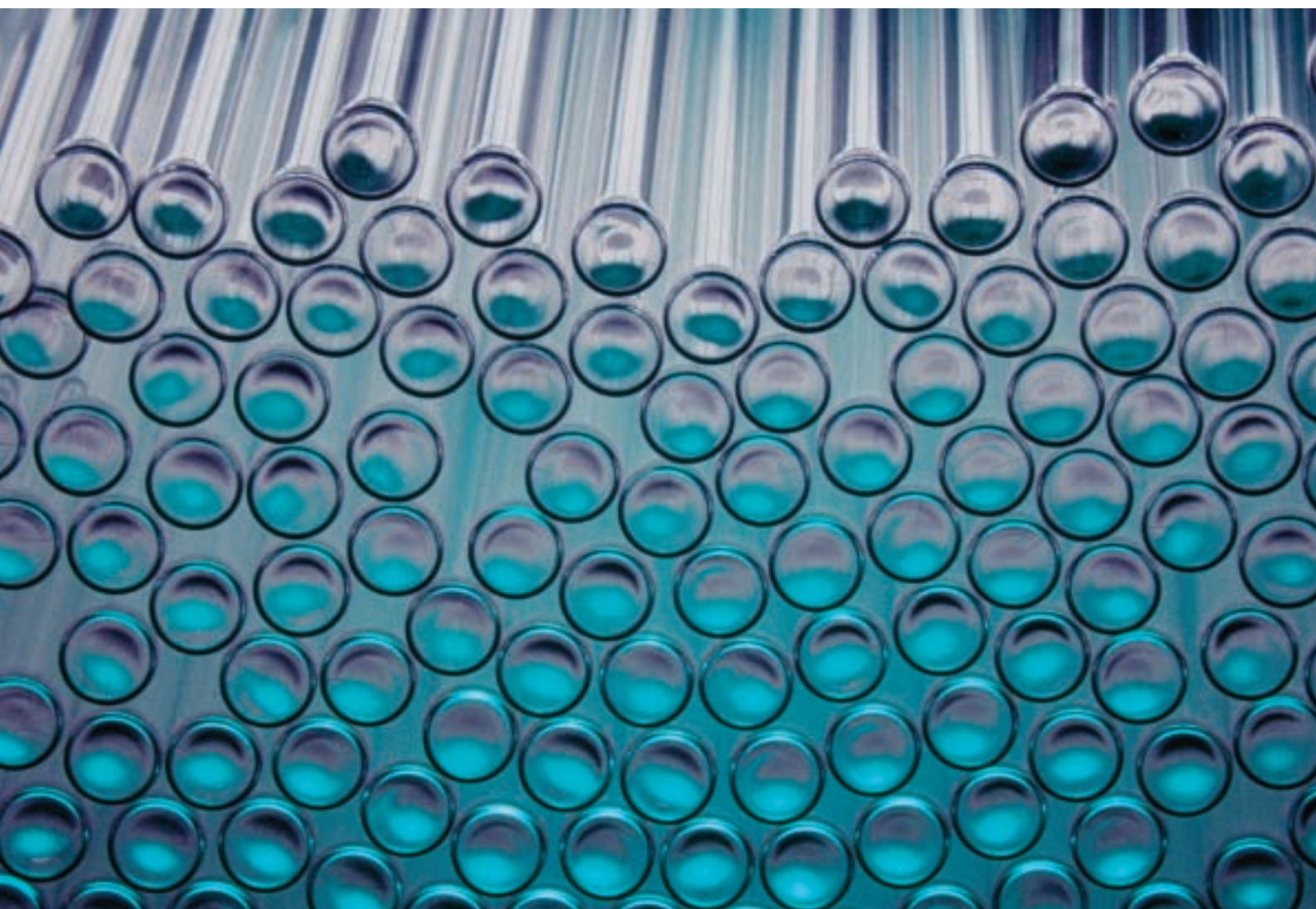


2009

FINSBURY WORLDWIDE PHARMACEUTICAL TRUST PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009



Frostrow
CAPITAL

 **OrbiMed**
Healthcare Fund Management

AT SOME POINT IN OUR LIVES, WE ALL NEED THE PRODUCTS OF PHARMACEUTICAL COMPANIES

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WHO ARE WE?

Finsbury Worldwide Pharmaceutical Trust PLC is a specialist investment trust focussing on the pharmaceutical and biotechnology sector.

- Launched in 1995, the Company is one of the few UK investment trusts that invests exclusively in pharmaceutical and biotechnology companies on a global scale.
- The ultimate aim of the Company is to achieve a high level of capital growth for investors.
- Risk is reduced through extensive fundamental research, worldwide exposure, position limits and balanced market capitalisations.
- Performance is measured against the Datastream World Pharmaceutical and Biotechnology Index (total return, sterling adjusted).

WHY CHOOSE US?

- Investment Expertise – at launch, the Company engaged what it believed to be the best investment manager in their field in the world, OrbiMed Capital LLC. The portfolio is managed by a talented team of investment professionals who are true specialists – they research pharmaceutical, biotechnology and medical device stocks. The long term performance figures are a testament to their continuing expertise.

For their review of the Company for the year see pages 7 to 10. To learn more about OrbiMed and their investment strategy and process, please refer to their profile on page 6.

- Performance – OrbiMed is committed to producing excellent long term performance by seeking the best investments on a worldwide basis. By having a blend of pharmaceutical and biotechnology stocks in the Company's portfolio, the aim is to provide superior investment returns to shareholders without assuming undue risk.

WHY INVEST IN THE PHARMACEUTICAL AND BIOTECHNOLOGY SECTOR?

- The percentage of the developed world's population over the age of 65 is rapidly increasing*.

By 2025 the number of people aged 65 and over will have doubled, compared with an increase of only 6% for the under 15s.

- An ageing population means more demand on healthcare for new and better drugs.**

Over the past two decades healthcare expenditure has been increasing throughout the world and this trend will continue to escalate. Healthcare accounts for in excess of 16% of U.S. GDP today, up from 6% in 1965.

- All over the world, new drugs and treatments are in development.†

Within this decade the health sciences industry is expected to achieve startling breakthroughs in treatment for diseases such as cancer, heart disease, diabetes and Alzheimer's.

Source: * United Nations Population Division
 ** U.S. Department of Health & Human Services
 † OrbiMed Capital LLC



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

ACCESSING THE GLOBAL MARKET

Pharmaceuticals is a worldwide industry and accessing the global market as a UK investor can be difficult. Within the UK, there are diminishing options for investment as the universe of companies is shrinking through mergers and acquisitions. Finsbury Worldwide Pharmaceutical Trust PLC offers an opportunity to gain exposure to the pharmaceutical sector on a global scale.

PERFORMANCE SUMMARY	*31 March	*31 March	31 March	31 March	31 March	31 March	% Change for
	2004	2005	2006	2007	2008	2009	the year ended
							31 March
							2009
Shareholders' funds	£189.1m	£226.4m	£334.8m	£273.6m	£224.8m	£263.0m	17.0
Net asset value per share – basic	481.3p	414.7p	583.0p	520.9p	486.6p	635.9p	30.7
Net asset value per share – diluted* (dilution for warrants)	481.3p	414.7p	564.1p	511.2p	482.4p	600.5p	24.5
Share price	466.0p	430.0p	575.0p	477.8p	457.0p	550.5p	20.5
(Discount)/premium of share price to diluted net asset value per share	(3.2%)	3.7%	1.9%	(6.5%)	(5.3%)	(8.3%)	N/A
(Discount)/premium of share price to basic net asset value per share	(3.2%)	3.7%	(1.4%)	(8.3%)	(6.1%)	(13.4%)	N/A
Benchmark Index [†]	6,154.4	6,173.2	7,787.8	7,507.7	7,049.7	8,101.0	14.9
[#] Total expense ratio (excluding performance fees)	1.8%	1.5%	1.4%	1.3%	1.3%	1.2%	N/A
[#] Total expense ratio (including performance fees)	3.8%	0.8%	1.5%	1.3%	1.3%	1.3%	N/A

*Restated for accounting policy introduction of FRS 26 and FRS 21.

†Datastream World Pharmaceutical and Biotechnology Index, (total return, sterling adjusted).

‡There was no dilution in years prior to 2006, dilution for conversion of all outstanding warrants at the conversion price of 464p (see note 7).

[#]Excludes indexation of the deferred fee paid to M and I Investors, Inc. on 24 January 2006.

PERFORMANCE SINCE LAUNCH



Rebased to 100 as at 28 April 1995

Source: Fundamental Data & Thomson Datastream

Chairman's Statement



Martin Smith

REVIEW OF THE YEAR AND PERFORMANCE

In my first statement covering a full financial year, I am delighted to report that the Company's undiluted net asset value per share rose by 30.7% compared to a rise of 14.9% in the Company's benchmark index during the same period. This

was against a background of particularly difficult market conditions generally and by way of comparison, the MSCI World index declined by 22.2% in sterling terms over the same period. It is particularly pleasing to report that your Company benefitted from solid investment performance, arising mainly from a combination of stable earnings of companies in the portfolio and a more buoyant merger and acquisition environment. This result demonstrates clearly the defensive characteristics of the pharmaceutical and biotechnology sector and against this background our Investment Manager increased the Company's net debt position moving from c. £3m of net funds to c. £30m of net debt over the course of the year. The Company's performance was also helped by the significant weakening of sterling against the U.S. dollar during the year. At 31 March 2009 the exchange rate was 1.4334 compared with 1.9875 at 31 March 2008, a fall of 28%.

During the year, after taking into account the number of warrants outstanding, the Company's diluted net asset value per share rose by 24.5% which compares to a rise in the Company's share price of 20.5%, as the discount of share price to the diluted net asset value per share widened slightly during the year to close at 8.3% compared to 5.3% a year ago. This discount level at the year end was slightly wider than the 6% target; however I would like to remind shareholders that it remains possible for the share price to trade slightly wider than the discount target and the discount reflects the balance of supply and demand for the Company's shares on any one day.

During the calendar year to 31 December 2008, the Company's share price total return ranked second out of approximately 250 UK listed investment companies (Source: Winterflood Securities Limited) and the Company was awarded 'Best Specialist Trust 2008' by Investment Trust magazine.

Further information on the Company's investments can be found in the Review of Investments beginning on page 7.

CAPITAL

The Board continued its commitment to its policy of active discount management whereby consideration is given to buying back shares at prices representing a discount greater than 6% to the diluted net asset value per share, if there is demand in the market for it to do so. In line with this policy, a total of 4,841,800 shares were repurchased and held in treasury during the year at a cost of £24,746,000 (including expenses), representing 10.5% of the shares in issue (excluding treasury shares) at the beginning of the year. Since the Board implemented a policy of protecting a 6% discount in late 2004, 16.3 million shares have been repurchased representing 30% of the shares in issue following the fund raising in 2004. I would like to remind shareholders that the Board has resolved that any shares held in treasury will be cancelled on the date of the Annual General Meeting each year and consequently all shares held in treasury on 17 July 2009 will be cancelled.

Shareholder approval to renew the authority to repurchase the Company's shares will be sought at the Annual General Meeting.

The Board has recently announced that it is considering proposals for a bonus issue of subscription shares to shareholders. The Board believes that subscription shares represent an attractive way in which investors can participate in future net asset value growth through subscribing for ordinary shares. Documents containing recommended proposals will be posted to shareholders following the passing of the resolution that the Company should continue as an investment trust company, to be proposed at this year's Annual General Meeting.

At the regular warrant exercise date of 31 July a total of 13,070 warrants were exercised raising £61,000 as at 31 July 2008. Warrant holders have one remaining opportunity to exercise their warrants at a price of 464p on 31 July 2009. A separate circular providing full details of this remaining opportunity will be dispatched to warrant holders.

DERIVATIVES AND PORTFOLIO INVESTMENTS

The Company continues to use derivative instruments to enhance the total return to shareholders, within certain limits, so that no more than 5% of the Company's assets are exposed to the strategy. The Board is pleased to note that gains of £1.7 million were generated during the year from the strategy by our Investment Manager. In excess of £8.5 million of additional returns have now been generated since the inception of the strategy in 2006.

Also, during the year, the Board agreed that up to 5% of the portfolio could be allocated to each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies, as the Company's Investment Manager believes that there are good investment opportunities available in these areas.

REVENUE AND DIVIDENDS

The revenue return for the year was £2.4 million (2008: £1.7 million) and the Board, in order to maintain investment trust status, has declared an interim dividend of 5.0p per share (2008: 3.0p).

The interim dividend will be payable on 27 July 2009 to equity shareholders on the register of members on 26 June 2009. The shares will go ex-dividend on 24 June 2009.

VAT

As shareholders will be aware from my previous statements, VAT is no longer charged on investment management fees following the ruling by the European Court of Justice in October 2007. Negotiations with the Company's previous Manager, Close Investments Limited ('Close'), are continuing with respect to recovering VAT previously written off as irrecoverable and the Company expects, subject to the co-operation of Close, to have recovered such VAT by 30 September 2009.

OUTLOOK

The economic outlook remains uncertain and stock market conditions will continue to be volatile and difficult. The Board and your Investment Manager continue to monitor closely developments in the healthcare sector and to explore new investment opportunities.

Despite a difficult market backdrop in the short term, the Board believes that continued merger and acquisition activity will be a key driver for the healthcare sector, together with the expected successful development of a number of important new products. Improved regulatory efficiency at the U.S. Food and Drug Administration is also expected to result in a more positive stance towards new drug approvals. However, we remain cautious concerning the prospects for some large pharmaceutical companies which are facing the prospect of low research productivity and a wave of patent expirations over the coming years.

The Board continues to believe that in OrbiMed Capital LLC the Company has at its disposal a first class investment management team and that the portfolio is well positioned to take advantage of not only a bright outlook for the sector, but also any recovery in stock markets generally. The Board remains optimistic for the fortunes of the sector as a whole and for the Company and would like to thank shareholders for their continued support.

CONTINUATION VOTE

The Board has undertaken that every five years there will be a continuation resolution tabled at the Annual General Meeting falling in that year, and accordingly such a resolution is included in the notice of Annual General Meeting contained within this report. In light of the Company's track record, the prospects for the healthcare sector and the Company, the Board unanimously recommends that shareholders vote in favour of Resolution 14 to allow the Company to continue as an investment trust for a further five years.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Friday, 17 July 2009 from 12 noon. I hope as many shareholders as possible will attend. This will provide an opportunity to hear from Mr Samuel D Isaly of OrbiMed, the Company's Investment Manager, on the period under review, recent developments in the healthcare sector and the prospects for the future.

Martin Smith

Chairman
11 June 2009

Your Board

The Board of Directors, all of whom are non-executive, supervise the management of Finsbury Worldwide Pharmaceutical Trust PLC and look after the interests of shareholders.



MARTIN SMITH⁺ (CHAIRMAN)

Martin Smith, aged 66, joined the Board in 2007. He was a founder and was a non executive director of New Star Asset Management Group PLC. He attended Oxford University and has an MBA from Stanford University. He was a

founder of Phoenix Securities, a private investment banking firm. Following the acquisition of Phoenix in 1997 by Donaldson Lufkin and Jenrette (DLJ), he chaired DLJ's European Investment Banking Group. Previously he worked at Citicorp and Bankers Trust.

JOSEPHINE DIXON^{*+}

Josephine ("Jo") Dixon, aged 49, joined the Board in 2004. A Chartered Accountant, Jo is Chairman of the Audit Committee. Jo is self-employed and is also a non-executive director of



Baring Emerging Europe PLC and a member of the Greenwich Hospital Advisory Board and Panel. Until 2003 Jo held a number of senior executive positions in investment banking, leisure and support services.



PROFESSOR DUNCAN GEDDES^{*+}

Professor Geddes, aged 67, joined the Board at launch in 1995 and has been designated as the Senior Independent Director. An author of numerous publications on respiratory medicine, Professor Geddes is self-employed.

PAUL GAUNT⁺

Paul Gaunt, aged 60, joined the Board at launch in 1995. Paul is self-employed and has 30 years' experience in the investment industry. He was formerly Senior Investment Manager and an Assistant General Manager of The Equitable Life Assurance Society and a Director of Brit Insurance Holdings PLC and Oasis Healthcare PLC. Paul is a Director of RCM Technology Trust PLC and also of The Biotech Growth Trust PLC; OrbiMed Capital LLC,



the Company's Investment Manager, also acts as Investment Manager for The Biotech Growth Trust PLC.



DR DAVID HOLBROOK*+

Dr David Holbrook, aged 49, joined the Board in 2007. He is a qualified physician and a Director of MTI Partners Limited, a leading technology venture capital investor. He attended London and Oxford Universities, and has an MBA from

Harvard Business School. He has held senior positions in a number of blue chip biopharmaceutical organisations including GlaxoSmithKline and Roche.



ANTHONY TOWNSEND*+

Anthony Townsend, aged 61, joined the Board at launch in 1995. Anthony has spent 40 years working in the City and was Chairman of The Association of Investment Companies from 2001 to 2003. Anthony is Chairman of

iimia Investment Trust plc, British & American Investment Trust PLC, F&C Global Smaller Companies PLC and Finsbury Growth & Income Trust PLC.

SAMUEL D ISALY+

Sam Isaly, aged 64, joined the Board at launch in 1995. Sam is Managing Partner of OrbiMed Capital LLC, the Company's



Investment Manager, and has been a worldwide pharmaceutical investment specialist for more than 20 years having worked in New York and Europe with Chase Manhattan, Société Générale, Crédit Suisse and UBS Warburg.

Other than those stated above, none of the Directors has any other connections with the Investment Manager and is not employed by any of the companies in which the Company holds an investment.

* Member of the Audit Committee.

+Member of the Nominations and Remuneration Committees.

A Special Relationship

FINSBURY WORLDWIDE PHARMACEUTICAL TRUST PLC OUTSOURCES THE MANAGEMENT OF ITS PORTFOLIO TO ORBIMED CAPITAL LLC, A NEW YORK BASED BOUTIQUE COMPANY WHICH SPECIALISES EXCLUSIVELY IN THE MANAGEMENT OF ASSETS IN THE GLOBAL HEALTH SCIENCES INDUSTRY. PERSONAL INVESTMENT, THROUGH COMPANY OWNERSHIP, MEANS THAT THE TEAM IS COMMITTED TO PRODUCING EXCELLENT PERFORMANCE.

OrbiMed has managed the portfolio since the Company's launch in 1995, and the many awards won by the Company over the years are a testament to the strength and talent harnessed by the OrbiMed team.

OrbiMed had approximately US\$4 billion in assets under management as at 31 March 2009, across a range of funds, including investment trusts, hedge funds and private equity funds. OrbiMed's investment management activities were founded in 1989 by Samuel D Isaly.

OrbiMed Capital LLC – Investment Manager

THE TEAM

OrbiMed's investment team, headed up by Samuel D Isaly, includes over 30 experienced professionals with expertise in science, medicine, finance and law, many of whom have advanced degrees and broad experience in science and medicine. Collectively, the team currently serves on the boards of over 25 biotechnology and healthcare companies.

With a coverage universe of over 750 public companies, OrbiMed's professionals maintain an exceptional level of research intensity. The team has a demonstrated record of investing successfully across market cycles in both public and private companies.

INVESTMENT STRATEGY AND PROCESS

'Bottom-up' fundamental research provides the investment thesis for all positions. In addition to meeting frequently with industry executives and healthcare practitioners, OrbiMed attends many major medical conferences worldwide. Portfolio positions are discussed and selected during daily portfolio management meetings. OrbiMed invests with a worldwide perspective, selecting ideas from across all major geographical markets.

OrbiMed emphasises investments in companies with under-appreciated products in the pipeline, high quality management teams and adequate financial resources.

A disciplined portfolio construction process is utilised to ensure that the portfolio is focused on 30 to 40 'high conviction' positions.

Finally, the portfolio is subject to a rigorous risk management process to moderate portfolio volatility.



Review of Investments



Samuel D Isaly

We present with pleasure our annual Review of Investments for Finsbury Worldwide Pharmaceutical Trust PLC, which was launched in April 1995.

PERFORMANCE REVIEW

We are delighted to report very strong performance results this year

from both an absolute and a relative perspective. The Company's undiluted net asset value per share increased by 30.7%, a rate of increase approximately double the 14.9% increase recorded by our benchmark index. Since inception in 1995, the cumulative increase of the Company's undiluted net asset value per share now measures 535.9% compared to a cumulative increase of only 264.6% in the benchmark index.

There were major movements in exchange rates in the course of the year with, for example, the U.S. dollar appreciating against sterling by 28%. These exchange movements had a favourable, although difficult to quantify specifically, impact on the net asset value of the Company. About 70% of portfolio holdings are denominated in U.S. dollars and the companies represented do business on a worldwide scale. The Company's accounting currency is sterling and a strong U.S. dollar has helped the Company's returns when their value is translated back into sterling. However, we should note that as these companies trade on a global basis, movements in exchange rates have had an effect, both positive and negative, on their own results.

As we have been touting for several years, investors in the healthcare sector have an opportunity to earn outsized rewards by investing in companies which are subsequently acquired. This strategy was essential to our success over the past year, as four of the Company's top performing stocks received acquisition offers during the year. These acquisitions include Tepnel, Imclone, Genentech and Schering-Plough.

The only concentrated area of weakness for the Company's performance last year was in smaller biotechnology companies, which were generally punished by the collapse of the financial markets. As investors became more risk averse, development-stage companies such as Xoma and Amylin

suffered profound stock price declines despite having continued strong fundamental prospects.

Following agreement by the Board that up to 5% of the portfolio could be allocated to each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies, two such investments have been made to date, one in a convertible bond issued by genetics company Affymetrix and the other in a bond issued by biotechnology company Elan.

HEALTHCARE IN THE EYE OF THE FINANCIAL MARKET STORM

Amidst the worst financial market collapse in over a generation, the healthcare sector validated its reputation as a defensive sector, providing something of a safe haven and largely preserving investor capital. Underpinning the strong relative performance of the sector has been a combination of reasonably stable earnings for the larger companies, resurgent mergers and acquisition ("M&A") activity and a rotation of investor capital into the healthcare sector away from more cyclical and consumer-discretionary related sectors. This rotation into healthcare stocks is reminiscent of the 1990/1991 economic slowdown, a period with many parallels to today's declining housing markets, financial markets stresses, rising corporate and individual default rates and poor economic growth. The biotechnology sector posted extraordinary gains during this period, with the Amex Biotechnology Index increasing 46% in 1990 and over 190% in 1991.

Looking forward over the next five years, the global economy will clearly have to contend with the ramifications of the deleveraging of the U.S. consumer. As of last year, the U.S. economy represented approximately a quarter of the global economy, and of this figure nearly 70% was accounted for by consumer spending, compared with 50% to 60% for many European countries. At its nadir last year, the U.S. savings rate actually turned negative, meaning U.S. consumers spent more than 100% of their disposable income. As the U.S. retrenches from this consumer-driven growth bubble, many sectors of the global economy that are tied to discretionary spending (and the U.S. consumer in particular) will face significant headwinds over the coming years. We expect healthcare companies will be well-positioned to maintain their growth rates during this

Review of Investments (continued)

period, as their products are largely non-discretionary and are often funded by government expenditures. We believe investors should maintain a larger than normal allocation to healthcare investments, such as the Company, over the coming years.

HEALTHCARE MEETS OBAMANOMICS

In February President Obama unveiled his plans for healthcare reform as part of the release of his \$3.6 trillion 2010 budget proposal. The broad outline was for a combination of tax increases and spending cuts to free up \$630 billion over the next ten years to dramatically expand healthcare coverage. Obama appears determined to deliver on his campaign promise to expand access to the U.S. healthcare system for the nearly 50 million uninsured Americans without implementing a UK-style

single payor system. The healthcare sector experienced a dramatic sell-off in the days following publication of this plan as investors began to fear implementation of a radical healthcare overhaul dominated by the federal government. During March however the sell-off abated and investor sentiment turned more neutral as investors began to examine the proposals and recognise that there were no incremental negative industry implications in the budget plans.

Looking ahead, the broad push to reform the U.S. healthcare system will drive changes and growth that we expect to be largely beneficial to the generic pharmaceutical, hospital and healthcare technology sectors, while creating headwinds for traditional large pharmaceutical companies, managed care providers and selected large biotechnology companies at risk of generic competition. An additional \$6 billion of proposed funding to the National Institutes of Health ("NIH") will

BIOTECHNOLOGY ACQUISITION ANNOUNCEMENTS

Announcement Date	Target	Acquiror	Deal Size	Premium Paid
12/03/09	CV Therapeutics	Gilead Sciences	\$1.4 billion	25%
27/02/09	Arana Therapeutics	Cephalon	\$210 million	69%
30/01/09	Tepnel Life Sciences	Gen-Probe	\$132 million	126%
13/01/09	Targanta	Medicines Co.	\$50 million	72%
05/01/09	Indevus	Endo Pharmaceuticals	\$370 million	45%
24/11/08	Alpharma	King Pharmaceuticals	\$1.6 billion	54%
24/11/08	Omxix	Johnson & Johnson	\$465 million	18%
30/10/08	Genelabs	GlaxoSmithKline	\$57 million	430%
06/10/08	Imclone Systems	Eli Lilly	\$6.5 billion	51%
01/09/08	Sciele Pharma	Shionogi	\$1.4 billion	57%
25/07/08	Acambis	Sanofi Aventis	£275 million	65%
15/07/08	Lev Pharmaceuticals	ViroPharma	\$443 million	49%
10/07/08	Speedel	Novartis	\$880 million	94%
08/07/08	SGX Pharmaceuticals	Eli Lilly	\$64 million	119%
07/07/08	APP Pharmaceuticals	Fresenius	\$3.6 billion	29%
03/07/08	Jerini	Shire	\$521 million	73%
23/06/08	Barrier Therapeutics	Stiefel Labs	\$148 million	136%
09/06/08	Third Wave Tech.	Hologic	\$580 million	7%
05/06/08	Tercica	Ipsen	\$665 million	104%
29/05/08	Kosan Biosciences	Bristol-Myers Squibb	\$190 million	233%
12/05/08	Iomai	Intercell	\$189 million	128%
22/04/08	Sirtris	GlaxoSmithKline	\$720 million	84%
11/04/08	Millennium	Takeda	\$8.8 billion	53%

Review of Investments (continued)

stimulate new basic research, particularly in oncology, while an additional \$1 billion of funding for the U.S. Food and Drug Administration ("FDA") will help to expedite decision-making and hopefully improve efficiency and morale after a period of lacklustre effectiveness by the agency. President Obama's pick to run the FDA, Dr. Margaret Hamburg, is viewed as a reasonable, pragmatic leader for the agency, able to draw on her past experience as the former Health Commissioner of New York City and previous work at the NIH.

MERGERS AND ACQUISITIONS BONANZA

As mentioned earlier, our investment theme focused on M&A targets which yielded strong results during the year. The recent surge in acquisitions coupled with high premiums paid for the acquired companies demonstrate continued strong demand from large pharmaceutical companies as they look to smaller discovery companies to offset their generally low research productivity. As shown in the table on the previous page, the past year has seen over a score of acquisitions of smaller discovery companies. Fortunately for the investors in these acquired companies, the premium paid for them has averaged upwards of 50%.

In addition to these smaller deals, there have been several blockbuster announcements over the past year, such as Pfizer's \$68 billion bid for Wyeth, Merck's \$41 billion bid for Schering-Plough, and Roche's \$44 billion bid for the balance of Genentech. We have been adept at positioning the Company advantageously to profit from M&A activity with several of the Company's stocks having received acquisition offers during the year.

The Company is well structured to continue profiting from the high level of M&A activity, as a substantial number of our holdings are in small and mid-sized companies with products that would be attractive to numerous larger strategic buyers.

OUR GAME PLAN FOR 2009 AND BEYOND

The coming years promise to be an exciting time for investors in the healthcare sector as we expect a continued flurry of M&A activity, the successful development of several "blockbuster" new products, improved regulatory efficiency

particularly in the U.S., and a broad push towards expanded healthcare coverage for consumers in many large markets such as the U.S. and China. We are focused on finding investment opportunities that will benefit from these trends. Some key elements of our portfolio strategy going into 2009 include:

- Substantial investments in several undervalued major biotechnology companies that are trading near historically low valuations despite 15% to 20% expected future earnings growth rates, full product pipelines, low risk of generic competition, and high product margins;
- Holdings of selected biotechnology companies that are clear acquisition targets. We have generated substantial profits from our M&A investment strategy in previous years and we expect 2009 to be no exception;
- Investments in selected emerging biotechnology companies which have recently launched or will soon launch a potential "break out" product. Companies transitioning from development stage to commercial stage often experience significant relative valuation increases as the investment thesis becomes de-risked, attracting a broader base of potential investors; and
- Cautious stance towards some of the 15 remaining large pharmaceutical stocks, which are facing a "perfect storm" challenge to their business model. They are confronting low research productivity and an unprecedented wave of patent expirations over the coming years, as over \$100 billion in branded drug sales will be genericised by 2014. Thus within this segment we are focused selectively on finding contrarian deep-value investments in companies with high dividends, tough valuations, potential to be acquired and favourable product-specific catalysts.

As always, we appreciate and thank you for your support.

Samuel D Isaly

OrbiMed Capital LLC
Investment Manager
11 June 2009

Review of Investments (continued)

CONTRIBUTION BY INVESTMENT – EXCLUDING DERIVATIVES

	Contribution for the year to 31 March 2009 £'000	Contribution per share (pence)*
Top Five Contributors		
Tepnel Life Sciences	12,922	29.53
Imclone Systems	9,584	21.90
Genentech	8,662	19.80
Schering-Plough	6,312	14.43
Bristol-Myers Squibb	4,989	11.40
		97.06
Bottom Five Contributors		
Xoma	(4,248)	(9.71)
BioMarin Pharmaceutical	(4,226)	(9.66)
Amylin	(2,495)	(5.70)
GlaxoSmithKline	(1,927)	(4.40)
Par Pharmaceutical	(1,244)	(2.84)
		(32.31)

* based on the weighted average number of shares in issue during the year to 31 March 2009 of 43,756,755.

Source: Frostrow Capital LLP

Champions of Innovation

INDUSTRY LEADING INVESTMENTS IN THE PORTFOLIO



1) ROCHE

Roche is a good example of how a traditional "Big Pharma" company can reinvent itself as a more dynamic, high growth biopharmaceutical company. Thanks to their long standing affiliation with Genentech, which recently culminated in an outright acquisition of Genentech, Roche has developed a broad pipeline of valuable, innovative biologics therapies such as Avastin for cancer and Lucentis for Macular Degeneration. With the acquisition now complete, Roche has cemented for itself a place among the truly dominant global biopharmaceutical companies worldwide, with expected 2009 total revenues of over \$40 billion.



3) BRISTOL-MYERS SQUIBB

Bristol-Myers is one of the remaining approximately dozen traditional "Big Pharma" companies with worldwide sales of approximately \$20 billion in 2008. The company markets a broad set of products across therapeutic areas including oncology, cardiovascular disease, psychiatric disorders, and infectious disease. However, their current portfolio of marketed products spans both primary and specialty care as well as biologics and small molecules. With top tier earnings growth and an impressive pipeline of late stage product candidates, the company is a prime M&A candidate in the ongoing consolidation of major pharmaceutical companies.



2) BIOGEN IDEC

Founded in 1978, Biogen Idec has emerged as one of the foremost major biotechnology companies worldwide. They are a global leader in the discovery, development, manufacturing, and commercialisation of innovative therapies. Patients in more than 90 countries benefit from Biogen Idec's significant products, which include Avonex and Tysabri for multiple sclerosis and Rituxan for lymphoma. The company also has one of the largest biologics manufacturing capabilities in the world. In 2008, Biogen Idec's total revenues grew 29% over 2007 to \$4.1 billion.



4) ALLOS THERAPEUTICS

Allos is an emerging biotechnology company focused on developing drugs for the treatment of cancer. The company's lead product candidate, Pralatrexate, has been submitted to the FDA for approval. Pralatrexate has shown convincing efficacy for the treatment of peripheral T-cell lymphoma. The drug is also being evaluated in patients with other cancers, including non-small cell lung cancer, bladder cancer and a range of lymphomas. The company currently retains exclusive worldwide rights to Pralatrexate, making Allos a potentially attractive acquisition candidate by larger companies.

Portfolio

as at 31 March 2009

Security	Country	Market value £'000	% of investments
Tepnel Life Sciences	UK	20,054	6.6
Novartis	Switzerland	19,048	6.2
Bristol-Myers Squibb	USA	16,761	5.5
Gilead Sciences	USA	16,080	5.3
GlaxoSmithKline	UK	13,594	4.5
Wyeth	USA	13,032	4.3
Amgen	USA	12,048	3.9
Biogen Idec	USA	11,681	3.8
Vertex Pharmaceuticals	USA	11,425	3.8
Genzyme	USA	11,180	3.7
Top 10 investments		144,903	47.6
Shionogi & Company	Japan	10,844	3.6
Roche	Switzerland	9,928	3.3
Mylan	USA	9,543	3.1
Onyx Pharmaceuticals	USA	8,217	2.7
Abbott Laboratories	USA	7,887	2.6
Shire	UK	7,650	2.5
Merck KGaA	Germany	7,167	2.4
OSI Pharmaceuticals	USA	7,154	2.4
United Therapeutics	USA	6,541	2.1
Elan	Ireland	6,286	2.0
Top 20 investments		226,120	74.3
Gen-Probe	USA	6,215	2.0
Alexion Pharmaceuticals	USA	5,899	1.9
Sawai Pharmaceutical	Japan	5,859	1.9
NPS Pharmaceutical	USA	5,395	1.8
BioMarin Pharmaceutical	USA	4,451	1.5
Towa Pharmaceutical	Japan	4,443	1.5
Genomic Health	USA	4,335	1.4
Cubist Pharmaceuticals	USA	4,221	1.4
Intermune Inc.	USA	3,938	1.3
Par Pharmaceutical	USA	3,860	1.3
Top 30 investments		274,736	90.3
Nichi-Iko Pharmaceutical	Japan	3,199	1.0
Affymetrix 3.5% 15/01/2038 (Conv)	USA	2,930	1.0
Allos Therapeutics	USA	2,760	0.9
Johnson & Johnson	USA	2,751	0.9
Exelixis	USA	2,562	0.8
Elan Finance 7.75% 15/11/11	Ireland	2,344	0.8
Xoma	USA	1,664	0.5
Nippon Chemiphar	Japan	1,119	0.4
PDL Biopharma	USA	863	0.3
Total equities, warrants and fixed income		294,928	96.9
Wyeth#	USA	146	0.1
Ishares Nasdaq Biotech~ #	USA	73	-
Merck~ #	USA	52	-
Genzyme#	USA	(60)	-
Celgene~	USA	(314)	(0.1)
Johnson & Johnson~ #	USA	(851)	(0.3)
Total Options		(954)	(0.3)
M&A Basket OTC equity Swap	USA	10,321	3.4
Total investments including options and swap		304,295	100.0

#includes Call Options

~includes Put Options

Analysis of the Portfolio

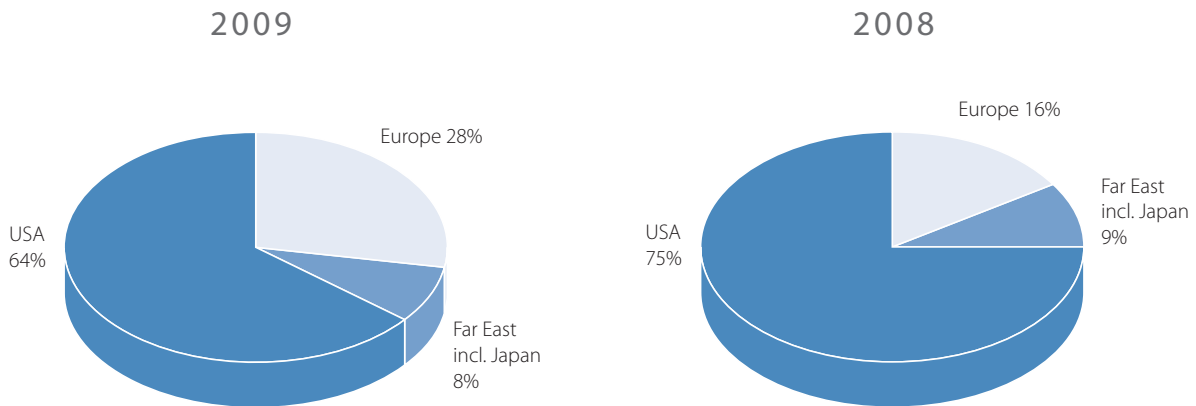
THE PORTFOLIO

as at 31 March 2009

	Market value £'000	% of investments
Equities (including options)	288,700	94.8
Convertibles	2,930	1.0
Fixed Interest Securities	2,344	0.8
M&A Basket – OTC equity swap	10,321	3.4
Total of all investments	304,295	100.0

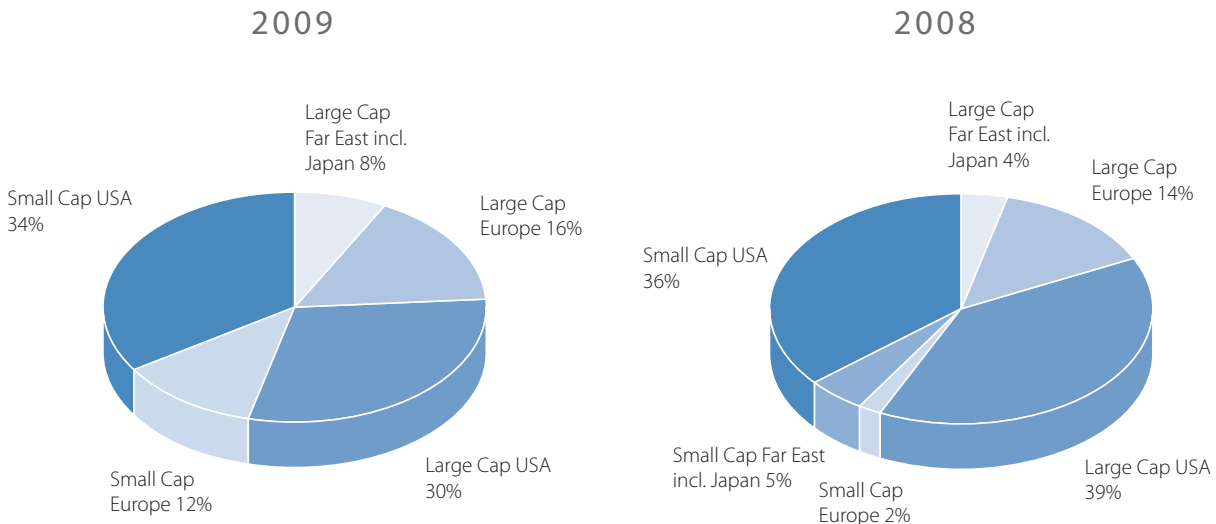
GEOGRAPHICAL ANALYSIS

as at 31 March



ANALYSIS BY MARKET CAPITALISATION

as at 31 March



Note:

For the purposes of these charts a small capitalisation company is defined as being one with a market capitalisation of less than U.S.\$5bn and a large capitalisation company is one with a market capitalisation of more than U.S.\$5bn.

Report of the Directors

Incorporating the Business Review

The Directors present their report and the audited financial statements for the year ended 31 March 2009.

STATUS AND ACTIVITIES OF THE COMPANY

During the year under review the Company has continued to conduct its affairs so as to qualify as an investment company, as defined under s833 of the Companies Act 2006, and an investment trust within the meaning of s842 of the Income and Corporation Taxes Act 1988. HM Revenue & Customs approval of the Company's status as an investment trust has been received for all years up to and including the year ended 31 March 2008. This is, however, subject to review should there be any enquiry under Corporation Tax Self Assessment. The Directors are of the opinion that the Company has subsequently directed its affairs so as to enable it to continue to obtain HM Revenue & Customs approval as an investment trust.

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

CONTINUATION OF THE COMPANY

It is not the Directors' intention that the Company should have a limited life. However, in accordance with the Company's Articles of Association, shareholders have an opportunity to vote on the continuation of the Company at this year's Annual General Meeting and every five years thereafter.

INVESTMENT OBJECTIVE AND BENCHMARK

The Company invests worldwide in the shares of pharmaceutical and biotechnology companies and related securities with the objective of achieving a high level of capital growth. Performance is measured against the Datastream World Pharmaceutical and Biotechnology Index (total return, sterling adjusted).

INVESTMENT POLICY

In order to achieve its investment objective, the Company invests in a diversified portfolio of shares in pharmaceutical and biotechnology companies and related securities on a worldwide basis. It uses gearing and derivative transactions to mitigate risk and also to enhance capital returns.

Investment Limitations and Guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions:

- The Company will not invest more than 15% of its assets in other UK listed investment companies;
- The Company will not invest more than 15% of the portfolio in any one individual stock at the time of acquisition;
- 60% of the portfolio will normally be invested in larger companies (i.e. with a market capitalisation of at least US\$5bn);
- 20% of the portfolio will normally be invested in smaller companies (i.e. with a market capitalisation of less than US\$5bn);
- Investment in unquoted securities will not exceed 10% of the portfolio at the time of acquisition;
- A maximum of 5% of the portfolio may be invested in each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies;
- The Company's gearing policy is to borrow up to the lower of £70m or 20% of the Company's net asset value;
- Derivative transactions can be used to mitigate risk or enhance capital returns and will be restricted to 5% of the portfolio; and
- Equity Swaps (e.g. M&A Basket) may be used in order to meet the Company's investment objective of achieving a high level of capital growth and is restricted to 5% of the portfolio.

Compliance with the Board's investment limitations and guidelines is monitored continuously by Frostrow Capital LLP ("Frostrow" or the "Manager") and OrbiMed Capital LLC ("OrbiMed" or the "Investment Manager") and is reported to the Board on a monthly basis.

PERFORMANCE

In the year to 31 March 2009, the Company's undiluted net asset value per share increased by 30.7% compared to a rise of 14.9% in the Datastream World Pharmaceutical and Biotechnology Index (total return, sterling adjusted). The Company's share price rose by 20.5% in the same period.

The Review of Investments on pages 7 to 10 includes a review of the principal developments during the year, together with information on investment activity within the Company's portfolio.

Report of the Directors (continued)

Incorporating the Business Review

RESULTS AND DIVIDENDS

The results attributable to shareholders for the year and the transfer to reserves are shown on page 33. In order to maintain investment trust status the Directors have declared an interim dividend for the year of 5.0p per share (2008: interim dividend of 3.0p) payable on 27 July 2009.

KEY PERFORMANCE INDICATORS ('KPIs')

At each Board meeting the Board assesses the Company's performance in meeting the investment objective against the following key performance indicators:

- Net asset value total return (see page 1)
- Share price total return (see pages 1 and 30)
- Stock contribution analysis (see page 10)
- Share price premium/discount to net asset value per share (see page 1)
- Total expense ratio (see page 1)
- Benchmark and peer group performance (see pages 1 and 30)
- Issue of new shares/repurchase of own shares (see pages 16 and 17)

The management of the portfolio is conducted by the Investment Manager and the management of the Company's affairs, including marketing, administration and company secretarial matters is conducted by the Manager. Each provider is responsible to the Board which is ultimately responsible to the shareholders for performing against, *inter alia*, the above KPIs within the terms of their respective agreements by utilising the capabilities of the experienced professionals within each firm.

PRINCIPAL RISKS AND THEIR MITIGATION

The Company's assets consist principally of listed equities; its main area of risk is therefore stockmarket-related. The specific key risks faced by the Company, together with the Board's mitigation approach, are as follows:

Objective and Strategy – The Company and its investment objective become unattractive to investors

The Board regularly reviews the investment mandate and the long-term investment strategy in relation to market and economic conditions, and the operation of the Company's peers, thereby monitoring whether the Company should continue in its present form. A continuation vote is to be held

at this year's Annual General Meeting and every five years thereafter. Each month the Board receives a monthly review, which monitors the Company's investment performance (both on an absolute basis and against the benchmark and peer group) and its compliance with the investment guidelines. Additional reports and presentations are regularly presented to investors by the Company's Manager, Investment Manager and Corporate Stockbroker.

Level of discount/premium – Share price performance lags NAV performance

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and share buy-backs, where appropriate. The Board has implemented a discount control mechanism intended to establish a maximum level of 6% discount of share price to the diluted net asset value per share. Shareholders should note that it remains possible for the share price discount to net asset value per share to be greater than 6% on any one day and is due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The average month end share price discount during the year was 7%, a level that has been broadly maintained since the year end. The making and timing of any share buy-backs is at the absolute discretion of the Board.

Market Price and Industry Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

Industry risk exists in all specialist industries. Risks are inherent in pharmaceutical companies with, for example, the potential for drug withdrawals from the market or failures after launch and lack of expected profit growth.

The Board meets on a quarterly basis during the year and on an ad hoc basis if necessary. At each meeting they consider the asset allocation of the portfolio in order to minimise the risk associated with particular countries or instruments. The Investment Manager has responsibility for selecting investments in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk-reward profile.

Report of the Directors (continued)

Incorporating the Business Review

Liquidity Risk

The Company's assets comprise mainly realisable securities, which can be sold to meet funding requirements if necessary.

Portfolio Performance and Financial Instruments – Investment performance may not be meeting the investment objective or shareholder requirements

The Board regularly reviews investment performance against the benchmark and against peer group. The Board also receives regular reports that show an analysis of performance compared with other relevant indices. The Investment Manager provides an explanation of stock selection decisions and an overall rationale for the make-up of the investment portfolio. The Investment Manager discusses current and potential investment holdings with the Board on a regular basis in addition to new initiatives, which may enhance shareholder returns.

Operational and Regulatory – Compliance with s842, Income and Corporation Taxes Act 1988

A breach of s842 could lead to the Company being subject to capital gains tax on the sale of its investments, whilst serious breach of other regulatory rules may lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, either by the Manager, the Investment Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager reviews the level of compliance with s842 and other financial regulatory requirements on a daily basis. All investment transactions and income and expenditure forecasts are reported to the Board. The Board regularly considers all risks, the measures in place to control them and the possibility of any other risks that could arise. The Board ensures that satisfactory assurances are received from service providers. The Compliance Officer of the Manager and the Investment Manager produce regular reports for review by the Company's Audit Committee and are available to attend meetings in person if required.

Currency Risk

A significant proportion of the Company's assets are, and will continue to be, invested in securities denominated in foreign currencies, in particular U.S. dollars. As the shares are denominated and traded in sterling, the return to shareholders will be affected by changes in the value of sterling relative to

those foreign currencies. The Board has made clear the Company's position with regard to currency fluctuation, which is that it does not currently hedge against currency exposure.

Loan Facility Risk – The provider of the Company's loan facility may no longer be prepared to lend to the Company

The Board and the Investment Manager are kept fully informed of any likelihood of the withdrawal of the loan facility so that repayment can be effected in an orderly fashion.

Credit Risk

Certain of the Company's assets are held by Goldman Sachs & Co. New York as collateral for the loan provided by them to the Company. Such assets held by Goldman Sachs & Co. New York are available for rehypothecation (see Glossary on page 60).

Further information on financial instruments and risk, as required by FRS 29, can be found in note 18 to the financial statements beginning on page 45.

LOAN FACILITY

Following the expiry of the Company's committed multicurrency loan facility with Allied Irish Banks p.l.c. on 31 December 2008, its borrowing requirements are now met through the utilisation of a loan facility, repayable on demand, provided by Goldman Sachs & Co. New York.

SHARE CAPITAL

A total of 13,070 shares were allotted on 4 August 2008, raising £61,000, as a result of certain holders of the Company's warrants exercising their subscription rights on 31 July 2008. At the Annual General Meeting held on 23 July 2008, authority was granted for the repurchase of 6,656,521 shares of 25p, representing 14.99% of the issued share capital at that time. In the year under review, the Company bought back a total of 4,841,800 shares, 3,058,050 of which are held in treasury, at a cost of £24,746,000 (including expenses). Since the year end and to 11 June 2009, a further 1,352,097 shares, costing £6,973,000 (including expenses), have been repurchased, 927,347 of which are held in treasury and 424,750 have been cancelled as the Company has now reached the maximum amount of shares that it can hold in treasury. In aggregate, to 11 June 2009, the shares bought back equate to a total of 13.4% of the issued share capital at the beginning of the year. As indicated in the Chairman's Statement, the Board has

Report of the Directors (continued)

Incorporating the Business Review

agreed that any treasury shares remaining on 17 July 2009, the date of the Annual General Meeting, will be cancelled. A total of 2,679,750 shares held in treasury were cancelled on 24 July 2008.

PROSPECTS

The economic outlook remains uncertain and stock market conditions will continue to be volatile and difficult. The Board continues to closely monitor developments in the healthcare sector and to explore new investment opportunities within it.

Continued merger and acquisition activity is expected in the sector, together with the successful development of a number of important new products, improved regulatory efficiency at the U.S. Food and Drug Administration which should result in a more positive stance towards new drug approvals and a movement towards expanded healthcare coverage for consumers in many large markets such as the U.S. and China. However, there are concerns with regard to the prospects for large pharmaceutical companies which are facing the prospect of low research productivity and an unprecedented wave of patent expirations over the coming years.

Further information can be found in the Review of Investments, provided by the Company's Investment Manager, that begins on page 7.

MANAGEMENT

Management, Administrative and Secretarial Services Agreement: Management, Administrative, Secretarial and other services are provided to the Company by the Manager. The Manager is authorised and regulated by the Financial Services Authority.

Frostrow Capital LLP, as Manager, receives a periodic fee equal to 0.30% per annum of the Company's market capitalisation up to £150m and 0.20% per annum of the market capitalisation in excess of £150m, plus a fixed amount equal to £50,000 per annum.

The notice period on the Management, Administration and Company Secretarial Agreement with Frostrow is 12 months, termination can be initiated by either party.

The Manager, under the terms of the agreement provides, *inter alia*, the following services:

- marketing and shareholder services;
- administrative services;

- advice and guidance in respect of corporate governance requirements;
- maintaining the books of account and record in respect of Company dealing, investments, transactions, dividends and other income, the income account, balance sheet and cash books and statements;
- preparation and despatch of the audited annual and unaudited interim report and accounts and interim management statements; and
- attending to general tax affairs where necessary.

INVESTMENT MANAGEMENT

Investment Management Agreement:

Investment Management Services are provided by the Investment Manager. The Investment Manager is authorised and regulated by the U.S. Securities and Exchange Commission. The Investment Manager receives a periodic fee equal to 0.65% p.a. of the Company's net asset value. The Investment Management Agreement may be terminated by either party giving notice of not less than 12 months. The Investment Manager under the terms of the agreement provides, *inter alia*, the following services:

- seeking out and evaluating investment opportunities;
- recommending the manner by which monies should be invested, disinvested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the Company in relation to trends, market movements and other matters which may affect the investment policy of the Company.

Performance Fee:

Dependent on the level of performance achieved, the Manager and Investment Manager are also entitled to the payment of a performance fee. The performance fee is calculated by reference to the amount by which the Company's portfolio has out-performed the Datastream World Pharmaceutical and Biotechnology Index (total return, sterling adjusted) (the "Benchmark").

The fee is calculated quarterly by comparing the cumulative performance of the Company's portfolio with the cumulative

Report of the Directors (continued)

Incorporating the Business Review

performance of the Benchmark since the launch of the Company in 1995. The performance fee amounts to 16.5% of any outperformance of the net asset value over the Benchmark, the Investment Manager receiving 15.0% and the Manager receiving 1.5% of the outperformance.

At each quarterly calculation date any performance fee payable is based on the lower of:

- (i) the cumulative outperformance of the portfolio over the Benchmark as at the quarter end date; and
- (ii) the cumulative out-performance of the portfolio over the Benchmark as at the corresponding quarter end date in the previous year.

In the year under review no performance fee was paid. However, a performance fee of £224,000 was accrued as at 31 March 2009 (see note 3 on page 39).

CONTINUING APPOINTMENT OF THE MANAGER AND INVESTMENT MANAGER

The Board has concluded that it is in shareholders' interests that the Manager and the Investment Manager continue in their roles. The review undertaken by the Board considered the Company's investment performance over both the short and longer terms, together with the quality and adequacy of other services provided. The Board also reviewed the appropriateness of the terms of the Investment Management and Management Agreements, in particular the length of notice period and the fee structures.

GOING CONCERN

Notwithstanding that an ordinary resolution will be proposed at the forthcoming Annual General Meeting that the Company continues as an investment trust, the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

CREDITORS PAYMENT POLICY

Terms of payment are negotiated with suppliers when agreeing settlement details for transactions. While the Company does not follow a formal code, it is the Company's continuing policy to pay amounts due to creditors as and when they become due. As at 31 March 2009, the Company did not have any trade creditors (2008: Nil).

CHARITABLE AND POLITICAL DONATIONS

The Company has not in the past and does not intend in future to make any charitable or political donations.

ENVIRONMENTAL AND ETHICAL POLICY

The Company's primary objective is to achieve a high level of capital growth by investment in pharmaceutical and biotechnology companies and recognises that this should be done in an environmentally responsible way. The Company supports the action being taken by the major pharmaceutical companies to make products more affordable to patients in developing countries. The Directors believe that the Company would be in breach of its fiduciary duties to shareholders if investment decisions were based solely on ethical or environmental considerations.

DIRECTORS

The Directors of the Company, who served throughout the year except where stated, are all non-executive and are listed below. The biographies of the Directors in post at 31 March 2009 can be found on pages 4 and 5.

Martin Smith (*Chairman*)
 Josephine Dixon
 Paul Gaunt
 Professor Duncan Geddes
 Dr David Holbrook
 Samuel D Isaly
 Ian Ivory (*retired 23 July 2008*)
 Anthony Townsend

Report of the Directors (continued)

Incorporating the Business Review

DIRECTORS' INTERESTS

The beneficial interests of the Directors and their families in the Company were as set out below:

	Shares of 25p each		Warrants to subscribe for Shares	
	31 March 2009	1 April 2008*	31 March 2009	1 April 2008*
Martin Smith	–	–	–	–
Josephine Dixon	–	3,400	25,680	88,180
Paul Gaunt	–	–	–	–
Professor Duncan Geddes	38,250	38,250	4,000	4,000
Dr David Holbrook	–	–	–	–
Samuel D Isaly	235,673	235,673	407,134	407,134
Anthony Townsend	17,370	12,987	1,415	1,415

*or date of appointment if later.

As at 11 June 2009 there had been no changes in the above details.

Samuel D Isaly is a partner in OrbiMed Capital LLC which is party to the Investment Management Agreement with the Company and receives fees as described on pages 17 and 18. A number of the partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's Manager.

DIRECTORS' FEES

A report on Directors' Remuneration is set out on pages 29 and 30.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE COVER

Directors' & officers' liability insurance cover was maintained by the Board during the year ended 31 March 2009. It is intended that this policy will continue for the year ending 31 March 2010 and subsequent years.

SUBSTANTIAL SHAREHOLDINGS

As at 20 May 2009 the Company was aware of the following interests in the shares of the Company, which exceeded 3% of the issued share capital (excluding treasury shares):

Shareholder	Registered holder	Number of shares	% of issued share capital
Newton Investment Management	Various Nominees	3,293,260	8.22
Rensburg Sheppards Investment Management	Ferlim Nominees/Hero Nominees	2,731,873	6.82
Asset Value Investors	Various Nominees	2,414,515	6.02
Alliance Trust Savings	Alliance Trust Savings Nominees	2,012,121	5.02
Legal & General Investment Management	Various Nominees	1,814,565	4.53
East Riding of Yorkshire Council	Nortrust Nominees	1,395,492	3.48
Investec Asset Management	Various Nominees	1,382,116	3.45

Report of the Directors (continued)

Incorporating the Business Review

INDEPENDENT AUDITORS

Ernst & Young LLP have indicated their willingness to continue to act as Auditors to the Company and a resolution for their re-appointment, will be proposed at the forthcoming Annual General Meeting.

AUDIT INFORMATION

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Auditors are unaware; and that each Director has taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

SECTION 992 OF THE COMPANIES ACT 2006

The following disclosures are made in accordance with Section 992 of the Companies Act 2006.

Capital Structure

The Company's capital structure is summarised in the Report of the Directors on pages 16 and 17.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 57.

CORPORATE GOVERNANCE

A formal statement on Corporate Governance is set out on pages 24 to 28.

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Capita Registrars, or to the Company directly.

ARTICLES OF ASSOCIATION

Due to a technical irregularity in the manner in which notice of the special resolution proposing the adoption of new Articles of Association was given at last year's Annual General Meeting, the resolution was ineffective and therefore the proposed new

Articles of Association were not adopted by the Company. It is therefore proposed that in order to reflect certain of the provisions of the Companies Act 2006 which have or will come into force, that a number of alterations be made to the Company's current Articles of Association. Details of the principal changes are set out on pages 51 to 53. Shareholders should be mindful that the 2006 Act is being implemented over a period of time, with the final stage taking effect in October 2009.

NOTICE PERIOD FOR GENERAL MEETINGS

The proposed amendments to the Company's Articles of Association include a provision allowing general meetings of the Company to be called on the minimum notice period provided for in the Companies Act 2006. For meetings other than Annual General Meetings this is currently a period of 14 clear days.

The provisions in the Companies Act 2006 relating to meetings are due to be amended with effect from 3 August 2009 as a result of the implementation of the EU Shareholder Rights Directive (2007/36/EC) (the 'Directive') in the UK.

The government has still to finalise the details of the amendments that are to be made and is not expected to publish the final draft of the amendments until later in the year. One of the amendments to be made will, in accordance with the Directive, be to increase the minimum notice period for listed company General Meetings to 21 clear days, but with an ability for companies to reduce this period back to 14 clear days (other than for Annual General Meetings), provided that two conditions are met:

- (i) that the Company offers facilities for shareholders to vote by electronic means. It is not yet clear what this will require and the details will be set out in the final regulations when published; and
- (ii) that there is an annual resolution of shareholders approving the reduction in the minimum period for notice of general meetings (other than Annual General Meetings) from 21 clear days to 14 clear days.

Although the final form of the regulations is unlikely to be known before the publication of this annual report, the Board believes that it should ensure that the minimum period for notice of General Meetings of the Company (other than Annual General Meetings) remains at 14 clear days after August 2009. The Board is therefore proposing Resolution 13 as

Report of the Directors (continued)

Incorporating the Business Review

a special resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than Annual General Meetings. The notice period for Annual General Meetings will remain 21 clear days.

ANNUAL GENERAL MEETING

The formal Notice of Annual General Meeting is set out on pages 54 to 58 of this Annual Report.

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

Adoption of New Articles of Association

Special Resolution 8 seeks shareholder approval that new Articles of Association be adopted in substitution for, and to the exclusion of, the existing Articles of Association.

Issue of Shares

Ordinary Resolution 9 in the Notice of Annual General Meeting gives authority to the Directors to allot the unissued share capital up to an aggregate nominal amount of £1,000,233 (equivalent to 4,000,933 shares, or 10% of the Company's existing share capital on 11 June 2009, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 89(1) of the Companies Act 1985 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 10 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 11 June 2009 (reduced by any treasury shares sold by the Company pursuant to Special Resolution 11, as described below), as if Section 89(1) of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 9. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) (the "Treasury Share Regulations") the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. The Treasury Share Regulations require such sale to be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued share capital on a non pre-emptive basis pursuant to Resolution 10, Resolution 11, if passed, will give the Directors authority to sell shares held in treasury on a non pre-emptive basis. Under the Treasury Share Regulations, the holding of treasury shares is restricted to 10% of the Company's issued share capital, no dividends may be paid on any shares held in treasury and no voting rights will attach to such shares. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares. It is the intention of the Board that any re-sale of treasury shares would only take place at a narrower discount to the net asset value per share than that at which they had been bought into treasury, and in any event at a discount no greater than 5% to the prevailing net asset value per share, and this is reflected in the text of Resolution 11. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The number of treasury shares which may be sold pursuant to this authority is limited to 10% of the Company's existing share capital on 11 June 2009 (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 10, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions 9 and 10 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in General Meeting.

Report of the Directors (continued)

Incorporating the Business Review

Share Repurchases

At the Annual General Meeting held on 23 July 2008, shareholders approved the renewal of the authority permitting the Company to repurchase its own shares.

The Directors wish to renew the authority given by shareholders at the previous Annual General Meeting. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution 12 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 11 June 2009, being the nearest practicable date prior to the signing of this Report, (amounting to 5,997,399 shares). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

General Meetings

Special Resolution 13 seeks shareholder approval for the Company to hold General Meetings (other than Annual General Meetings) at 14 clear days' notice.

Continuance of Company

In accordance with Article 155.1 of the Articles of Association of the Company, the Directors are required to propose an ordinary resolution at this and at every fifth Annual General Meeting of the Company thereafter, that the Company continues as an investment trust for a further period of five years. Ordinary Resolution No 14 seeks shareholder approval for such continuation.

The authorities being sought under Resolutions 9, 10, 11, 12 and 13 will last until the conclusion of the next Annual General Meeting or, if less, a period of 15 months.

The Directors consider that the resolutions relating to the above items of special business are in the best interests of shareholders as a whole. Accordingly, the Directors unanimously recommend to shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Frostrow Capital LLP

Company Secretary

11 June 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulation.

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the net return of the Company for that period. Under this law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom standards and applicable law).

In preparing these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- followed applicable United Kingdom accounting standards.

The Directors are responsible for keeping proper accounting records which 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 1985 and the Companies Act 2006 as in force from time to time. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the Company's website (website address: www.finsburywp.com), which is a website maintained by the Manager. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements 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 financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge the financial statements, within the annual report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the profit for the year ended 31 March 2009, and that the Chairman's Statement, Review of Investments and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.2.11R of the FSAs Disclosure and Transparency Rules.

On behalf of the Board

Martin Smith

Chairman

11 June 2009

Corporate Governance

COMPLIANCE

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Finsbury Worldwide Pharmaceutical Trust PLC.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code throughout the year ended 31 March 2009 and up to the date of this report, except with regard to the fact that the Chairman of the Company is Chairman of the Remuneration Committee and as set out below.

The Combined Code includes provision relating to:

- the role of the chief executive (section A.2);
- executive directors' remuneration (section B.1); and
- the need for an internal audit function (section C.3).

For the reasons set out in the AIC Guide, and in the preamble to the AIC Code, the Board considers these provisions are not relevant to the position of Finsbury Worldwide Pharmaceutical Trust PLC, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

BOARD INDEPENDENCE, COMPOSITION AND TENURE

The Board, chaired by Martin Smith, currently consists of seven non-executive Directors. The Directors' biographical details, set out on pages 4 and 5, demonstrate a breadth of investment, commercial and professional experience. Professor Duncan Geddes has been designated as the Senior Independent Director. The Directors review their independence annually. The Directors retire by rotation at every third Annual General

Meeting and any Directors appointed to the Board since the previous Annual General Meeting also retire and stand for election. Any Director who has served on the Board for more than nine years is subject to annual re-election. Paul Gaunt is a Director of The Biotech Growth Trust PLC for which OrbiMed also acts as Investment Manager; he has also served on the Board for over nine years. He is therefore not considered to be an Independent Director. Samuel D Isaly is Managing Partner of OrbiMed, the Company's Investment Manager, and has also served on the Board for over nine years. Mr Isaly is therefore not considered to be an Independent Director. Professor Geddes and Anthony Townsend have both also served on the Board for over nine years. However, the Board considers them to be independent in character and judgement and, in accordance with the AIC Code, does not believe that the criterion of length of service should necessarily preclude them from being considered independent; they also have no other links to the Investment Manager and have a wide range of other interests. The Board has considered the position of Messrs Gaunt, Isaly, Townsend and Professor Geddes, as part of the evaluation process, and believes that it would be in the Company's best interests to propose them for re-election at the forthcoming Annual General Meeting.

None of the Directors has a service contract with the Company. New Directors are appointed with the expectation that they will serve for a minimum period of three years. Any Director may resign in writing to the Board at any time. 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 offices of the Company's Manager and will be available at the Annual General Meeting. When a new Director is appointed to the Board, they are provided with all relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend time with representatives of the Manager and Investment Manager in order to learn more about their processes and procedures. The Board also receives regular briefings from, amongst others, the Auditors and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

Corporate Governance (continued)

THE BOARD'S RESPONSIBILITIES

The Board is responsible for efficient and effective leadership of the Company and regularly reviews the schedule of matters reserved for its decision. The Board meets at least on a quarterly basis and at other times as necessary. The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of investment strategy, the review of investment performance (including peer group performance) and investment policy. It also has responsibility for all corporate strategy issues, dividend policy, share buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters. To enable them to discharge their responsibilities, prior to each meeting the Directors are provided, in a timely manner, with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. Representatives of the Manager and Investment Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern; a full written report is also received from the Manager and Investment Manager at each quarterly meeting. In light of these reports, the Board gives direction to the Investment Manager with regard to the Company's investment objectives and guidelines. Within these established guidelines, the Investment Manager takes decisions as to the purchase and sale of individual investments.

There is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the Company Secretary, through its appointed representative, who is responsible to the Board for ensuring that Board procedures are followed.

PERFORMANCE EVALUATION

The Board has carried out an evaluation process for the year ended 31 March 2009, independently managed by Professor

Geddes, the Senior Independent Director. This took the form of a questionnaire followed by discussions to identify how the effectiveness of its activities, including its committees, policies and processes might be improved. The results of the evaluation process were presented to and discussed by the Board and, as a result, it was agreed that the current Directors contributed effectively and that all had the skills and experience which are relevant to the leadership and direction of the Company.

COMMITTEES OF THE BOARD

During the year the Board delegated certain responsibilities and functions to committees. Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available for inspection at the Annual General Meeting, and can be found at the Company's website at www.finsburywvp.com. Following a review by the Board in 2008, it was agreed that due to the size of the Board, the membership of the Remuneration and Nominations Committees should comprise the whole Board, both under the chairmanship of the Chairman of the Company (provided that a majority of the Directors present are independent). It was further agreed that the membership of the Audit Committee comprise the following independent Directors: Jo Dixon (Chairman), Dr David Holbrook, Professor Duncan Geddes and Anthony Townsend. Directors who are not members of the Audit Committee may attend at the invitation of the Chairman. Details of the membership of the Committees as at 31 March 2009 are shown with the Directors' Biographies on pages 4 and 5.

The table overleaf details the number of Board and Committee meetings attended by each Director. During the year there were five Board meetings, two Audit Committee meetings, one meeting of the Nominations Committee and one meeting of the Remuneration Committee.

Corporate Governance (continued)

MEETING ATTENDANCE

The number of meetings held during the year of the Board and its Committees, and each Director's attendance level, is shown below:

Type and number of meetings held in 2008/9	Board (5)	Audit Committee (2)	Nominations Committee (1)	Remuneration Committee (1)
Martin Smith	5	N/A	1	1
Ian Ivory*	2	N/A	N/A	N/A
Josephine Dixon	5	2	1	1
Paul Gaunt	4	N/A	1	1
Professor Duncan Geddes	5	2	1	0
Dr David Holbrook	5	2	1	1
Samuel D Isaly	5	N/A	1	1
Anthony Townsend	5	2	1	1

*Retired from the Board on 23 July 2008.

All of the Directors attended the Annual General Meeting held on 23 July 2008.

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for the Board appraisal process and for making recommendations to the Board on the appointment of new Directors. Where appropriate, each Director is invited to submit nominations and external advisers may be used to identify potential candidates.

REMUNERATION COMMITTEE

The level of Directors' fees is reviewed on a regular basis relative to other comparable investment companies and in the light of Directors' responsibilities. Neither the Chairman nor individual Directors participate in discussions involving personal remuneration. Details of the fees paid to the Directors in the year under review are detailed in the Directors' Remuneration Report on pages 29 and 30.

AUDIT COMMITTEE

The Audit Committee meets at least twice a year and is responsible for the review of the interim and annual financial statements, the nature and scope of the external audit and the findings therefrom and the terms of appointment of the Auditors, including their remuneration and the provision of any non-audit services by them.

The Audit Committee meets representatives of the Manager and Investment Manager and their Compliance Officers who report as to the proper conduct of business in accordance with

the regulatory environment in which the Company, Manager and Investment Manager operate. The Company's external Auditors also attend meetings of this Committee at its request and report on their work procedures and their findings in relation to the Company's statutory audit. They also have the opportunity to meet with the Committee without representatives of the Manager or the Investment Manager being present. The Audit Committee reviews the need for non-audit services and authorises such on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditors. Non-audit fees of £4,000 were paid to Ernst & Young LLP during the year for their review of the Company's options strategy. The Board has concluded, on the recommendation of the Audit Committee, that the Auditors continued to be independent and that their reappointment be proposed at the Annual General Meeting.

INTERNAL CONTROLS

The Combined Code requires the Directors, at least annually, to review the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management. This accords with the guidance contained in the Turnbull Report published in 1999 and revised in 2005.

Corporate Governance (continued)

The Directors are responsible for the Company's system of internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. Such a system, however, is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. In view of particularly difficult market conditions during the year, the Directors devoted additional time to reviewing the Company's internal controls and key risks. The Directors continue to monitor this area closely.

Unlike the boards of most other listed companies, the boards of investment trust companies obtain the majority of their evidence as to whether internal controls are operating effectively from third party suppliers to whom investment management, custody, administration, accounting and secretarial matters have been delegated. This means that an understanding of the internal controls for an investment trust company requires Directors to consider information from a number of independent sources, rather than from a consolidated single source covering a typical listed company's system of internal control.

The Company does not have an internal audit function. The Audit Committee considers annually whether there is any need for an internal audit function. As most of the Company's functions are delegated to third parties, it has been agreed that it is inappropriate for the Company to have its own internal audit function.

The Directors, through the procedures outlined below, have kept the effectiveness of the Company's internal controls under review throughout the period covered by these financial statements and up to the date of their approval.

The Manager and the Investment Manager have established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of their clients. Their compliance monitoring programmes assess the effectiveness of and provide the Board with regular reports on all aspects of internal control (including financial, operational and compliance control, risk management and relationships with external service providers). Business risks have been analysed and recorded in a Risk Register, which is reviewed at each meeting of the Audit Committee and at other times as necessary.

RELATIONS WITH SHAREHOLDERS

The Board reviews the shareholder register at each Board meeting. The Company has regular contact with its institutional shareholders particularly through the Manager. The Board supports the principle that the Annual General Meeting be used to communicate with private investors. The full Board attends the Annual General Meeting under the Chairmanship of the Chairman of the Board. Details of proxy votes received in respect of each resolution are made available to shareholders at the meeting and are also published on the Company's website at www.finsburywp.com. Representatives from the Investment Manager attend the Annual General Meeting and give a presentation on investment matters to those present. The Company has adopted a nominee share code which is set out on page 28.

The Board receives marketing and public relations reports from the Manager to whom the marketing function has been delegated. The Board reviews and considers the marketing plans of the Manager on a regular basis.

The annual and interim financial reports, the interim management statements and a monthly fact sheet are available to all shareholders. The Board considers the format of the annual and interim financial reports so as to ensure they are useful to all shareholders and others taking an interest in the Company. In accordance with best practice, the annual report, including the Notice of the Annual General Meeting, is sent to shareholders at least 20 working days before the Meeting. Separate resolutions are proposed for substantive issues.

EXERCISE OF VOTING POWERS

The Board has delegated authority to the Investment Manager to vote the shares held by the Company through its nominee, The Bank of New York (Nominees) Limited, which accords with current best practice whilst maintaining a primary focus on financial returns. The Investment Manager may refer to the Board on any matters of a contentious nature.

ACCOUNTABILITY AND AUDIT

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 23. The report of the Auditors is set out on pages 31 and 32. The Board has delegated contractually to external agencies, including the

Corporate Governance (continued)

Manager and the Investment Manager, the management of the portfolio, custodial services (which includes the safeguarding of the Company's assets), the day to day marketing, accounting administration, company secretarial requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Manager and the Investment Manager and ad hoc reports and information are supplied to the Board as required.

NOMINEE SHARE 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 Alliance Trust Savings Scheme or 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.

Shareholder Analysis

as at 31 March

	2009 number of shares	2009 % of issued share capital	2009 number of warrants [#]	2009 % of issued warrants [#]	2008 number of shares	2008 % of issued share capital	2008 number of warrants [#]	2008 % of issued warrants [#]
Nominee Companies*	34,386,134	83.1	8,330,379	77.5	40,431,441	87.5	8,601,006	79.9
Other Institutions, Investment Funds and Companies	3,957,834	9.6	722,709	6.7	2,071,821	4.5	368,488	3.4
Private Individuals	1,316,008	3.2	544,730	5.1	1,449,588	3.1	641,249	6.0
Banks and Bank Nominees	1,701,455	4.1	1,147,792	10.7	2,237,311	4.9	1,147,937	10.7
Total shares/warrants in issue	41,361,431*	100.0	10,745,610	100.0	46,190,161*	100.0	10,758,680†	100.00
*Includes Alliance Trust Savings Scheme, and ISA clients	2,013,822	4.9	126,341	1.2	2,109,096	4.6	137,154	1.3

[#]Warrants to subscribe for shares, created on 17 December 2004.

[†]13,070 Warrants were exercised on 31 July 2008.

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 1985 (the Regulations). An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 31 and 32.

REMUNERATION COMMITTEE

The Company has seven non-executive Directors, five of whom are considered by the Board to be independent. The whole Board fulfils the function of the Remuneration Committee (provided that a majority of the Directors present are independent). The Board may utilise the services of the Company Secretary or external advisers to provide advice when the Directors consider the level of Directors' fees.

The Directors' fees are reviewed annually by the Remuneration Committee; such review will not necessarily result in a change to the rates paid. In March 2009, the Remuneration Committee carried out a review of the level of Directors' fees in relation both to fees paid to the boards of other investment trust companies and also to the Board's corporate governance obligations. The Board decided, on the advice of the Remuneration Committee, that the amounts should remain unchanged for the present.

POLICY ON DIRECTORS' FEES

The Board's policy is that the remuneration of Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure (Ordinary shares), and have a similar investment objective. It is intended that this policy will continue for the year ending 31 March 2010 and subsequent years.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, the maximum aggregate amount currently being £200,000. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The policy is for the Chairman of the Board and Chairman of the Audit Committee to be paid higher fees than the other Directors to reflect their more onerous roles and additional responsibilities.

DIRECTORS' SERVICE CONTRACTS

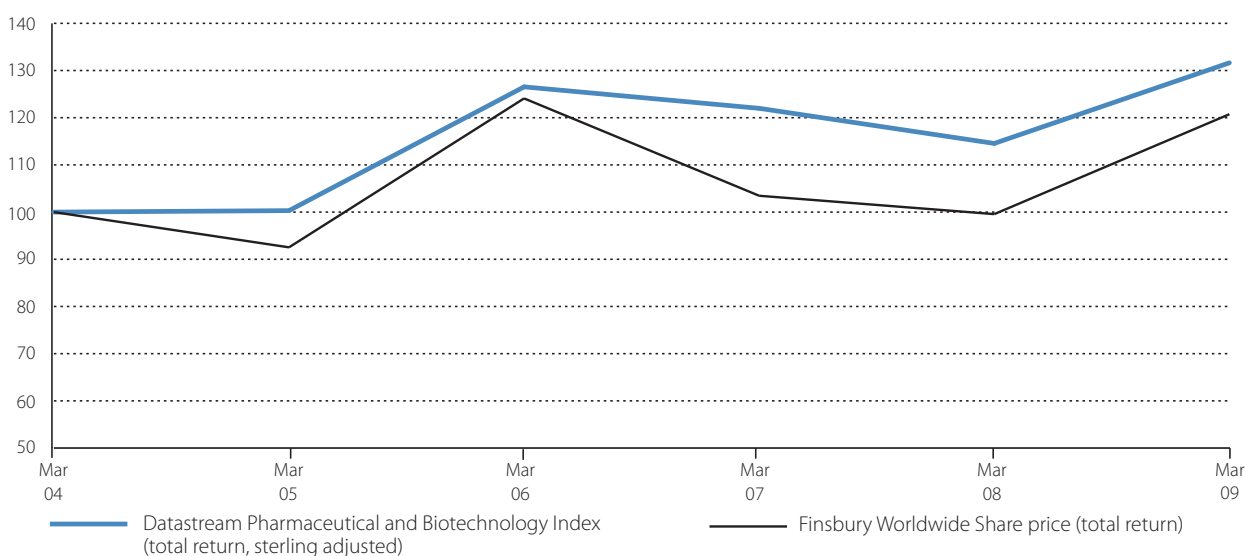
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment and re-election at least every three years thereafter. The terms also provide that a Director may resign by notice in writing to the Board at any time and may be removed without notice and that compensation will not be due on leaving office. The Company's policy is for the Directors to be remunerated in the form of fees payable quarterly in arrears, to the Director personally or to a specified third party.

YOUR COMPANY'S PERFORMANCE

The Regulations require a line graph be included in the Directors' Remuneration Report comparing, for a period of five years, on a cumulative basis, the total return (assuming all dividends are reinvested) to shareholders and the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the Datastream World Pharmaceutical and Biotechnology Index (total return, sterling adjusted), chosen as it is the Company's stated benchmark, is calculated.

Directors' Remuneration Report (continued)

SHAREHOLDER TOTAL RETURN FOR THE FIVE YEARS TO 31 MARCH 2009



DIRECTORS' EMOLUMENTS FOR THE YEAR (AUDITED)

The Directors who served in the year received the following emoluments in the form of fees:

	Fees 2009 £'000	Fees 2008 £'000
Martin Smith*	27	8
Josephine Dixon	21	22
Paul Gaunt	19	20
Professor Duncan Geddes	19	20
Dr David Holbrook*	19	8
Ian Ivory**	9	30
James Noble†	–	6
Samuel D Isaly	19	20
Anthony Townsend	19	19
	152	153

*Appointed to the Board on 8 November 2007 and became Chairman on 23 July 2008.

**Retired from the Board on 23 July 2008.

†Retired from the Board on 9 July 2007.

APPROVAL

The Directors' Remuneration Report on pages 29 and 30 was approved by the Board of Directors on 11 June 2009 and signed on its behalf by

Martin Smith (Chairman).

Independent Auditors' Report

to the Members of Finsbury Worldwide Pharmaceutical Trust PLC

We have audited the financial statements of Finsbury Worldwide Pharmaceutical Trust PLC for the year ended 31 March 2009, which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and the information given in the Report of the Directors is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

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

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only: Who are we? Why Invest in the Pharmaceutical Sector? Why choose us? Performance Summary, Chairman's Statement, Your Board, A Special Relationship, Review of Investments, Champions of Innovation, the Portfolio, Analysis of the Portfolio, Report of the Directors Incorporating the Business Review, the Statement of Directors' Responsibilities, Corporate Governance, Shareholder Analysis, the unaudited part of the Directors' Remuneration Report, the Explanatory Notes of Principal Changes to the Company's Articles of Association, Notice of the Annual General Meeting, Alliance Trust Savings Limited and Capita Registrars Share Dealing Service, Glossary, Company Information and Disability Act. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give

Independent Auditors' Report (continued)

reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its return for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and the Companies Act 2006 as in force from time to time; and
- the information given in the Report of the Directors is consistent with the financial statements.

Ernst & Young LLP

Registered Auditor

London

11 June 2009

Income Statement

for the year ended 31 March 2009

	Notes	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	9	–	76,505	76,505	–	(16,666)	(16,666)
Exchange (losses)/gains on currency balances		–	(12,042)	(12,042)	–	1,332	1,332
Income from investments held at fair value through profit or loss	2	4,018	–	4,018	3,404	–	3,404
Investment management, management and and performance fees	3	(116)	(2,436)	(2,552)	(122)	(2,323)	(2,445)
Other expenses	4	(588)	–	(588)	(708)	–	(708)
Net return/(loss) before finance charges and taxation		3,314	62,027	65,341	2,574	(17,657)	(15,083)
Finance charges	5	(29)	(543)	(572)	(51)	(976)	(1,027)
Net return/(loss) on ordinary activities before taxation		3,285	61,484	64,769	2,523	(18,633)	(16,110)
Taxation on net return/(loss) on ordinary activities	6	(866)	360	(506)	(782)	372	(410)
Net return/(loss) on ordinary activities after taxation		2,419	61,844	64,263	1,741	(18,261)	(16,520)
Return/(loss) per share – basic	7	5.5p	141.4p	146.9p	3.5p	(37.1p)	(33.6p)
Return/(loss) per share – diluted	7	5.4p	138.2p	143.6p	3.5p	(37.1p)	(33.6p)

The "Total" column of this statement is the Income Statement of the Company. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The Company has no recognised gains and losses other than those disclosed in the Income Statement and Reconciliation of Movements in Shareholders' Funds. Accordingly no separate Statement of Total Recognised Gains and Losses has been presented.

No operations were acquired or discontinued in the year.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 March 2009

	Called-up share capital £'000	Share premium account £'000	Warrant reserve £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2008	11,772	117,639	7,426	81,611	3,008	3,327	224,783
Net return on ordinary activities after taxation	–	–	–	61,844	–	2,419	64,263
Dividend paid in respect of year ended 31 March 2008	–	–	–	–	–	(1,344)	(1,344)
Proceeds from exercise of warrants	3	58	–	–	–	–	61
Transfer from warrant reserve following exercise of warrants	–	9	(9)	–	–	–	–
Shares purchased including expenses	(670)	–	–	(24,746)	670	–	(24,746)
At 31 March 2009	11,105	117,706	7,417	118,709	3,678	4,402	263,017

For the year ended 31 March 2008

	Called-up share capital £'000	Share premium account £'000	Warrant reserve £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2007	14,401	117,565	7,436	130,724	375	3,130	273,631
Net (loss)/return on ordinary activities after taxation	–	–	–	(18,261)	–	1,741	(16,520)
Dividend paid in respect of year ended 31 March 2007	–	–	–	–	–	(1,544)	(1,544)
Proceeds from exercise of warrants	4	64	–	–	–	–	68
Transfer from warrant reserve following exercise of warrants	–	10	(10)	–	–	–	–
Shares purchased including expenses	(2,633)	–	–	(30,852)	2,633	–	(30,852)
At 31 March 2008	11,772	117,639	7,426	81,611	3,008	3,327	224,783

Balance Sheet

as at 31 March 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	294,928	220,587
M&A Basket – OTC equity swap	9 & 12	10,321	10,244
		305,249	230,831
Current assets			
Debtors	10	1,307	4,399
Cash at bank	16	9,979	7,050
		11,286	11,449
Current liabilities			
Creditors: amounts falling due within one year	11	(52,564)	(17,035)
Derivative (options) – financial instruments	9 & 12	(954)	(462)
		(53,518)	(17,497)
Net current liabilities			
		(42,232)	(6,048)
Total net assets			
		263,017	224,783
Capital and reserves			
Called-up share capital	13	11,105	11,772
Share premium account		117,706	117,639
Warrant reserve		7,417	7,426
Capital reserve	19	118,709	81,611
Capital redemption reserve		3,678	3,008
Revenue reserve		4,402	3,327
Total equity shareholders' funds			
		263,017	224,783
Net asset value per share – basic			
	14	635.9p	486.6p
Net asset value per share – diluted			
	14	600.5p	482.4p

The financial statements on pages 33 to 50 were approved by the Board of Directors and authorised for issue on 11 June 2009 and were signed on its behalf by:

Martin Smith
Chairman

Cash Flow Statement

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Net cash outflow from operating activities	15	(61)	(332)
Servicing of finance			
Interest paid		(582)	(1,023)
Taxation			
Taxation recovered		91	124
Financial investments			
Purchases of investments and derivatives		(251,520)	(219,443)
Sales of investments and derivatives		257,286	269,680
Net cash inflow from financial investment		5,766	50,237
Equity dividends paid		(1,344)	(1,544)
Net cash inflow before financing		3,870	47,462
Financing			
Issue of shares		61	68
Purchase of own shares		(25,068)	(30,618)
Repayment of short term loans		(14,813)	(10,308)
Net cash outflow from financing		(39,820)	(40,858)
(Decrease)/increase in cash for the year	16	(35,950)	6,604

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year in the preparation of these financial statements, are set out below:

(a) Basis of Preparation

The financial statements have been prepared in accordance with United Kingdom generally accepted accounting standards (UK GAAP) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' dated January 2009 (the 'SORP').

The Company's financial statements are presented in sterling. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

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

Listed investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid market prices.

Unquoted investments are valued by the Directors using primary valuation techniques such as earnings multiples, option pricing models, recent transactions and net assets.

Changes in the fair 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 caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase. All purchases and sales are accounted for on a trade date basis.

(c) Investment Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established.

Income from fixed interest securities is recognised on a time apportionment basis so as to reflect the effective interest rate.

Deposit interest is accounted for on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement (revenue) except as follows:

- (i) expenses which are incidental to the acquisition or disposal of an investment, categorised as fixed assets held at fair value through profit or loss are charged to capital; and
- (ii) expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management and management fees have been charged to the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income, from the Company's portfolio. As a result 5% of the investment management and management fees are charged to the revenue column of the Income Statement and 95% are charged to the capital column of the Income Statement.

Any performance fee accrued or paid is charged in full to the capital column of the Income Statement.

(e) Finance costs

Finance costs are accounted for on an accruals basis. Finance costs are charged to the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income, from the Company's portfolio. As a result 5% of the finance costs are charged to revenue and 95% are charged to capital. Finance charges, if applicable, including interest payable and premiums on settlement or redemption, are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

The tax effect of different items of expenditure is allocated between capital and revenue using the marginal basis.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Balance Sheet date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(g) Foreign Currency

The results and financial position of the Company are expressed in sterling, which is the functional and presentational currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Assets and liabilities denominated in overseas currencies at the Balance Sheet date are translated into sterling at the exchange rates ruling at the date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or the revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(h) Derivative Financial Instruments

The Company uses derivative financial instruments (namely put and call options and an OTC equity swap also referred to as the M & A Basket). The merits and rationale behind such strategies are to enhance the capital return of the portfolio, facilitate management of the portfolio volatility and improve the risk-return profile of the Company relative to its benchmark.

All derivative instruments are valued at fair value in the Balance Sheet in accordance with FRS 26: 'Financial instruments: measurement'.

Each investment in options is reviewed on a case-by-case basis and are all deemed to be capital in nature. As such, all gains and losses on the above strategies have been debited or credited to the capital column of the Income Statement.

All gains and losses on the OTC equity swap, during the swap term are accounted for as investment holding gains or losses on investments. Where there has been a re-positioning of the swap, gains and losses are accounted for on a realised basis. All such gains and losses have been debited or credited to the capital column of the Income Statement.

(i) Reserves

Capital reserves

The following are charged to the capital column of the Income Statement and transferred to this reserve:

- gains and losses on the realisation of investments;
- realised and unrealised exchange differences of a capital nature;
- expenses, together with the related taxation effect, in accordance with the above policies;
- increases and decreases in the valuation of investments held at the year end; and
- unrealised exchange differences of a capital nature.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Rate of exchange against sterling at 31 March

	2009	2008
U.S. dollar	1.4334	1.9875
Japanese yen	141.5720	197.8260
Swiss franc	1.6298	1.9658
Euros	1.0796	1.2543

2. INCOME FROM INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2009 £'000	2008 £'000
Income from investments		
UK listed dividends	212	3
Overseas dividends	3,594	3,029
Money market dividend	48	144
Fixed interest income	71	–
	3,925	3,176
Other income		
Interest receivable	93	228
Total income from investments held at fair value through profit or loss	4,018	3,404
Total income comprises:		
Dividends	3,854	3,176
Interest	164	228
	4,018	3,404

3. INVESTMENT MANAGEMENT, MANAGEMENT AND PERFORMANCE FEES

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Investment Management fee	83	1,584	1,667	84	1,607	1,691
Management fee	33	628	661	38	716	754
Performance fee accrual	–	224	224	–	–	–
	116	2,436	2,552	122	2,323	2,445

In accordance with the performance fee arrangements described in the Report of the Directors on pages 17 and 18 no performance fee was paid during the year (2008: nil). At the year end a performance fee of £224,000 was accrued (2008: nil).

Notes to the Financial Statements (continued)

4. OTHER EXPENSES

	2009 Revenue £'000	2008 Revenue £'000
Secretarial services fee	–	37
Directors' remuneration	152	153
Auditors' remuneration for the audit of the Company's financial statements	22	22
Auditors' remuneration for other services	4	4
Marketing	38	14
PEP, ISA and savings scheme expenses	18	83
Registrar	41	33
Custody	37	42
Other	276	320
	588	708

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on page 30.

5. FINANCE CHARGES

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Finance charges	29	543	572	51	976	1,027

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in year:

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
UK corporation tax at 28% (2008: 30%)						
Tax relief to capital	360	(360)	–	372	(372)	–
Overseas taxation	506	–	506	410	–	410
	866	(360)	506	782	(372)	410

Notes to the Financial Statements (continued)

6. TAXATION ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting current tax charge for the year

The tax charged for the year is lower than the standard rate of corporation tax in the UK for a large company 28% (2008: 30%).

The difference is explained below.

	2009 Revenue £'000	2009 Capital £'000	2009 Total £'000	2008 Revenue £'000	2008 Capital £'000	2008 Total £'000
Total return/(loss) before tax	3,285	61,484	64,769	2,523	(18,633)	(16,110)
Corporation tax at 28% (2008: 30%)	920	17,216	18,136	757	(5,590)	(4,833)
Non-taxable gains on investments held at fair value through profit and loss	–	(18,049)	(18,049)	–	4,600	4,600
Overseas withholding tax not recoverable	506	–	506	410	–	410
Non taxable UK dividend	(59)	–	(59)	(1)	–	(1)
Expenses charged to capital available to be utilised	(479)	473	(6)	(618)	618	–
Excess expenses unused	–	–	–	205	–	205
Timing differences on overseas dividends	(27)	–	(27)	2	–	2
Disallowed expenses	5	–	5	27	–	27
Current tax charge	866	(360)	506	782	(372)	410

(c) Provision for deferred tax

The Company has not recognised a deferred tax asset of £10,996,000 (2008: £11,094,000) arising as a result of unutilised expenses. These expenses will only be utilised if the Company generates sufficient taxable profits in the future or if there is a change in the legislation and capital gains become taxable for investment trust companies. It is considered too uncertain that either of these will occur and, therefore, no deferred tax asset has been recognised. There is no capital gains tax payable by the Company because investment trust companies are exempt from this tax.

7. RETURN/(LOSS) PER SHARE

	2009 £'000	2008 £'000
The return/(loss) per share is based in the following figures:		
Revenue return	2,419	1,741
Capital return/(loss)	61,844	(18,261)
Total return/(loss)	64,263	(16,520)
Weighted average number of shares in issue during the year – basic	43,756,755	49,231,108
Revenue return per share	5.5p	3.5p
Capital return/(loss) per share	141.4p	(37.1p)
Total return/(loss) per share – basic	146.9p	(33.6p)
Weighted average number of shares in issue during the year – diluted	44,764,156	49,675,682
Revenue return per share	5.4p	3.5p*
Capital return/(loss) per share	138.2p	(37.1p)*
Total return/(loss) per share – diluted	143.6p	(33.6p)*

*dilution not applicable

Notes to the Financial Statements (continued)

8. INTERIM DIVIDEND

Under UK GAAP, final dividends are not recognised until they are approved by shareholders and interim dividends are not recognised until they are paid. They are also debited directly from reserves. Amounts recognised as distributable to ordinary shareholders for the year ended 31 March 2009 were as follows:

	2009 £'000	2008 £'000
Interim dividend in respect of the year ended 31 March 2008	1,344	–
Interim dividend in respect of the year ended 31 March 2007	–	1,544
	1,344	1,544

In respect of the year ended 31 March 2009, an interim dividend of 5.0p per share (2008: 3.0p per share) has been declared. The aggregate cost of this dividend based on the number of shares in issue at 11 June 2009 is estimated to be £2,000,000. In accordance with FRS 21 this dividend will be reflected in the interim accounts for the period ending 30 September 2009. Total dividends in respect of the financial year, which is the basis on which the requirements of s842 of the Income and Corporation Taxes Act 1988 are considered, are set out below:

	2009 £'000	2008 £'000
Revenue available for distribution by way of dividend for the year	2,419	1,741
Dividends for the year ended 31 March	(2,000)*	(1,344)
	419	397

*based on 40,009,334 shares in issue as at 11 June 2009.

9. INVESTMENTS

	Listed investments £'000	Unlisted investments £'000	Derivatives		Total £'000
			Options £'000	OTC swap	
Cost at 1 April 2008	217,977	1,094	(240)	11,459	230,290
Investment holding gains/(losses) at 1 April 2008	1,390	126	(222)	(1,215)	79
Valuation at 1 April 2008	219,367	1,220	(462)	10,244	230,369
Movements in the year:					
Purchases at cost	204,139	–	12,019	34,895	251,053
Sales – proceeds	(203,645)	–	(14,620)	(35,367)	(253,632)
– realised gains/(losses) on sales	33,694	–	2,683	(956)	35,421
Net movement in Investment holding gains	41,373	(1,220)	(574)	1,505	41,084
Valuation at 31 March 2009	294,928	–	(954)	10,321	304,295
Cost at 31 March 2009	252,165	1,094	(158)	10,031	263,132
Investment holding gains/(losses) at 31 March 2009	42,763	(1,094)	(796)	290	41,163
Valuation at 31 March 2009	294,928	–	(954)	10,321	304,295

Notes to the Financial Statements (continued)

9. INVESTMENTS (CONTINUED)

	2009 £'000	2008 £'000
Gains/(losses) on investment		
Realised gains based on historical cost	35,421	16,984
Less: amounts recognised as investment holding gains in previous years	(5,043)	(24,281)
Realised gains/(losses) based on carrying value at previous balance sheet date	30,378	(7,297)
Net movement in investment holding gains in the year	46,127	(9,369)
Gains/(losses) on investments	76,505	(16,666)

Purchase transaction costs for the year to 31 March 2009 were £492,000 (year ended 31 March 2008: £349,000). These comprise mainly stamp duty and commission.

Sales transaction costs for the year to 31 March 2009 were £367,000 (year ended 31 March 2008: £395,000). These comprise mainly commission.

10. DEBTORS

	2009 £'000	2008 £'000
Amounts due from brokers	245	3,899
Withholding taxation recoverable	416	273
VAT recoverable	33	36
Prepayments and accrued income	613	191
	1,307	4,399

11. CREDITORS

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts due to brokers	100	–
Amounts due to brokers – OTC swap	10,794	11,361
Amounts due to brokers – purchase of own shares	608	919
Stamp duty due on purchase of own shares	4	15
Bank loans and overdrafts*	40,183	4,075
Other creditors and accruals	875	665
	52,564	17,035

*Following the expiry of the Company's committed multicurrency loan facility with Allied Irish Banks p.l.c. on 31 December 2008, its borrowing requirements are now met through the utilisation of a loan facility, repayable on demand, provided by Goldman Sachs & Co. New York ("Goldman Sachs"). Interest on the overdraft facility is charged at the Federal effective rate plus 1 week OIS+ Spread plus 45 basis points. As at 31 March 2009 assets to the value of approximately 140% of the the Company's debt were held by Goldman Sachs as collateral.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2009 £'000	2008 £'000
Fair value of call and put options	(954)	(462)
Fair value of OTC equity swap	10,321	10,244
	9,367	9,782

See note 9 on pages 42 and 43 for movements in the year.

*See Glossary on page 60.

Notes to the Financial Statements (continued)

13. SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
178,000,000 shares of 25p	44,500	44,500
Allotted, called-up and fully paid:		
44,419,481 (2008: 47,086,161) shares of 25p	11,105	11,772

At 31 March 2009 the Company held 3,058,050 shares in treasury (2008: 896,000).

During the year ended 31 March 2009, a total of 4,841,800 shares (2008: 6,351,307) were purchased to be held in treasury, at a total cost of £24,746,000 (2008: £30,852,000). Of these, 3,058,050 were held in treasury at 31 March 2009 (2008: 896,000). Also during the year a total of 2,679,750 shares which were previously held in treasury have been cancelled.

The Company also allotted a total of 13,070 shares for total consideration of £61,000 on 4 August 2008 as a result of certain holders of the Company's warrants exercising their subscription rights. At the year end there were 10,745,610 warrants in issue (2008: 10,758,680).

Holders of warrants have the right to subscribe for the number of shares of the Company equal to the number of warrants held at a price of 464p per share on 31 July 2009, this being the last such subscription date.

14. NET ASSET VALUE PER SHARE

	2009 £'000	2008 £'000
Net asset value per share – basic	635.9p	486.6p
Net asset value per share – diluted	600.5p	482.4p

The net asset value per share is based on the assets attributable to equity shareholders of £263,017,000 (2008: £224,783,000) and on the number of shares in issue at the year end of 41,361,431 (excluding shares held in treasury) (2008: 46,190,161). The diluted net asset value per share assumes all outstanding warrants are exercised at 464p resulting in assets attributable to equity shareholders of £312,877,000 (2008: £274,703,000) and on the resultant number of shares of 52,107,041 (2008: 56,948,841). As at 31 March 2009 the Company held 3,058,050 shares in treasury (2008: 896,000).

15. RECONCILIATION OF OPERATING RETURN TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009 £'000	2008 £'000
Gains/(loss) before finance costs and taxation	65,341	(15,083)
Capital (gain)/loss before finance costs and taxation	(62,027)	17,657
Revenue return before finance costs and taxation	3,314	2,574
Expenses charged to capital	(2,436)	(2,323)
(Increase)/decrease in accrued income	(422)	6
Decrease in other debtors	3	91
Increase/(decrease) in creditors and accruals	220	(112)
Net taxation suffered on investment income	(740)	(568)
Net cash outflow from operating activities	(61)	(332)

Notes to the Financial Statements (continued)

16. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET (DEBT)/FUNDS

	2009 £'000	2008 £'000
(Increase)/decrease in net debt resulting from cashflows	(35,950)	6,604
Exchange movements	(12,042)	1,332
Decrease in short term loans/bank overdraft	14,813	10,308
Movement in net debt in the year	(33,179)	18,244
Net funds/(debt) at start of year	2,975	(15,269)
Net (debt)/funds at end of year	(30,204)	2,975

Represented by:

	At 1 April 2008 £'000	Cash flows £'000	Exchange movements £'000	At 31 March 2009 £'000
Cash at bank	7,050	4,050	(1,121)	9,979
Bank overdraft	–	(40,000)	(183)	(40,183)
Bank loans	(4,075)	14,813	(10,738)	–
Net funds/(debt)	2,975	(21,137)	(12,042)	(30,204)

17. RELATED PARTIES

Details of the relationship between the Company, Frostrow Capital LLP and OrbiMed Capital LLC are disclosed in the Report of the Directors on pages 17 and 18. Samuel D Isaly is a Director of the Company, as well as Managing Partner of the Company's Investment Manager, OrbiMed Capital LLC. During the year ended 31 March 2009, OrbiMed Capital LLC received £1,667,000 in respect of Investment Management fees, of which £426,000 was outstanding at the year end.

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES

The Company's financial instruments comprise securities and other investments, derivative instruments, cash balances, loans, debtors and creditors that arise directly from its operations.

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 14. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets.

The main risks that the Company faces arising from its financial instruments are:

- (i) market risk (including foreign currency risk, interest rate risk and other price risk)
- (ii) liquidity risk
- (iii) credit risk

These risks and the Directors' approach to the management of them, are set out in the Report of Directors on pages 15 and 16 and have not changed from the previous accounting period. The Investment Manager, in close co-operation with the Board of Directors, co-ordinates the Company's risk management.

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES (CONTINUED)

1. Market risk:

The Company's portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective. Further information on the portfolio is set out on page 12.

Management of risk:

Derivative instruments are used to mitigate market price risk, the following option strategies or a combination of such have been used during the financial year:

- Buy calls: provides leveraged long exposure, facilitates exposure while minimising capital risk.
- Buy puts: provides leveraged protection, facilitates exposure while minimising capital at risk.
- Sell calls: against an existing position, provides partial protection from a decline in stock price; facilitates commitment to an exit strategy and exit price that is consistent with fundamental analysis.
- Sell puts: provides an effective entry price at which to add to an existing position, or provides an effective entry price at which to initiate a new position.

In order to meet the Company's objective of achieving a high level of capital growth the Company has entered into an OTC equity swap. OTC equity swaps are over-the-counter derivatives contracts between two counterparties, governed by an ISDA (International Swap Dealer Association) master agreement. Investment in equity swaps is limited to 5% of the portfolio.

(a) Foreign Currency risk

A significant proportion of the Company's investment portfolio is 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 can significantly affect the sterling value of those items.

Foreign currency exposure and sensitivity

The fair values of the Company's monetary items that are denominated in foreign currency as at 31 March 2009 are shown below:

	2009 Current assets £'000	2009 Current liabilities £'000	2009 investments £'000	2008 Current assets £'000	2008 Current liabilities £'000	2008 investments £'000
U.S. dollar	9,619	(52,031)	209,994	8,529	(15,898)	173,683
Swiss franc	–	–	28,976	103	–	22,930
Japanese yen	147	–	25,464	2,255	–	20,451
Euro	–	–	7,167	299	–	9,217
	9,766	(52,031)	271,601	11,186	(15,898)	226,281

Management of risk:

The Investment Manager and Manager monitor the Company's exposure to foreign currencies on a daily basis and report to the Board on a regular basis. The Investment Manager does not hedge against foreign currency movements, but takes account of the risk when making investment decisions.

Foreign currency borrowing facilities are available and are currently being utilised, to limit the Company's exposure to anticipated future changes in exchange rates, which might otherwise adversely affect the value of portfolio of investments.

Income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that the income is included in the financial statements and its receipt.

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES (CONTINUED)

Foreign currency sensitivity

The following table details the sensitivity of the Company's profit or loss after taxation for the year and of shareholders' funds to a 30% increase and decrease in sterling against the U.S. dollar (2008: 5% increase and decrease), a 30% increase and decrease in sterling against the Japanese yen (2008: 15% increase and decrease), and a 20% increase and decrease in sterling against the Swiss franc (2008: 20% increase and decrease).

These percentages have been determined based on market volatility in exchange rates over the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date.

If sterling had weakened against the currencies below this would have had the following effect:

	2009 USD £'000	2009 YEN £'000	2009 CHF £'000	2008 USD £'000	2008 YEN £'000	2008 CHF £'000
Sterling depreciates	76,283	10,899	7,394	9,104	3,280	5,829
Sterling appreciates	(41,084)	(5,871)	(4,918)	(8,311)	(2,735)	(3,885)

(b) Interest rate risk

Interest rate movement may affect:

- the interest payable on the Company's variable rate borrowings;
- the level of income receivable from fixed interest securities and cash at bank and on deposit;
- the fair value of investments of fixed interest securities.

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 multicurrency loan facility.

The Company, generally, does not hold significant cash balances (except when required for collateral against the Company's derivative positions), with short term borrowing being used when required.

Interest rate exposure

The Company has a loan facility with Goldman Sachs which is repayable on demand. £40,183,000 was drawn down under this facility at 31 March 2009. The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below.

Floating rate

The floating interest rate exposure of the financial assets and financial liabilities to interest rate risk at 31 March 2009 in respect of cash was £9,979,000 (2008: £7,050,000) and bank overdraft/bank loans was £40,183,000 (2008: £4,075,000).

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES (CONTINUED)

Fixed rate

In the year to 31 March 2009, the Company held 1.8% of the portfolio in fixed interest securities. This percentage is deemed not to be material and accordingly no sensitivity analysis has been presented.

(c) Other price risk

Other price risk may affect the value of the quoted investments. If market prices at the Balance Sheet date had been 20% higher or lower (2008: 10% higher or lower) while all other variables remained constant, the revenue return would have decreased/increased by £22,000 (2008: £5,000), and the capital return would have increased/decreased by £60,273,000 (2008: £22,893,000). The calculations are based on the portfolio valuations as at the respective balance sheet dates and assume that the portfolio moves in line with the index.

2. Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities that are readily realisable. The Company has a loan facility repayable on demand with Goldman Sachs.

Interest on the overdraft facility is charged at the Federal effective rate plus 1 week OIS Spread plus 45 basis points.

In order to ensure diversification within the portfolio, the Board gives guidance to the Investment Manager concerning exposure limits to individual companies. Geographical and sectoral exposure are also reviewed regularly by the Directors.

Liquidity exposure

Contractual maturities of the financial liabilities as at 31 March 2009, based on the earliest date on which payment can be required are as follows:

	3 months or less £'000	2009 Not more than one year £'000	Total £'000
31 March 2009			
Current liabilities:			
Borrowings under the bank overdraft agreement	40,183	–	40,183
Amounts due to brokers and accruals	1,587	10,794	12,381
	41,770	10,794	52,564
	3 months or less £'000	2008 Not more than one year £'000	Total £'000
31 March 2008			
Current liabilities:			
Borrowings under the loan facility and bank overdraft agreement	4,075	–	4,075
Amounts due to brokers and accruals	1,599	11,361	12,960
	5,674	11,361	17,035

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES (CONTINUED)

3. 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.

The carrying amounts of financial assets best represent the maximum credit risk at the Balance Sheet date. The Company's listed investments are held on its behalf by The Bank of New York Mellon and Goldman Sachs acting as the Company's custodian.

Bankruptcy or insolvency of a custodian may cause the Company's rights with respect to securities held by that custodian to be delayed, however, the Board monitors the Company's risk to its custodians by reviewing continuously their internal control reports and their credit ratings.

Certain of the Company's assets are held by Goldman Sachs as collateral for the loan provided by them to the Company. Such assets held by Goldman Sachs are available for rehypothecation.[†]

Management of the risk

The risk is not significant, and is managed as follows:

- by only dealing with brokers which have been approved by OrbiMed Capital LLC and banks with high credit ratings;
- by setting limits to the maximum exposure to any one counterparty at any time;
- by monitoring the assets subject to rehypothecation; and
- in addition, cash is also held as collateral against the Company's investment in the OTC equity swap (M&A Basket). As at 31 March 2009 £8,838,000 was held as collateral (2008: £5,736,000). As at the date of this report, the investment in the OTC equity swap has been reduced and as a result the amount of cash held as collateral, which is subject to the credit risk associated with Goldman Sachs, has fallen to £355,000.

[†] See Glossary on page 60.

Credit risk exposure

	2009 Balance Sheet £'000	2008 Balance Sheet £'000
Financial assets at fair value through profit or loss	294,928	220,587
M&A Basket – OTC equity swap	10,321	10,244
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	1,307	4,399
Cash at bank and on deposit*	9,979	7,050

* Includes cash held as collateral.

Fair value of financial assets and financial liabilities

The fair value of the financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments and derivatives) or the Balance Sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accrual, cash at bank, bank overdraft and amounts due under the loan facility).

Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern and to maximise the income and capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing to the lower of £70m and 20% of the Company's net assets.

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves as disclosed on the Balance Sheet on page 35.

Gearing for this purpose is defined as net debt as a percentage of total net assets. As at 31 March 2009 the gearing percentage of the Company was 11.5%.

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES (CONTINUED)

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This includes a review of:

- the planned level of gearing, which takes into account the Investment Manager's view of the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, in light of any share price discount to net asset value per share in accordance with the Company's share buyback policy;
- the need for new issues of equity shares, including issues from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is also subject to several externally imposed capital requirements and are as follows:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year and the Company has complied with them.

19. CAPITAL RESERVE

	Capital Reserve – Other £'000	Capital Reserve – Investment Holding Gains £'000	Total £'000
At 31 March 2008	81,532	79	81,611
Transfer on disposal of investments	5,043	(5,043)	–
Net gains on investments	30,378	46,127	76,505
Expenses charged to capital	(2,619)	–	(2,619)
Repurchase of shares into treasury	(24,746)	–	(24,746)
Exchange loss on currency balances	(12,042)	–	(12,042)
At 31 March 2009	77,546	41,163	118,709

The Institute of Chartered Accountants in England and Wales has issued guidance (TECH 01/08) stating that profits arising out of a change in fair value of assets, recognised in accordance with Accounting Standards, may be distributed provided the relevant assets can be readily convertible into cash. Securities listed on a recognised stock exchange are generally regarded as being readily convertible into cash. However, under the terms of the Company's Articles of Association, sums with "Other capital reserves" are available for distribution only by way of redemption or purchase of any of the Company's own shares. In addition, in order to maintain investment trust status, the Company may only distribute by way of dividend accumulated revenue profits.

20. CONTINGENT ASSETS

On 5 November 2007 the European Court of Justice ruled that management fees should be exempt from VAT. HMRC has announced its intention not to appeal against this case to the UK VAT Tribunal. The Company's previous Investment Manager is currently in the process of quantifying any potential repayment that might be due. However, the amount the Company may receive and the time scale for receipt are all uncertain and hence the Company has made no provision in these financial statements for any such repayment.

Explanatory Notes of Principal Changes to the Company's Articles of Association

As described in the Report of the Directors on page 20 of this Annual Report, it is proposed that a number of alterations be made to the Company's Articles of Association. The principal changes are set out below.

As announced on 28 July 2008 the resolution proposed at the Annual General Meeting held on 23 July 2008, to adopt new Articles of Association was ineffective. As then indicated, a resolution is being proposed at this year's Annual General Meeting to adopt new Articles of Association (the "New Articles") in substantially the same form as was proposed to be adopted last year. Most of the changes proposed to be made compared to the current Articles of Association of the Company (the "Current Articles") are being proposed to reflect changes made by the Companies Act 2006, and to clarify that certain provisions of the New Articles apply subject to any relevant provisions of the Companies Act 2006. Additional changes have been made to bring the New Articles into line with changes being made to English company law pursuant to the EU Shareholder Rights Directive.

1. INTERPRETATION

Definition of "authenticated" has been inserted to reflect the new term used under the 2006 Act.

Definitions of "ordinary resolution" and "special resolution" have been inserted to reflect the definitions within the 2006 Act.

Definitions of "hard copy" and "hard copy form" have been inserted to reflect the definitions within the 2006 Act.

Amendments have been made to the meaning of "member" to include reference to a person nominated under the 2006 Act (please see the wording under nomination rights in relation to this).

2. ABOLITION OF EXTRAORDINARY GENERAL MEETINGS AND EXTRAORDINARY RESOLUTIONS

Throughout the new Articles, references to a requirement for an "Extraordinary General Meeting" have been replaced by "General Meeting" and all references to "extraordinary resolution" have been removed. The terms "extraordinary general meeting" and "extraordinary resolution" have ceased to be applicable under the 2006 Act.

3. NOTICE OF AND PROCEEDINGS AT GENERAL MEETINGS

The provisions in the new Articles dealing with the convening of General Meetings, method of notice and the length of notice required to convene General Meetings are in line with the relevant provisions of the 2006 Act and include reference to the rights of nominees (please see the wording under nomination rights in relation to this).

4. VOTES OF MEMBERS, PROXIES AND CORPORATE REPRESENTATIVES

Under the 2006 Act, proxies are entitled to vote on a show of hands as well as on a poll, and members may appoint a proxy to exercise or all of any of their rights to attend, speak and vote at meetings. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares. The 2006 Act also provides for multiple corporate representatives to be appointed and the new Articles therefore refer to the right to appoint multiple corporate representatives.

5. SECURITY PROCEDURES AT GENERAL MEETINGS

The new Articles have been amended so as to clarify the provisions in relation to security at General Meeting. The Board may refuse entry to, or eject from, General Meetings persons who fail to comply with security arrangements made under the Articles.

Explanatory Notes of Principal Changes to the Company's Articles of Association (continued)

6. POLLS

A new Article has been inserted to clarify that the Company must publish the results of a poll on its website in accordance with the 2006 Act.

7. PROXIES

Articles 83 to 92 have been amended to ensure that the provisions in relation to multiple proxies are in line with the 2006 Act.

8. DIRECTORS' INTERESTS AND CONFLICTS OF INTERESTS

The Companies Act 2006 sets out Directors' general duties which largely codify the existing law, but with some changes. Under the Companies Act 2006, from 1 October 2008 a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The Companies Act 2006 allows Directors of public companies to authorise conflicts and potential conflicts where the Articles of Association contain a provision to this effect. The Companies Act 2006 also allows the Articles to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when Directors decide whether to authorise a conflict of potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

9. SEALS

Article 144 has been amended so as to reflect the 2006 Act provision which enables the Company to sign documents by one Director executed in the presence of a witness, rather than having to seal the document.

10. SERVICE OF NOTICES AND OTHER DOCUMENTS

Articles 165 to 167 have been amended so as to clarify the methods of service and to reflect the rights of nominees.

Explanatory Notes of Principal Changes to the Company's Articles of Association (continued)

11. RIGHT TO STOP SENDING DIVIDEND WARRANTS, NOTICES ETC

Article 178 has been inserted to grant the Company the right to:

- (a) stop sending dividend cheques or warrants in certain circumstances namely where they have been returned, undelivered or left uncashed for two consecutive occasions during the periods which they are valid and reasonable enquiries have been made to establish any new address for the relevant member or person; and
- (b) stop sending members and all people granted information rights by virtue of the 2006 Act, notices etc, if they have been returned undelivered on at least two consecutive occasions or if following one such occasion reasonable enquiries have failed to establish a new address for service, subject to the passing of a Directors' resolution confirming that the Company need not send such documents to the said member/person granted information rights.

12. INDEMNITY

The new Articles permit the Directors (but not the Auditors) to be indemnified to the fullest extent permitted by the 2006 Act not only in relation to the affairs of the Company but also in relation to the affairs of any subsidiary or subsidiary undertaking of the Company.

13. NOMINATION RIGHTS

Articles are to be inserted to reflect the statutory framework within the 2006 Act by which indirect investors who hold their shares through intermediaries may exercise certain membership rights if the Company's Articles allow it. It should be noted that members of a listed company are able to nominate another person to receive information to which they are entitled. Even if the Company does not want a member to have the right to nominate someone to exercise all of the available rights, the Articles should still be amended to provide for members to nominate someone to receive information to which they are entitled. This should cover:

- the rights which a nominee may enjoy;
- the situations in which a person's nomination rights will terminate and the form and content of nomination notices; and
- when nomination notices take effect and how the Company must deal with them.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Finsbury Worldwide Pharmaceutical Trust PLC will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London, EC2Y 5BL on Friday, 17 July 2009 from 12 noon for the following purposes:

ORDINARY BUSINESS

1. To receive and, if thought fit, to accept the Audited Accounts and the Report of the Directors for the year ended 31 March 2009
2. To re-elect Mr Paul Gaunt as a Director of the Company
3. To re-elect Professor Duncan Geddes as a Director of the Company
4. To re-elect Mr Samuel D Isaly as a Director of the Company
5. To re-elect Mr Anthony Townsend as a Director of the Company
6. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to determine their remuneration
7. To approve the Directors' Remuneration Report for the year ended 31 March 2009

SPECIAL BUSINESS

To consider, and if thought fit, pass the following resolutions of which resolutions 8, 10, 11, 12 and 13 will be proposed as special resolutions:

Adoption of new Articles of Association

8. THAT the Articles of Association produced to the meeting and signed or initialled by the Chairman of the meeting for identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Authority to Allot Shares

9. THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum aggregate nominal amount of £1,000,233 (being 10% of the issued share capital of the Company at 11 June 2009) and representing 4,000,933 shares of 25 pence each (or, if less, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in General Meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

10. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 11 set out in the notice convening the Annual General Meeting at which this resolution is proposed ("Notice of Annual General Meeting")) the Directors be and are hereby generally empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the authority conferred on them by resolution 9 set out in the Notice of Annual General Meeting or otherwise as if Section 89(1) of the Act did not apply to any such allotment:

Notice of Annual General Meeting (continued)

- (a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25p each in the Company ("Shares") are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- (b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £1,000,233, being 10% of the issued share capital of the Company as at 11 June 2009 and representing 4,000,933 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 11 set out in the Notice of Annual General Meeting and (ii) no allotment of equity securities shall be made under this power which would result in Shares being issued at a price which is less than the net asset value per Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

11. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 10 set out in the Notice of Annual General Meeting) the Directors be and are hereby generally empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") to sell relevant shares (within the meaning of Section 94 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 162A of the Act ("treasury shares")), for cash as if Section 89(1) of the Act did not apply to any such sale provided that:
- (a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value of ordinary shares of 25p each in the Company ("Shares"), such discount must be (i) lower than the discount to the net asset value per Share at which the Company acquired the Shares which it then holds in treasury and (ii) not greater than 5% to the prevailing net asset value per Share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such Shares were acquired by the Company and the net asset value per Share at the latest practicable time before such Shares are sold pursuant to this power); and
 - (b) this power shall be limited to the sale of relevant shares having an aggregate nominal value of £1,000,233, being 10% of the issued share capital of the Company as at 11 June 2009 and representing 4,000,933 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that the number of relevant shares to which power applies shall be reduced from time to time by the number of Shares which are allotted for cash as if Section 89(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 8 set out in the Notice of Annual General Meeting,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or

Notice of Annual General Meeting (continued)

renewed by the Company in General Meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require treasury shares to be sold after such expiry and the Directors may sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to Repurchase Ordinary Shares

12. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 166 of the Companies Act 1985 (the "Act") to make one or more market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("Shares") provided that:
- (a) the maximum aggregate number of Shares authorised to be purchased is 5,997,399 (representing approximately 14.99% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed);
 - (b) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;
 - (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the price of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments);
 - (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and
 - (e) the Company may make a contract to purchase Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

General Meetings

13. THAT as permitted by the EU Shareholders' Rights Directive (2007/36/EC) any General Meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the Articles of Association of the Company provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of the resolution.

Continuance of the Company

14. To approve the continuance of the Company as an investment trust for a further period of five years.

By order of the Board

Frostrow Capital LLP
Company Secretary
11 June 2009

Registered Office:
One Wood Street
London EC2V 7WS

Notice of Annual General Meeting (continued)

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Capita Registrars (Proxies), 34 Beckenham Road, Beckenham, Kent BR3 3BR no later than 12 noon on 15 July 2009.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "Register of Members") at 5.30 p.m. on 15 July 2009 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 11 June 2009 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 40,009,334 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 June 2009 are 40,009,334.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no 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 applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notice of Annual General Meeting (continued)

14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).
15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras).
17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Capita Registrars (Proxies), 34 Beckenham Road, Beckenham, Kent BR3 3BR.
19. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.
20. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

LOCATION OF THE ANNUAL GENERAL MEETING



Alliance Trust Savings Limited

SAVINGS PLAN

The Company participates in the Alliance Trust Savings Limited Investment Trust Savings Plan, which facilities both regular monthly investments and occasional lump sum investments in the Company's shares. Shareholders who would like information on the Savings Plan should call Alliance Trust Savings Limited on 01382 573737. Calls to this number are recorded for monitoring purposes and are charged at local rates, non-BT line charges may vary.

INDIVIDUAL SAVINGS ACCOUNTS ("ISA") AND PERSONAL EQUITY PLAN ("PEP")

ISAs are a tax-efficient method of investment, introduced by the Government. A number of changes to the structure of ISAs and PEPs have been introduced with the aim of removing the complexities associated with the existing PEP and ISA schemes and to provide savers with more certainty and flexibility.

The principal changes to ISAs and PEPs are:

- The distinction between Mini and Maxi ISAs has been removed.
- All ISAs have been reclassified as either a Cash ISA or a Stocks and Shares ISA, and both types of ISA are available indefinitely with no set end date.
- The annual subscription limit has been raised from £7,000 to £7,200. Investors may use their entire allowance to invest in the Stocks and Shares ISA. Alternatively, investors are able to save up to £3,600 of their allowance in a Cash ISA with one provider. The remainder of the £7,200 can be invested in a Stocks and Shares ISA with either the same or a different provider.
- All PEPs have been reclassified as Stocks and Shares ISAs and become subject to the ISA rules.

Under the new rules, investors can transfer some or all of the money invested in Cash ISAs over previous years into a Stocks and Shares ISA without affecting the annual subscription limit, but not the vice versa.

Investors may also invest in one Cash ISA and one Stocks and Shares ISA, subject to the annual subscription limits, each April to April tax year. A Cash ISA and a Stocks and Shares ISA can be with the same or different providers.

Capita Registrars – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Registrars, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £20.00, max £52.50)	1.5% of the value of the deal (Minimum £25.00, max £102.50)

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact:

www.capitadeal.com (online dealing) or 0870 458 4577† (telephone dealing)

†Calls cost 10p per minute plus network extras and may be recorded for training purposes.

Glossary

INVESTMENT TRUST TERMS

Diluted Net Asset Value

This is a method of calculating the net asset value ("NAV") of a company that has issued, and has outstanding, convertible loan stocks, warrants or options. The calculation assumes that the holders have exercised their right to convert or subscribe, thus increasing the number of shares among which the assets are divided.

Discount or Premium

A description of the situation when the share price is lower or higher than the NAV per share. The size of the discount or premium is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage (%) of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Gearing

Also known as leverage, particularly, in the USA. The term used to describe the process of borrowing money for investment purposes in the expectation that the returns on the investments purchased using the borrowings exceed the costs of those borrowings.

NAV per share (pence)

Net asset value per share is shareholders' funds expressed as an amount per share. Shareholders' funds are the total value of all of the Company's assets, at current fair value, having deducted all prior charges.

NAV Total Return

The theoretical total return on shareholders' funds per share, including the assumed £100 original investment at the beginning of the period specified, reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

OIS (Overnight Indexed Swap)

Overnight indexed swap is an interest rate swap where the periodic floating rate of the swap is equal to the geometric average of an overnight index over every day of the payment period.

Rehypothecation

The pledging of securities or other assets as collateral to secure a loan such as a debit balance in a margin account. Assets subject to rehypothecation are protected by relevant U.S. SEC Rules.

Total Assets

Total assets less current liabilities before deducting prior charges. Prior charges include all loans for investment purposes.

Total Expense Ratio

The total expense ratio is calculated by taking the Company's expenses and dividing by the average net asset value of the Company over the year.

Treasury Shares

Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date.

Company Information

DIRECTORS

Martin Smith (Chairman)
Josephine Dixon
Paul Gaunt
Professor Duncan Geddes
Dr David Holbrook
Samuel D Isaly
Anthony Townsend

COMPANY REGISTRATION NUMBER

3023689 (Registered in England)
The Company is an investment company as defined under Section 833 of the Companies Act 2006

WEBSITE

Website: www.finsburywp.com

REGISTERED OFFICE

One Wood Street
London EC2V 7WS

MANAGER, ADMINISTRATOR AND COMPANY SECRETARY

Frostrow Capital LLP
25 Southampton Buildings, London WC2A 1AL
Telephone: 0203 008 4910
E-mail: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Services Authority

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

INVESTMENT MANAGER

OrbiMed Capital LLC
767 Third Avenue, 30th Floor
New York NY10017 - 2023
Website: www.orbimed.com
Registered under the US Securities & Exchange Commission

AUDITORS

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

REGISTRARS

Capita Registrars
Northern House, Woodsome Park
Fenay Bridge, Huddersfield
West Yorkshire HD8 0LA
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): + 44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

DISABILITY ACT

Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Capita Registrars, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the RNID) you should dial 18001 followed by the number you wish to dial.

REGISTRARS (CONTINUED)

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

† calls cost 10p per minute plus network charges and may be recorded for training purposes.

STOCKBROKER

Winterflood Securities Limited
The Atrium Building
Cannon Bridge, 25 Dowgate Hill
London EC4R 2GA

ALLIANCE TRUST SAVINGS LIMITED

PO Box 164
Meadow House
64 Reform Street
Dundee
DD1 9YP

Customer Services: 01382 573737*

E-mail: contact@alliancetrust.co.uk.

Please contact Alliance Trust Savings Limited if you have a query concerning an Alliance Trust Savings Scheme, First Steps Plan or ISA account.

*Calls to this number are recorded for monitoring purposes only and will be charged at local rates, non-BT line charges may vary.

SHARE AND WARRANT PRICE LISTINGS

The price of your shares and warrants can be found in various publications including the Financial Times, The Daily Telegraph, The Times, The Scotsman and The Herald.

The Company's net asset value per share is announced daily and is available, together with the share price, on the TrustNet website at www.trustnet.com

IDENTIFICATION CODES

Shares:	SEDOL	:	0338530
	ISIN	:	GB0003385308
	BLOOMBERG	:	FWP LN
Warrants:	EPIC	:	FWP
	SEDOL	:	8038453
	ISIN	:	GB0080384537
	BLOOMBERG	:	FWPW LN

Past performance is not a guide to future performance. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. When investing in shares in the pharmaceutical and biotechnology sectors it is important to note that shares in these sectors can be particularly volatile. The price of shares and any income from them may fall as well as rise and is not guaranteed. The investor may not get back the original amount invested. This document does not constitute an offer or invitation to purchase shares in the Company.

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