BLACKROCK GREATER EUROPE INVESTMENT TRUST PLC

ANNUAL REPORT
31 AUGUST 2013

BLACKROCK®

The Company's objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe.

The Company will have the flexibility to invest in any country included in the FTSE World Europe ex UK Index, as well as the freedom to invest in developing countries not included in the Index but considered by the Manager and the Directors as part of greater Europe.

aic
The Association of
Investment Companies
A MEMBER OF THE ASSOCIATION OF
INVESTMENT COMPANIES

Details about the Company are available on the BlackRock Investment Management (UK) Limited website at www.blackrock.co.uk/brge

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Performance Record

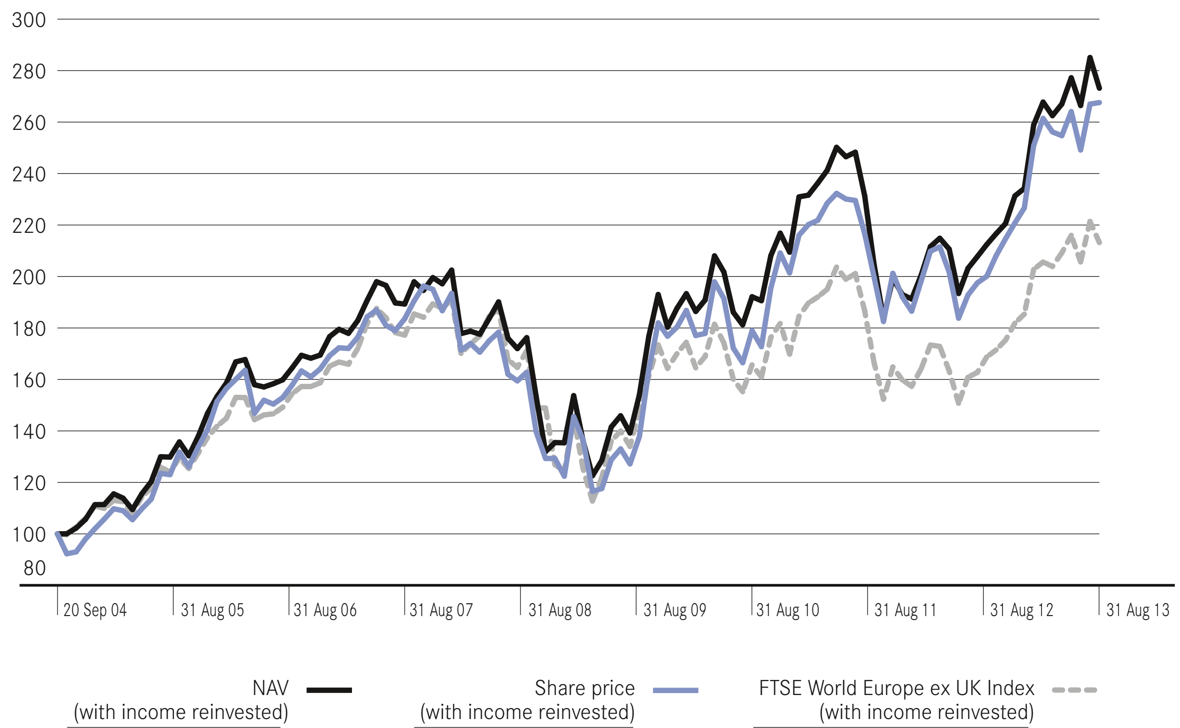
Financial Highlights

Attributable to ordinary shareholders	31 August 2013	31 August 2012	Change %
Assets			
Net asset value per ordinary share – undiluted	234.49p	186.19p	+25.9
– with income reinvested**			+28.7
Net asset value per ordinary share – diluted	234.23p	185.67p	+26.2
– with income reinvested**			+29.0
Net assets (£'000)	254,941	223,041	+14.3*
Ordinary share price (mid-market)	228.75p	175.00p	+30.7
– with income reinvested**			+33.7
2010 Subscription share price (mid-market)	n/a	2.00p	–
2013 Subscription share price (mid-market)	23.38p	n/a	–

	For the year ended 31 August 2013	For the year ended 31 August 2012	Change %
Revenue			
Net revenue return after taxation (£'000)	7,295	5,984	+21.9
Revenue return per ordinary share – basic and diluted	6.32p	5.52p	+14.5
Dividend per share	4.50p+	4.20p	+7.1

* The change in net assets reflects the two tender offers which were implemented in the year, market movements and exercise of subscription shares.
** Net asset value and share price performance includes the dividend reinvestment.
+ Excluding a special dividend of 1.00p per share.

Performance since launch on 20 September 2004 to 31 August 2013



Sources: BlackRock and DataStream.
Total return performance record in Sterling terms, rebased to 100 at 20 September 2004.

Chairman's Statement

Overview

Equity markets performed well for most of the year under review. In the Eurozone, the provision of additional liquidity from the European Central Bank and the two Long-Term Refinancing Operations helped to calm markets. In addition, the European Central Bank's Outright Monetary Transactions programme, announced by Mario Draghi in September 2012 against the backdrop of renewed concerns over a possible disintegration of the Euro, has also been effective in stabilising financial markets.

Against this background, I am pleased to report that in the year ended 31 August 2013 the Company's undiluted net asset value (NAV) per share returned 28.7%, compared with a return of 26.3% in the FTSE World Europe ex UK Index. The Company's share price returned 33.7% over the same period. All percentages are calculated in Sterling terms with income reinvested.

Since the year end, the Company's undiluted NAV per share has increased by 7.2% compared with a rise in the FTSE World Europe ex UK Index of 7.8% over the same period.

Revenue return and dividends

The Company's revenue return for the year amounted to 6.32p per share compared with 5.52p for the previous year. The Directors are recommending the payment of a final dividend of 4.50p per share (2012: 4.20p) and have declared a special dividend of 1.00p per share (2012: nil). The dividends will be paid on 13 December 2013 to shareholders on the Company's register on 1 November 2013; the ex dividend date is 30 October 2013.

Tender offers

The Directors exercised their discretion to operate the half yearly tender offer on 31 May 2013. The offer was for up to 20% of the shares in issue (excluding treasury shares) at the prevailing NAV less 2%. Valid tenders for 7,636,639 shares were received at a price of 232.56p per share, representing 6.56% of the shares in issue, excluding treasury shares. All shares tendered in May were repurchased by the Company and cancelled. In addition, 333,946 shares previously held in treasury were cancelled to maintain the 5% limit on treasury shares which has been determined by the Board.

It was announced on 23 September 2013 that the next semi-annual tender offer will take place on 2 December 2013 being the succeeding business day to 30 November 2013, for up to 20% of the shares in issue (excluding treasury shares) at the prevailing fully diluted NAV per share subject to a discount of 2%. A Circular relating to the tender offer is enclosed with this Annual Report or will be available on the BlackRock Investment Management website at www.blackrock.co.uk/brge and in hard copy on request from the Company's registered office c/o The Secretary, BlackRock Greater Europe Investment Trust plc, 12 Throgmorton Avenue, London EC2N 2DL.

A resolution for the renewal of the Company's semi-annual tender authority will be put to shareholders at the forthcoming Annual General Meeting.

Subscription shares

The subscription share rights in respect of the remaining 22,330,058 subscription shares issued in 2010 lapsed on 14 November 2012.

The Company has issued a total of 70,495 ordinary shares following the first conversion of the 2013 subscription shares. Total proceeds amounted to £164,000. The Company currently has 108,719,211 ordinary shares (excluding treasury shares) and 23,184,318 subscription shares in issue.

Subscription shares are exercisable quarterly on the last business day of January, April, July and October between and including the last business day in July 2013 and the last business day in April 2016, after which the subscription share rights will lapse. Between July 2013 and April 2014 the subscription price is 233p per ordinary share and thereafter until April 2016, 248p per ordinary share.

Board of Directors

After serving as Chairman since the incorporation of the Company in 2004, I will step down from the Board following the forthcoming Annual General Meeting. Carol Ferguson, who is currently Chairman of the Audit and Management Engagement Committee, will replace me as Chairman, and Eric Sanderson will become Chairman of the Audit and Management Engagement Committee.

Alternative Investment Fund Managers' Directive

The Alternative Investment Fund Managers' Directive (the Directive) is a European directive which seeks to reduce potential systemic risk by regulating alternative investment fund managers (AIFMs). AIFMs are responsible for investment products that fall within the category of Alternative Investment Funds (AIFs) and investment trusts are included in this. The Directive was implemented with effect from 22 July 2013 although it has been confirmed that the Financial Conduct Authority will permit a transitional period of one year within which UK AIFMs must seek authorisation. The Board is currently taking independent advice on the consequences for the Company and has decided in principle that BlackRock will be appointed as it's AIFM in advance of the end of the transitional period on 22 July 2014.

Annual General Meeting

The Annual General Meeting of the Company will be held at 12.00 noon at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 4 December 2013. We hope that as many shareholders as possible will attend.

Details of the business of the meeting are set out in the Notice of Meeting on pages 54 to 57 of this Annual Report. The Portfolio Managers will make a presentation to shareholders on the Company's performance and the outlook for the year ahead.

Outlook

The outlook for global economic growth currently appears patchy with the possibility of a slowdown in some emerging markets. However, there has been growing evidence that the Eurozone economy, taken as a whole, is no longer contracting. There is some optimism that the new approach, providing forward guidance on the likely course of future interest rates adopted by both the European Central Bank and the Bank of England, may eventually encourage more corporate investment. Accordingly, we believe that many of the headwinds evident in recent years are subsiding and that European equities will see further support from the continuing shift in investors' allocations towards Europe.

John Walker-Haworth
21 October 2013

Investment Manager's Report

Overview

The Company's share price and underlying NAV both saw strong returns over the twelve months to 31 August 2013. The Company's share price returned 33.7% and the undiluted NAV returned 28.7%. By way of comparison, the FTSE World Europe ex UK Index returned 26.3% during the same period. All percentages are calculated in Sterling terms with income reinvested.

The period saw ten continuous months of positive returns before a reversal in June 2013. At the beginning of the year, Mario Draghi had made it clear that the European Central Bank (ECB) would, within its mandate, do, 'whatever it takes' to save the Euro, and this squarely addressed the potential break-up risk of the single currency. German attitudes towards European support for the weaker nations softened and the German Constitutional Court ratified further support measures to assist any ailing Eurozone country, an important (if broadly expected) step. This led the way for the market to rally through the remainder of 2012 and into 2013. Nonetheless, a number of risks remained on the horizon including the prospect of political stalemate after the Italian election and worries surrounding a bailout for Cyprus. As these were generally resolved in the second quarter, European equities advanced as investors decided that the risk of financial dislocation had subsided.

However, a speech by US Federal Reserve Chairman Ben Bernanke caused further market jitters in June as he floated the possibility that central bank support for the U.S. economy via its bond purchasing programme could start to 'taper off' which led to a sharp, albeit temporary, retrenchment in markets. The market rebounded quickly as it anticipated a potential recovery and the Eurozone Purchasing Managers' Index, a measure of economic activity, moved above 50 for the first time in two years, signalling expansion. Despite the equity market gains, corporate earnings were on the whole disappointing in Europe but investors chose to ignore the recent past, opting instead to look forward to potential improvement towards the end of 2013.

Portfolio activity

During the year the Company benefited from both good sector allocation and stock selection. At a sector level the decision to have lower weightings in the telecommunications and utilities sectors proved successful. However, a lower weighting in the financial sector hindered performance as it was one of the best performing sectors in the market, rallying strongly throughout the period and benefiting especially from the policy support delivered by the ECB.

At the stock level, positions within consumer services accounted for the largest positive contribution to portfolio performance. In particular, two positions in the short-haul airline sector both delivered strong returns: Irish airline Ryanair enjoyed strong growth, especially in ancillary passenger charges, and the holding in German airline Deutsche Lufthansa also performed well benefiting from a new cost-cutting programme put in place by the management team. Within consumer goods, Swiss luxury goods company Compagnie Financière Richemont performed well after reporting further strong organic growth despite fears of a slowdown in consumption growth in key emerging markets.

Another area of strong performance was the auto sector where tyre and auto part manufacturer Continental and French car manufacturer Renault added to returns. The latter benefited from the pick-up in domestic European economies, with the former continuing to innovate and grow ahead of the competition within its auto parts business.

The largest detractor from performance was chemical company Lanxess. After several quarters of low volumes in tyre sales which led to pressure on pricing they downgraded their profit outlook causing a significant sell-off. Another negative contributor was insulin manufacturer Novo Nordisk whose share price fell after one of their key drugs had to undergo further trials before being approved in the U.S. Although this was a significant setback to the company, we still have strong conviction in their ability to grow earnings in the medium to long term. The oil & gas sector was the largest detractor from returns. Specifically, positions in oil services companies Technip and Saipem underperformed.

At the end of the year the portfolio was particularly weighted towards the technology, consumer services and health care sectors. Within technology the portfolio is focused on companies with unique products in markets with high barriers to entry and the potential to dominate their chosen market. Within consumer services the focus has moved more towards companies with exposure to the domestic European economy where we see a significant potential for growth. Within health care the portfolio's focus continues to be on the larger pharmaceutical companies that have strong product offerings, good pricing power and the ability to grow earnings over the coming years. The portfolio continues to have lower market exposure to the utilities, telecoms and oil & gas sectors.

Emerging Europe underperformed Developed Europe during the period as Developed Europe began to recover from the challenges presented by both political and economic problems in the region. In light of this, we took a selective approach to investing in Emerging Europe during the year. The Company had an average allocation of 7% of NAV to companies in Emerging Europe, with positions in Russia, Hungary and Ukraine. Holdings in Russian internet search leader Yandex and telecom Mobile Telesystems added value whilst the position in Russian financial, Sberbank, was a notable detractor. Looking forward, we expect the region to benefit from a wider European recovery and believe that valuations are attractive with the region trading at a discount to developed Europe.

Outlook

The outlook in our view remains positive for the remainder of 2013 and into 2014. Supportive monetary policies, recovering economic momentum and a relatively stable political backdrop all provide a reassuring environment for European equities. This should also help create an environment in which further reforms in the Eurozone can take place. We expect that European equities will continue to be supported by additional allocations from international investors as the evidence of an improving macroeconomic environment gathers pace.

Vincent Devlin and Sam Vecht
BlackRock Investment Management (UK) Limited
21 October 2013

Ten Largest Investments

31 August 2013

Roche – 6.1% (2012: 4.9%) is a Swiss pharmaceuticals and diagnostics company with global exposure. Roche has gone through a strong period of growth but has now transitioned to focusing on profitability and improving shareholder returns. Continued cost control combined with a growing and attractive dividend yield and a strong pipeline of drugs coming to market make this an attractive investment case.

Anheuser-Busch InBev – 3.5% (2012: 2.2%) is the largest brewer in the world. The company offers strong free cash flow generation and best-in-class profitability, especially following its recent acquisition of Grupo Modelo. The company also benefits from its scale and has the potential to improve its market share position in key markets moving into 2014/2015.

Continental – 3.4% (2012: 1.9%) is a German auto supplier. We believe it is one of the highest quality large cap auto-related stocks in Europe and is able to benefit from the 'mega trends' of CO_2 emission reduction and active safety in the global car market. The company is priced at a very attractive valuation given the potential growth rate and could benefit from a rebound in the depressed European car market.

Novo Nordisk – 3.4% (2012: 4.8%) is a Danish pharmaceuticals company and the dominant global franchise in diabetes treatment. The company has high levels of market share in Asia ex-Japan, which is a rapidly growing market for insulin demand, and we believe that the company has significant potential to continue its strong track record of delivering double-digit earnings growth per year for the foreseeable future.

Bayer – 3.3% (2012: nil) is a German company with divisions in health care, nutrition and high-tech materials. The company offers strong growth over the next 3 to 5 years, especially within its pharmaceuticals and crop science businesses fuelled by new products coming to market. The company also trades at a discount to the sector average and offers an attractive free cash flow profile.

SAP – 3.2% (2012: 3.2%) is a German software services business, mainly selling licenses to and providing software solutions for customers. The company offers an attractive growth profile through its new products which can greatly increase the speed of data retrieval and reduce the need for databases, but also offers resilience in more challenging environments through its licensing model.

Sanofi – 3.1% (2012: nil) is a French-based pharmaceutical company. Sanofi discovers, develops and distributes therapeutic solutions focused on patients' needs. Sanofi has attractive exposures through its emerging market business and offers further potential for cost cutting. The stock is currently priced attractively relative to its solid earnings growth profile and healthy dividend yield.

Zurich Insurance Group – 3.0% (2012: 3.8%) is a Swiss-based insurance company. The company is relatively defensive when compared to the broad insurance sector due to its exposure to non-life products and has a resilient balance sheet in our view. The company also offers a high and stable dividend yield paid net of withholding tax and has a solid management team.

Swiss Re – 2.9% (2012: 3.2%) is a Swiss re-insurance business. The attraction of Swiss Re lies in its strong underwriting skills, defensive asset allocation, high dividend yield and more active management of spare capital. The company's solvency ratios based on the Swiss Solvency Test remain strong and Swiss Re has very little exposure to the peripheral European countries in its investment portfolio. We view Swiss Re as a resilient business with an attractive and sustainable dividend yield.

Reed Elsevier – 2.8% (2012: 2.3%) is a provider of professional information solutions, mostly in the scientific and legal fields. Within the media sector, it offers a structurally sound, defensive business model when compared with its peers as well as a solid growth profile and an attractive dividend yield.

All percentages reflect the value of the holding as a percentage of total investments.
Percentages in brackets represent the value of the holding as at 31 August 2012.
Together, the ten largest investments represent 34.7% of the Company's portfolio (31 August 2012: 36.1%).

Investments

31 August 2013

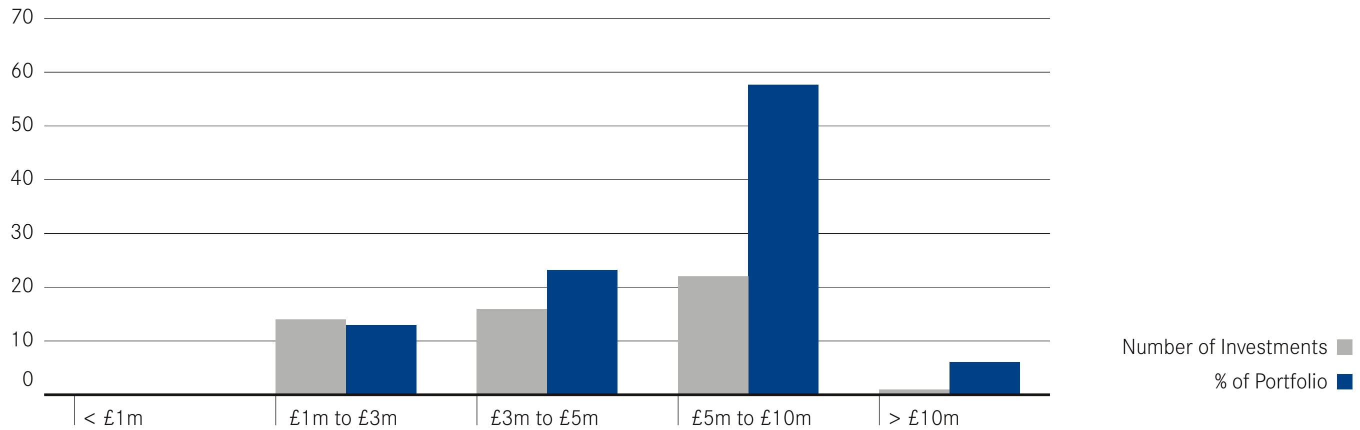
	Country of operation	Market value £'000	% of investments
Financials			
Zurich Insurance Group	Switzerland	8,009	3.0
Swiss Re	Switzerland	7,912	2.9
KBC	Belgium	6,949	2.6
Nordea Bank	Sweden	5,748	2.1
Société Générale	France	5,289	2.0
AXA	France	5,200	1.9
ING	Netherlands	5,048	1.9
Unibail-Rodamco	France	4,102	1.5
Partners Group	Switzerland	3,618	1.3
Commerzbank	Germany	3,388	1.3
Sberbank	Russia	2,850	1.1
GAM	Switzerland	2,559	1.0
OTP Bank	Hungary	2,157	0.8
		62,829	**23.4**
Consumer Goods			
Anheuser-Busch InBev	Belgium	9,323	3.5
Continental	Germany	9,235	3.4
Compagnie Financière Richemont	Switzerland	6,115	2.3
Rémy Cointreau	France	4,788	1.8
LVMH Möet Hennessy Louis Vuitton	France	4,665	1.7
Pernod-Ricard	France	3,948	1.5
Renault	France	2,996	1.1
MHP	Ukraine	1,704	0.6
		42,774	**15.9**
Health Care			
Roche	Switzerland	16,315	6.1
Novo Nordisk	Denmark	9,009	3.4
Sanofi	France	8,463	3.1
Grifols	Spain	3,419	1.3
Chr. Hansen	Denmark	2,238	0.8
		39,444	**14.7**
Industrials			
EADS	Netherlands	7,130	2.7
Rexel	France	6,383	2.4
Deutsche Post	Germany	5,311	2.0
SKF	Sweden	4,635	1.7
Schneider Electric	France	4,153	1.5
Assa Abloy	Sweden	4,031	1.5
Kone	Finland	2,770	1.0
Geberit	Switzerland	2,643	1.0
		37,056	**13.8**

	Country of operation	Market value £'000	% of investments
Consumer Services			
Reed Elsevier	Netherlands	7,501	2.8
Ryanair	Ireland	6,146	2.3
Kering	France	3,469	1.3
Koninklijke Ahold	Netherlands	3,445	1.3
Paddy Power	Ireland	3,078	1.1
Jerónimo Martins	Portugal	2,549	0.9
Inditex	Spain	2,293	0.9
Kuoni Reisen	Switzerland	1,915	0.7
		30,396	**11.3**
Technology			
SAP	Germany	8,555	3.2
ASML	Netherlands	5,540	2.1
Infineon Technologies	Germany	4,518	1.7
Mail.Ru	Russia	4,017	1.5
Yandex	Netherlands	3,237	1.2
Capgemini	France	2,742	1.0
		28,609	**10.7**
Basic Materials			
Bayer	Germany	8,956	3.3
Linde	Germany	5,636	2.1
		14,592	**5.4**
Telecommunications			
Ziggo	Netherlands	7,156	2.7
VimpelCom	Netherlands	2,650	1.0
		9,806	**3.7**
Oil & Gas			
Gazprom	Russia	2,870	1.1
		2,870	**1.1**
Total investments		**268,376**	**100.0**

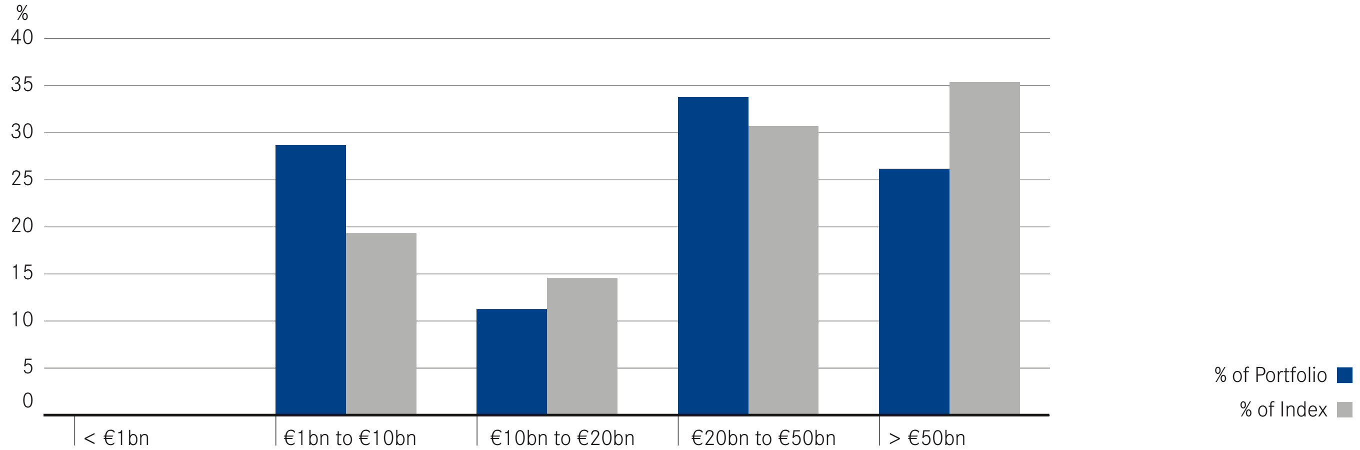
All investments are in ordinary shares. The total number of investments held at 31 August 2013 was 53 (31 August 2012: 46).

Investment Exposure

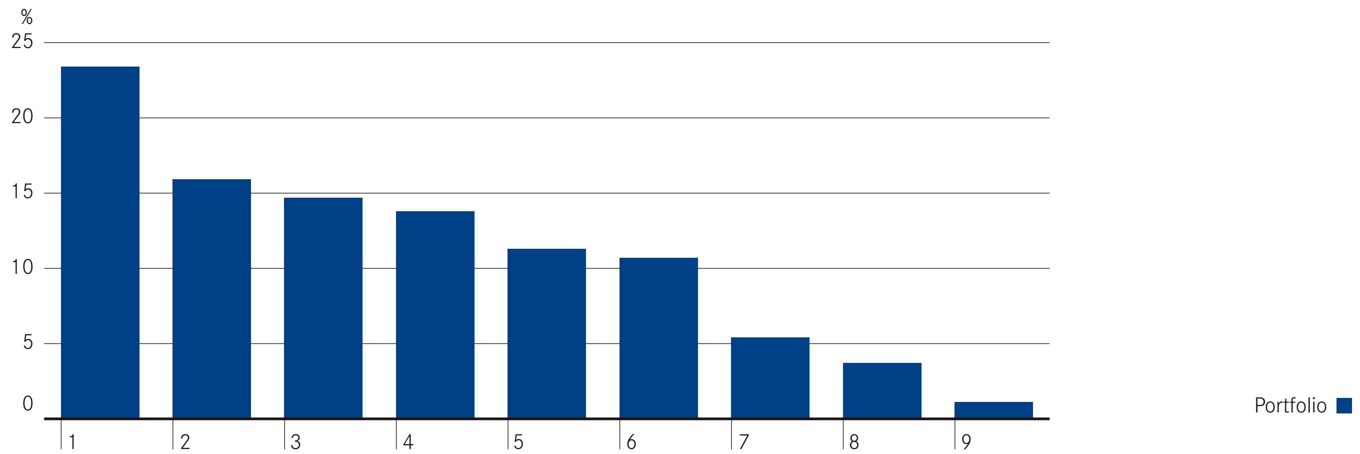
Investment Size as at 31 August 2013



Market Capitalisation as at 31 August 2013



Distribution of Investments as at 31 August 2013



1	Financials	4	Industrials	7	Basic Materials
2	Consumer Goods	5	Consumer Services	8	Telecommunications
3	Health Care	6	Technology	9	Oil & Gas

Source: BlackRock.

Directors

John Walker-Haworth (appointed June 2004) (Chairman)
has over forty years' experience in investment banking and the financial services industry. From 1997 to 2006 he was deputy chairman of the Panel on Takeovers and Mergers.

Carol Ferguson (appointed June 2004)
is the chairman of the Company's Audit and Management Engagement Committee. She is a qualified accountant and has over twenty five years' experience in the investment and financial services industry. She is also a non-executive director of Monks Investment Trust PLC and Standard Life UK Smaller Companies Trust PLC and chairman of Invesco Asia Trust plc. She is also on the board of Vernalis plc.

Gerald Holtham (appointed June 2004)
is managing partner of Cadwyn Capital LLP. From 2000 to 2004 he was the chief investment officer of Morley Fund Management and formerly a global strategist at Norwich Union Investment Management and a managing director at Lehman Brothers, Europe. From 1976 to 1985, he worked at the Organisation for Economic Co-operation and Development (OECD) in Paris, heading the General Economics Division from 1982 to 1985. He is a visiting professor at Cardiff University Business School.

Davina Curling (appointed December 2011)
has over 20 years' experience of investment management most recently as managing director and head of Pan European Equities at Russell Investments. Prior to this she was head of European Equities at F&C, ISIS, Royal & SunAlliance and Nikko Capital Management (UK). She is also a non-executive director of Invesco Income Growth Trust plc.

Eric Sanderson (appointed 1 April 2013)
is a chartered accountant and a banker and was chief executive of British Linen Bank from 1989 to 1997 and a member of the management board of Bank of Scotland in his role as head of group treasury operations from 1997 to 1999. He was also formerly chairman of MyTravel Group PLC, MWB Group Holdings PLC and of Dunedin Fund Managers Limited. He is presently chairman of the Court (Governing Body) of The University of Dundee and a non-executive director of Schroder UK Mid Cap Fund plc.

All the Directors are non-executive and independent of the Investment Manager. The Board as a whole constitutes the Audit and Management Engagement Committee.

Directors' Report

The Directors present the annual report and financial statements of the Company for the year ended 31 August 2013.

Business Review

The following business review is designed to provide information primarily about the Company's business and results for the year ended 31 August 2013. The business review should be read in conjunction with the Chairman's Statement on pages 4 and 5 and the Investment Manager's Report on page 6.

Principal activity

The Company carries on business as an investment trust and its principal activity is portfolio investment.

Status of the Company

In the opinion of the Directors, the Company has conducted its affairs during the year under review, and subsequently, so as to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Company has been treated as approved as an investment trust by HM Revenue & Customs (HMRC) for the year ended 31 August 2012. The Company has also received approval from HMRC on the basis of the application made under Regulation 5 of the Investment Trust (Approved Company) (Tax) Regulations 2011 for investment trust status for accounting periods starting on or after 1 September 2012. This is subject to the Company continuing to meet the eligibility conditions in section 1158 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is registered as an investment company as defined in section 833 of the Companies Act 2006 and operates as such. The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and, as the Directors are non-executive, has no employees.

The Company's shares are eligible for inclusion in the stocks and shares component of an Individual Savings Account.

Objective and investment policy

The Company's objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe. The Company will also have the flexibility to invest in any country included in the FTSE World Europe ex UK Index, as well as the freedom to invest in developing countries not included in the Index but considered by the Investment Manager and the Directors as part of greater Europe.

The Company's policy is that the portfolio should consist of approximately 30-70 securities and the majority of the portfolio will be invested in larger capitalisation companies, being companies with a market capitalisation of over €5 billion. Up to 25% may be invested in companies in developing Europe with the flexibility to invest up to 5% of the portfolio in unquoted investments. However, overall exposure to developing European companies and unquoted investments together will not exceed 25% of the Company's portfolio.

Investment in developing European securities may be either direct or through other funds, including those managed by BlackRock Investment Management (UK) Limited (BlackRock), subject to a maximum of 15% of the portfolio. Direct investment in Russia is limited to 10% of the Company's assets. Investments may also include depositary receipts or similar instruments representing underlying securities.

The Company also has the flexibility to invest up to 20% of the portfolio in debt securities, such as convertible bonds and corporate bonds. The use of any derivative instruments such as financial futures, options and warrants and the entering into of stock lending arrangements will only be for the purposes of efficient portfolio management.

While the Company may hold shares in other investment companies (including investment trusts), the Board has agreed that the Company will not invest more than 15%, in aggregate, of its gross assets in other listed closed-ended investment funds (save to the extent that such closed-ended investment funds have published investment policies to invest no more than 15% of their total assets in such other listed closed-ended investment funds).

The Company achieves an appropriate spread of risk by investing in a diversified portfolio of securities.

Information regarding the Company's investment exposures is contained within the investments listing on pages 8 and 9 and the investment size, market capitalisation and distribution of investments charts on page 10. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

Gearing

The Investment Manager believes that appropriate use of gearing can add value over time. This gearing typically is in the form of an overdraft facility which can be repaid at any time.

The level and benefit of any gearing is discussed and agreed regularly by the Board. The Investment Manager generally aims to be fully invested and it is anticipated that gearing will not exceed 15% of net asset value (NAV) at the time of draw down of the relevant borrowings. At the balance sheet date, net gearing stood at 4.3% of shareholders' funds.

Performance

In the year to 31 August 2013, the Company's undiluted NAV per share returned 28.7% (compared with a return in the FTSE World Europe ex UK Index of 26.3%) and the share price returned 33.7%

(all percentages calculated in Sterling terms with income reinvested).

The Investment Manager's Report on page 6 includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends

The results for the Company are set out in the Income Statement on page 30. The total profit for the year, after taxation, was £62,119,000 (2012: £4,809,000) of which the revenue return amounted to £7,295,000 (2012: £5,984,000).

The Directors recommend the payment of a final dividend of 4.50p (2012: 4.20p) per share and have declared a special dividend of 1.00p (2012: nil) per share. Subject to approval at the forthcoming Annual General Meeting, the dividends will be paid on 13 December 2013 to shareholders on the register of members at the close of business on 1 November 2013.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to help assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out below.

	As at 31 August 2013	As at 31 August 2012
Net asset value per share – undiluted	234.49p	186.19p
Net asset value per share – diluted	234.23p	185.67p
Share price	228.75p	175.00p
Discount to net asset value – undiluted	2.4%	6.0%
Discount to net asset value – diluted	2.3%	5.7%

	Year ended 31 August 2013	Year ended 31 August 2012
Revenue return per share – undiluted	6.32p	5.52p
Ongoing charges*	0.9%	0.9%

* Ongoing charges (excluding interest costs and performance fees, after any relief for taxation) as a % of average shareholders' funds.

The Board monitors the above KPIs on a regular basis. Additionally, it regularly reviews a number of indices and ratios to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. The Board also assesses the Company's performance against its peer group of investment trusts with similar investment objectives.

The Directors recognise that it is in the long term interests of shareholders that shares do not trade at a significant discount to their prevailing NAV. The Board believes this may be achieved through the use of regular tender offers and the use of share buy back powers. In the year to 31 August 2013, the Company's share price to NAV traded in the range of a discount of 0.7% and 7.9% calculated on an undiluted cum income basis (diluted: 0.7% and 7.8% respectively).

Principal risks

The key risks faced by the Company are set out below. The Board regularly reviews and agrees policies for managing each risk, as summarised below.

- Performance risk – The Board is responsible for deciding the investment strategy to fulfil the Company's objective and monitoring the performance of the Investment Manager. An inappropriate strategy may lead to underperformance against the reference index and the Company's peer group. To manage this risk the Investment Manager provides an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio. The Board monitors and mandates an adequate spread of investments, in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy. The Board also receives and reviews regular reports showing an analysis of the Company's performance against the FTSE World Europe ex UK Index and other similar indices. Past performance is not necessarily a guide to future performance and the value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.

- Income/dividend risk – The amount of dividends and future dividend growth will depend on the Company's underlying portfolio. Any change in the tax treatment of the dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by shareholders. The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting.

- Regulatory risk – The Company operates as an investment trust in accordance with the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the sale of its investments. The Investment Manager monitors investment movements, the level of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached and the results are reported to the Board. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are admitted to the Official List, the UKLA

Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules. A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. A breach of the UKLA Listing Rules could result in the Company's shares being suspended from listing, which in turn would breach the requirements of Chapter 4 of Part 24 of the Corporation Tax Act 2010. The Board relies on the services of its professional advisers and its Company Secretary to ensure compliance with all relevant regulations. The Company Secretary has stringent compliance procedures in place and monitors regulatory developments and changes.

- Operational risk – In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems. These have been regularly tested and monitored and an internal controls report, which includes an assessment of risks together with procedures to mitigate such risks, is prepared by the Investment Manager and reviewed by the Audit and Management Engagement Committee at least twice a year. The custodian (the Bank of New York Mellon (International) Limited (BNYM), a subsidiary of the Bank of New York Mellon), BNP Paribas Securities Services (the Fund Accountant) and the Investment Manager also produce regular Service Organisation Reports (SOC1) or AAF 01/06 Reports which are reviewed by their reporting accountants and give assurance regarding the effective operation of controls and are also reviewed by the Audit and Management Engagement Committee.

- Market risk – Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. In addition, it should be noted that emerging markets tend to be more volatile than more established stock markets and therefore present a greater degree of risk. Changes in general economic and market conditions in certain countries, such as interest rates, exchange rates, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts, economic sanctions and other factors can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price. The Board considers asset allocation, stock selection, unquoted investments and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.

- Financial risks – The Company's investment activities expose it to a variety of financial risks that include market risk, currency risk, interest rate risk, market price risk, liquidity risk and credit risk. Further details are disclosed in note 18 on pages 42 to 47 together with a summary of the policies for managing these risks.

- Gearing risk – The Company has the power to borrow money (gearing) and does so when the Investment Manager is confident that market conditions and opportunities exist to enhance investment returns. However, if the investments fall in value, any borrowings will magnify the extent of this loss. All borrowings require the approval of the Board and gearing levels are discussed by the Board and the Investment Manager at each meeting.

- Third party risk – The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third party service providers to perform its executive functions. In particular, the Investment Manager, the Administrator, the Registrar, the Custodian and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. The Company, and where appropriate the Investment Manager, undertake extensive due diligence prior to the appointment of any third party service provider in order to mitigate this risk. Terms of appointment are agreed in advance and service level agreements are put in place with providers to ensure that a high level of service is provided. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to holders of ordinary shares. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to holders of ordinary shares.

Social and community issues
As an investment trust, the Company has no direct social or community responsibilities. However, the Company believes that it is in shareholders' interests to consider environmental, social and governance factors when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on page 26.

Global greenhouse gas emissions for the period 1 September 2012 to 31 August 2013
The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions

producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Future prospects

The Board's main focus is to achieve capital growth. The future performance of the Company is dependent upon the success of the investment strategy and, to a large extent, on the performance of financial markets. The outlook for the Company in the next twelve months is discussed in the Investment Manager's Report on page 6 and the Chairman's Statement on page 5.

Investment management and administration

BlackRock Investment Management (UK) Limited (BlackRock) provides management services to the Company under a contract which is terminable on six months' notice. BlackRock also acted as the Secretary and Administrator of the Company throughout the year. BlackRock receives an annual fee of 0.70% of market value plus a performance fee of 15% of any outperformance of the FTSE World Europe ex UK Index, up to a maximum total investment management fee of 1.15% of Performance Fee Market Value. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee charged is rebated. Performance Fee Market Value is defined as the monthly average market capitalisation of the Company adjusted for dividends declared during the period. Further details are disclosed in note 4 on page 35.

BlackRock is a subsidiary of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm. The PNC Financial Services Group, Inc. has a significant economic interest in BlackRock, Inc. PNC Financial Services Group, Inc. is a U.S. public company.

BNYM is the custodian of the Company's assets. The BNYM fee is payable at rates depending on the number of trades effected and the location of securities held. The custodian agreement is subject to 30 days' notice of termination by either party.

Appointment of the Investment Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board believes that the continuing appointment of the Investment Manager, on the terms disclosed above, is in the interests of all shareholders given their proven track record in successfully investing in Europe.

Change of control

There are no agreements which the Company is party to that might be affected by a change of control of the Company.

Voting policy

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager, whose policy states:

- we intend to vote at all shareholder meetings of companies in which our clients are invested. In cases where there are significant obstacles to voting such as share-blocking or requirements for a power of attorney we will review the resolutions to assess the extent of the restrictions on voting against the potential benefits;
- we will vote in favour of proposals which we expect to enhance shareholder value and on routine issues where we are supportive of a company's management;
- we will vote against proposals which we believe may damage shareholders' rights or economic interests; and
- we will abstain on proposals where we wish to indicate to the company issues over which we have some concerns.

In all situations the economic interests of our clients will be paramount.

Further details of the Investment Manager's Proxy Voting and Engagement Principles may be found at www.blackrock.com/corporate/en-gb/about-us.

During the year, the Investment Manager voted at 50 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 30 management resolutions and abstained from 3. Most of the votes against were in respect of resolutions to approve the remuneration report, particularly in relation to executive remuneration packages where there was no clear link between pay and performance, board composition where there was a perceived lack of independence, or capital raising requests which did not preserve the pre-emptive rights of existing shareholders. A total of 734 proposals were voted on during this period.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company is able to meet all of its liabilities from its assets and income generated from these assets and the ongoing charges are approximately 0.9% of net assets.

Directors' Report continued

Directors

The Directors of the Company on 31 August 2013, and their interests in the shares of the Company, are shown in the table below.

	31 August 2013 Ordinary Shares	1 September 2012 Ordinary Shares
J L Walker-Haworth	40,718	33,932
C C Ferguson	48,000	40,000
D C Curling	–	–
G H Holtham	11,100	11,100
E F Sanderson*	–	n/a

	31 August 2013 Subscription Shares	1 September 2012 Subscription Shares
J L Walker-Haworth	8,143	6,786
C C Ferguson	9,600	8,000
D C Curling	–	–
G H Holtham	2,220	1,620
E F Sanderson*	–	n/a

* Appointed to the Board on 1 April 2013.

All of the holdings of the Directors are beneficial. No changes to these holdings had been notified up to the date of this report.

Directors' retirements are subject to the Articles of Association and the UK Corporate Governance Code. The Company's Articles of Association provide that one third of Directors retire by rotation each year and that each Director shall retire and offer himself/herself for re-election at intervals of no more than three years. The Board may also appoint Directors to the Board but any Director so appointed must stand for election by the shareholders at the next Annual General Meeting in accordance with the Articles of Association. Under the UK Corporate Governance Code, Directors are also required to retire if they have served more than nine years on the Board, but then may offer themselves for annual re-election.

In accordance with the Company's Articles of Association, Mr Walker-Haworth will retire by rotation at the Annual General Meeting but will not be seeking re-election. Mr Sanderson, who was appointed as a Director on 1 April 2013, will also retire and offer himself for election. Having served over nine years, Ms Ferguson and Mr Holtham will retire and offer themselves for re-election.

The Board has considered the continued appointment of Ms Ferguson and Mr Holtham who have served over nine years. The Board's view is that length of tenure does not compromise independence and that experience can add strength to a Board. The Board is conscious of the need to maintain continuity on the Board and believes retaining Directors with sufficient experience of both the Company and the markets is of great benefit to shareholders.

The Board believes that the performance of Ms Ferguson, Mr Holtham and Mr Sanderson continues to be effective and that they demonstrate a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. The Board, having considered the retiring Directors' performance within the annual Board performance evaluation process, hereby recommends that shareholders vote in favour of each Director's proposed re-election.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors has a service contract with the Company. No Director is entitled to compensation for loss of office on the takeover of the Company.

Directors' indemnity

In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour. The Company has entered into Deeds of Indemnity with Directors individually which are available for inspection at the Company's registered office and will also be available at the Annual General Meeting.

Conflicts of interest

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors notified the Company Secretary of any situations where they considered that they had a direct or indirect interest, or duty that conflicted, or possibly conflicted, with the interests of the Company. All such situations were reviewed by the Board and duly authorised. Directors were also made aware that there remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. It is the Board's intention to review all notified situations on an annual basis.

Directors' Remuneration Report

The Directors' Remuneration Report is set out on pages 21 and 22. An ordinary resolution to approve this report will be put to members at the forthcoming Annual General Meeting.

Substantial share interests

As at 31 August 2013, the Company had received notification of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital.

	Number of Ordinary Shares	% of Issued Share Capital
BlackRock Investment Management (UK) Limited*	26,590,070	24.5

* 23.1% held through the BlackRock Investment Trust Savings Plan and ISA.

	Number of Subscription Shares	Combined % of Ordinary Share Capital
BlackRock Investment Management (UK) Limited	5,420,971	29.4

As at 15 October 2013, the Company had received notification of the following interests.

	Number of Ordinary Shares	% of Issued Share Capital
BlackRock Investment Management (UK) Limited*	26,323,500	24.2

* 22.9% held through the BlackRock Investment Trust Savings Plan and ISA.

	Number of Subscription Shares	Combined % of Ordinary Share Capital
BlackRock Investment Management (UK) Limited	5,385,964	29.2

No other shareholder had notified an interest of 3% or more in the Company's shares up to 15 October 2013.

Donations

The Company made no political or charitable donations during the year.

Payment of suppliers

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. Suppliers of goods and services are generally paid within 30 days of the date of any invoice. The Company has no trade creditors.

Share capital

Full details of the Company's share capital are given in note 15 on page 41. Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 57. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of the ordinary or subscription shares. The subscription shares do not have any voting rights or the right to receive dividends. There are no shares which carry specific rights with regard to the control of the Company.

As at 31 August 2013, the Company had 108,719,211 ordinary shares (excluding 5,718,353 treasury shares) and 23,184,318 subscription shares in issue.

Tender offers

The Directors exercised their discretion to operate the half yearly tender offers on 30 November 2012 and 31 May 2013 and on each occasion the Company offered to repurchase up to 20% of its issued ordinary shares (excluding treasury shares). Both tender offers were undersubscribed with 4,661,723 shares (3.85% of the ordinary shares in issue excluding treasury shares) and 7,636,639 shares (6.56%) being tendered in November and May respectively. The tender price calculated as at close of business on 30 November 2012, the calculation date, was 194.76p per share and the price on 31 May 2013 was 232.56p per share. In aggregate, 12,298,362 ordinary shares were bought back with a nominal value of £12,298 at a cost of £27,464,000 including expenses.

The Directors have decided to exercise their discretion to implement a further tender offer subject to a maximum 20% in aggregate of the shares in issue (excluding treasury shares). The tender offer NAV will be calculated at 2 December 2013, being the succeeding business day to 30 November 2013, and will be for 98% of the net asset value per share. Full details of the tender offer and the procedure for tendering shares are contained in the Circular to shareholders dated 31 October 2013.

The current tender offer authority will expire on 31 January 2014 and the Directors are proposing that their authority to make further regular tender offers be renewed at the forthcoming Annual General Meeting.

Share repurchases

No ordinary shares were purchased during the period, other than in respect of the tender offers. The latest authority to repurchase ordinary shares was granted to Directors on 29 November 2012 and expires at the conclusion of the Annual General Meeting on 4 December 2013. The Directors considered that it was unnecessary to buy back any shares as there was demand for the Company's ordinary shares in the market and any discount at which the shares traded to their underlying net asset value remained narrow and compared favourably with those of its peer group. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

The main objective of any buy back is to enhance the NAV per share of the remaining shares and to reduce the absolute level and volatility of any discount to NAV at which shares may trade. Although the Investment Manager initiates the buy backs, the policy and parameters are set by the Board and reviewed at regular intervals. The Company intends to raise the cash needed to finance the purchase of shares either by selling securities in the Company's portfolio or by short term borrowing.

The Board also aims to use the buy back powers to make market purchases of subscription shares for cancellation.

Subscription shares

The latest authority to purchase subscription shares for cancellation was granted to Directors on 18 April 2013 and expires at the conclusion of the Annual General Meeting in 2013. The Directors are proposing that their authorities to buy back subscription shares for cancellation be renewed at the forthcoming Annual General Meeting.

From 1 September 2012 to 31 August 2013, a total of 1,224,450 subscription shares were exercised into ordinary shares raising proceeds of £2,276,000. 1,153,955 ordinary shares were issued at a price of 183p per share following the final conversion of the 2010 subscription shares and 70,495 ordinary shares were issued at 233p per share following the initial conversion of the 2013 subscription shares.

Treasury shares

At the 2012 Annual General Meeting the Company was authorised to repurchase ordinary shares into treasury for reissue or cancellation at a future date. Following the 30 November 2012 tender offer, the ordinary shares purchased were placed in treasury. All shares tendered following the 31 May 2013 tender offer were cancelled. In addition, 333,946 shares previously held in treasury were cancelled to maintain the 5% limit on treasury shares which has been determined by the Board.

A resolution to renew the authority to reissue ordinary shares from treasury will again be put to shareholders at the forthcoming Annual General Meeting. Both the repurchase for cancellation and the use of treasury shares should assist the Investment Manager in the objective of providing a discount management mechanism and enhancing the NAV of the Company's shares. This will provide the Directors with additional flexibility to manage the Company's investment portfolio. The Directors have determined the following policies in respect of the Investment Manager's discretion in the use of treasury shares.

The Investment Manager will not repurchase shares into treasury through the tender offers at a discount to NAV of less than 2% on the date of purchase. The Board has determined that the number of treasury shares that may be held for reissue at any one time will be limited to 5% of the ordinary shares in issue at such time. Treasury shares will only be reissued at a lesser discount to NAV than that at which they were acquired and in addition at a price which is not less than the market bid price at the time of sale. This ensures that the combined purchase of shares into treasury and subsequent sale of shares out of treasury is NAV enhancing on the roundtrip. The Directors will still have the discretion to issue shares out of treasury at a price in excess of the NAV per share if it determines that this is in the interests of shareholders.

Articles of Association

Any amendments to the Company's Articles of Association must be made by special resolution.

Annual General Meeting

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents (but not the personalised Form of Proxy or Form of Direction) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 9 Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £5,435 which is equivalent to 5,435,960 ordinary shares of 0.1p each and represents 5% of the current issued ordinary share capital excluding treasury shares. The Directors will use this authority when it is in the best interests of the Company to issue shares for cash. This authority will expire at the conclusion of next year's Annual General Meeting, unless renewed prior to that date at an earlier general meeting.

Resolution 10 Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 10 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £5,435 which is equivalent to 5,435,960 ordinary shares of 0.1p each and represents 5% of the Company's issued ordinary share capital excluding treasury shares at the date of this notice. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2014.

Resolution 11 Authority to buy back ordinary shares
The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own ordinary shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

Under the Listing Rules of the Financial Conduct Authority, the maximum price payable by the Company for each ordinary share is the higher of (i)105% of the average of the middle market quotations of the ordinary shares for the five dealing days prior to the date of the market purchase and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2233/2003). The Directors are seeking authority to purchase up to 16,297,009 ordinary shares (being 14.99% of the ordinary shares in issue at the date of this report) or, if less, 14.99% of the ordinary shares at 4 December 2013. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting.

Resolution 12 Authority to buy back subscription shares
Resolution 12 will seek shareholder approval to renew the authority granted to Directors on 18 April 2013 enabling the Company to purchase its own subscription shares. Purchases of subscription shares will be made at the discretion of the Board and will only be made when market conditions are considered by the Board to be appropriate.

The purchases of subscription shares will only be made through the market in accordance with the Listing Rules of the Financial Conduct Authority. The maximum price payable by the Company for each subscription share is the higher of (i)105% of the average of the middle market quotations of the subscription shares for the five dealing days prior to the date of the market purchase and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2233/2003). The Directors are seeking authority to purchase up to 3,475,329 subscription shares (being 14.99% of the subscription shares in issue at the date of this report) or, if less, 14.99% of the subscription shares at 4 December 2013. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the Annual General Meeting in 2014.

Resolutions 13 and 14 Regular tender offers
Resolutions 13 and 14 seek shareholder approval to renew the authorities to operate the semi-annual tender offers in accordance with the terms and conditions of the Company's regular tender offers. The Directors are seeking authority to purchase up to a maximum of 20% of the ordinary shares in issue at each relevant tender offer date. The authorities, if renewed, will expire on 31 July 2014 and 31 January 2015.

Resolution 15 Changes to the Company's Articles
Regulations implementing the Alternative Investment Fund Managers Directive (the AIFMD Regulations) came into force in the UK on 22 July 2013. The Board is proposing to make amendments to the Company's Articles of Association (the Articles) in response to the AIFMD Regulations coming into force.

The principal changes proposed to be introduced in the Articles, and their effect, are set out below.

(i) The Articles will now provide that the net asset value of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

(ii) The Articles will now provide that the Company's annual report and accounts may be prepared either in accordance with generally acceptable accounting principles of the UK or such other international accounting standards as may be permitted under the law of the UK. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFMD Regulations.

(iii) The AIFMD Regulations require that prior to any new or existing investor making an investment in the Company certain prescribed information is to be made available to them. Therefore, the Articles will include language with the effect that such information shall be made available to prospective and existing shareholders from time to time in such manner as may be determined by the Board (including, in certain cases, on the Company's website or by electronic notice).

(iv) The AIFMD Regulations require that the Company has a depositary. Under the AIFMD Regulations, the depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. This rule applies even where the depositary has delegated the actual custody of an asset to another entity. The Company may wish to hold assets in a country where the depositary is required by local law to use a local sub-custodian to hold the relevant asset. The depositary may not wish the Company to acquire or retain such an asset, unless it can discharge its strict liability to the local sub-custodian. A discharge of strict liability in these circumstances will only be possible if the Company's 'rules or instruments of incorporation' (for example, the Articles) permit such a discharge. The Board is cognisant that situations may arise where allowing the depositary to discharge its strict liability will be commercially necessary. An amendment to the Articles is therefore proposed with the effect of enabling the

Board, should the need arise and subject to applicable laws, to allow a depositary to discharge its strict liability for loss of certain of the Company's assets. This proposed amendment provides the Company with commercial flexibility and the Board will exercise its discretion in the usual way in determining whether or not to provide such a discharge.

(v) In line with early guidance from the Financial Conduct Authority, the Articles will now provide that valuation of the Company's assets shall be performed in accordance with prevailing accounting standards.

The full terms of the proposed amendments to the Articles will be available for inspection from the date of this Annual Report until the close of the forthcoming Annual General Meeting at 12 Throgmorton Avenue, London EC2N 2DL. The full terms of the proposed amendments to the Articles will also be available for inspection at the place of the forthcoming Annual General Meeting for at least 15 minutes before and during that Annual General Meeting.

Recommendation:
The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Corporate Governance
Full details are given in the Corporate Governance Statement on pages 23 to 27. The Corporate Governance Statement forms part of this Directors' Report.

Audit information
As required by section 418 of the Companies Act 2006 the Directors who held office at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
The auditor, Ernst & Young LLP, has indicated its willingness to continue in office and resolutions proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be submitted at the Annual General Meeting.

By order of the Board
BlackRock Investment Management (UK) Limited
Secretary
21 October 2013

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 August 2013 which has been prepared in accordance with the requirements of sections 420-422 of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to members at the forthcoming Annual General Meeting.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in its report on page 29.

Remuneration Committee

The Board as a whole fulfils the function of the Remuneration Committee, which meets when necessary to consider any change in the Directors' remuneration policy. The Board is of the opinion that a Remuneration Committee is not appropriate for a Company of this size and nature and a separate Committee has therefore not been established. The Company has no employees. The Company's Directors, all of whom are non-executive, are independent of the Investment Manager.

Remuneration policy

The Board's policy is that fees payable to Directors should reflect the time spent by them on the Company's affairs, the responsibilities borne by the Directors and be sufficient to attract candidates or retain individuals of high calibre. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles.

The Secretary provides a comparison of the Directors' remuneration with other investment trusts of a similar size and/or mandate as well as taking into account any data published by the Association of Investment Companies. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary.

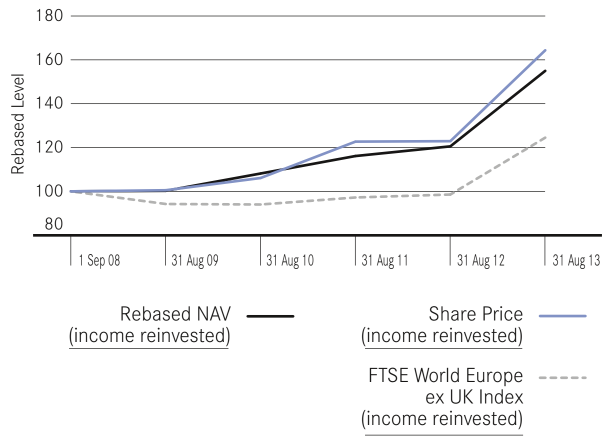
It is the Company's policy that no Director shall be entitled to any performance related remuneration, benefits in kind, long term incentive schemes, share options, pensions or other retirement benefits. Directors are entitled to claim expenses in respect of duties undertaken on behalf of the Company.

It is intended that this policy will continue for the forthcoming year.

Performance

The line graph which follows compares the Company's NAV and share price total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total notional shareholder return on an equivalent investment in the FTSE World Europe ex UK Index. This Index was chosen for comparison purposes as it is the best proxy whereby the success of the Investment Manager's investment decisions may be judged.

Performance from 1 September 2008 to 31 August 2013



Sources: BlackRock and DataStream.
Total return performance record in Sterling terms, rebased to 100.

Remuneration/Service contracts

The maximum remuneration of the Directors is determined within the aggregate limit set out in the Company's Articles of Association which amounts to £200,000 per annum. No element of the Directors' remuneration is performance related. The Company has not awarded any share options or long term performance incentives to any of the Directors.

None of the Directors has a service contract with the Company or receives any non cash benefits or pension entitlements. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Retirement of Directors

All of the Company's Directors are subject to retirement by rotation in accordance with the Company's Articles of Association. Directors are appointed for an initial term covering the period from the date of their appointment until the first Annual General Meeting thereafter, at which time they are required to stand for election in accordance with the Articles of Association. Subsequently, Directors retire by rotation at least every three years. Any Director who is not considered independent of the Investment Manager or who has served on the Board for more than nine years will be subject to annual re-election.

Directors' Remuneration Report continued

Directors' remuneration

Director	2013 £	2012 £
John Walker-Haworth (Chairman)	32,000	30,000
Davina Curling (appointed 1 December 2011)	22,000	15,750
Carol Ferguson*	26,500	25,000
Gerald Holtham	22,000	21,000
Béatrice Philippe (retired 30 November 2011)	n/a	5,250
Eric Sanderson (appointed 1 April 2013)	9,167	n/a
	111,667	97,000

* Including £4,500 (2012: £4,000) as Chairman of the Audit and Management Engagement Committee.

The information in the preceding table has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors.

With effect from 1 September 2013, the remuneration of the Chairman was increased from £32,000 to £33,000, the Chairman of the Audit and Management Engagement Committee from £26,500 to £27,500, and for the other Directors from £22,000 to £23,000. Prior to this increase, the remuneration was last reviewed and increased with effect from 1 September 2012.

Compensation for loss of office

No Director is entitled to compensation for loss of office.

By order of the Board

BlackRock Investment Management (UK) Limited
Secretary
21 October 2013

Corporate Governance Statement

Chairman's introduction

Corporate Governance is the process by which the board of directors of a company looks after shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run our Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing our business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in June 2010. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2013, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

Compliance

The Board has made the appropriate disclosures in this report to ensure the Company meets its continuing obligations. It should be noted that, as an investment trust, most of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees and the Directors are non-executive. Thus, not all of the provisions of the UK Code are directly applicable to the Company.

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout this accounting period, except where explained below, and this statement describes how the relevant principles of governance are applied to the Company.

The Board

Board composition

The Board currently consists of five non-executive Directors, all of whom are independent of the Company's Investment Manager. The provision of the UK Code (A.2.1) which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors. The structure of the Board is such that it is considered unnecessary to identify a Senior Independent Director. The Directors' biographies, on page 11, demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership and proper governance of the Company.

Board independence and tenure

The Board's individual independence, including that of the Chairman, has been considered and confirmed, and this independence allows all the Directors to sit on the Company's various Committees. The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the Investment Manager. The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Directors' appointment, retirement and rotation

In accordance with the Company's Articles of Association, the Directors retire by rotation at every third Annual General Meeting and any Director appointed to the Board since the previous Annual General Meeting is also required to retire and seek election by shareholders. Any Director who is not considered by the Board to be independent of the Investment Manager or who will have served on the Board for more than nine years will be subject to annual re-election.

Having served as Directors for over nine years, Ms Ferguson and Mr Holtham are now subject to annual re-election. The Director retiring by rotation is Mr Walker-Haworth who will not be seeking re-election at the forthcoming Annual General Meeting. Mr Sanderson is standing for election to the Board, having been appointed as a Director during the year. The Board employed the services of an executive search firm to identify potential new directors. A short-list was drawn up and the Board interviewed candidates resulting in the appointment of Mr Sanderson. His appointment was fully debated by all of the Directors.

The Board has considered the positions of Ms Ferguson, Mr Holtham and Mr Sanderson as part of the evaluation process and believes that it would be in the Company's best interests for them to be proposed for re-election or election at the forthcoming Annual General Meeting given their material level of contribution. It is considered that Ms Ferguson and Mr Holtham, who have each served as a Director for over nine years, continue to be independent in both character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

The Directors support a planned and progressive renewing of the Board. The Board's tenure and succession policy seeks to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company, including in terms of time.

Directors' training and induction

When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and his or her duties and responsibilities as a Director. In addition, a new Director will also spend some time with representatives of the Investment Manager whereby he or she will become familiar with the various processes which the Investment Manager considers necessary for the performance of its duties and responsibilities to the Company. The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the auditor and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

Directors' liability insurance

The Company has maintained appropriate Directors' liability insurance cover throughout the year, in respect of legal action against its Directors.

Board's responsibilities

The Board meets at least five times a year and may have additional dedicated meetings to consider strategy and other issues. Between these meetings there is regular contact with the Investment Manager.

The Board is responsible to shareholders for the overall management of the Company. It reserves to itself decisions relating to the determination of investment policy, any change in investment strategy, strategic gearing policy, policy on buy back of shares, whether to hold shares in treasury, and entering into any material contracts. The Board also sets investment parameters, such as the acquisition or disposal of substantial interests and the maximum amount that can be invested in unquoted securities. In addition, changes relating to the Company's capital structure, approval of circulars to shareholders and listing particulars, relevant press releases and any significant change in accounting policies or practices must also be referred to the Board. A formal schedule of matters specifically reserved for decision by the Board has been defined.

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Strategic issues and all operational matters of a material nature are determined by the Board.

The Directors also have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the Directors may seek independent professional advice at the expense of the Company.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act. It is the Board's responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive public reports.

The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Performance evaluation

The Board reviews its performance on a regular basis and an appraisal system has been agreed for the evaluation of the Board, its Committees and the individual Directors, including the Chairman. The annual evaluation for the year ended 31 August 2013 has been carried out. This took the form of written questionnaires and, if appropriate, interviews. The results of these evaluations are issued to and discussed by the Board. The process is considered to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and action is taken on the basis of the results.

Delegation of responsibilities

The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been delegated to the Investment Manager. The Investment Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day to day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. Custody and settlement services are provided by The Bank of New York Mellon (International) Limited (BNYM), a subsidiary of The Bank of New York Mellon.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's voting policy are set out on page 15.

Committees of the Board

Nomination Committee

As the Board is small and comprises only non-executive Directors it fulfils the function of the Nomination Committee which will meet when necessary to select and propose suitable candidates for appointment. When looking for a new Director, the Board will assess the size, balance and profile of the Board as a whole, to identify any areas that need strengthening. The existing Directors will try to identify suitable individuals from their range of contacts, although other sources, including external search consultants, may also be used as required.

Audit and Management Engagement Committee

A separately chaired Audit and Management Engagement Committee has been established and currently consists of all the Directors of the Company. The Board considers that at least one member of the Audit and Management Engagement Committee has sufficient recent and relevant financial experience for it to discharge its function effectively. The Chairman of the Company is a member of the Committee to enable him to be kept fully informed of any issues which may arise. The terms of reference of this Committee are available on request and on the Investment Manager's website at www.blackrock.co.uk/brge under the "Further Literature" section and will also be available at each Annual General Meeting.

The Committee meets at least twice a year and, amongst other things, examines the effectiveness of the control systems. The two planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from the Investment Manager's corporate audit and compliance departments. The Committee does not consider that as an investment trust company it needs to hold an additional meeting, although this is kept under review.

During the year the principal activities of the Audit and Management Engagement Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditor's report thereon;
- reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditor;
- reviewing and recommending to the Board for approval the audit and non-audit fees payable to the external auditor and the terms of their engagement;
- reviewing and approving the external auditor's plan for the following financial year;
- reviewing the appropriateness of the Company's accounting policies;
- ensuring the adequacy of the internal control systems and standards; and
- considering the remuneration of the Investment Manager and reviewing the terms of the investment management agreement.

The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Investment Manager under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

The Committee considers the risks associated with audit firms withdrawing from the market and the relationship with the Company's auditor. The appointment of the auditor is reviewed each year and the audit partner changes at least every five years. There are no contractual obligations that restrict the Committee's choice of auditor.

Non audit service fees of £5,250 (excluding VAT) paid to Ernst & Young LLP, relate to their review of the half yearly financial statements. The Committee considers whether the skills and experience of the auditor make them a suitable supplier of the non audit service and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of such services.

On an annual basis Ernst & Young LLP review the independence of their relationship with the Company and report to the Board, providing details of any other relationship with the Investment Manager. The Board has concluded that Ernst & Young LLP is independent of the Company and the Investment Manager.

The external auditor is invited to attend the Audit and Management Engagement Committee meeting at which the annual accounts are considered and at which they have the opportunity to meet with the Committee without representatives of the Investment Manager being present.

Membership of the Audit and Management Engagement Committee
Carol Ferguson (Chairman)
Davina Curling
Gerald Holtham
Eric Sanderson
John Walker-Haworth

Mr Sanderson will become Chairman of the Audit and Management Engagement Committee following the Annual General Meeting.

Remuneration Committee

Remuneration of the Chairman and the Directors is determined by the Board. It is not considered necessary to have a separate Remuneration Committee as the Directors are not employed by and are not former employees of the Investment Manager. The remuneration of the Chairman and Directors is reviewed against the fees paid to directors of other specialist investment trusts and investment trusts of a comparable size, as well as taking account of any data published by the Association of Investment Companies.

Attendance Record

The Board meets formally to review investment performance, financial reports and other reports of a strategic nature. Board or Board Committee meetings are also held on an ad hoc basis to consider particular issues as they arise. The following table sets out the number of full scheduled Board meetings and Committee meetings attended by each Director.

Number of Meetings held	Board 5	Audit and Management Engagement Committee 2
Number of Meetings attended:		
John Walker-Haworth	5	2
Davina Curling	5	2
Carol Ferguson	5	2
Gerald Holtham	4	2
Eric Sanderson*	2	1

* Mr Sanderson was appointed on 1 April 2013.

Internal controls

The Board is responsible for establishing and maintaining the Company's systems of internal control and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment trusts. The Board reviews the effectiveness of the internal control systems on an ongoing basis to identify, evaluate and manage the Company's significant risks. As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses and should a case be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Investment Manager and BNYM. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Investment Manager's corporate audit department. This accords with the Financial Reporting Council's "Internal Control: Revised Guidance for Directors on the UK Corporate Governance Code" (formerly known as the Turnbull guidance).

The Investment Manager reports to the Company on its review of internal controls, formally on a semi-annual basis and verbally at each Board and Audit and Management Engagement Committee meeting, and provides an annual report from the Investment Manager's reporting accountants on the control policies and procedures in operation. The Audit and Management Engagement Committee also receives quarterly reports from BNYM on the internal controls of its custodial operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Investment Manager and BNYM. The Investment Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

The Company does not have its own internal audit function, as all the administration is delegated to the Investment Manager. The Board monitors the controls in place through the Investment Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function although this matter is kept under review.

Financial reporting

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 28, the Report of the Independent Auditor on page 29 and the statement of Going Concern on page 15.

Socially responsible investment

Investment trusts do not employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Company invests in the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedure and financial analysis of the companies within the portfolio includes research and appraisal, and also takes into account environmental policies and other business issues.

The Investment Manager is supportive of the UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies, and is voluntary and operates on a "comply or explain" basis. The Investment Manager's approach to the UK Stewardship Code, and policies on Socially Responsible Investment, are detailed on their website www.blackrock.com/corporate/en-gb/about-us.

Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Investment Manager on its behalf very seriously and BlackRock has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

Communication with shareholders

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 18 to 20. Separate resolutions are proposed for substantive issues.

In addition, regular updates on performance are available to shareholders and the Investment Manager will review the Company's portfolio and performance at the Annual General Meeting, where the Chairman of the Board and the Chairman of the Audit and Management Engagement Committee and representatives of the Investment Manager will be available to answer shareholders' queries. Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the Investment Manager's website shortly after the meeting.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate broker.

There is a section within this report entitled "Additional Shareholder Information", on pages 50 to 53 which provides an overview of useful information available to shareholders.

The Company's accounts, regular factsheets and other information are also published on www.blackrock.co.uk/brge which is the website maintained by the Company's Investment Manager, BlackRock Investment Management (UK) Limited. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

Disclosure and Transparency Rules

Other information required to be disclosed pursuant to the Disclosure and Transparency Rules has been placed in the Directors' Report on pages 12 to 20 because it is information which refers to events that have taken place during the course of the year.

The following is a list of that information:

- Directors' shareholdings;
- Substantial share interests;
- Share capital;
- Share issues; and
- Share repurchases.

For and on behalf of the Board

John Walker-Haworth
Chairman
21 October 2013

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, including a Business Review, a Directors' Remuneration Report and a Corporate Governance Statement that comply with that law and those regulations.

The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's corporate and financial information included on the Investment Managers' website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on page 11, confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
John Walker-Haworth
Chairman
21 October 2013

Report of the Independent Auditor

to the members of BlackRock Greater Europe Investment Trust plc

We have audited the financial statements of BlackRock Greater Europe Investment Trust plc for the year ended 31 August 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3, Part 16 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 the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 28, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 Company's affairs as at 31 August 2013 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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.

Matters on which we are required to report by exception

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

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

Under the Listing Rules we are required to review:

- the Directors' statement on page 15 in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2010 UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

We have nothing to report in respect of these matters.

Matthew Price (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
21 October 2013

Income Statement

for the year ended 31 August 2013

	Notes	Revenue 2013 £'000	Revenue 2012 £'000	Capital 2013 £'000	Capital 2012 £'000	Total 2013 £'000	Total 2012 £'000
Gains on investments held at fair value through profit or loss	11	**–**	–	**57,436**	1,121	**57,436**	1,121
Income from investments held at fair value through profit or loss	3	**9,181**	7,411	**–**	–	**9,181**	7,411
Other income	3	**–**	19	**–**	–	**–**	19
Investment management and performance fees	4	**(339)**	(262)	**(2,492)**	(2,264)	**(2,831)**	(2,526)
Operating expenses	5	**(688)**	(504)	**–**	(6)	**(688)**	(510)
Net return/(loss) before finance costs and taxation		**8,154**	6,664	**54,944**	(1,149)	**63,098**	5,515
Finance costs	7	**(26)**	(7)	**(105)**	(26)	**(131)**	(33)
Return/(loss) on ordinary activities before taxation		**8,128**	6,657	**54,839**	(1,175)	**62,967**	5,482
Taxation on ordinary activities	8	**(833)**	(673)	**(15)**	–	**(848)**	(673)
Return/(loss) on ordinary activities after taxation	10	**7,295**	5,984	**54,824**	(1,175)	**62,119**	4,809
Return/(loss) per ordinary share – basic and diluted	10	**6.32p**	5.52p	**47.50p**	(1.08p)	**53.82p**	4.44p

The total column of this statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. The Company had no recognised profits or losses other than those disclosed in the Income Statement and the Reconciliation of Movements in Shareholders' Funds. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical equivalents.

The notes on pages 34 to 47 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Special reserve £'000	Revenue reserve £'000	Total £'000
For the year ended 31 August 2013							
At 31 August 2012	**148**	**53,420**	**68**	**104,055**	**55,124**	**10,226**	**223,041**
Return for the year	**–**	**–**	**–**	**54,824**	**–**	**7,295**	**62,119**
Ordinary shares purchased	**–**	**–**	**–**	**–**	**(26,839)**	**–**	**(26,839)**
Exercise of 2010 and 2013 subscription shares	**–**	**2,276**	**–**	**–**	**–**	**–**	**2,276**
Bonus issue of 2013 subscription shares	**24**	**(24)**	**–**	**–**	**–**	**–**	**–**
Cancellation of treasury shares	**(12)**	**–**	**12**	**–**	**–**	**–**	**–**
2010 subscription shares expired	**(22)**	**–**	**22**	**–**	**–**	**–**	**–**
Share purchase costs	**–**	**–**	**–**	**–**	**(625)**	**–**	**(625)**
Dividend paid*	**–**	**–**	**–**	**–**	**–**	**(5,031)**	**(5,031)**
At 31 August 2013	**138**	**55,672**	**102**	**158,879**	**27,660**	**12,490**	**254,941**
For the year ended 31 August 2012							
At 31 August 2011	116	2,813	68	105,230	60,284	10,024	178,535
(Loss)/return for the year	–	–	–	(1,175)	–	5,984	4,809
Ordinary shares and 2010 subscription shares issued†	32	50,490	–	–	–	–	50,522
Ordinary shares purchased	–	–	–	–	(5,855)	–	(5,855)
Exercise of 2010 subscription shares	–	117	–	–	–	–	117
Sale of shares out of treasury	–	–	–	–	825	–	825
Share purchase costs	–	–	–	–	(130)	–	(130)
Dividend paid**	–	–	–	–	–	(5,782)	(5,782)
At 31 August 2012	148	53,420	68	104,055	55,124	10,226	223,041

* Final dividend paid in respect of the year ended 31 August 2012 of 4.20p per share declared on 10 October 2012 and paid on 7 December 2012.
** Final dividend paid in respect of the year ended 31 August 2011 of 3.50p per share and a special dividend of 2.50p per share declared on 12 October 2011 and paid on 8 December 2011.
† Shares issued following the acquisition of assets of Charter European Trust plc (Charter) as part of the reconstruction and winding-up of Charter.

The notes on pages 34 to 47 form part of these financial statements.

Balance Sheet

as at 31 August 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**268,376**	245,575
Current assets			
Debtors	12	**1,226**	3,032
		1,226	3,032
Creditors – amounts falling due within one year			
Bank overdraft	14	**(10,840)**	(21,909)
Other creditors	14	**(3,821)**	(3,657)
		(14,661)	(25,566)
Net current liabilities		**(13,435)**	(22,534)
Net assets		**254,941**	223,041
Capital and reserves			
Called-up share capital	15	**138**	148
Share premium account	16	**55,672**	53,420
Capital redemption reserve	16	**102**	68
Capital reserves	16	**158,879**	104,055
Special reserve	17	**27,660**	55,124
Revenue reserve	17	**12,490**	10,226
Total equity shareholders' funds		**254,941**	223,041
Net asset value per ordinary share – undiluted	10	**234.49p**	186.19p
Net asset value per ordinary share – diluted	10	**234.23p**	185.67p

The financial statements on pages 30 to 47 were approved and authorised for issue by the Board of Directors on 21 October 2013 and signed on its behalf by Mr J L Walker-Haworth, Chairman.

BlackRock Greater Europe Investment Trust plc

Registered in England, No. 5142459

The notes on pages 34 to 47 form part of these financial statements.

Cash Flow Statement

for the year ended 31 August 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	5(b)	**4,725**	4,474
Servicing of finance		**(131)**	(30)
Taxation recovered		**218**	718
Capital expenditure and financial investment			
Purchase of investments		**(287,717)**	(395,537)
Proceeds from sale of investments		**324,588**	327,727
Realised losses on foreign currency transactions		**(801)**	(571)
Net cash inflow/(outflow) from capital expenditure and financial investment		**36,070**	(68,381)
Equity dividends paid		**(5,031)**	(5,782)
Net cash inflow/(outflow) before financing		**35,851**	(69,001)
Financing			
Purchase of ordinary shares		**(26,839)**	(5,855)
Share purchase costs		**(144)**	(114)
Proceeds from issue of ordinary shares out of treasury		**2,276**	1,538
Proceeds from issue of 2012 subscription shares		**–**	117
(Costs)/proceeds from issue of ordinary shares to acquire Charter European Trust plc portfolio		**(75)**	50,565
Net cash (outflow)/inflow from financing		**(24,782)**	46,251
Increase/(decrease) in cash in the year	13	**11,069**	(22,750)

The notes on pages 34 to 47 form part of these financial statements.

Notes to the Financial Statements

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

2. Accounting policies

(a) Basis of preparation

The Company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (SORP) revised in January 2009. The principal accounting policies adopted by the Company are set out below. All of the Company's operations are of a continuing nature.

The Company's financial statements are presented in Sterling, which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

(b) 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 a capital nature has been presented alongside the Income Statement.

(c) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(d) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provisions are made for dividends not expected to be received. Fixed returns on debt securities are recognised on a time apportionment basis. Interest income and expenses are accounted for on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses have been treated as revenue except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are included within the cost of the investment. Details of transaction costs on the purchases and sales of investments are disclosed in note 11, on page 39;
- the investment management fee has been allocated 80% to capital reserves and 20% to the revenue account in line with the Board's expected long term split of returns, in the form of capital gains and income respectively, from the investment portfolio;
- performance fees have been allocated 100% to capital reserves, as performance has been predominantly generated through capital returns of the investment portfolio.

(f) Finance costs

Finance costs are accounted for on an accruals basis. Finance costs are allocated, insofar as they relate to the financing of the Company's investments, 80% to capital and 20% to the revenue account, in line with the Board's expected long term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

(g) Taxation

Deferred taxation is recognised in respect of all timing differences at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted.

2. Accounting policies continued

(h) Investments held at fair value through profit or loss

The Company's investments are classified as held at fair value through profit or loss in accordance with FRS 26 – 'Financial Instruments: Recognition and Measurement' and are managed and evaluated on a fair value basis in accordance with its investment strategy.

All investments are designated upon initial recognition as held at fair value through profit or loss. These sales of assets are recognised at the trade date of the disposal. Disposals will be measured at fair value which will be regarded as the proceeds of sale less any transaction costs.

The fair value of the financial instruments is based on their quoted bid price at the balance sheet date, without deduction for the estimated future selling costs. Unquoted investments are valued by the Directors at fair value using International Private Equity and Venture Capital Association Guidelines. This policy applies to all current and fixed asset investments of the Company.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains or losses on investments held at fair value through profit or loss". Also included within this heading are transaction costs in relation to the purchase or sale of investments.

(i) Dividends payable

Under FRS 21, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the balance sheet date. Dividends payable to equity shareholders are recognised in the Reconciliation of Movements in Shareholders' Funds when they have been approved by shareholders and become a liability of the Company.

(j) Foreign currency translation

All transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the dates of such transactions. Foreign currency assets and liabilities at the balance sheet date are translated into Sterling at the exchange rates ruling at that date. Exchange differences arising on the revaluation of investments held as fixed assets are included in capital reserves. Exchange differences arising on the translation of foreign currency assets and liabilities are taken to capital reserves.

3. Income

	2013 £'000	2012 £'000
Investment income:		
Overseas dividends	9,181	7,411
	9,181	7,411
Other income:		
Deposit interest	–	19
Total	9,181	7,430

4. Investment management and performance fees

	2013			2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	339	1,355	1,694	262	1,049	1,311
Performance fee	–	1,137	1,137	–	1,215	1,215
Total	339	2,492	2,831	262	2,264	2,526

Details of the investment management contract are disclosed in the Directors' Report on page 15. The investment management fee is levied quarterly, based on the market capitalisation of the Company's ordinary shares on the last day of each month. The investment management fee for the year amounted to £1,694,000 (2012: £1,311,000). A performance fee of £1,137,000 was accrued for the year ended 31 August 2013 (2012: £1,215,000) based on the outperformance of the Company's share price relative to the FTSE World Europe ex UK Index. The performance fee is based on the outperformance of the Index over a three year rolling period.

5. Operating activities

	2013 £'000	2012 £'000
(a) Operating expenses		
Custody fee	**37**	32
Auditor's remuneration:		
– statutory audit	**26**	25
– other audit services*	**5**	5
Directors' emoluments	**112**	97
Registrar's fees and other operating expenses	**508**	345
	688	504
The Company's ongoing charges, calculated as a percentage of average net assets and using expenses, excluding performance fees and interest costs, after relief for any taxation were:	**0.9%**	0.9%

* Other audit services relate to the review of the half yearly financial statements.

	2013 £'000	2012 £'000
(b) Reconciliation of net return before finance costs and taxation to net cash flow from operating activities		
Net return before finance costs and taxation	**63,098**	5,515
(Less)/add: capital (return)/loss before finance costs and taxation	**(54,944)**	1,149
Net revenue return before finance costs and taxation	**8,154**	6,664
Expenses charged to capital	**(2,507)**	(2,270)
Increase in accrued income	**(24)**	(74)
Decrease in debtors	**4**	8
Increase in accrued expenditure	**468**	1,208
Tax on investment income included within gross income	**(1,370)**	(1,062)
Net cash inflow from operating activities	**4,725**	4,474

6. Directors' emoluments

The aggregate emoluments of the Directors, excluding VAT where applicable, for the year to 31 August 2013 were £112,000 (2012: £97,000). The emoluments of the Chairman, who was also the highest paid Director, were £32,000 (2012: £30,000). The Company does not have a share option scheme or any incentive scheme. No pension contributions were made in respect of the Directors. Details of the Directors' emoluments are given in the Directors' Remuneration Report on pages 21 and 22.

7. Finance costs

	2013			2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Interest payable – bank overdraft	**26**	**105**	**131**	7	26	33

8. Taxation

a) Analysis of charge in year

	2013			2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Current taxation:						
Corporation tax prior year adjustment	9	–	9	–	–	–
	9	–	9	–	–	–
Foreign tax	824	15	839	673	–	673
Total current taxation (note 8(b))	833	15	848	673	–	673

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a large company of 23.58% (2012: 25.16%). The differences are explained below:

	2013			2012		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Return/(loss) on ordinary activities before taxation	8,128	54,839	62,967	6,657	(1,175)	5,482
Return/(loss) on ordinary activities multiplied by standard rate of 23.58% (2012: 25.16%)	1,917	12,933	14,850	1,675	(296)	1,379
Effects of:						
Overseas tax suffered	824	–	824	673	–	673
Corporation tax prior year adjustment	9	–	9	–	–	–
WHT on scrip dividends	–	15	15	–	–	–
Overseas dividends not subject to tax	(2,112)	–	(2,112)	(1,851)	–	(1,851)
Current year expenses not utilised	193	588	781	178	577	755
Current year non-trade loan relationships not utilised	(4)	25	21	–	–	–
Expense relief for overseas tax	(7)	–	(7)	(2)	–	(2)
Non-deductible expenses	13	–	13	–	2	2
Capital gains not taxable	–	(13,546)	(13,546)	–	(283)	(283)
Current corporation tax charge (note 8(a))	833	15	848	673	–	673

At 31 August 2013, the Company had net surplus management expenses of £9.5 million (2012: £6.6 million) and a non-trade loan relationship deficit of £0.2 million (2012: £0.1 million) giving total unutilised losses of £9.7 million (2012: £6.7 million). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus management expenses or loan relationship deficits. There was an unrecognised deferred tax asset of £2.1 million at the financial reporting date (2012: £1.5 million).

Due to the Company's intention to meet the conditions required to obtain approval under section 1158 of the Corporation Tax Act 2010, it has not provided deferred tax on any capital gains or losses.

Investment trusts are exempt from corporation tax on capital gains provided the Company obtains agreement from HM Revenue & Customs that tests under section 1158 of the Corporation Tax Act 2010 have been met.

9. Dividends

The Directors have proposed a final dividend of 4.50p per share and have declared a special dividend of 1.00p per share in respect of the year ended 31 August 2013. The dividends will be paid on 13 December 2013, subject to shareholders' approval on 4 December 2013, to shareholders on the Company's register on 1 November 2013. The dividends have not been included as a liability in these financial statements, as final dividends are only recognised in the financial statements when they have been approved by shareholders, or in the case of special dividends not recognised until they are paid.

The dividends disclosed in the note below have been considered in view of the requirements of section 1158 of the Corporation Tax Act 2010 and section 833 of the Companies Act 2006, and the amount proposed for the year ended 31 August 2013 meets the relevant requirements as set out in this legislation.

	2013 £'000	2012 £'000
Dividend payable on equity shares:		
Special declared of 1.00p* per ordinary share (2012: nil)	**1,087**	–
Final proposed of 4.50p* per ordinary share (2012: 4.20p)	**4,893**	5,031
	5,980	5,031

* Based on 108,719,211 ordinary shares in issue on 21 October 2013.

10. Return and net asset value per ordinary share

Revenue and capital returns per share are shown below and have been calculated using the following:

Undiluted	**2013**	2012
Net revenue return attributable to ordinary shareholders (£'000)	**7,295**	5,984
Net capital return/(loss) attributable to ordinary shareholders (£'000)	**54,824**	(1,175)
Total return (£'000)	**62,119**	4,809
Equity shareholders' funds (£'000)	**254,941**	223,041
The weighted average number of ordinary shares in issue during the year, on which the return per ordinary share was calculated, was:	**115,410,120**	108,410,736
The actual number of ordinary shares in issue at the year end, on which the net asset value was calculated, was:	**108,719,211**	119,793,123
The number of ordinary shares in issue, including treasury shares, at the year end, was:	**114,437,564**	124,553,760

	2013			2012		
	Revenue p	**Capital p**	**Total p**	Revenue p	Capital p	Total p
Return per share						
Calculated on weighted average number of shares	**6.32**	**47.50**	**53.82**	5.52	(1.08)	4.44
Calculated on actual number of shares in issue at year end	**6.71**	**50.43**	**57.14**	4.99	(0.98)	4.01
Net asset value per share			**234.49**			186.19
Ordinary share price			**228.75**			175.00
Subscription share price			**23.38**			2.00

10. Return and net asset value per ordinary share continued

Diluted	2013	2012
Net revenue return attributable to ordinary shareholders (£'000)	7,295	5,984
Net capital return attributable to ordinary shareholders (£'000)	54,824	(1,175)
Total return (£'000)	62,119	4,809
Equity shareholders' funds* (£'000)	308,960	266,017
The weighted average number of ordinary shares in issue during the year, on which the diluted return per ordinary share was calculated, was:	115,410,120	108,410,736
The actual number of ordinary shares and 2013 subscription shares (2012: 2010 subscription shares), at the year end on which the fully diluted net asset value was calculated, was:	131,903,529	143,277,136

	2013			2012		
	Revenue p	Capital p	Total p	Revenue p	Capital p	Total p
Return per share						
Calculated on weighted average number of shares†	6.32	47.50	53.82	5.52	(1.08)	4.44
Net asset value per share*			234.23			185.67

* In accordance with the AIC SORP, to the extent that the Company's NAV is in excess of the exercise price, the subscription shares are considered to be dilutive for the calculation of the NAV per share. The diluted NAV per share at 31 August 2013 is calculated by adjusting equity shareholders' funds for consideration receivable on the exercise of 23,184,318 subscription shares, at the exercise price of 233 pence per share, and dividing by the total number of shares that would have been in issue at 31 August 2013 had all the subscription shares been exercised.

† In accordance with FRS 22 "Earnings per share", there is no dilutive impact on the return per share for the year ended 31 August 2013 as the average mid-market price of the ordinary shares for the year of 228.75p is below the exercise price of the subscription shares of 233 pence per share.

11. Investments held at fair value through profit or loss

	2013 £'000	2012 £'000
Overseas quoted investments	268,376	245,575
Opening cost of equity investments	232,271	183,933
Additions at cost	286,998	395,769
Disposals at cost	(287,952)	(347,431)
Cost carried forward	231,317	232,271
Closing investment holding gains	37,059	13,304
Closing valuation of equity investments	268,376	245,575

Transaction costs of £545,000 were incurred on the acquisition of investments (2012: £358,000). Costs relating to the disposal of investments during the year amounted to £320,000 (2012: £357,000). All transaction costs have been included within capital reserves.

Gains on investments held at fair value through profit or loss

	2013 £'000	2012 £'000
Realised gains/(losses) on sales	34,489	(18,935)
Increase in investment holding gains	23,755	20,723
Losses on foreign currency translations	(808)	(667)
	57,436	1,121

12. Debtors

	2013 £'000	2012 £'000
Sales for future settlement	**145**	2,292
Prepayments and accrued income	**112**	88
Share issue proceeds receivable	**50**	50
Taxation recoverable	**919**	595
Unrealised gains on fair value of forward exchange contracts	**–**	7
	1,226	3,032

13. Movements in net (debt)/funds

	2013 £'000	2012 £'000
(a) Reconciliation of net cash flow to movements in net (debt)/funds		
Increase/(decrease) in cash	**11,069**	(22,750)
Net (debt)/funds at beginning of the year	**(21,909)**	841
Net debt at 31 August	**(10,840)**	(21,909)
(b) Analysis of changes in net debt		
Bank overdraft	**(10,840)**	(21,909)
Net debt at 31 August	**(10,840)**	(21,909)

14. Creditors – amounts falling due within one year

	2013 £'000	2012 £'000
Purchases for future settlement	**–**	719
Bank overdraft	**10,840**	21,909
Taxation payable	**172**	164
Other payables	**747**	341
Accrued expenditure	**2,902**	2,433
	14,661	25,566

15. Share capital

	Ordinary shares number	Treasury shares number	Subscription shares number	Total shares	£
Allotted, called up and fully paid share capital comprised:					
Ordinary shares of 0.1p each					
At 31 August 2012	119,793,123	4,760,637	–	124,553,760	124,554
Shares cancelled or transferred into treasury pursuant to tender offer on 4 December 2012	(4,661,723)	1,291,662	–	–	–
Shares cancelled pursuant to tender offer on 10 June 2013	(7,636,639)	–	–	–	–
Cancellation of treasury shares	–	(333,946)	–	(11,340,646)	(11,341)
	107,494,761	5,718,353	–	113,213,114	113,213
Subscription shares of 0.1p each:					
At 31 August 2012	–	–	23,484,013	23,484,013	23,484
Conversion of 2010 subscription shares into ordinary shares	1,153,955	–	(1,153,955)	–	–
2010 subscription shares expired	–	–	(22,330,058)	(22,330,058)	(22,330)
Bonus issue of 2013 subscription shares	–	–	23,254,813	23,254,813	23,255
Conversion of 2013 subscription shares into ordinary shares	70,495	–	(70,495)	–	–
At 31 August 2013	108,719,211	5,718,353	23,184,318	137,621,882	137,622

During the year, 12,298,362 ordinary shares were purchased (2012: 3,520,849) for a total consideration, including expenses, of £27,464,000 (2012: £5,985,000). The number of ordinary shares in issue at the year end was 114,437,564 (2012: 124,553,760) of which 5,718,353 were held in treasury (2012: 4,760,637) and the number of 2013 subscription shares in issue was 23,184,318 (2012: 23,484,013 2010 subscription shares). The number of shares cancelled out of treasury during the year was 333,946 (2012: nil). As a result of the conversion of 1,153,955 2010 subscription shares and 70,495 2013 subscription shares (2012: 64,060 2010 subscription shares), new ordinary shares were issued for a total consideration of £2,276,000 (2012: £117,000).

16. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Capital reserves arising on investments sold £'000	Capital reserves arising on revaluation of investments held £'000
At 1 September 2012	53,420	68	90,739	13,316
Movement during the year:				
Exercise of 2010 and 2013 subscription shares	2,276	–	–	–
Cancellation of treasury shares	–	12	–	–
2010 subscription shares expired	–	22	–	–
Bonus issue of 2013 subscription shares	(24)	–	–	–
Gains on realisation of investments	–	–	34,489	–
Change in investment holding gains	–	–	–	23,755
Losses on foreign currency transactions	–	–	(796)	(12)
Finance costs and investment management and performance fees	–	–	(2,612)	–
At 31 August 2013	55,672	102	121,820	37,059

17. Distributable reserves

	£'000
Special reserve	
At 1 September 2012	55,124
Purchase of ordinary shares into treasury	(26,839)
Share purchase costs	(625)
At 31 August 2013	27,660

	£'000
Revenue reserve	
At 1 September 2012	10,226
Return for the year	7,295
Dividend paid	(5,031)
At 31 August 2013	12,490

18. Risk Management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 12. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the revenue available for distribution by way of dividends.

These financial risks, market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk, and the Directors' approach to the management of them, are set out below. The Investment Manager, in close co-operation with the Board of Directors, co-ordinates the Company's risk management.

The objectives, policies and processes for managing these risks are set out below and have not changed from the previous accounting period.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate due to changes in market prices. This market risk comprises currency risk (see note 18 (ii)), interest rate risk (see note 18 (iii)) and market price risk (see note 18 (iv)). The Board of Directors reviews and agrees policies for managing these risks. The Investment Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(ii) Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than Sterling (the Company's functional currency and in which it reports its results). As a result, movements in exchange rates may affect the Sterling value of those items. As at 31 August 2013, the value of non-Sterling denominated investments amounted to £268,376,000 (2012: £245,545,000).

Management of the risk

The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board on a regular basis. The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowing facilities are available in the form of a multi-currency overdraft facility to limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

18. Risk Management policies and procedures continued

(ii) Currency risk continued

Foreign currency exposure

The fair values of the Company's monetary items which have foreign currency exposure at 31 August 2013 are shown below. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2013 Euro £'000	**2013 Swiss Franc £'000**	2012 Euro £'000	2012 Swiss Franc £'000
Debtors (due from brokers, dividends and other income receivable)	**569**	**410**	368	178
Overdraft	**(10,840)**	**–**	(23,126)	–
Cash at bank and on deposit	**–**	**–**	–	321
Total foreign currency exposure on net monetary items	**(10,271)**	**410**	(22,758)	499
Investments at fair value through profit or loss that are equities	**174,145**	**49,085**	154,831	48,302
Total net foreign currency exposure	**163,874**	**49,495**	132,073	48,801

The above amounts are not representative of the net exposure to risk during the year, as levels of foreign currency exposure change significantly during the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the return after tax for the year and the net assets in regard to the Company's financial assets and financial liabilities and the exchange rates for the portfolio's significant currency exposures, these being Sterling/Euro and Sterling/Swiss Franc.

It assumes the following changes in exchange rates:
Sterling/Euro +/-10% (2012: +/-10%)
Sterling/Swiss Franc +/-10% (2012: +/-15%)

These percentages have been determined based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date and takes account of forward foreign exchange contracts that offset the effects of changes in currency exchange rates.

If Sterling had strengthened or weakened against the currencies shown, this would have had the following effect:

	Strengthened				**Weakened**			
	2013 Euro £'000	**2013 Swiss Franc £'000**	2012 Euro £'000	2012 Swiss Franc £'000	**2013 Euro £'000**	**2013 Swiss Franc £'000**	2012 Euro £'000	2012 Swiss Franc £'000
Projected change	**10%**	**10%**	10%	15%	**10%**	**10%**	10%	15%
Impact on revenue return	**(419)**	**(268)**	(268)	(253)	**512**	**328**	328	343
Impact on capital return	**(15,831)**	**(4,462)**	(14,076)	(6,300)	**19,349**	**5,454**	17,203	8,524
Total return after taxation for the year/effect on shareholders' funds	**(16,250)**	**(4,730)**	(14,344)	(6,553)	**19,861**	**5,782**	17,531	8,867

In the opinion of the Directors, the above sensitivity analysis is not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objective.

(iii) Interest rate risk

Interest rate risk movements may affect the interest payable on the Company's variable rate borrowings and the level of income receivable on cash deposits.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowing under the multi-currency overdraft facility.

The Company, generally, does not hold significant balances, with short term borrowings being used when required.

The Company finances part of its activities through borrowings at levels approved and monitored by the Board.

Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest rate exposure

The exposure at 31 August 2013 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set;
- fixed interest rates – when the financial instrument is due for repayment.

	2013			2012		
	Within one year £'000	**More than one year £'000**	**Total £'000**	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:						
Creditors – within one year:						
Bank overdraft	**(10,840)**	**–**	**(10,840)**	(21,909)	–	(21,909)
Total exposure to interest rates	**(10,840)**	**–**	**(10,840)**	(21,909)	–	(21,909)

The Company does not have any fixed rate exposure at 31 August 2013. If variable interest borrowings were maintained at this level for a year, a 1% change in base rates (up or down) would decrease or increase the total return by £108,000 or 0.10p per share (2012: £219,000 or 0.18p per share).

The above year end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made in fixed interest securities, borrowings are drawn down and repaid, and the mix of borrowings between floating and fixed interest rates change. The Company has little exposure to interest rates as the majority of financial assets are equity shares which do not pay interest. Therefore, the Company's total income and equity is not materially affected by changes in interest rates. In the year to 31 August 2013, the Company held no fixed rate securities and therefore was only exposed to interest rate risk on bank borrowings.

Interest received on cash balances, or paid on the bank overdraft respectively, is approximately 0.15% and 1.25% per annum (2012: 0.15% and 1.75% per annum).

(iv) Market price risk

Market price risk (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments. The Company's investments are susceptible to market price risk arising from uncertainties about future prices of the investments.

18. Risk Management policies and procedures continued

(iv) Market price risk continued

Management of the risk

The Board manages the risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objective and is directly responsible for investment strategy and asset allocation.

The Company's exposure to other changes in market prices at 31 August 2013 on its quoted investments was £268,376,000 (2012: £245,575,000).

Concentration of exposure to other price risks

An analysis of the Company's investment portfolio is shown on pages 8 and 9. At 31 August 2013, this shows the majority of the investments' value is in the Eurozone and Swiss companies. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following illustrates the sensitivity of the revenue after taxation for the year and the net assets to an increase or decrease of 15% (2012: 15%) in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions in 2013. The sensitivity analysis is based on the Company's equity exposure at each balance sheet date, with all other variables held constant.

The impact of a 15% (2012: 15%) increase in the value of investments on the revenue return as at 31 August 2013 is a decrease of £34,000 (2012: £26,000) and on the capital return is an increase of £40,121,000 (2012: £36,727,000).

The impact of a 15% (2012: 15%) decrease in the value of investments on the revenue return as at 31 August 2013 is an increase of £34,000 (2012: £26,000) and on the capital return is a decrease of £40,121,000 (2012: £36,727,000).

(v) Liquidity risk

Liquidity risk is not significant as the Company's assets are investments in quoted equities and other quoted securities that are readily realisable. At the year end, the Company had a multi-currency overdraft facility of £36.5 million (2012: £20 million).

The Board gives guidance to the Investment Manager as to the maximum amount of the Company's resources that should be invested in any one company. The Company may, from time to time, use borrowings to gear its investment portfolio or in order to fund the market purchase of its own ordinary shares. The Investment Manager may also hold a net cash position when it considers it to be advantageous to do so.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities as at 31 August 2013, based on the earliest date on which payment can be required, were as follows:

	2013 3 months or less £'000	2012 3 months or less £'000
Current liabilities:		
Bank overdraft	**(10,840)**	(21,909)
Amounts due to brokers and accruals	**(3,821)**	(3,657)
	(14,661)	(25,566)

18. Risk Management policies and procedures continued

(vi) Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is not significant and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standard is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker;
- the Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited as the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the custodian's internal control reports;
- the credit worthiness of financial institutions with whom cash is held is reviewed regularly by the Investment Manager;
- all transactions in quoted securities are settled on a payment against delivery basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meets its obligation.

In summary, the exposure to credit risk at 31 August 2013 was as follows:

	2013 Balance Sheet £'000	2012 Balance Sheet £'000
Sales for future settlement	**145**	2,292
Prepayments and accrued income	**112**	88
Unrealised gains on fair value of forward exchange contracts	**–**	7
Taxation recoverable	**919**	595
Other debtors	**50**	50
	1,226	3,032

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

(vii) Fair values of financial assets and financial liabilities

Investments are held at fair value through profit or loss. All current liabilities are held in the Balance Sheet at a reasonable approximation of fair value.

The table below sets out fair value measurements using the FRS 29 fair value hierarchy.

Financial assets at fair value through profit or loss at 31 August 2013	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	**268,376**	**–**	**–**	**268,376**

Financial assets at fair value through profit or loss at 31 August 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	245,575	–	–	245,575

18. Risk Management policies and procedures continued

(vii) Fair values of financial assets and financial liabilities continued

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets;

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1;

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There have been no transfers within Level 3 during the year.

The valuation techniques used by the Company are explained in the accounting policies on page 35.

(viii) Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and to
- secure long term capital growth primarily through investing in securities of large, mid and smaller capitalisation European companies, together with some investments in the developing markets of Europe.

This is to be achieved through an appropriate balance of equity capital and gearing. The policy is that gearing should not exceed 15% of gross assets.

The Company's total capital as at 31 August 2013 was £265,781,000 (2012: £244,950,000) comprising a bank overdraft of £10,840,000 (2012: £21,909,000) and equity shares, capital and reserves of £254,941,000 (2012: £223,041,000).

19. Related party disclosure

The related party transactions with Directors are set out in the Directors' Report on page 16 and the Directors' Remuneration Report on page 22. The amount of Directors' fees outstanding at 31 August 2013 were £137,000 (2012: £50,000).

20. Transactions with Investment Manager

The related party transaction with BlackRock Investment Management (UK) Limited is set out in the Directors' Report on page 15.
The investment management fee for the year was £1,694,000 (2012: £1,311,000) and the performance fee for the year was £1,137,000 (2012: £1,215,000).

At the year end, the following amounts were outstanding in respect of the investment management fee: £874,000 (2012: £1,022,000) and performance fee: £1,137,000 (2012: £1,215,000).

21. Contingent liabilities

There were no contingent liabilities at 31 August 2013 (2012: nil).

Analysis of Ordinary Shareholders

31 August

By type of holder

	Number of shares	% of total 2013	% of total 2012	Number of holders	% of total 2013	% of total 2012
Direct private investors	35,758,985	32.9	31.6	9,605	92.2	92.7
Banks and nominee companies	71,065,972	65.4	66.9	712	6.8	6.4
Others	1,894,254	1.7	1.5	103	1.0	0.9
	108,719,211	**100.0**	**100.0**	**10,420**	**100.0**	**100.0**

By size of holding

	Number of shares	% of total 2013	% of total 2012	Number of holders	% of total 2013	% of total 2012
1-5,000	16,026,368	14.7	14.1	8,000	76.8	76.7
5,001-100,000	27,069,796	24.9	24.0	2,347	22.5	22.6
100,001-1,000,000	16,108,972	14.8	15.5	60	0.6	0.6
1,000,001-5,000,000	18,152,142	16.7	13.3	11	0.1	0.1
Over 5,000,000	31,361,933	28.9	33.1	2	0.0	0.0
	108,719,211	**100.0**	**100.0**	**10,420**	**100.0**	**100.0**

Historical Record

Year ended 31 August	Ordinary shares in issue ex. Treasury	Treasury shares	Net assets attributable to ordinary shareholders £'000	Net asset value per ordinary share – undiluted p	Ordinary share price p	Revenue attributable to ordinary shareholders £'000	Revenue earnings per share p	Dividend per share p
2005	140,414,347	–	182,339	129.86	123.00	2,882	1.82	1.60
2006	130,238,932	3,466,164	206,273	158.38	151.00	3,396	2.53	2.00
2007	119,843,969	4,885,076	221,331	184.68	179.00	3,823	3.06	2.40
2008	112,388,958	2,728,833	191,040	169.98	156.75	4,308	3.73	3.00
2009	105,124,598	1,696,092	172,713	164.29	153.75	3,519	3.26	3.15
2010	99,042,423	2,642,046	174,375	176.06	159.25	3,194	3.13	3.30
2011	95,859,314	1,739,788	178,535	186.25	181.00	6,581	6.77	3.50*
2012	119,793,123	4,760,637	223,041	186.19	175.00	5,984	5.52	4.20
2013	108,719,211	5,718,353	254,941	234.49	228.75	7,295	6.32	4.50**

* Excluding a special dividend of 2.50p per share.
** Excluding a special dividend of 1.00p per share.

Management & Administration

Registered Office
(Registered in England, No. 5142459)
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL

Secretary and Administrator
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Registrar
Computershare Investor Services PLC*
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1163

Auditor
Ernst & Young LLP
1 More London Place
London SE1 2AF

Custodian and Banker
The Bank of New York Mellon (International) Limited*
One Canada Square
London E14 5AL

Stockbrokers
Cenkos Securities plc*
6.7.8 Tokenhouse Yard
London EC2R 7AS

Solicitors
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Savings Plan and ISA Administrator
Freepost RLTZ-KHUH-KZSB
BlackRock Investment Management (UK) Limited*
PO Box 9036
Chelmsford CM99 2XD
Telephone: 0800 44 55 22

*Authorised and regulated by the Financial Conduct Authority.

Additional Shareholder Information

Financial calendar
The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

April
Half yearly figures announced and half yearly financial report published.

October
Annual results and final dividend for year announced. Annual report and financial statements published.

End November/early December
Annual General Meeting.

December
Dividend (if any) paid.

Dividend – 2013
The proposed final dividend in respect of the year ended 31 August 2013 is 4.50p per share. The Board has also declared a special dividend of 1.00p per share payable on the same date as the final dividend.

Ex-dividend date (shares transferred without the dividend)	30 October 2013
Record date (last date for registering transfers to receive the dividend)	1 November 2013
Last date for registering DRIP instructions	22 November 2013
Dividend payment date	13 December 2013

Payment of dividends
Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0870 707 1163, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Tax vouchers will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme (DRIP)
Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0870 707 1163. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 22 November 2013.

Share prices
The Company's mid-market share prices are quoted daily in The Financial Times and The Times under "Investment Companies" and in The Daily Telegraph under "Investment Trusts". The share price is also available on the BlackRock Investment Management (UK) Limited (BlackRock) website at www.blackrock.co.uk/brge.

ISIN/SEDOL numbers
The ISIN/SEDOL numbers and mnemonic codes for the Company's ordinary shares and subscription shares are:

	Ordinary Shares	Subscription Shares
ISIN	GB00B01RDH75	GB00B99HJ527
SEDOL	B01RDH7	B99HJ52
Reuters code	BRGE.L	BRGS.L
Bloomberg code	BRGE LN	BRGS LN

Details of 2013 subscription shares
On 19 April 2013 the Company issued subscription shares as a bonus issue to ordinary shareholders on the basis of one subscription share for every five ordinary shares held. For the purposes of UK taxation, the receipt by ordinary shareholders of the subscription shares arising from the bonus issue is treated as a reorganisation of the Company's share capital. Accordingly, the subscription shares are treated as the same asset as a shareholder's holding of ordinary shares and as having been acquired at the same time as the shareholder's holding of ordinary shares was acquired. As a result of the bonus issue, the shareholder's base cost of his or her ordinary shares will be apportioned between these ordinary shares and the subscription shares by reference to their respective market values on the day on which the subscription shares were admitted to trading on the London Stock Exchange i.e. 19 April 2013.

The middle market prices of the ordinary shares and subscription shares on 19 April 2013 were as follows:

Ordinary shares	210.50p
Subscription shares	18.00p

Accordingly, an individual investor who, on 19 April 2013, held five ordinary shares (or a multiple thereof) would apportion the base cost of such holding 98.32% to the five ordinary shares and 1.68% to the subscription shares. For holders who purchased the subscription shares on any other date, the base cost for the purpose of calculating capital gains tax will generally be the amount paid for the subscription shares together with the base cost of the subscription shares, along with any other allowable costs of acquisition.

Subscription shares – Exercise dates

Notice to exercise the subscription share rights may be given quarterly on the last business day of January, April, July and October between and including the last business day in July 2013 and the last business day in April 2016, after which the subscription share rights will lapse. Between July 2013 and April 2014 the subscription share price is 233p per ordinary share and thereafter until April 2016, 248p per ordinary share.

Subscription shares – Conversion of shares held in certificated form

Shareholders wishing to convert their subscription shares, who hold their shares in certificated form, should refer to the instructions on the reverse of their subscription share certificate(s). Shareholders must lodge the relevant subscription share certificate(s) at the office of Computershare Priority Applications, Corporate Actions, Bristol BS99 6AJ by not later than 5.00 p.m. on the relevant subscription date, having completed the notice of exercise and provided a remittance for the aggregate subscription price for the ordinary shares in respect of which the subscription rights are being exercised. Shares will be allotted within ten business days of the first business day of the calendar month following the month in which the relevant notice of exercise of subscription share rights was given.

Subscription shares – Conversion through CREST

Shareholders wishing to convert their subscription shares, who hold their shares through CREST, should use the following participation and member account IDs when processing their applications:

CREST Participation ID = ORA36
CREST Member Account ID = GREATER

The USE (Unmatched Stock Event) instruction should be inputted to settle in accordance with the CREST timetable in order to receive the new ordinary shares within ten business days of the first business day of the calendar month following the month in which the relevant notice of exercise of subscription share rights was given.

Subscription shares – Conversion through the BlackRock stocks & shares ISA or Share Plan

Investors wishing to convert their subscription shares should download the Savings Plan subscription shares conversion form or stocks & shares ISA subscription shares conversion form which is available from www.blackrock.co.uk/brge and complete and return it to the address given at the top of the form. Forms must be received at least seven business days before the relevant subscription date. Shares arising from the conversion will be issued within ten business days of the first business day of the calendar month following the month in which the relevant exercise of subscription share rights was given.

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service.

For existing shareholders the Company's registrar, Computershare Investor Services PLC, has both internet and telephone share dealing services. To access the internet share dealing service, log on to www.computershare.com/dealing/uk. The telephone share dealing service is available on 0870 703 0084. To use these services, you will need your shareholder reference number, which is detailed on your share certificate.

Internet dealing – The fee for this service is 1% of the value of each sale or purchase of shares (subject to a minimum of £30). Stamp duty of 0.5% is payable on purchases.

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £35). Stamp duty of 0.5% is payable on purchases.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting www.investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or tax voucher.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at www.eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance;
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available; and
- that investors in the BlackRock Investment Trusts Savings Plan and ISA are automatically sent shareholder communications, including details of general meetings, together with a Form of Direction to facilitate voting and to seek authority to attend.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Publication of net asset value/portfolio analysis

The net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.co.uk/brge under the "News" section and through the Reuters News Service under the code "BLRKINDEX", on page 8800 on Topic 3 (ICV terminals) and under "BLRK" on Bloomberg (monthly information only).

Online access

Other details about the Company are available on the BlackRock website at www.blackrock.co.uk/brge. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at www.investorcentre.co.uk.

To access Computershare's website you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Savings Plan

The Company participates in the BlackRock Investment Trust Savings Plan, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Savings Plan should call BlackRock free on 0800 44 55 22.

Stocks and shares Individual Savings Accounts (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments within the BlackRock Investment Trust stocks and shares Individual Savings Account. Investors currently have an annual ISA allowance of £11,520. Details are available from BlackRock by calling free on 0800 44 55 22.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, tax voucher or other electronic communications you have previously received from Computershare. The address of the Computershare website is www.investorcentre.co.uk. Alternatively, please contact the registrar on 0870 707 1163.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries

Enquiries about the Company should be directed to:

The Secretary
BlackRock Greater Europe Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Enquiries about the Savings Plan or ISA should be directed to:

Freepost RLTZ-KHUH-KZSB
BlackRock Investment Management (UK) Limited
PO Box 9036
Chelmsford CM99 2XD
Telephone: 0800 44 55 22

Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting of BlackRock Greater Europe Investment Trust plc will be held at the offices of BlackRock Investment Management (UK) Limited at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 4 December 2013 at 12.00 noon to consider and, if thought fit, pass Resolutions 1 to 9 inclusive as Ordinary resolutions and Resolutions 10 to 15 as Special resolutions:

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 August 2013, together with the report of the auditor thereon.

2. To receive and approve the Directors' Remuneration Report for the year ended 31 August 2013.

3. To declare a final dividend for the year ended 31 August 2013 of 4.50p for each ordinary share in the capital of the Company.

4. To re-elect Ms C C Ferguson as a Director.

5. To re-elect Mr G H Holtham as a Director.

6. To elect Mr E F Sanderson as a Director.

7. To reappoint Ernst & Young LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

8. To authorise the Directors to determine the auditor's remuneration.

Special business

Ordinary resolution

9. That, in substitution for all existing authorities, the Directors of the Company be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £5,435 (being 5% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice) provided that this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2014, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

10. That, in substitution for all existing authorities and subject to the passing of the resolution numbered 9 above, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the Act) to:

    (a) allot up to 5,435,960 ordinary shares of 0.1p each in the Company (Ordinary Shares) with a maximum nominal amount of £5,435 (representing 5% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice); and

    (b) resell any Ordinary Shares held by the Company in treasury (and, for the purposes of LR 15.4.11 R of the Listing Rules of the UK Listing Authority, such Ordinary Shares being permitted to be sold or transferred out of treasury for cash at a price which represents a discount to the net asset value per Ordinary Share of the existing Ordinary Shares in issue (excluding treasury shares));

    in each case wholly for cash as if section 561(1) of the Act did not apply to any such allotment or sale provided that this power shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2014, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot such Ordinary Shares pursuant to any such offer or agreement as if the power conferred hereby had not expired.

11. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 0.1p each in the Company (Ordinary Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases of Ordinary Shares (within the meaning of section 693 of the Act) provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 16,297,009 or, if less, that number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) as at 4 December 2013;

    (b) the minimum price which may be paid for any such Ordinary Share shall be 0.1p;

    (c) the maximum price which may be paid for any such Ordinary Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Ordinary Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December

2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2233/2003); and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2014 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry.

All Ordinary Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

12. That, in substitution for the Company's existing authority to make market purchases of subscription shares of 0.1p each in the Company (Subscription Shares), the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases of Subscription Shares (within the meaning of section 693 of the Act) provided that:

(a) the maximum number of Subscription Shares hereby authorised to be purchased is 3,475, 329 or, if less, that number of Subscription Shares which is equal to 14.99% of the Company's issued Subscription Share capital as at 4 December 2013;

(b) the minimum price which may be paid for a Subscription Share shall be 0.1p;

(c) the maximum price payable by the Company for each Subscription Share will not exceed the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Subscription Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2233/2003); and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2014 save that the Company may, prior to such expiry, enter into a contract to purchase Subscription Shares under the authority hereby conferred and may make a purchase of Subscription Shares pursuant to any such contract notwithstanding such expiry.

All Subscription Shares purchased pursuant to the above authority shall be cancelled immediately upon completion of the purchase.

13. That, in addition to the authority given to the Company to purchase its own shares pursuant to the resolutions numbered 11 and 12 above and in accordance with the terms and conditions of the Company's regular tender offers, the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of section 693 of the Act) of its ordinary shares of 0.1p each (Ordinary Shares), provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 21,743,842 or, if less, that number of Ordinary Shares which is equal to 20% of the Ordinary Shares in issue as at 31 May 2014 (excluding any Ordinary Shares held in treasury);

(b) the price which may be paid for an Ordinary Share shall be an amount equal to 98% of the net asset value per ordinary Share (calculated on a fully diluted basis) as at 31 May 2014 (or the succeeding business day); and

(c) the authority hereby conferred shall expire on 31 July 2014 (unless such authority is renewed prior to such time) save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

14. That, in addition to the authority given to the Company to purchase its own shares pursuant to the resolutions numbered 11, 12 and 13 above and in accordance with the terms and conditions of the Company's regular tender offers, the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of section 693 of the Act) of its ordinary shares of 0.1p each (Ordinary Shares), provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 21,743,842 or, if less, that number of Ordinary Shares which is equal to 20% of the Ordinary Shares in issue as at 30 November 2014 (excluding any Ordinary Shares held in treasury);

(b) the price which may be paid for an Ordinary Share shall be an amount equal to 98% of the net asset value per Ordinary Share (calculated on a fully diluted basis) as at 30 November 2014; and

(c) the authority hereby conferred shall expire on 31 January 2015 (unless such authority is renewed prior to such time) save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

15. That the regulations contained in the printed document produced to the meeting and marked 'A' (and for the purposes of identification initialled by the Chairman of the meeting) be hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all existing Articles of Association.

By Order of the Board

BlackRock Investment Management (UK) Limited
Secretary
21 October 2013

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. Members are not entitled to attend and vote at the meeting, in person or by proxy, in respect of their holding of subscription shares.
2. To appoint a proxy you may use the form of proxy enclosed with this Notice of AGM. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions thereon as soon as possible and in any event by not later than 12.00 noon on 2 December 2013. Amended instructions must also be received by the Company's registrar by the deadline for receipt of forms of proxy. Alternatively you can vote or appoint a proxy electronically by visiting www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 2 December 2013.
3. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person.
4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
5. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
8. Holders of ordinary shares through the Savings Schemes are entitled to attend and vote at the meeting if the voting instruction form, which is enclosed with this document, is correctly completed and returned in accordance with the instructions printed thereon.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
14. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company 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 laid before the meeting; or
    (ii) any circumstance 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 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.
15. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.co.uk/brge.
16. As at 21 October 2013 (being the last practicable date prior to the publication of this Notice of AGM), the Company's issued share capital comprised 108,719,211 ordinary shares of 0.1p each, excluding shares held in treasury, and 23,184,318 subscription shares of 0.1p each. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company as at 21 October 2013 is 108,719,211.
17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Glossary

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing "equity shareholders' funds" by the total number of ordinary shares in issue. For example, as at 31 August 2013 equity shareholders' funds were worth £254,941,000 and there were 108,719,211 ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 234.49p per ordinary share.

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long term liabilities and any provision for liabilities and charges.

Net asset value per share (Capital only NAV)

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing "equity shareholders' funds" (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 August 2013, equity shareholders' funds less the current year revenue return amounted to £247,646,000 and there were 108,719,211 ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 227.78p.

Equity shareholders' funds are calculated by deducting from the Company's total assets its current and long term liabilities and any provision for charges.

Net asset value per share with income reinvested (Total return NAV)

This is the theoretical return on shareholders' funds per share, reflecting the change in value of the NAV per share assuming that dividends paid to shareholders were reinvested at the first opportunity.

As at 31 August 2013, the "Cum income NAV" stood at 234.49p; a reinvestment factor of 1.165 (rounded) was applied to reach a calculation of NAV with income reinvested of 272.98p.

Discount

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the share price was 220p and the NAV 230p, the discount would be 4.3%.

Premium

A premium occurs when the share price is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 230p and the NAV 225p, the premium would be 2.2%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

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