class was launched on 03 Dec 12, the annual performance has been calculated in line with IMA methodology by using the track record of the existing retail share class)

Benchmarks:

Bank Of England Base Rate	0.5%
IMA Global	20.58%
IMA Flexible Investment	15.16%

Source: Morningstar Direct. Performance is bid to bid with income reinvested.

The Margetts Opes Growth Fund has performed strongly throughout this period providing strong positive returns whilst slightly underperforming the IMA Global benchmark, but meeting its investor objective of delivering a greater return than cash over the medium and long term.

Equity markets have increased considerably in value during this period supported by generally improving sentiment. This began in the summer of 2012 as the Eurozone crisis began to recede following comments by Mario Draghi (President of the ECB) that he would do whatever it took to save the Euro.

In the end, Mario Draghi did not need to commit a single Euro as the effect of his promise alone was enough to restore market confidence. This is a good example of a trend seen in global stock markets since the onset of the credit crisis in 2008 as announcements from politicians and officials have had a significant and often immediate effect on sentiment moving asset prices rapidly in either direction.

The Eurozone crisis had undermined global stock markets since 2009 due to persistent concerns that the Eurozone could break up as a result of defaulting members. As these concerns began to recede, the effect was positive for all major stock markets and the upward momentum continued as economic data generally supported the view that a global recovery is in place.

The recovery in Eurozone sentiment was only briefly interrupted in March 2013 as Cyprus came close to a default and required a bail-out. This event provided a timely reminder of the political risk which exists as creditor EU members attempted to snatch money from ordinary bank accounts as part of the rescue package offered. Whilst politically popular at home this action would have undermined the 100,000 Euro protection for ordinary savers in the EU and potentially led to bank runs on other weak banks elsewhere in the EU with the potential to spark a further crisis.

Agreements in the US in January 2013 to avert serious spending cuts and tax increases created a further boost to stock markets. Japan also committed to an aggressive quantitative easing programme in April with a target of $70bn per month which combined with the existing US programme of $85bn per month creates a combined stimulus of $155bn per month.

Fund Manager’s Report (continued)

In the UK, interest rates have remained at historically low levels and the Bank of England have provided forward guidance suggesting that interest rates will remain at these low levels for the duration of 2014. This guidance is based on rates not being increased until unemployment drops below 7%, from a current level of circa 7.7%, or inflation rising too quickly.

Despite the high level of stimulus applied to the global economy during this period government bond values have generally tracked sideways and then fell sharply from 22 May. The key concern for fixed interest investment is that yields are considerably below inflation expectations and values had already been pushed up by fear which gripped investment markets during the credit crisis prior to this reporting period. The overvaluation is demonstrated by short term yields on German bunds which became negative effectively meaning that investors were willing to pay the German government for the security of their bunds rather than receive any interest.

The trigger for bond valuations falling on 22 May was an announcement from Ben Bernanke (the Chairman of the Federal Reserve) suggesting that the Federal Reserve would begin to reduce the bond purchasing programme later in the year. The bond purchasing programme is referred to as ‘Quantitative Easing (QE)’ and is the process by which money is printed and used to buy government debt.

The withdrawal of the stimulus triggered falls in both equity and bond markets. Whilst equity markets only saw a small part of recent gains eroded, government bonds recorded an overall loss during this reporting period. Asia and Emerging Markets, which had already suffered a poor year as QE strained their currencies and sluggish growth in the West diminished their GDP output, fell significantly more than the US market as sentiment turned negative as concern grew that the withdrawal of the stimulus would increase borrowing costs in these economies. This coincided with falling manufacturing data in China, a slowdown in growth and suggestions that China may face a future banking crisis. The underperformance of the fund against its benchmark is fully attributable to the usual overweight position in Asia and Emerging Markets which has been maintained throughout this period.

Whilst some of the concerns over Asian and Emerging markets are well founded they ignore the similarly difficult position of Western economies which have higher debt and lower levels of economic growth. The US stock market is now priced at a significant premium to Asia and Emerging Markets which is difficult to justify. This premium is expected to reduce over time whilst Asia and Emerging Market valuations currently appear attractive and are expected to lead to higher returns over the medium and longer term, but perhaps with further issues to overcome in the near term.

These events underline the current vulnerability in global markets as the reason for the Federal Reserve suggesting a reduction in the QE programme is evidence that an economic recovery is underway. This would ordinarily be considered as a positive development however markets have become ‘hooked’ on stimulus packages and concern built quickly when there was a suggestion that the stimulus would be reduced. The Federal Reserve needs to maintain market confidence whilst also reining in the stimulus early enough to avoid a potential inflationary boom which could result from printing money for an extended period.

It is our view that the Federal Reserve is likely to be over-accommodative in the long run meaning that the stimulus will be applied too much rather than too little as economic growth accompanied by higher inflation is preferable to killing the recovery before it has become established. The likelihood of the perfect amount of stimulus being applied is practically zero as economic data is not accurate enough in the short term to make the delicate adjustments which would be required.

Fund Manager's Report (continued)

In summary, we believe that a global economic recovery is in place and inflation expectations will gradually increase over the medium and longer term which will be beneficial for equity markets due to the natural hedge these assets provide against inflation. The recent pessimism in Asia and Emerging Markets has created a good long term buying opportunity which combined with lower debt in these economies and higher growth rates is expected to provide higher longer term growth. Volatility will continue to be a feature of global stock markets however the impact of announcements from politicians and officials is likely to gradually diminish as returns become more stock specific.

Margetts Fund Management Ltd
Manager
31 August 2013

Certification of Accounts by Directors of the Manager

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) as issued and amended by the Financial Conduct Authority.

T J Ricketts **M D Jealous**

Margetts Fund Management Ltd
22 October 2013

Authorised Status

The fund is an authorised unit trust scheme established on 14 January 2003.

It is a Non UCITS Retail Fund (NURS) authorised under Section 243 of the Financial Services and Markets Act 2000, and the currency of the fund is Pounds Sterling.

Significant purchases and sales

For the year ended 30 June 2013

Total purchases for the year **£7,401,585**

Purchases	**Cost (£)**
NEWTON ASIAN INCOME INSTL W NET ACC	1,295,100
CAZENOVE UK OPPORTUNITIES X	1,240,000
JPM US EQUITY INCOME C (ACC) - GBP	1,162,500
VANGUARD US EQUITY INDEX GBP ACC	1,162,500
HSBC AMERICAN INDEX C ACC	1,162,500

Total sales for the year **£9,784,934**

Sales	**Proceeds (£)**
NEWTON ASIAN INCOME INSTITUTIONAL ACCUMULATION	1,295,100
INVESCO PERPETUAL HIGH INCOME NO TRAIL ACC	1,294,803
BAILLIE GIFFORD AMERICAN B ACC	1,286,163
SCHRODER US SMALLER COMPANIES ACC	1,278,075
AXA FRAMLINGTON BIOTECH ACC	974,004
ABERDEEN ASIA PACIFIC C ACC	973,364
ABERDEEN EMERGING MARKETS A ACC	782,201
LIONTRUST UK GROWTH INST INC	701,225

Portfolio statement
As at 30 June 2013

			Total Net Assets	
Holding	Portfolio of Investments	Value (£)	30.06.13 %	30.06.12 %
	United Kingdom			
370,931	Cazenove UK Opportunities X	1,449,673	8.50	
271,402	Liontrust Special Situations Inst Inc	673,078	3.94	
726,658	Trojan Income O Acc	1,553,450	9.10	
	Total United Kingdom	**3,676,201**	**21.54**	**24.16**
	Global			
467,457	Polar Capital Global Insurance F GBP Acc	1,474,408	8.64	
	Total Global	**1,474,408**	**8.64**	**8.80**
	Emerging Markets			
134,331	Aberdeen Emerging Markets I Acc	786,203	4.61	
402,694	First State Global Emerging Markets Ldrs B	1,753,736	10.28	
	Total Emerging Markets	**2,539,939**	**14.89**	**15.43**
	Asia Pacific (excl Japan)			
585,697	First State Asia Pacific Leaders Inst B	2,521,368	14.77	
1,758,369	Newton Asian Income Institutional W Acc	1,990,123	11.66	
1,384,670	Schroder Asian Income Z Acc	847,280	4.97	
	Total Asia Pacific (excl Japan)	**5,358,771**	**31.40**	**30.41**
	United States			
498,793	HSBC American Index C Acc	1,274,915	7.47	
1,073,407	JPM US Equity Income C Acc	1,449,100	8.49	
6,319	Vanguard US Equity Index Acc	1,332,968	7.81	
	Total United States	**4,056,983**	**23.77**	**15.38**
	Total Specialist	**-**	**-**	**5.81**
	Portfolio of Investments	**17,106,302**	**100.24**	**99.99**
	Net Current Assets	**(41,480)**	**(0.24)**	**0.01**
	Net Assets	**17,064,822**	**100**	**100**

The investments have been valued in accordance with note 1(b) and are authorised Collective Investment Schemes.

Statement of Manager's responsibilities

The Manager is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Fund and of the net revenue / expenses and of the net gains / losses on the property of the Fund for that year.

In preparing the financial statements the Manager is required to:

- select suitable accounting policies, as described in the attached financial statements, and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with the Prospectus, generally accepted accounting principles and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- comply with the disclosure requirements of the Statement of Recommended Practice for Financial Statements and Authorised Funds;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the COLL Sourcebook. The Manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

- There is no relevant audit information of which the Fund's auditors are unaware and
- The Manager has 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.

Statement of Trustee's responsibilities

The Trustee is responsible for the safekeeping of all of the property of the Fund (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook and the Fund's Trust Deed, in relating to the pricing of and dealing in, units in the Fund, the application of income of the Fund, and the investment and borrowing power of the Fund.

Report of the Trustee

In our opinion during the period under review, we confirm that in all material respects the Fund has carried out the issue, sale, redemption, cancellation and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the rules in the Collective Investment Schemes Sourcebook and, where applicable, the UT regulations and the Trust Deed, and has observed the investment and borrowing powers and restrictions applicable to the Fund.

BNY Mellon Trust & Depositary (UK) Ltd
Trustee of the Margetts Opes Growth Fund
22 October 2013

Independent Auditor’s report to the Unitholders of Margetts Opes Growth Fund

We have audited the financial statements of Margetts Opes Growth Fund (‘the Trust") for the year ended 30 June 2013, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

This report is made solely to the Trust's unitholders as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority under Section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an Auditor’s 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 Trust and the Trust’s unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the managers and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Manager's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

• give a true and fair view of the state of the Trust's affairs as at 30 June 2013 and of the net income and the net capital gains on the property of the Trust for the year then ended;

• have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds; the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and United Kingdom Generally Accepted Accounting Practice;

Independent Auditors' report to the Unitholders of Margetts Opes Growth Fund (continued)

Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

The information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We have received all the information and explanations we require for our audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters, where we are required to report, if in our opinion:

• adequate accounting records have not been kept: or

• the financial statements are not in agreement with the accounting records and returns.

Joseph Kinton
Senior Statutory Auditor
For and on behalf of Shipleys LLP
Chartered Accountants and Statutory Auditors
22 October 2013

Net Asset Value per Unit and Comparative Tables

Price and Income History

Accumulation

Calendar Year	Highest Buying Price (p)	Lowest Selling Price (p)	Net Income (p per unit)
2009	197.31	129.96	0.5756
2010	238.57	177.10	-
2011	239.91	180.05	-
2012	235.95	195.92	-
2013*	277.08	223.35	0.3206

R Accumulation †

Calendar Year	Highest Buying Price (p)	Lowest Selling Price (p)	Net Income (p per unit)
2012	224.72	221.60	-
2013*	264.59	223.35	1.1729

* As at 30 June 2013

Net Asset Value

Date	Class of Unit	Net Asset Value (£)	Units in Issue	Net Asset Value (Pence per unit)
30.06.2011	Acc	20,412,148	9,393,665	217.30
30.06.2012	Acc	16,395,251	7,879,449	208.08
30.06.2013	Acc	16,874,711	6,853,823	246.21
30.06.2013	R Acc †	190,111	76,947	247.07

† The R share classes were launched on 03 December 2012.

Risk Warning

An investment in a unit trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates, which can be favourable or unfavourable.

Prices per Unit

Date	Class of Unit	Buying Price (Pence)	Selling Price (Pence)	Yield (%)
01.07.2013	Acc	246.44	246.22	0.13
	R Acc	247.30	247.07	0.95

Fund Performance

The performance of the fund is shown in the Fund Manager’s Report.

Net Asset Value per Unit and Comparative Tables (continued)

Ongoing charges figure	**30.06.13**	**30.06.12**
	%	**%**
Annual Management Charge	1.475	1.475
Other expenses	0.17	0.14
Total Expense Ratio	**1.65**	**1.62**
Synthetic TER	0.73	0.95
Complete OCF	**2.38**	**2.57**
Ongoing charges figure - R Class †		
Annual Management Charge	0.75	-
Other expenses	0.17	-
Total Expense Ratio	**0.92**	-
Synthetic TER	0.73	-
Complete OCF	**1.65**	**-**

† The R share classes were launched on 03 December 2012.

Financial statements

Statement of total return

For the year ended 30 June 2013

	Notes		30.06.13		30.06.12
Income		£	£	£	£
Net capital gains/(losses)	4		2,811,418		(944,740)
Revenue	6	308,750		264,620	
Expenses	7	(278,413)		(287,746)	
Finance costs: Interest	9	(1,151)		(606)	
Net revenue before taxation		29,186		(23,732)	
Taxation	8	1,584		(465)	
Net revenue after taxation			30,770		(24,197)
Total return before distributions			**2,842,188**		**(968,937)**
Finance costs: Distributions	9		(30,765)		-
Change in net assets attributable to unitholders from investment activities			**2,811,423**		**(968,937)**

Statement of change in net assets attributable to unitholders

For the year ended 30 June 2013

		£	£	£	£
Opening net assets attributable to unitholders			16,395,251		20,412,148
Amounts receivable on issue of units		383,932		625,973	
Amounts payable on cancellation of units		(2,545,910)		(3,669,397)	
			(2,161,978)		(3,043,424)
Stamp duty reserve tax	1(f)		(2,750)		(4,536)
Change in net assets attributable to unitholders from investment activities			2,811,423		(968,937)
Retained distribution on accumulation units			22,876		-
Closing net assets attributable to unitholders			**17,064,822**		**16,395,251**

Balance sheet

As at 30 June 2013

	Notes		30.06.13		30.06.12
Assets		**£**	**£**	**£**	**£**
Investment assets			17,106,302		16,393,940
Debtors	10	25,732		67,262	
Cash and bank balances		544,787		257,988	
Total other assets			**570,519**		**325,250**
Total assets			**17,676,821**		**16,719,190**
Liabilities					
Creditors	11	89,262		42,040	
Bank overdrafts		522,737		281,899	
Total other liabilities			**611,999**		**323,939**
Net assets attributable to unitholders			**17,064,822**		**16,395,251**

Notes to the financial statements

As at 30 June 2013

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association in October 2010. No changes to the Net Asset Value of the fund have arisen from the adoption of the SORP.

b) Basis of valuation of investments

The investments are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

c) Foreign exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing middle exchange rates ruling on that date.

d) Revenue

All income allocations and distributions declared by the managers of the underlying funds up to the accounting date are included in Income, net of attributable tax credits. The net allocations which are retained in Income are included in the fund's own income allocation. Bank and other interest receivable is accrued up to the accounting date. Equalisation on distributions received is deducted from the cost of the investment and not included in the fund's income available for distribution.

e) Expenses

The Manager's periodic charge is deducted from Income. All of the other expenses are charged against Income except for costs associated with the purchase and sale of investments which are charged against Capital.

f) Taxation

(i) The fund is treated as a corporate unitholder with respect to its underlying holdings and its income is subject to streaming into franked and unfranked.

(ii) Corporation tax is provided at 20% on income, other than the franked portion of distributions from collective investment schemes, after deduction of expenses.

(iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(iv) Stamp duty reserve tax suffered on surrender of units is deducted from capital.

2 Distribution policy

Income arising from investments accumulates during each accounting period. Surplus income is allocated to unitholders in accordance with the COLL regulations. In order to conduct a controlled dividend flow to unitholders, interim distributions will be made at the Manager's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed in accordance with the COLL regulations.

3 Risk management policies

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors, that arise directly from operations. Derivatives, such as futures or forward foreign exchange contracts, may be utilised for efficient portfolio management purposes.

Political and economic events in the major economies of the world, such as the United States, Japan and the European Union, will influence stock and securities markets worldwide.

The main risks from the fund's holding of financial instruments with the Manager's policy for managing these risks are set out below:

i. **Credit Risk** – The fund may find that collective investment schemes in which it invests fail to settle their debts or deliver the investments purchased on a timely basis.

ii. **Interest Rate Risk** – Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager.

iii. **Foreign Currency Risk** – Although the net assets of the fund are denominated in sterling, a proportion of the fund's investments in collective investment schemes have currency exposure with the effect that the balance sheet and total return can be affected by currency movements.

iv. **Liquidity Risk** – The main liability of the fund is the cancellation of any units that investors want to sell. Securities may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

    Smaller companies by their nature, tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. Shifts in investor sentiment, or the announcement of new price-sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

    The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information and insufficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with the low dealing volumes, can restrict the Manager's ability to execute substantial deals.

v. **Market Price Risk** – Market Price Risk is the risk that the value of the fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. The Market Price Risk arises primarily from uncertainty about the future prices of financial instruments that the fund holds.

    Market Price Risk represents the potential loss the fund may suffer through holding market positions in the face of price movements. This risk is generally regarded as consisting of two elements – Stock Specific Risk and Market Risk. The fund's exposure to Stock Specific Risk is reduced for equities and bonds through the holding of a diversified portfolio in accordance with the investment and borrowing powers set out in the Trust Deed.

vi. **Counterparty Risk** – Transactions in securities entered into by the fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

vii. **Fair Value of Financial Assets and Financial Liabilities** – There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

4 Net capital gains/(losses)

	30.06.13	30.06.12
	£	£
Net gains/(losses) on non-derivative securities	2,811,418	(944,740)
Net capital gains/(losses)	**2,811,418**	**(944,740)**

5 Purchases, sales and transaction charges

	30.06.13	30.06.12
Purchases excluding transaction costs	7,401,585	6,983,274
Stamp duty and other charges	-	6,726
Trustee transaction charges *	80	80
Purchases including transaction costs	**7,401,665**	**6,990,080**
Sales excluding transaction costs	9,784,934	9,396,946
Stamp duty and other charges	(126)	(251)
Trustee transaction charges *	(520)	(320)
Sales net of transaction costs	**9,784,288**	**9,396,375**
Transaction handling charges	**600**	**400**

* These have been deducted in determining net capital gains/(losses)

6 Revenue

	30.06.13	30.06.12
UK franked dividends	293,418	226,677
UK unfranked dividends	1,034	3,262
Rebate of annual management charges	14,298	34,681
Total revenue	**308,750**	**264,620**

7 Expenses

	30.06.13	30.06.12
Payable to the Manager, associates of the Manager and agents of either:		
Manager's periodic charge	249,593	262,115
Payable to the Trustee associates of the Trustee and agents of either:		
Trustee's fee	10,162	10,662
Safe custody	2,916	3,464
	13,078	14,126
Other expenses:		
FCA fee	270	337
Audit fee	7,220	6,705
Registration fees	5,813	6,016
Legal fees	2,439	-
Sundry charges	-	(1,553)
Total expenses	**278,413**	**287,746**

8 Taxation

	30.06.13	30.06.12
	£	£
a) Analysis of the tax charge for the year:		
UK Corporation tax	-	-
Over accrual from prior year	(1,791)	-
Irrecoverable income tax	207	465
Current tax charge (note 8b)	(1,584)	465
Deferred tax (note 8c)	-	-
Total tax charge	**(1,584)**	**465**

b) Factors affecting the tax charge for the year:		
Net revenue before taxation	29,186	(23,732)
Corporation tax at 20%	5,838	(4,747)
Effects of:		
UK dividends	(58,684)	(45,335)
Utilisation of excess management expenses	52,846	50,082
Corporation tax charge	-	-
Irrecoverable income tax	207	465
Current tax charge for the year (note 8a)	**207**	**465**

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current or prior accounting year.

d) Factors that may affect future tax changes

The fund has unutilised management expenses of £1,172,800 (prior year £908,570). The fund does not expect to be able to utilise this in the forseeable future.

9 Finance costs

	30.06.13	30.06.12
	£	£
Distributions		
Final	22,876	-
	22,876	-
Amounts deducted on cancellation of units	9,576	-
Amounts received on issue of units	(1,687)	-
Finance costs: Distribution	30,765	-
Finance costs: Interest	1,151	606
Total finance costs	**31,916**	**606**
Represented by:		
Net revenue after taxation	30,770	-
Balance of revenue carried forward	(5)	-
Finance costs: Distribution	**30,765**	**-**

Details of the distribution per unit are set out at the back of this report.

10 Debtors

	30.06.13	30.06.12
	£	£
Amounts receivable for issue of units	12,000	1,582
Amounts receivable for investment securities sold	-	50,000
Accrued revenue:		
UK franked dividends	10,420	11,652
	10,420	11,652
Other receivables	3,124	3,840
Taxation recoverable	188	188
Total debtors	**25,732**	**67,262**

11 Creditors

	£	£
Amounts payable for cancellation of units	59,076	11,298
Accrued expenses:		
Amounts payable to the Manager, associates and agents:		
Manager's periodic charge	19,086	19,561
Amounts payable to the Trustee, associates and agents:		
Trustee's fees	780	795
Transaction charges	130	90
Safe custody fee	787	598
	1,697	1,483
Other expenses	9,403	7,907
Taxation payable:		
Corporation tax	-	1,791
Total creditors	**89,262**	**42,040**

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date [30.06.12 : £Nil].

13 Related party transactions

Management fees payable to Margetts Fund Management Ltd (the Manager) is disclosed in Note 7 and amounts prepaid and outstanding at the year-end in notes 10 & 11.

The aggregate monies received and paid by the Manager through the issue and cancellation of units is disclosed in the Statement of Change in Unitholders' Net Assets and amounts outstanding in notes 10 & 11.

Trustee and other fees payable to BNY Mellon Trust and Depositary (UK) Limited are also disclosed in note 7 and amounts prepaid and outstanding at the year-end in notes 10 & 11.

The net cash balances on deposit with The Bank of New York Mellon (an associated company of BNY Mellon Trust and Depositary (UK) Limited) at the balance sheet date were £22,050 [30.06.12 : (£23,911)]. Net interest paid was £1,151 [30.06.12 : £606].

All other amounts paid to, or received from, the related parties, together with the outstanding balances are disclosed in the financial statements.

14 Post balance sheet events

As at 10 October 2013, there were no material post balance sheet events which have a bearing on the understanding of the financial statements.

15 Risk disclosures – interest risk

Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager. The table below shows the Interest Rate Risk profile at the balance sheet date:

	30.06.13	**30.06.12**
	£	**£**
Floating rate assets (pounds sterling):	544,787	257,988
Floating rate liabilities (pounds sterling):	(522,737)	(281,899)
Assets on which interest is not paid (pounds sterling):	17,132,034	16,461,202
Liabilities on which interest is not paid (pounds sterling):	(89,262)	(42,040)
Net Assets	**17,064,822**	**16,395,251**

The floating rate financial assets and liabilities comprise bank balances, which earn or pay interest at rates linked to the UK base rate.

There are no material amounts of non-interest bearing financial assets and liabilities, other than collective investment schemes, which do not have maturity dates.

Distribution table

For the year ended 30 June 2013 – in pence per unit

Final
Group 1 – units purchased prior to 01 January 2013
Group 2 – units purchased on or after 01 January 2013

Accumulation Units

Units	Net Income	Equalisation	Allocating 31.08.13	Allocated 31.08.12
Group 1	0.3206	-	0.3206	-
Group 2	-	0.3206	0.3206	-

R Accumulation Units

Units	Net Income	Equalisation	Allocating 31.08.13	Allocated 31.08.12
Group 1	1.1729	-	1.1729	-
Group 2	-	1.1729	1.1729	-

Equalisation only applies to units purchased during the distribution period (group 2 units). It represents the accrued income included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the units for capital gains tax purposes.

General information

Valuation Point
The Valuation Point of the fund is 8.30am on each business day. Valuations may be made at other times with the Trustee's approval.

Buying and Selling of Units
The Manager will accept orders to buy or sell units on normal business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell units may be made either in writing to: Margetts Fund Management Ltd, PO Box 23705, Edinburgh EH7 5NJ or by telephone on 0845 607 6808. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Prices
The most recent bid prices of units are published on the Margetts website at www.margettsfundmanagement.com. The associated cancellation price is available on request from the Manager.

Other Information
The Trust Deed, Prospectus, Key Features Document and the latest annual and interim reports may be inspected at the offices of the Manager, with a copy available, free of charge, on written request.

The register of unitholders can be inspected by unitholders during normal business hours at the offices of the Administrator.

Unitholders who have any complaints about the operation of the fund should contact the Manager or the Trustee in the first instance. In the event that a unitholder finds the response unsatisfactory, they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

The prospectus has been updated to state that The Bank of New York Mellon's charges for transfer agency services are now subject to annual inflationary increases, capped at 3% per annum.

The prospectus has been amended to include the minimum initial and subsequent investment amount of £100 for regular savers.

Data Protection Act
Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties, to inform investors of other products by sending details of such products. Unitholders who do not want to receive such details should write to the Manager, requesting their removal from any such mailing list.