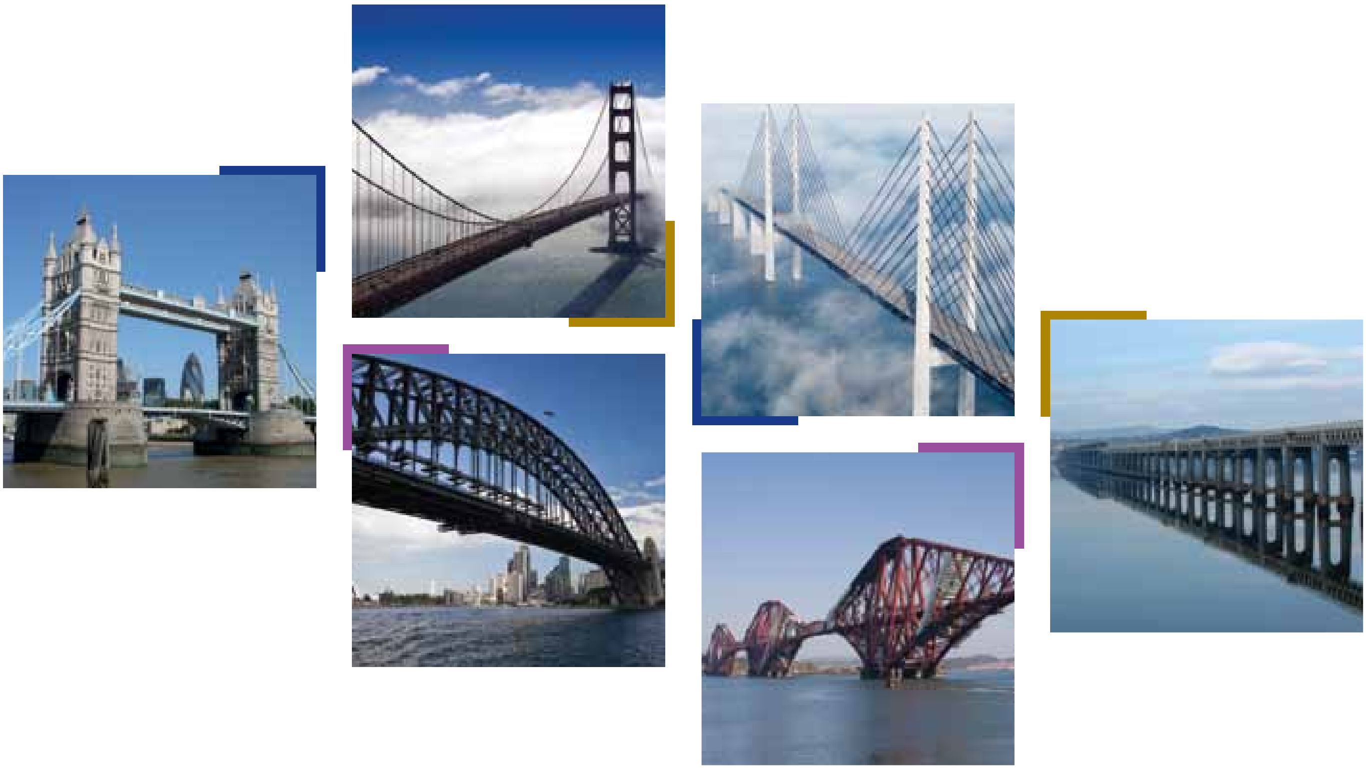
Alliance Trust

Investing for Generations



Report and Accounts

for the period ended 31 December

2011

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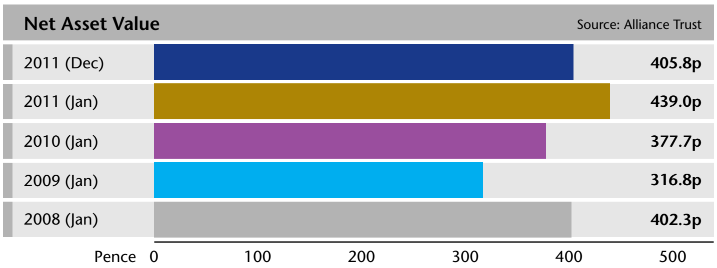
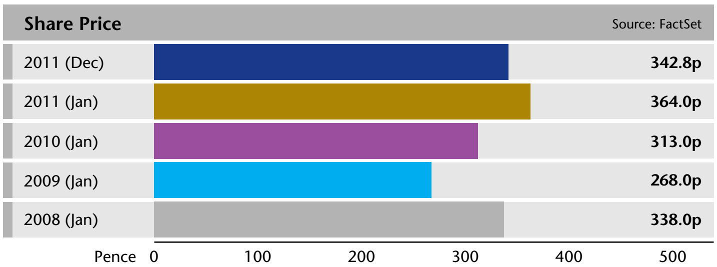
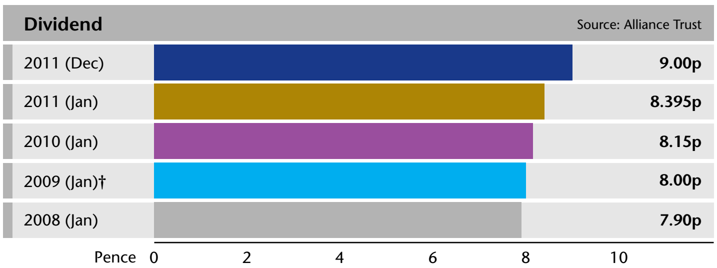
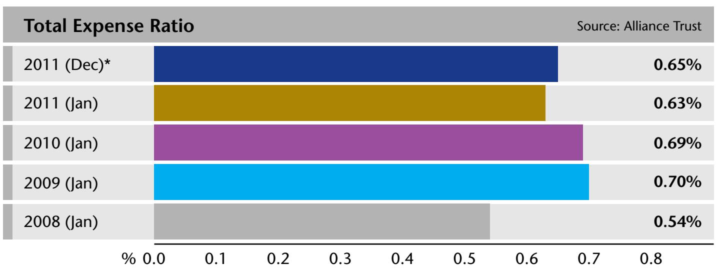
Company highlights







† excludes special dividend of 0.5p



* Annualised

Net Asset Value

405.8p

-5.7% Total Return

- Outperformed Global Growth Sector average
- Ranked 5th, 6th, 10th and 10th out of 32 members of the Global Growth Sector over 1, 3, 6 months and the period

Share Price

342.8p

-3.5% Total Shareholder Return

- Top quartile Total Shareholder Return within the Global Growth Sector
- Ranked 6th out of the 32 members of the Global Growth Sector for the period

Dividend

9.00p

7.2%

- Dividend of 9.00p, an increase of 7.2% on last year
- 45th consecutive dividend increase and highest increase in regular dividends in 20 years
- Paid out of current year earnings

Total Expense Ratio

0.65%

2bps

- Costs remain in the lowest quartile within the Global Growth Sector

Objective and Corporate Structure

Statement of Investment Objective and Policy

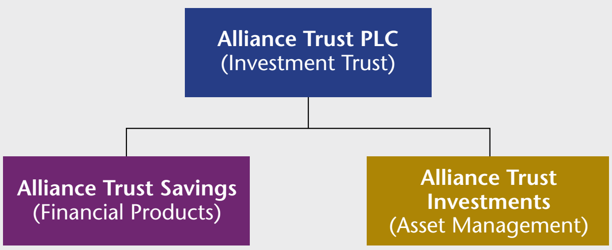
Alliance Trust is a self-managed investment company with investment trust status. Our objective is to be a core investment for investors seeking increasing value over the long term. We have no fixed asset allocation benchmark and we invest in a wide range of asset classes throughout the world to achieve our objective. Our focus is to generate a real return for shareholders over the medium to long term by a combination of capital growth and a rising dividend.

We pursue our objective by:

- Investing in both quoted and unquoted equities across the globe in different sectors and industries;
- Investing internationally in fixed income securities;
- Investing in other asset classes and financial instruments, either directly or through investment vehicles; and
- Investing in subsidiaries and associated businesses which allow us to expand into other related activities.

We are prepared to invest any proportion of the total corporate capital in any of the above asset classes, subject only to the restrictions imposed on us by the regulatory or fiscal regime within which we operate. However, we would expect equities to comprise at least 50% of our portfolio. Changes to the asset allocation will be dependent upon attractive investment opportunities being available.

Where market conditions permit, we will use gearing of not more than 30% of our net assets at any given time. We can use derivative instruments to hedge, enhance and protect positions, including currency exposures.



Who we are

Alliance Trust PLC

We are an investment trust whose purpose is to grow the value of the capital that our shareholders have invested with us. This has been our aim for over 120 years and we maintain a prudent approach to investment with an emphasis on long term returns.

We are the UK's largest generalist investment trust by market value listed on the London Stock Exchange. As at 31 December 2011 we managed net assets of over £2.4bn.

Our focus is on investment in global equities and fixed income, which we believe will provide good long term growth and income. We also hold other investments where we see that value can be achieved over a longer period. These represented only a small proportion of our net assets at the period end.

Alliance Trust Investments

We are a boutique fund management business which launched its first fund in 2009 and which offers a broad selection of open ended funds and investment solutions. As at 31 December 2011 we managed third party assets of over £125m.

Our purpose is to utilise the experience and skills of the managers who invest the Trust's funds to provide a flexible and bespoke service which will aim to attract third party assets. This will provide the Trust with an additional profile and, through the management fee income earned as the level of investments grows, an additional revenue stream.

Alliance Trust Savings

Since 1986 we have been providing a tax efficient way for shareholders to hold shares in Alliance Trust. Today we provide high quality financial products to private investors, financial advisers and discretionary fund managers.

Over the last three years the business has been significantly developed and is now an established, award winning, ISA and pension provider with a comprehensive online sharedealing and investment platform service.

The focus is to have a business which both adds value and increases the visibility of the Trust to potential investors.

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What we did in 2011

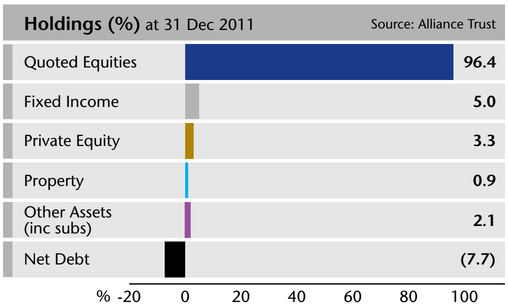
We have restructured our equity exposure to concentrate on four geographical regions: UK, North America, Europe and Asia.

We bought back over 10% of our share capital.

Our net debt ended the period at 7.7% of net assets down from 10.8% at the beginning of the period.

We reduced our private equity and property investments.

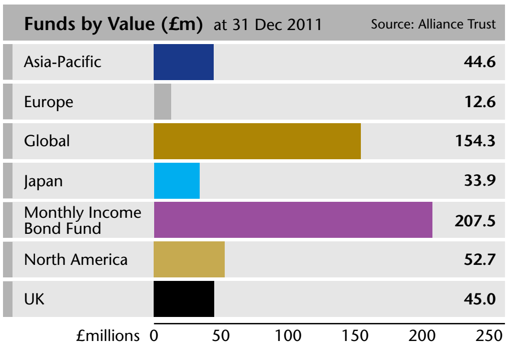
Our Total Shareholder Return was in the top quartile of the Global Growth Sector for the period.



We recruited additional resource to target both Independent Financial Advisers and the institutional investment market.

We saw significant inflows of third party assets into our Monthly Income Bond Fund.

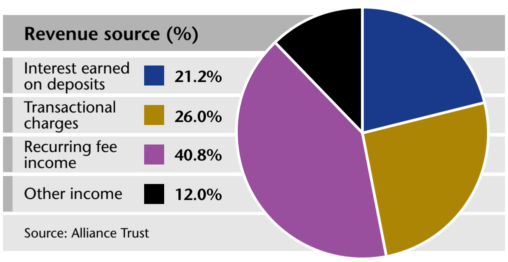
At the end of the period a new Global Thematic Opportunity Fund was launched.



We launched international equities, a junior ISA and also repriced our products.

We restructured our business model to make it less reliant on base rates and widened distribution through the Independent Financial Adviser market.

We saw significant year on year new account growth of around 80%.



What we will do in 2012

We will continue the work that has been taking place over the last few years and which has been aimed at streamlining the portfolio to deliver improved investment performance.

We will seek to deliver strong performance in order to narrow the discount between our Net Asset Value and share price.

We will launch new funds where we have the appropriate level of skills and identify a demand. In addition to the existing funds, all of which are available to individuals as well as institutional investors, we will increase awareness of the skills of our investment team to attract third party fund management mandates.

We will build on the growth and momentum achieved in recent years. We will continue to enhance our customer and adviser propositions and further significantly develop our online capabilities. Our i.nvest platform is well positioned in both the retail and intermediated markets to take full advantage of the changes being introduced through the Retail Distribution Review in 2013.

Chairman's Statement

"2011 was a year in which your Company had to confront the challenges arising from difficult economic and market conditions. At the end of the year, although we foresee continued uncertainty, particularly in the Eurozone, I believe that your Company is well placed to take advantage of the opportunities which may emerge."

Lesley Knox

Investment performance

In my final Chairman's statement I am pleased to report the continuing improvement in investment performance during the year against the Key Performance Indicators which we set out in last year's report. Over the financial period our Total Shareholder Return and Net Asset Value total return ranked 6/32 and 10/32 respectively against our peer group of Global Growth investment trusts compared to 24/33 and 22/33 in the previous year. We continued to grow the dividend and maintained tight control of the Company's costs to reflect the challenging market conditions. Investment performance remains our top priority and this focus will continue under the chairmanship of my successor, Karin Forseke.

Dividend

We recognise that many of our shareholders depend on a steadily rising dividend alongside capital growth. We have maintained our record of annual increases in the dividend for a 45th consecutive year, with an increase in the full year dividend of 7.2% from 8.395p per share to 9.00p per share despite the shortened 11 month financial period following the change of our year end. Importantly, this dividend is covered from earnings and we have not needed to call on our reserves. The establishment of our fixed income team has given us greater flexibility to meet shareholders' expectations while continuing to invest in equities where we see growth opportunities.

Discount and share buybacks

There was much debate about the discount between our share price and our net asset value during the year. A resolution to introduce a rigid discount control mechanism which was requisitioned by a shareholder was defeated by a substantial majority at our 2011 AGM following an unprecedented turnout from our shareholders. The Board was clear throughout in its view that a rigid mechanism, which fails to take into account factors such as performance, peer group discounts and general market conditions, is not appropriate for Alliance Trust.

In our many meetings with shareholders over this period we recognised concerns as to the level of discount and the Board gave careful consideration to the actions which could be taken to narrow the discount. Following the AGM in May 2011 we confirmed our commitment to the ongoing flexible use of buybacks, taking into account the Company's discount relative to the peer group. During the period under review we bought back just over 10% of the Company's share capital. This contributed to a reduction in the volatility of the discount during a period of turbulent market conditions and to a narrowing from 17.1% to 15.5%. Over half of those shares were bought back between May and July 2011, with buybacks continuing throughout the remainder of the period. We would not expect to maintain this level of buyback activity in normal market conditions.

The Board

I write this statement with thanks for the guidance and support I have received from shareholders, other directors and management throughout my 10 years on the Board of your Company, and also with optimism for its future under Karin Forseke, who will become Chairman on 2 April when I stand down from the Board. Karin's extensive experience of financial services and her international perspective make her ideally-suited to the opportunities and challenges which the future will bring.

Since the last AGM we have welcomed Consuelo Brooke to the Board as a non-executive director. Consuelo's experience of over 40 years as a fund manager underlines the Board's recognition that investment performance is at the heart of your Company, and she will be a worthy successor to Hugh Bolland who sadly has decided to retire at this year's AGM. Hugh has played an important role both as a non-executive director of your Company and latterly as the chairman of our asset management business, and I am grateful to him for his contribution.

Timothy Ingram has also decided not to stand for re-election because of anticipated increased commitments elsewhere. I would like to thank him for his wise counsel and insight during his time on the Board, during which he has also served as Chairman of the Remuneration Committee.

Chris Masters, who has been a non-executive director since 2002 and Senior Independent Director since 2007, would also have retired at this year's AGM having served nine years. However he has agreed to stand for re-election and, if re-elected, will remain on the Board for a period of up to 12 months to assist with the transition of the Board. Robert Burgess stood down as Chief Executive of Alliance Trust Savings and left the Board in February 2012. He leaves with our thanks for the work he has done in developing Alliance Trust Savings and our best wishes for the future.

During the year, following publication of Lord Davies' review "Women on Boards", there has been a continuing debate about the importance of diversity on boards of listed companies. Your Board wholeheartedly endorses this; diversity brings different perspectives to bear on the opportunities and challenges facing every company. We have chosen not to adopt a target for gender diversity and our policy throughout the Company is a simple one – at all levels to appoint the best-qualified person for the job. Currently women comprise one-third of the Board and of our Executive Committee, which includes the executive directors and other senior executives. Women comprise around one-quarter of our Senior Leadership Group and more than half of our total workforce are women. We continue to encourage the development of all employees to equip them for both their current and future roles.

Scottish independence

We note the proposal by the Scottish Government to hold a referendum on Scottish independence in 2014. Your Board does not believe it is appropriate to take a political stance on this issue – it will be for the electorate to cast their votes as they see fit having heard the arguments. We will however endeavour to ensure that the implications of an independent Scotland in areas such as economic and fiscal policy and regulation of financial services are clearly spelt out. In particular we will wish to establish that the benefits of investment trust status and the position of our investors and customers, wherever they live, will be preserved in order to ensure that the strength of Scotland's investment sector is preserved regardless of the outcome of the vote.

Annual General Meeting

Our Annual General Meeting will be held in Dundee on Friday 27 April 2012. It has been an honour to serve as Chairman of your Company and I have enjoyed meeting many shareholders over the years. I hope that as many of you as possible will take the opportunity to attend to welcome Karin, who will be chairing her first AGM, and to meet the rest of the Board as well as hearing about your Company's progress and outlook.

Chief Executive's Review

"Our performance over the period underlines our ability to protect the portfolio from the jarring shocks that have become so much of a feature of equity markets over the last four years. We have also managed to generate increased levels of income that enable us to pay, out of current year earnings, a substantially increased dividend."

Katherine Garrett-Cox

1 Feb to 31 Dec 2011	Alliance	Peer Group*	Ranking
Total Shareholder Return	(3.5%)	(8.6%)	6/32
NAV Total Return	(5.7%)	(8.0%)	10/32

* Global Growth Sector

Overview

2011 was a year in which the markets were driven by non-financial news. The year started with a series of natural disasters. The human suffering was instantly visible around the world as images of floods in Queensland, earthquakes in Christchurch and the devastating tsunami in North East Japan, were broadcast across social media networks. The full scale of the disaster to those caught up in these events cannot be fully understood by most people, and the human cost of the Fukushima tsunami is incalculable.

The focus of the world's press then moved to North Africa, where the Arab spring uprising spread east from Tunisia through North Africa and on into the Middle East.

While markets did not react particularly to the uprisings, they did react when the financial crisis in Europe hit the headlines in July, to the point where the markets took fright and, despite regular meetings of European leaders, we still seem to be a long way away from finding a solution that will satisfy investors for the long-term. This time last year our view was that the Euro would survive. There is no exit clause in the Treaties and therefore there is no legal way in which a country can be expelled, nor yet expel itself. Over the last year, there has been a subtle, but perceptible change to that thinking and more people are considering how to mitigate and contain what is likely to be a hugely difficult experience for all.

While the Euro dominated the headlines over the summer, it was not the only region where financial developments affected the markets. In early August, the US market suffered its largest one day fall since November 2008 when the ratings agency, Standard & Poors, downgraded the credit rating of the United States. This was the first in a series of such events, the most recent of which has been the downgrading of France, Austria and seven other European countries. The effect of the latter event is to increase the cost of funding for the European Financial Stability Facility (EFSF), which in turn, increases the cost of bailing out Europe.

The UK was not immune from these events. The austerity package implemented by the Coalition has been relatively well received, with the result that borrowing costs for the UK Government have reduced significantly, unlike the meteoric rise experienced in Southern Europe. The growth of the UK economy has been sluggish at best and there is concern that current plans will act to stifle any signs of recovery. Inflation has, however, stabilised and started to fall.

The overall increase in the levels of indebtedness of the US Government is alarming and will continue to act as a drag on economic growth but quantitative easing and monetary policy have kept funding costs close to all time lows.

Portfolio performance and attribution

For the first time, we are providing performance attribution for the Trust. This will help explain how, why and where the Trust has performed against a specified reference point. We will use this to aid understanding but it is important to recognise that the portfolio differs significantly from that of the reference index in terms of weightings and it is anticipated that this will remain the case going forward. This should therefore not be viewed as a fixed asset allocation benchmark. We will continue to manage the portfolio on the basis of the underlying fundamentals of the companies concerned with the objective of protecting and growing our shareholders' capital irrespective of the regional and sector weightings of the index. Our investment style is focused on the drivers of investment performance in the equity portfolio.

Total Shareholder Return (TSR) outperformed the NAV Total Return (NAV TR) by 2.2%, as a result of the closing of the discount from 17.1% to 15.5% and the NAV TR outperformed the reference point by a further 0.2%. This was primarily down to the successful asset allocation decisions, most notably by maintaining overweight positions in UK equities and fixed income, and underweight in the underperforming European, Asian and Emerging Markets, which added 0.5% to the outperformance, tactical allocation decisions which added a further 0.2% and buy backs which added 1.7%. Overall stock selection was negative 0.3%, although across the quoted equity portion of the Trust was neutral over the period. The cost of running the Trust in performance terms is 0.6% and the impact of gearing reduced the return by a further 0.9% as markets fell.

Income Generation

We are particularly pleased to be able to declare a dividend for the period of 9.0p, up 7.2% on last year and paid out of current year earnings. Over the last six years we have been working to rebuild the revenue reserves to the point where they represent nearly two years' dividend cover, enabling us to distribute a greater proportion of the current year earnings. Going forward, we will strive to pay a growing dividend from current year earnings conscious that, for many of our shareholders, the importance of the dividend that Alliance Trust pays out has increased significantly over the last four years. This is particularly relevant as interest rates have fallen to historically low levels.

A very welcome development over recent years has been the initiation of dividend payments by Asian companies. Together with the contribution from our Fixed Income fund, this has allowed us to adjust our regional asset allocation away from the UK, without foregoing significant levels of income. As we have grown concerned about the short-term outlook for equity markets, so we have moved the portfolio to be more defensively positioned. Despite this shift we have been able to generate a yield of over 3% from our Asian assets, something that would have been inconceivable even five years ago. However, the UK continues to provide consistent dividends as total payout to shareholders rose by nearly 20% to a record £67.8bn in 2011.

	Alliance Trust		FTSE All World Index			
Attribution	**Average Weight (%)**	**Return (%)**	**Average Weight (%)**	**Return (%)**	**Asset Allocation (%)**	**Stock Selection (%)**
UK	32.1	(2.7)	8.2	(2.9)	0.7	0.1
North America	24.9	(1.3)	46.3	0.9	(1.5)	(0.6)
Europe ex UK	13.6	(13.0)	17.4	(16.8)	0.4	0.5
Asia	17.0	(10.9)	21.8	(11.4)	0.3	0.1
Global	4.4	(11.8)	3.0	(6.2)	(0.0)	(0.2)
Emerging Markets	4.2	(10.3)	3.3	(13.2)	(0.1)	0.1
Contribution from Equities	**96.2**	**(5.8)**	**100.0**	**(5.9)**	**(0.2)**	**0.0**
Fixed Income	4.3	(0.1)	0.0	0.0	0.5	(0.3)
Other Assets	7.8	(0.5)	0.0	0.0	(0.0)	(0.0)
Discretionary Assets	**108.3**	**(6.4)**	**100.0**	**(5.9)**	**0.3**	**(0.3)**
Expenses		(0.6)				
Cash	3.3	0.5				
Impact of Gearing	(11.6)	(0.9)				
Effect of Buybacks		1.7				
Total Return	**100.0**	**(5.7)**	**100.0**	**(5.9)**		

Source: Alliance Trust

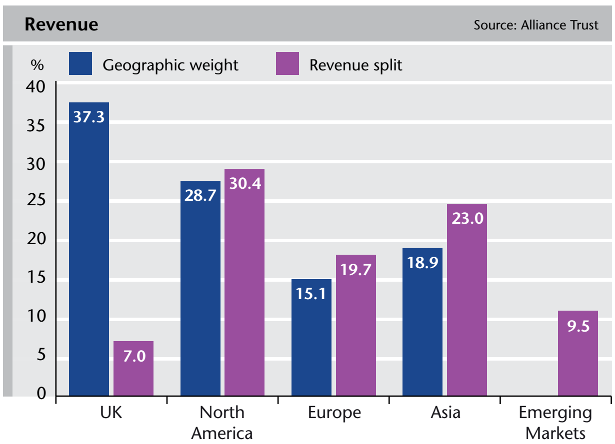
Asset Allocation: measures the effect of strategically overweighting or underweighting asset classes compared to the reference point, the FTSE All World Index.
Stock Selection: measures how the stocks within each asset class have performed compared to the reference point, the FTSE All World Index.
Effect of Buybacks: measures the effect of decreasing the number of shares in issue through share buybacks.
Impact of Gearing: measures the impact of borrowings on the portfolio return.

Chief Executive's Review

Asset Allocation

During the year we have continued the process of focusing the Trust back on its core competencies; investing in equities and fixed income. In March, we announced the decision to exit the private equity market and we have now significantly reduced our exposure to that asset class. We have more than halved our undrawn commitments and will not be taking on any new liabilities. We have also managed to sell our existing holdings at NAV or better, reflecting the quality of the assets held in the portfolio. We have also continued to sell down our property portfolio and by the end of December 2011 retained only two of our properties; we occupy the property in Edinburgh and we also own Monteith House in Glasgow.

We have streamlined our equity portfolios to focus on the four main regions of expertise: the UK, North America, Europe and Asia. Although we remain pessimistic about the UK economy, we continue to have over 30% of the portfolio listed in the UK as we recognise that a listing in the UK is not synonymous with exposure to the UK economy. In fact, our analysis shows that while the UK portfolio represents over 30% of our equity portfolio on the basis of where our investments are listed, only 7% of the income earned by the companies in which we invest is sourced in the UK. As the market peaked in early July, we took advantage of the rally to refocus the portfolio and reduced our emerging market exposure, allowing us to increase our exposure to more developed markets. This was followed by a further reduction in the Asian portfolio and a general shift towards a more defensive slant to the portfolio as Standard & Poors downgraded the credit rating of the US in early August.



We were active in the derivatives market. However this was limited to assisting with market timing for efficient portfolio management. We would typically invest in futures in order to adjust the regional weighting, and then expect that the fund manager would unwind the position into or from his underlying assets.

Managing the currency exposure in the portfolio is an integral part of our investment process. Over the year we took advantage of the flexibility of our multicurrency banking facility to borrow in Euros with the view that the currency would weaken. By reducing our exposure to the weakening Euro we helped protect the value of our underlying equity holdings. In the third quarter of the year the relative strength of Sterling against the US dollar also gave us an opportunity to increase our weighting to the dollar and then unwind our position as the pound subsequently weakened. Both of these strategies added to performance. Currency fluctuations can have a significant impact on the value of our overseas holdings and we continue to monitor such movements and take action to protect against them.

Gearing

We have long been able to command very competitive rates of borrowing, which averaged 2.0% at the end of the year. We have been able to exploit the short-term nature of our borrowing facilities to adjust our level of exposure to equity markets in order to reflect our relative level of confidence in the outlook for the various asset classes. Over the period we have reduced the level of net debt from 10.8% at the start of the year to £184m (7.7% of net assets) as we became increasingly concerned about the implications of the Eurozone crisis over the summer. We maintain an ongoing programme of renewing and replacing borrowing facilities to provide us with the flexibility to enhance equity returns by gearing the portfolio.

Risk

Assessing investment risk is a fundamental part of managing the Trust's assets. We seek to diversify risk across the portfolio by investing in over 200 discrete holdings across different asset classes, regions and sectors. Some of these assets are correlated but by spreading the risk across this number of holdings we aim to reduce the single stock specific risk significantly thereby keeping volatility lower. We utilise an industry standard risk model to analyse the technical aspects of risks and look to achieve a balance between risk and reward when considering portfolio structure. We manage the portfolio risks actively and look to reduce risk in times of uncertainty and increase it when our outlook is more favourable.

Outlook

It seems inevitable that politics will continue to drive market sentiment across the globe until the uncertainties in Europe and the macroeconomic issues subside. There are major issues facing policy-makers in the UK, Europe and the US. Forthcoming presidential elections in France and the US later this year will cause further uncertainty and the French election, in particular, is likely to lead to a change of political direction, whereas we expect little change from the US election in November. Europe will doubtless dominate the news in the short term as politicians struggle to resolve the complex problem of the Euro. At the time of writing, the Greek default issue would seem to be in abeyance however our central case is that the issue has not been permanently resolved and some form of default, leading to the eventual departure of Greece from the Euro, will probably occur in the next couple of years. Closer to home, austerity measures are likely to lead to a prolonged period of weak growth and further pressure on the consumer. Across Western economies we anticipate further quantitative easing will be deployed, should growth stall further.

Against this backdrop, equity markets are likely to remain volatile in the short term, however equities remain good value relative to other assets, particularly government bonds and they remain our favoured asset class. Corporate balance sheets remain robust and valuations for some companies look compelling, particularly for long-term investors such as Alliance Trust. Many companies have weathered this financial storm better than they did in 2008 and are in a much stronger position to capitalise on any recovery. They have reduced their levels of borrowing and what remains is costing them less to service. They have also built up significant cash reserves and are waiting for the opportunity to put it to work in the market when they feel more confident about the economic outlook.

We are not currently forecasting a global recession, although we believe that the issue is finely balanced. Investors are waiting for confirmation that the recent pickup in economic activity is sustainable in order to bring them back into the market and away from UK, US and German government bonds where some recent auctions have priced with negative real yields. We consider that this position is unsustainable and that a correction is overdue and our exposure to this asset class is largely restricted to corporate, not government bonds. Our central case is that the recovery of equity markets will be a long drawn-out affair, but as we invest for the long term, this provides interesting investment opportunities. We see companies trading at valuations that do not reflect their true worth and the opportunity, on a stock-specific basis, to invest at levels we have not seen for some time. The problem therefore is not so much the direction that markets will take, but quite when they will set off.

Key Priorities

Since 2009 we have focused on five key priorities which we believed were necessary to enable us to achieve our objective of delivering long-term value for shareholders.

These were to focus on investment in equities, continue to improve investment performance, manage our cost base in line with market conditions, develop our subsidiary businesses and invest in the development of our people.

Going forward, we will concentrate on delivering against the two overarching priorities below.

To restore investment credibility

Investment credibility comes primarily from the performance of the portfolio relative to our peers. In order to achieve this we need to ensure that we have the people, systems and processes in place.

We have demonstrated our ability to deliver performance in turbulent equity markets and we are focused on making the decision-making process more flexible in order that we can identify systemic changes to the outlook on a more timely basis.

To regenerate our investor base

We are working to increase the level of understanding of the Trust with a view to ensuring that there is sustainable demand for the shares of the Trust, which will in turn help to deliver a narrower discount.

We believe that our core shareholder is and should ultimately remain the private investor. We provide access to equity investments from all over the world, which we understand is more appealing to those investors who do not have the resources to undertake their own regionally diversified asset allocation. The most cost-effective way to achieve this is to focus on those who advise and manage the portfolios of private individuals.

Key Performance Indicators

We report here on the four Key Performance Indicators (KPIs) that we use to monitor the financial performance of our business.

These measures provide the Board with the information it requires to monitor how our performance matches our strategy and objectives as contained in our business plan.

Each of these KPIs form part of the Corporate Targets which are used to determine rewards for our Executive Directors. This is reported on in more detail on pages 34 to 42.

Key Performance Indicators

Percentage change in Net Asset Value against the peer group over 6 months, 1, 3 and 5 years on a rolling basis.

This was selected as a measure to show how our investment performance ranks against other investment trusts in the AIC Global Growth sector. We consider performance from the short to the long term.

Percentage change in Total Shareholder Return against the peer group over 6 months, 1, 3 and 5 years on a rolling basis.

This KPI complements the first KPI as the Board is conscious that investment performance of itself does not always reflect the return to our shareholders. Again we consider performance from the short to the long term.

Dividend growth over 1, 3 and 5 years.

We have an established policy of paying a progressive dividend and by incorporating this as one of our KPIs we ensure it is kept at the forefront of the Board's consideration.

Management of the Company's cost base in line with market conditions.

In the current economic conditions it is more important than ever that close attention is paid to the cost of running the business.

Performance

NAV Total Return	6 months	11 months*	3 Years	5 Years
Alliance Trust	(9.0%)	(5.7%)	29.9%	7.3%
Global Growth Sector	(11.3%)	(8.0%)	34.4%	10.1%
Out/(under) Performance	2.3%	2.3%	(4.5%)	(2.8%)

* 11 months for this reporting period only

Total Shareholder Return	6 months	11 months*	3 Years	5 Years
Alliance Trust	(10.1%)	(3.5%)	30.0%	6.8%
Global Growth Sector	(11.7%)	(8.6%)	39.0%	9.1%
Out/(under) Performance	1.6%	5.1%	(9.0%)	(2.3%)

* 11 months for this reporting period only

Dividend Growth	11 months*	3 Years	5 Years
Total over the period	7.2%	12.5%	18.8%
In the period	7.2%	4.0% pa†	3.5% pa†

* 11 months for this reporting period only
† Compound average growth

Costs	Dec 11	Jan 11	Jan 10
Company Expenses	£16.0m	£17.0m	£16.0m
Total Expense Ratio	0.65%*	0.63%	0.69%

* Administrative expenses have been annualised given the financial reporting period is for 11 months, except for incentives which are on an actual basis

What we did during the period

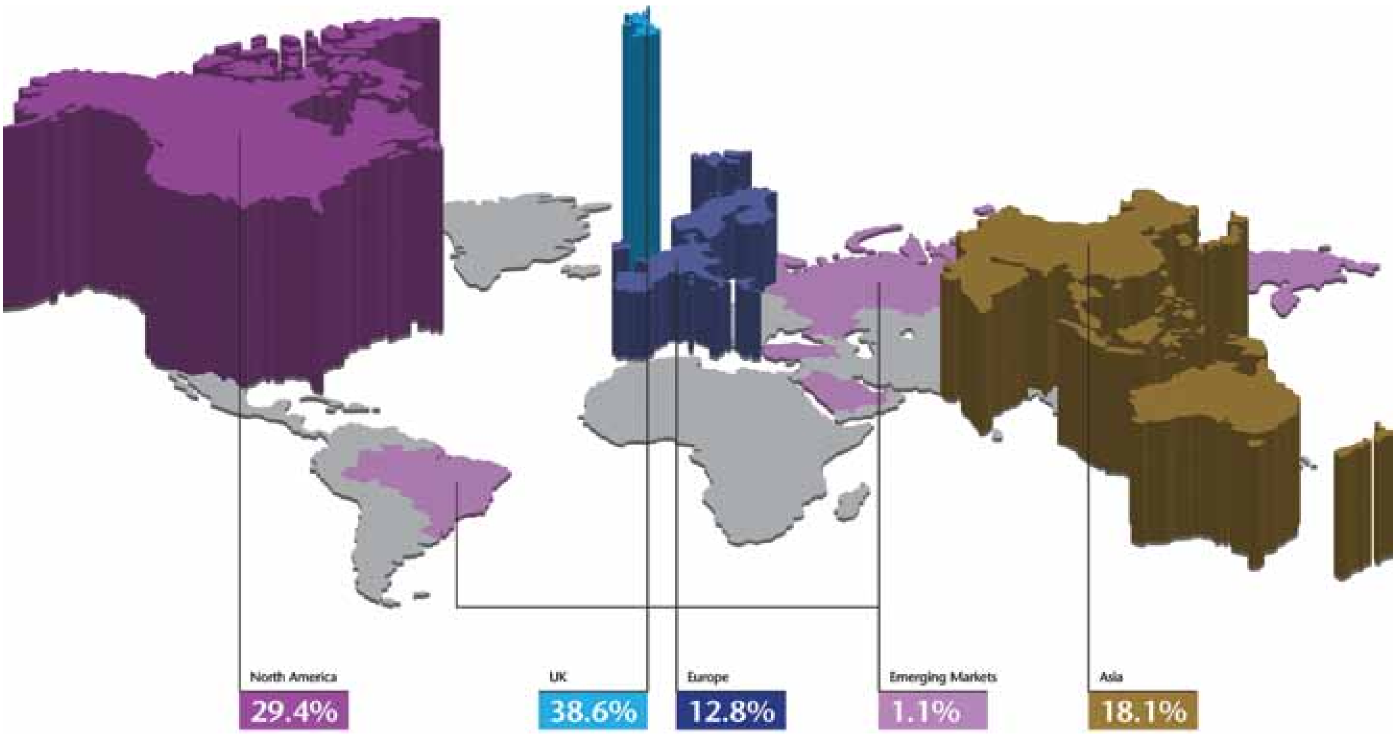
On an NAV basis, Alliance Trust is ranked 5th, 6th, 10th and 10th out of the 32 stocks in the Global Growth sector over 1, 3, 6 months and the period respectively. The comparative rankings at the start of the period were 29th, 28th, 25th and 22nd.

Total Shareholder Return was comfortably ahead of the indices, ranking 6th out of 32 trusts in the Global Growth Sector and ahead of the other large trusts in our sector for the 11 month period.

The final dividend will be 2.577p, payable on 2 April 2012. The total dividend of 9.00p, up 7.2%, will be the 45th annual consecutive dividend increase and will be paid out of the current year earnings of the Trust.

Trust costs have been controlled, even after including the necessary expenses associated with the additional professional fees relating to the shareholder resolutions at our Annual General Meeting in May. Our costs remain in the lowest quartile of the peer group.

Portfolio Review



Classification of Investments

	UK %	North America %	Europe %	Asia %	Emerging Markets %	Total Dec '11 %	Total Jan '11 %
Oil & Gas	7.6	3.2	0.8	1.2	-	**12.8**	13.2
Basic Materials	4.5	1.4	0.8	1.5	-	**8.2**	9.0
Industrials	3.4	5.6	2.4	3.5	-	**14.9**	17.0
Consumer Goods	4.5	2.4	4.0	2.0	-	**12.9**	12.0
Health Care	3.6	4.3	2.4	0.7	-	**11.0**	7.6
Consumer Services	1.3	2.5	0.7	1.0	-	**5.5**	6.8
Telecommunications	1.2	0.1	-	2.5	-	**3.8**	1.2
Utilities	1.6	0.3	-	0.3	-	**2.2**	1.6
Financials	6.5	4.5	2.7	3.3	-	**17.0**	17.9
Technology	-	4.4	1.0	1.9	-	**7.3**	10.7
Core Equity Portfolio	34.2	28.7	14.8	17.9	-	**95.6**	97.0
Other Assets	0.1	0.5	-	-	0.8	**1.4**	1.7
Private Equity	3.1	-	-	-	-	**3.1**	3.9
Subsidiaries	1.2	-	-	-	-	**1.2**	0.6
Property	0.9	-	-	-	-	**0.9**	1.5
Fixed Income	5.0	-	-	-	-	**5.0**	5.1
Total Investments	44.5	29.2	14.8	17.9	0.8	**107.2**	109.8
Net Cash/(Debt)	(6.4)	0.2	(2.0)	0.2	0.3	**(7.7)**	(10.8)
Other Net Assets	0.5	-	-	-	-	**0.5**	1.0
Net Assets Dec 2011	38.6	29.4	12.8	18.1	1.1	**100.0**	100.0
Net Assets Jan 2011	34.6	25.2	12.2	21.7	6.3	**100.0**	

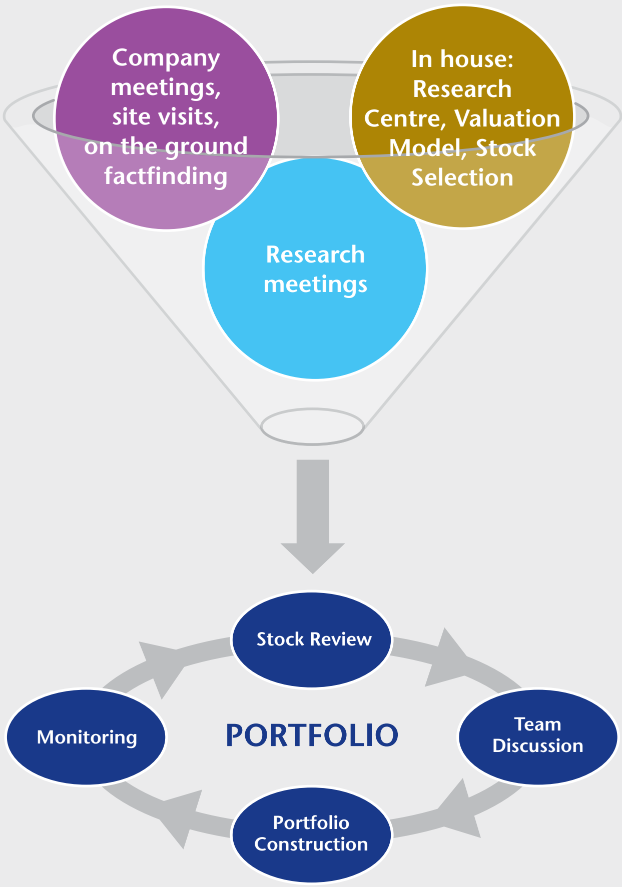
Assets held in our Emerging Markets and Global Portfolios were reallocated during the period to other portfolios.

Top 50 quoted equity holdings as at 31 December 2011

Stock	Country of listing	Sector	Value £m	% of quoted equities
Royal Dutch Shell	UK	Oil & Gas Producers	67.1	2.9%
GlaxoSmithKline	UK	Pharmaceuticals & Biotechnology	58.3	2.5%
BP	UK	Oil & Gas Producers	50.8	2.2%
HSBC Holdings	UK	Banks	44.6	2.0%
Rio Tinto	UK	Mining	42.7	1.8%
British American Tobacco	UK	Tobacco	38.8	1.7%
BHP Billiton	UK/Australia	Mining	38.0	1.6%
BG	UK	Oil & Gas Producers	37.3	1.6%
Pfizer	USA	Pharmaceuticals & Biotechnology	35.5	1.5%
Diageo	UK	Beverages	31.8	1.4%
Prudential	UK	Life Insurance	31.5	1.4%
American Tower	USA	Mobile Telecommunications	31.2	1.4%
Unilever	UK	Food Producers	31.2	1.3%
AstraZeneca	UK	Pharmaceuticals & Biotechnology	29.1	1.3%
Vodafone	UK	Mobile Telecommunications	27.9	1.2%
Clean Harbors	USA	Support Services	27.4	1.2%
Nestlé	Switzerland	Food Producers	26.3	1.1%
Philip Morris International	USA	Tobacco	25.6	1.1%
Standard Chartered	UK	Banks	25.4	1.1%
National Grid	UK	Gas, Water & Multiutilities	23.9	1.0%
New York Community Bancorp	USA	Banks	23.0	1.0%
InterOil	Canada	Oil & Gas Producers	22.9	1.0%
Bank of Nova Scotia	Canada	Banks	22.7	1.0%
Carillion	UK	Support Services	22.5	1.0%
Apple	USA	Technology Hardware & Equipment	21.5	0.9%
Yamana Gold	Canada	Mining	20.4	0.9%
Visa	USA	Financial Services	20.4	0.9%
Legal & General	UK	Life Insurance	20.1	0.9%
Weir Group	UK	Industrial Engineering	20.0	0.9%
SAP	Germany	Software & Computer Services	19.7	0.9%
Ross Stores	USA	General Retailers	19.4	0.8%
Ashmore Global Opportunities	UK	Mutual Fund	19.4	0.8%
Anheuser-Busch InBev	Belgium	Beverages	19.2	0.8%
Total	France	Oil & Gas Producers	18.9	0.8%
Suncor Energy	Canada	Oil & Gas Producers	18.7	0.8%
Amdocs	USA	Software & Computer Services	18.4	0.8%
Pearson	UK	Media	17.9	0.8%
Enterprise Products Partners	USA	Oil & Gas Producers	17.5	0.8%
Sanofi	France	Pharmaceuticals & Biotechnology	17.3	0.8%
Fresenius	Germany	Health Care Equipment & Services	17.2	0.8%
Elementis	UK	Chemicals	16.9	0.7%
United Technologies	USA	Aerospace & Defense	16.8	0.7%
Melrose	UK	Industrial Engineering	16.7	0.7%
Taiwan Semiconductor Manufacturing Co.	Taiwan	Technology Hardware & Equipment	16.4	0.7%
Lions Gate Entertainment	USA	Media	16.2	0.7%
Apache	USA	Oil & Gas Producers	16.1	0.7%
DaVita	USA	Health Care Equipment & Services	15.7	0.7%
Tullow Oil	UK	Oil & Gas Producers	15.4	0.7%
Canadian Pacific Railway	Canada	Industrial Transportation	14.9	0.6%
Medco Health Solutions	USA	Health Care Equipment & Services	14.9	0.6%

These investments may be held directly and/or indirectly through investment in Alliance Trust Investment Funds. A full list of the companies in which we invest can be found on our website www.alliancetrust.co.uk

Portfolio Review



The objective of our investment strategy is to select stocks that can add to shareholder value throughout the economic cycle and in some cases have a particular niche that allows them to capitalise on regional specific themes. For us, stock picking requires detailed analysis of company accounts, meeting with senior management and a full understanding of what gives them the edge over their competitors.

Theme

Asian growth

The combination of increased industrialization, the growth both in the number and wealth of the Asian consumer and the massive public sector infrastructure developments in China and other markets, are creating massive demand for raw materials such as copper and steel. These factors are also creating opportunities for companies from all parts of the economic spectrum to service these new markets. There has been a slight cooling off of the expectations for Asian economies as fear of contagion from the Eurozone issue dampens the outlook, but consensus GDP growth for China for 2012 is 8.4% and for India is 7.3%, which compares with a forecast contraction within Western Europe of 0.3%.

Eurozone crisis

The future for Europe is far from clear. Europe (ex UK) has been among the worst performing markets over the last two years and although events came to a head in July, no solution to what is an intractable problem has been agreed upon by the European politicians. This uncertainty crippled the region's equity markets which, during the period, fell around 17%, whereas Asia was down around 12%, the UK was down around 4% and the US was up over 1% in sterling terms. At the same time, European bond yields rose sharply and the currency has weakened.

Income generation

The dividends we receive from the investment portfolio are distributed to shareholders after the costs of the Trust have been paid. We have grown the dividend paid to shareholders in each of the last 45 years and this year we will increase the dividend by 7.2% to 9.00p, or a total payment for the period of around £54.8m.

Portfolio activity

Over 18% of the portfolio is listed in Asia, but our analysis shows that over 25% of the revenues that the underlying companies we are invested in is derived from Asian markets. We analyse our entire portfolio not only on the basis of where the stock is listed and the sector it is in, but also with reference to where the company in question derives its income. For example, with significant revenues of a number of UK listed companies being derived outside the UK, we exploit the opportunity to access Asian markets without taking the currency risk or suffering withholding tax on income generated which is inevitable when investing directly in the relevant market. The situation is the same in the US and Europe, where we invest in brands with an established presence in the region.

While the market fell sharply, our holdings in the region outperformed because we were invested in companies which were less correlated with market movements. At a sector level the divergence between the performance of the utilities and the financials sectors which both fell almost 40% in sterling terms and the Consumer Goods and Health Care sectors which showed positive returns of over 10% was stark. When looking at stocks that are active in Europe, we have been alert to the likely impact on their earnings of the cost of resolving the Eurozone crisis, which will inevitably fall hardest on those companies with high levels of dependency on the peripheral European markets. However, we still believe that there are investment opportunities in Europe. We remain heavily exposed to international companies in less cyclical industries.

Our managers consider the dividend policy of the companies in which they invest because we believe that a dividend policy is a useful discipline for companies. Over recent years we have reduced our exposure to the high-yielding UK portfolio, but source income elsewhere to match our dividend commitment. Our UK investments generated a yield of 4% in the year. We have been able to diversify income generation which now includes a significant contribution from the fixed income portfolio, yielding over 6%. Five of the six largest holdings in Asia are yielding around 4% or more and the Asian equity portfolio as a whole generated a yield of over 3%.

Case studies

HSBC, listed in the UK, has less than 20% of reported profits coming from Europe. Over 50% comes from Asia and it has a network of 7,500 offices in over 80 countries. It has survived the turmoil in the financial markets because of its strong balance sheet and business model that has benefitted from Asian growth and that of other emerging markets in the Americas, Middle East and Africa. Its share price has benefitted from the rise of consumerism in many of its markets augmented by the bank's strong capital base, prudent lending policy and strict expense discipline which also allows it to reward shareholders through dividends.

HSBC represented 5.5% of our UK portfolio at the end of the period.

Barry Callebaut is the world leader in cocoa and chocolate products and its share price rose almost 27% in the period. It is the only fully integrated manufacturer with a global presence. This enables them to take advantage of the outsourcing trend as large producers such as Cadbury/Kraft look to cut costs in the highly capital intensive cocoa processing and semi-finished product stage.

Barry Callebaut represented 4.5% of our European portfolio at the end of the period.

National Grid rose 13% and performed well operationally over the period. Their focused efforts to improve their underperforming US assets delivering cost savings ahead of target. Rate reviews and relationships with US regulatory bodies appear to be improving too and this culminated in better cash delivery and greater dividend confidence for the future. Based on consensus market forecasts, the expected dividend for 2012 is over 6%.

National Grid represented 3.0% of our UK portfolio at the end of the period.

Portfolio Review

As part of this fundamental analysis we have to assess what is a fair price for a stock that clearly demonstrates these characteristics. In many cases this competitive advantage may already be priced into a share price, leaving little in the way of upside potential. However, in others it may not and these are the stocks we aim to invest in. The current environment, where many domestic economies are struggling, can create great opportunities as share prices are driven in the short-term by economic concerns and not by company fundamentals. However, over the long-term these fundamental company specific drivers will re-assert themselves and provide significant rewards for the patient investor.

The process of monitoring and assessing the potential value of stocks already in the portfolio allows us to shape the Trust to benefit from the key drivers of long-term value. It also allows us to isolate holdings that have reached their full potential or their competitive advantage has changed to the extent that we would sell the holding.

As an investor we are committed to a long-term relationship with the companies in which we invest. We welcomed the introduction of the UK Stewardship Code which promotes dialogue between shareholders and the boards of their investee companies and transparency about how investors oversee those companies. We report on our voting activities on page 24.

We are also signatories to the UN Principles for Responsible Investment which advocates environmental, social and corporate governance considerations when taking investment decisions. We use a non profit making organisation, Ethical Investment Research Services, to assist in the process.

Theme

Demographics and pressure on the consumer

The growing population of the world has an impact on many parts of the economy. It puts greater pressure on land use and as the average income of the developing economy rises, this in turn increases the demand for food and further down the line, consumer discretionary items. We saw increases in the cost of some foodstuffs in India of almost 70% last year.

Divergence of views between economists and investors

Despite the strong recovery in corporate profits, the economic recovery in the US has not fed through to most households. There has been a minimal rise in employment, no rise in house prices and next to no wage growth. This has been the case for some time and is unlikely to ease substantially for some time to come.

Deleveraging

For UK households the deleveraging process to reduce levels of indebtedness began in 2008 and they are now down from their peak. However, many developed countries now have higher levels of Sovereign debt than countries in emerging markets where there has been a quantum shift in saving ratios and balance of payments, over a number of years, resulting in many now having a strong fiscal and monetary position.

Technological advances

One area of robust growth is gas and oil production from shale beds and oil sands across North America. Technological innovation has opened up new production fronts, but tight and tightening environmental standards means there is a lot of clean up and waste prevention work.

Portfolio activity

Case studies

Despite ongoing government pressure to squeeze healthcare spending, ageing populations in the developed world and rising wealth in emerging nations are driving demand for pharmaceuticals. We added significantly to this sector over the year as low valuations and improving new drug prospects offered much potential. A change to domestic spending patterns was also a theme that we developed over the period.

Sanofi, a French company, is engaged in the research, development, manufacture and marketing of healthcare products. Their products are available in over 170 countries with emerging markets accounting for nearly one third of total sales and, more importantly, their highest growth rate for sales in 2011; up 10%. Over the past two years new management have refocused the business and dramatically reduced cost resulting in some of the valuation potential of the business being realised. Shareholders also benefit from a yield of nearly 5%.

Sanofi represented 4.9% of our European portfolio at the end of the period.

We hold many world class international companies within the portfolio to take advantage of their exposure to economic growth.

There are other domestic plays where companies have a competitive advantage or niche market which can lead to superior returns to shareholders. By developing investment themes we can focus our exposure in regions and sectors where we see clear and significant benefits. We also look for opportunities from companies that use the environment in their own economies to their advantage by adapting a particular sales strategy to suit the needs of their customers.

Ross Stores, a US company, which sells discounted end of line branded goods, continues to generate profitable sales growth and is attractively valued. This strong domestic market strategy is against a poor US economic backdrop but is designed to benefit from the change in consumer attitudes which looks set to continue for some time.

Ross Stores represented 3.2% of our North American portfolio at the end of the period.

At a geographic level much of the Trust's exposure remains in the UK, Europe and the US where the levels of public debt are too high and economic activity remains sluggish. However, the revenues received by the Trust bear little resemblance to this geographic split. For example the UK portfolio accounts for 34% of the Trust's equities but only 7% of the Trust's revenues are generated in the UK by those UK listed investments. This is the result of our deliberate strategy of investing in companies with international exposure to higher growth markets where there are consumers with savings and a willingness to spend and governments who are not constrained by fiscal pressures.

Unilever, a UK listed consumer group, derives less than one third of its revenue from the UK economy. More than 50% of its business is in emerging markets and its products are sold in over 180 countries including a number of higher growth markets where its brands are seen as the product of choice. Of the eleven product areas in which it operates it is the global leader in seven of them. It has launched a global Sustainability Living Plan which aims to help more than a billion people improve their health and well-being.

Unilever represented 4.0% of our UK portfolio at the end of the period.

The BP disaster in the Gulf of Mexico resulted in renewed focus on regulation within the oil sector. To benefit from this change we looked for companies with a proven track record in an area that would be positively affected from the changes. Waste disposal and post crisis clean up operations as well as land based waste prevention services are an area that play to this theme.

Clean Harbors, a US company known for their expertise in cleaning up off-shore oil spills, have been rapidly building up their land based waste prevention services. The vigorous activity in North America to extract oil and gas by deep water drilling and using the new 'fracking' technology has resulted in the services provided by them being in high demand. Clean Harbors does much of the clean up and waste handling in this area and performed extremely well against this backdrop.

Clean Harbors represented 4.6% of our North American portfolio at the end of the period.

Alliance Trust Investments

Alliance Trust Investments was launched in 2009 with the aim of developing and fully utilising the skills of the Trust's investment team. It allows third parties the opportunity to invest through a range of open ended funds. During the past year we made solid progress with third party assets under management rising over 50% to £125m at the period end. Our Monthly Income Bond Fund has averaged net inflows of over £1m per week in a corporate bond sector which has seen large net outflows over much of the period.

Key Differentiators

- We are a boutique investment management company with the backing of a strong parent
- We have been able to recruit experienced and well qualified managers attracted by the opportunity to manage both third party funds and the Trust's own assets.

By delivering excellent investment performance our objective is to build long standing relationships and generate profits which will flow through to the Trust.

The continuing inflow into our Monthly Income Bond Fund is testament to the credibility of our fixed income team and its attractiveness to clients seeking income. We have been encouraged by the level of interest experienced in our latest fund, the Global Thematic Opportunities Fund, which launched at the end of the period.

We have identified the following drivers to our future growth:

- Investment Performance – four out of five equity funds have performed in the top half of their sector for the period. While the Monthly Income Bond Fund was in the lowest quartile of its peer group it did deliver its investment objective with an annualised income return of 6%.
- Distribution – through our experienced business development team we now have a strong base from which to build on our relationships with private wealth managers and institutional investors. Our funds are now available on 11 platforms.
- Profile – during the period our marketing activity increased awareness of our investment offerings and our change of name from Alliance Trust Asset Management has refreshed our brand while reinforcing our links with the Trust.
- Choice – we now have seven funds managed by our equity and fixed income teams. We will look to launch additional funds where we see potential growth in the market such as income funds or around a global investment theme.
- We have an innovative approach to fees, structuring our funds into share categories which can either include or exclude additional fees for outperformance.

ALLIANCE TRUST | SAVINGS

An Award Winning Business

Alliance Trust Savings is held as an investment on which the Trust seeks to make a commercial return. We made strong progress, reporting a loss of £3.1m against £5.4m the previous year. Overall the number of accounts grew by 8% in the period.

Key differentiators

- We have the backing of a strong parent and are independent of life company product providers
- Already Retail Distribution Review compliant
- We refund to our customers the entire commission (circa £0.7m p.a.) received by us
- We have a flat fee charging structure.

The strong business model now in place positions us well to take advantage of the considerable market opportunities to grow the business and deliver value to shareholders.

Our business model had been built around providing a high quality and low price service. Historically we were reliant on interest rates received on customer deposits for a significant proportion of our income. The continued low base rate environment prompted us to review our business model.

Our business model now has in place the following drivers to future profitability:

- Pricing – we have increased pricing to both our existing and new customers, to a level more in line with the market, whilst suffering little attrition to customer numbers.
- Scaleability – our systems and processes have capacity to add significant new volumes.
- Transaction activity – we benefit from the increasing use by customers of our online dealing facility.
- Market
  - our share of the UK platform and Full SIPP market is around 5% – we expect this market to grow through migration from Defined Benefit pensions to products such as those offered by us.
  - growing desire amongst investors to consolidate assets in one place. Our platform provides that facility.
  - in the shorter term we see the low yield environment providing continuing impetus for investors seeking to replace lost deposit income with higher yielding mutual funds. Our i.nvest platform offers over 1,500 funds.
  - higher personal tax rates in the UK should underpin inflows into our SIPPs and ISAs.
- Regulatory – Retail Distribution Review
  - we expect an increase in our direct customer base from individuals who have chosen not to seek advice.
  - Independent Financial Advisers will be required to have more than one platform.

Financial Performance

Financial year end

As previously communicated, the Company's financial year end has changed to 31 December. Our results to 31 December 2011 are therefore for an 11 month period and the comparatives, which are in brackets, are for the year ended 31 January 2011. References below to annualised percentage increases from the prior year have been included to reflect this in line with best practice. There has been no cost implication as a result of this change.

Consolidated Results

For the period ended 31 December 2011 the consolidated loss per share was 30.75p (gain 68.46p) comprising revenue earning per share of 8.91p (8.20p) and capital loss per share of 39.66p (gain 60.26p).

Consolidated administrative expenses charged against revenue profits were £37.4m (£38.1m). Consolidated administrative expenses charged against capital profits were £2.0m (£2.7m).

Company Total Return

The Company generates returns through revenue earnings and capital growth. For the period ended 31 December 2011 the revenue earnings per share were 9.87p (9.67p) and the capital loss per share was 41.06p (gain 58.93p) representing a total loss per share of 31.19p (gain 68.60p).

Company Revenue Performance

Revenue earned from the Company's assets increased by an annualised 6.9% to £85.1m (£86.8m). Income from investments increased by an annualised 8.8% to £81.4m (£81.6m) due to increased dividend receipts.

Rental income on the Company's property portfolio reduced to £2.2m (£3.5m), following the sale of two properties during the year.

Company Capital Performance

Last year saw a decline in the financial markets and our net asset value per share fell by 7.6% (increase 16.2%). Losses on our investment portfolio totalled £254.8m (gains £391.9m).

Company Expenses

The annualised Total Expense Ratio (TER) for the period was 0.65% (0.63%). The TER excludes the expenses of our subsidiary businesses as these costs do not relate to running the investment trust, consistent with industry practice.

We remain conscious of prevailing market conditions and the requirement to apply strict cost controls across the business. Company costs increased 0.9% on an annualised basis to £16.0m. This was achieved despite necessary additional professional fees relating to the May 2011 AGM requisitions submitted by shareholders and the closure of our private equity business. Closure of our Defined Benefit Scheme to accrual during the year resulted in a one-off gain of £0.8m.

Dividend

The Company has a policy of growing the dividend and, subject to external factors such as changes in the economic environment and taxation, the Directors seek to manage the assets of the Company to generate a growing revenue stream which will allow them to continue to declare increasing dividends year on year.

Having paid three interim dividends of 2.141p for last period, the Directors have declared a fourth interim dividend of 2.577p per share payable on 2 April 2012. The total dividend for the period, of 9.00p, is an increase of 7.2% on the 8.395p paid for the previous year.

In the absence of any unforeseen developments, we expect to be able to recommend quarterly interim dividends of 2.3175p, payable on or around 2 July 2012, 1 October 2012 and 31 December 2012 and a fourth interim dividend of at least 2.3175p, payable on or around 2 April 2013.

Subsidiary Businesses

Both of our subsidiary businesses have made good progress during the year as outlined on pages 18 and 19. Alliance Trust Investments made a loss of £4.8m (£3.4m) in line with our start up plan for the business. Alliance Trust Savings made a loss of £3.1m (£5.4m), benefiting from increased sales and tight control of costs. The financial results of the subsidiary businesses are disclosed in note 19 on pages 72 to 74.

Borrowing Facilities

At 31 December 2011 we had net debt of 7.7% (11%). The Company had committed funding lines of £450m (£450m) in place at the period end and good covenant cover.

Company Financial Performance

A six year record of the Company's Financial Performance is provided below. Prior to the financial year ended 31 January 2007 there were two trusts, The Alliance Trust and The Second Alliance Trust, and the figures are therefore not directly comparable. This explains why we have only shown a six year record. Our intention is over time to extend this to a 10 year record.

Six Year Record

Assets			As at 31 January			As at
£m	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
Total assets	2,844	2,894	2,211	2,704	3,268	2,676
Loans	0	(159)	(50)	(160)	(339)	(249)
Net assets	2,832	2,699	2,123	2,513	2,895	2,400
Net Asset Value	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
NAV per share	421.5p	402.3p	316.8p	377.7p	439.0p	405.8p
NAV return on 100p – 6 years*						117.8p
Share Price	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
Mid-market price per share	365.5p	338.0p	268.0p	313.0p	364.0p	342.8p
Share price High	380.7p	386.2p	353.7p	337.0p	377.9p	392.7p
Share price Low	316.2p	321.2p	218.0p	233.0p	293.5p	310.2p
Total shareholder return on 100p – 6years*						117.9p
Net Debt %	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
Net cash/(debt)	7%	(5%)	12%	(5%)	(11%)	(8%)

			Year ended 31 January			11 months to
Revenue	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
Profit after tax	£52.5m	£61.5m	£69.5m	£61.1m	£63.8m	£61.9m
Earnings per share#	8.66p	9.17p	10.37p	9.14p	9.67p	9.87p
Dividends per share	7.575p	7.90p	8.00p	8.15p	8.395p	9.00p
Special Dividend			0.50p			
Performance (rebased at 31 January 2007)	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
NAV per share	100	95	75	90	104	96
Mid-market price per share	100	92	73	86	100	94
Earnings per share	100	106	120	106	112	117
Dividends per share	100	104	106	108	111	119
Cost of running the Company	**2007**	**2008**	**2009**	**2010**	**2011**	**31 Dec 2011**
Administrative Expenses	£10.1m	£15.0m	£16.8m	£16.0m	£17.0m	£16.0m
Expressed as a percentage of average net assets: Total Expense Ratio	0.39%	0.54%	0.70%	0.69%	0.63%	0.65% **

* Source: Morningstar UK Limited
# 2007 is not adjusted for Second Alliance Trust income prior to merger in June 2006
** Administrative expenses have been annualised given the financial reporting period is for 11 months, except for incentives which are on an actual basis

Risk Factors

The following section sets out our approach to risk management and focuses on the principal risks that we believe could impact on the performance of the business. Effective risk management is a key component of the business's operating model and assists in ensuring that the different parts of the group operate within acceptable risk parameters.

The Board has overall responsibility for setting the level of risk which it is prepared to accept. The risk framework is overseen by the Risk Committee which is chaired by the Finance Director and is made up of representatives from Alliance Trust and each of its regulated subsidiary businesses. The Chairman of the Audit Committee also attends at least one meeting each year, to provide additional oversight and a Non-executive perspective. Each business maintains and reviews its risk register and the controls in place to mitigate, reduce or prevent loss arising from their key risks. A common risk categorisation is in place for all business units.

During the period the Risk Committee met on eight occasions and received external presentations on fraud risk and the proposed new regulatory environment in the UK as well as internal reviews on information technology security, data protection, upcoming regulatory change and the results of global risk surveys. The Committee divides its time between identifying and evaluating emerging risks, challenging business self assessment risk profiles and performing an oversight role for the completion of remediating actions.

We continue to enhance the Risk Framework and in the period improved our risk reporting capabilities with the creation of Key Risk Indicators which are reported at both Management and Board level.

Principal risks

Strategy

Inappropriate objective and strategy in relation to investor demands in a rapidly changing financial services market.

Market

The Trust currently invests primarily in UK and overseas equities and its principal risks are therefore market related and include market risk (currency, interest rate and other price risk). An explanation of these risks along with sensitivities is included in note 23 to these accounts.

Some nations in the European Union (EU) have seen their sovereign debt come under pressure amid deteriorating economic and fiscal conditions. This has increased the risk of a government default or a country being forced to exit the Euro area.

Alliance Trust has direct exposure to the EU via (i) its European portfolio (ii) holdings in funds managed by its subsidiary company Alliance Trust Investments, and (iii) investments made by its Private Equity business. Within the above our exposure to Greece, Italy, Ireland, Portugal and Spain is minimal (<1% total Net Assets of the Trust as at 31 December 2011).

Other risks are associated with asset allocation, sector and stock selection which could lead to investment underperformance.

Gearing

The Trust has the ability to borrow money for investment purposes. If the underlying investment falls in value, any borrowings will magnify the extent of this loss. If borrowing facilities are not renewed, the Trust may have to sell investments to repay borrowings.

Accounting, legal and regulatory

In order to qualify as an investment trust the Company must comply with sections 1158-59 of the Corporation Tax Act 2010. Failure to do so would result in the realised capital gains of the Company's portfolio being subject to Corporation Tax.

Major regulatory change could impose unnecessary compliance burdens on the Trust or threaten the viability of its business model.

Operational

Failure of the Trust's accounting or internal control systems or those of other third party suppliers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.

Mitigation	Key developments
The Board regularly reviews the strategy of the Trust and the level and sources of demand. The Board recognises the need for consistently good performance in order to drive investor demand. The subsidiary businesses are a source of value going forward and their need to deliver against business plan is recognised by the Board.	• **Decision to withdraw from Private Equity in favour of quoted equities.** • **Discount has narrowed while the Global Growth sector average has widened during the period.**
The Asset Allocation Committee meets at least monthly to manage the allocation of the capital of the Company between and among the asset classes approved by the Board within the risk parameters, policies and other limits and guidelines set by the Board. Our internal Research Centre provides an analysis of economies, markets and socio-economic issues that may affect markets to inform investment decisions. We closely monitor exposures to Europe within our investment portfolios and consider both direct and indirect exposures.	• **Strengthening of capabilities of equity investment team.** • **Launch of Global Thematic Opportunities Fund.** • **Ranked 6/32 of Peer Group for TSR and 10/32 for NAV return over the period.**
All borrowings require the prior approval of the Board and gearing levels are reviewed by the Board and the Asset Allocation Committee at every meeting. The majority of the Trust's investments are in quoted equities that are readily realisable.	• **A new facility for up to £100m was approved with the same lender to replace an existing facility of the same amount.** • **Borrowing commitments are with different banks and over different durations.**
The Finance Director regularly monitors the compliance criteria under sections 1158-59 of the Corporation Tax Act 2010. The Group's Compliance Department maintains a forward radar of upcoming regulatory changes. Where a significant detrimental effect on the Trust is envisaged, representation is either made individually or via trade bodies. Management of the regulatory forward radar is overseen by the Risk Committee. The Compliance Department perform monitoring activities during the year to ensure compliance with relevant regulations. Any breaches are reported to the Board and where relevant to the appropriate authorities.	• **Pace of regulatory change remains a challenge to the Group. This includes not just legislation emanating from the UK and Europe but also from the US such as the Foreign Account Tax Compliance Act.**
The Trust maintains a Continuity of Business Plan which facilitates the continued operation of the business in the event of a service disruption or major disaster. A report on the effectiveness of internal controls is reviewed by the Board and external reports on the control environments of significant third party service providers are obtained and reviewed.	• **During the year the effectiveness of the Continuity of Business Plan was tested by way of a crisis scenario workshop. The result of the test was positive.**

Corporate Responsibility

In order to meet our corporate objective of generating a real return for shareholders over the medium to long term we need be able to demonstrate that we behave responsibly towards our customers, our employees, the wider community and the environment. This section explains how we achieve this.

We were delighted to win the 2011 HR Network (Scotland) Organisational Development Award. The judges took into account our organisation and structure, leadership and talent programme, culture, values and behaviours and overall employment experience. We were able to demonstrate the engagement of employees at all levels as well as effective collaboration between the different parts of the organisation.

This award underlines our commitment to respecting our people and giving them every opportunity to maximise their potential. It also helps in attracting high quality candidates across all levels of the organisation.

Marketplace – meeting the expectations of our investors and customers

Our priorities are:

- to consider all of the risks, including non-financial and reputational risk, when we take investment decisions
- to offer competitive products in which our customers can invest with a clear understanding of the likely risks and returns.

Both Alliance Trust PLC and Alliance Trust Investments are signatories to the Stewardship Code published by the Financial Reporting Council, which is intended to set out the standards expected of responsible investors. Our stewardship policy statements and full details of our voting activity on a quarter-by-quarter basis are published on our website. During 2011 we also became signatories to the Principles for Responsible Investment, backed by the UN, which provides an internationally-recognised framework for investors to take account of environmental, social and corporate governance issues.

Our investment managers look not just at the financial performance of the companies in which we invest, but also consider their environmental, social and governance (ESG) profile in order to identify any aspects of their business activities which might give rise to unexpected loss of value. We meet regularly with the management of companies and raise any concerns which we have identified.

Our policy is to vote wherever possible – in most cases we support management but will vote against management where we believe proposals are not in shareholders' interests and have been unable to effect change through engagement.

During the year we voted as follows:

In favour of management recommendations	146
Against management recommendations	16
Abstentions	1

Votes against management were mostly in relation to US companies and in favour of having an annual advisory vote on remuneration.

We also aim to maintain effective relationship with our own shareholders, both individual and institutional, meeting with them regularly during the year and publishing regular performance reports on our website.

Both Alliance Trust Investments and Alliance Trust Savings offer products within a regulated framework which promotes fair treatment of customers. Our products are designed and marketed in a way which makes clear to customers the nature of the investment and the risks involved.

All of our employees are subject to policies on gifts and hospitality and conflicts of interests to remove the risk of undue influence or bias. During the year we issued a Code of Business Conduct to give additional guidance on the behaviours we expect from employees.

Workplace – providing an environment in which our employees can realise their full potential

Our priorities are:

- to maintain a safe and discrimination-free working environment
- to offer all employees opportunities to learn and develop new skills for the benefit of the Company and themselves.

We have well-established policies and procedures to remove all forms of unlawful discrimination and encourage our employees to treat each other with respect. These are supported by a confidential whistleblowing facility through which employees can raise concerns independently of their own manager. We also undertook an employee engagement survey during the year which achieved a response rate of 82% of employees, up from 76% in the previous year. In these ways we also meet our health and safety obligations and treat disabled employees in accordance with our statutory obligations.

Employees are encouraged to take an interest in the progress of the Company. As well as team meetings, regular company-wide briefings take place where senior managers comment on the progress of our three businesses. This interest is reinforced by opportunities for employees to acquire shares in the Company, including our All-Employee Share Ownership Plan which offers an annual allocation of shares based on company performance. All employees who joined the Company before August 2010 are shareholders and the average holding is over 5,000 shares.

We continued our graduate recruitment programme and now have a leadership development programme that allows us to identify and offer tailored training and development opportunities to individuals across our business who we believe have the potential to progress and become the leaders of the future.

Community – playing our part to support the wider community

Our priorities are:

- to support the disadvantaged, particularly young people, in our local community
- to promote a sense of responsibility in our own employees.

Again this year we supported local organisations through our staff foundation, matching the amount raised by our employees through their fund-raising activities. We made donations of £2,925 in total to support organisations working with young people in Tayside and Fife.

We also continued to encourage employees to undertake volunteering activities and a total of 15 days were spent by employees at the Brae Dundee Riding Ability Centre during the year.

A significant development during the year was the Alliance Trust Cateran Yomp. This 52 mile team event, based on the Cateran Trail in Perthshire and the Angus Glens and sponsored by the Company, attracted over 200 participants including 53 staff and raised £282,000 through sponsorship and entry fees in aid of ABF the Soldiers' Charity and the Prince's Scottish Youth Business Trust.

Environment – using natural resources and energy responsibly

Our priorities are:

- to minimise energy consumption
- to encourage recycling of waste

Our principal office in Dundee was designed to maximise energy efficiency and recycling opportunities. We use paper from sustainable sources wherever practicable and cost-effective and computer equipment is either refurbished or recycled at the end of its useful life.

We also encourage shareholders to receive communications electronically and make a donation to the Woodland Trust for each shareholder who opts to receive their communications electronically.

Carbon footprint reporting

We report on carbon dioxide (CO_2) emissions based on the Greenhouse Gas Protocol Corporate Reporting and Accounting Standard using:

Scope 1: gas, fuel oil, refrigerant loss

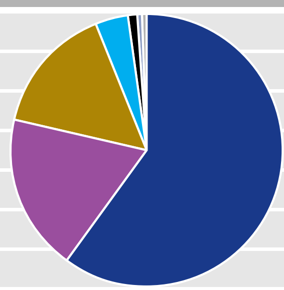
Scope 2: non-renewable electricity purchased

Scope 3: business travel by personal car, air and rail

Our CO_2 emissions during the year amounted to 870 tonnes, a net decrease of 5.5% compared to the previous year. This represents 3.19 tonnes per full-time employee. The reduction is predominantly due to year-on-year reductions in electricity and gas consumption at our Head Office, offset in part by an increase in domestic and other short-haul flights. A breakdown is shown below.

Corporate carbon footprint

Electricity use	60.5%
Air travel	18.6%
Natural Gas/Fuel Oil	15.2%
Personal car business travel	4.1%
Rail travel	1.1%
Air conditioning refrigerant loss	0.5%
Company vehicle use	0.1%



Source: Corporate Citizenship

Directors

● Member of the Audit Committee

■ Member of the Remuneration Committee

▲ Member of the Nomination Committee

1

Chairman

2

3

Non-executive Directors

1 **Lesley Knox**
Chairman ▲
Joined the Board 2001, Appointed Chairman 2004
Chairman, Nomination Committee

Lesley Knox graduated with an MA in Law from the University of Cambridge, qualified as a lawyer and worked in the UK and US. She was a group director with Kleinwort Benson and also Head of Institutional Asset Management at Kleinwort Benson Investment Management.

She is Chairman of Grosvenor Group Ltd and Dundee Design Ltd. Her other board appointments include Turcan Connell Asset Management, SABMiller plc and Centrica PLC.

Her experience of asset management and corporate finance, together with her ongoing involvement in the boards of both listed and private businesses across a wide range of sectors, enable her to lead a diverse board with varied skills and experience.

2 **Karin Forseke**
Chairman Designate ▲
Joined the Board 2012

Karin Forseke studied Economics, Sociology and Marketing before moving into financial services in the US and then in London. She served as Chief Operating Officer of London International Financial Futures Exchange, (LIFFE), and then joined D Carnegie & Co AB becoming its Chief Executive Officer.

She has been a Non-Executive Director of the Financial Services Authority (FSA) since December 2004 and is currently its Deputy Chairman and Chairman of its Audit, Remuneration and Non Executive Directors committees. She serves as a Non-Executive Director of Wallenius Lines, a Non-Executive Director of the Royal Opera in Stockholm and is a Board member of the European Council on Foreign Relations (ECFR).

Her wide experience of the financial services sector and more recently from a regulatory perspective complements those of the other Directors. Combined with her broad geographic, economic and political knowledge she is equipped with the required level of skills and understanding to provide constructive challenge across the group and to lead the Board.

3 **Christopher Masters**
Senior Independent Director ● ■ ▲
Joined the Board 2002

Christopher Masters took his doctorate in Chemistry at the University of Leeds. He worked internationally with Shell and also Christian Salvesen where he was Chief Executive. He was Executive Chairman of Aggreko PLC and is Chairman of the Festival City Theatres Trust and a member of the Court of the University of Edinburgh.

Other directorships include The Crown Agents, John Wood Group PLC and Speedy Hire PLC.

Coming from industry rather than the financial services sector, and having worked in the US and Europe as well in the UK, he can bring a different perspective to Board discussions and offer constructive challenge based on his own experience.

4 **Hugh Bolland ● ■ ▲**
Joined the Board 2007

Hugh Bolland graduated with a BA (Hons) in Economics and Statistics from the University of Exeter. He has held various roles with Schroders including Investment Director and then Managing Director of Schroders in Hong Kong and later Chief Executive of Schroders Australia. In the UK he has been Chairman of Schroder Unit Trusts, Chief Executive and latterly Vice Chairman of Schroder Investment Management.

He is a Non-Executive Director of JP Morgan Indian Investment Trust PLC, Fidelity Asian Values PLC and Dutch listed Eurocommercial Properties N.V.

Drawing on his many years of hands-on experience of fund

Executive Directors

management across the globe, he can speak with authority on this central element of the Company's business.

5 John Hylands ● ■ ▲
Joined the Board 2008
Chairman, Audit Committee

John Hylands graduated with a BSc in Mathematics from the University of Glasgow. In his career with Standard Life he held various actuarial, finance and management positions including serving as Finance Director.

He is a member of the Aviva UK Life With Profits Committee and is a Non-Executive Director of the Board of Ecclesiastical Insurance Group PLC. He also chairs the trustees of the Standard Life and BOC pension schemes.

His qualification as an actuary and subsequent experience in senior roles in the financial services sector enable him to apply a rigorous and analytical approach, in particular in his role as Chairman of the Audit Committee.

6 Timothy Ingram ● ■ ▲
Joined the Board 2010
Chairman, Remuneration Committee

Timothy Ingram graduated with an MA in Economics from the University of Cambridge and an MBA from INSEAD Business School. He has been Finance Director, Chief Executive and later Chairman of First National Finance Corporation, a Managing Director of Abbey National and Chief Executive of Caledonia Investments PLC.

He is Chairman of Collins Stewart PLC, Senior Independent Director of Savills PLC, a Non-Executive Director of Alok Industries Limited and was, until May 2011, Senior Independent Director of Sage PLC.

His experience of leading a self-managed investment trust, coupled with his wider knowledge of the financial services sector, mean that he has a clear understanding of the opportunities and challenges facing the Company and the management team.

7 Consuelo Brooke
● ■ ▲
Joined the Board 2011

Consuelo Brooke graduated with a B.Sc (Hons) in politics, economics and international relations from the University of Southampton. She has worked for S.G. Warburg, Mercury Asset Management and Merrill Lynch Investment Managers. She subsequently established her own firm C Brooke Investment Partners Ltd.

Consuelo Brooke has previously held Non-Executive Directorships at BTG plc and Xansa plc and is currently an Independent Member of the Council of Sussex University of which she was Treasurer from 2002-2011 and a Trustee of Sussex Community Foundation.

With a background in asset management she brings a considerable amount of investment knowledge to the Board. Her previous non-executive directorships provide her with the experience to enable her to contribute to Board discussions.

8 Katherine Garrett-Cox
Chief Executive ▲
Joined the Company as Chief Investment Officer in 2007. Appointed Chief Executive in 2008

Katherine Garrett-Cox graduated with a BA (Hons) in History from Durham University and is a member of the UK Society of Investment Professionals; CFA Institute.

She has held Chief Investment Officer and Executive Director roles with Aberdeen Asset Management PLC and Morley Fund Management, now Aviva Investors. She is a member of the Supervisory Board of Deutsche Bank AG.

In her role she is responsible for both the investment policy and asset allocation of the company as well as executive oversight for the business. She has more than 22 years' experience in the investment industry, having managed North American, Emerging Market and Global Equities portfolios.

Her hands-on fund management experience, combined with senior leadership roles in major investment houses and a commitment to the development of the next generation of business leaders, give her the necessary skills to lead the Company and to evolve its strategy for future growth.

9 Alan Trotter
Finance Director
Joined the Board 2010

Alan Trotter graduated with a BAcc (Hons) in Accountancy from the University of Glasgow and with an LLB from the University of London.

He qualified as a chartered accountant with Ernst & Young working in both the UK and Hong Kong. He held senior finance roles with Standard Life, Standard Life Bank and Royal Bank of Scotland before moving to Legal and General where he was Group Corporate Development Director with responsibility for the central finance function. He is a member of the University of Edinburgh Audit Committee and of the Financial Reporting Review Panel.

His technical and analytical skills, gained both in professional practice and subsequently in several major financial services businesses, equip him well to lead the finance and control functions and to contribute to the shaping of the future strategy for the business.

Corporate Governance

"Here we explain how our Company is structured and how we operate at both Board and Committee levels. We have tried to give an insight into the areas of the business and decisions taken at each of these bodies over the year to demonstrate the way in which the Board ensures that it operates to a high standard.

I believe that good governance helps to improve our business and reduce risk for our shareholders. We also apply that principle as investors having adopted the Stewardship Code and the UN Principles for Responsible Investment.

We report here on how we have complied with the UK Corporate Governance Code issued in June 2010 and also with the principles of the AIC Code of Corporate Governance issued in October 2010."

Lesley Knox, Chairman

The Board

The Board sets the long-term objectives of the Company and approves its business plans and strategic direction. It is responsible for ensuring that there is in place a framework of prudent controls to enable risk to be managed effectively. It provides leadership and reviews business performance.

Details of the Board members can be found on pages 26 and 27.

Board Structure

Each Director brings different skills and experiences to the Board and these are outlined on pages 26 and 27. They are however all responsible for the decisions taken by the Board. The Chairman was considered independent upon appointment and none of the Non-Executive Directors has had a previous relationship with the Company other than as shareholder. The Non-Executive Directors take no part in day to day management of the Company and are all considered to be independent.

None of the Non-Executive Directors at the period end held a concurrent executive role and they have all confirmed that they have sufficient time available to carry out their duties.

Details of the Committees on which the Directors sit can be found on pages 26 and 27 together with details of the Chairman of each Committee and the Senior Independent Director. The Non-Executive Directors meet during the year to discuss management succession and other matters in the absence of Executive Directors and have also met without the Chairman present to review her performance.

The Board Chairman's responsibilities are set out in writing and distinguish the Chairman's role from that of the Chief Executive.

The following Directors held office during the period:

Name	Designation	Appointed
Lesley Knox*	Chairman	15 June 2001
Karin Forseke	Chairman Designate	1 March 2012
Katherine Garrett-Cox	Chief Executive	1 May 2007
Christopher Masters	Senior Independent Director	15 Nov 2002
Hugh Bolland**	Non-Executive Director	1 July 2007
Consuelo Brooke	Non-Executive Director	25 Nov 2011
Robert Burgess †	Executive Director	21 Sept 2009
John Hylands	Non-Executive Director	22 Feb 2008
Timothy Ingram**	Non-Executive Director	24 Sept 2010
Clare Sheikh † †	Non-Executive Director	14 Sept 2005
Alan Trotter	Executive Director	1 Feb 2010

* Will retire on 2 April 2012
** Will retire on 27 April 2012
† Resigned on 9 February 2012
†† Retired on 20 May 2011

The activities of the Board and the Committees during the period can be found on page 33.

In addition to the KPIs reported on page 10 and 11 the Board also considers a range of other indicators of performance. These include both financial measures such as investment allocation and performance attribution but also non financial indicators such as people development.

The Board delegates certain decisions to committees comprising Non-Executive Directors, Executive Directors or a combination of these and management as explained in more detail on page 30.

The areas of decision making that the Board has reserved to itself can be found below:

- investment strategy and policy
- new subsidiary businesses, joint ventures and other arrangements
- approval of treasury policies, banking counterparties and counterparty exposure limits
- Group borrowing limits and the maximum amounts and nature of new bank borrowing facilities
- major contracts
- asset classes in which any Group company may invest
- derivative instruments which any Group company may use
- material changes to gearing and the percentage mix of asset allocation by class and geography
- major changes in employment and remuneration structures
- political and charitable donations
- any material litigation or civil proceedings

Through the matters reserved to the Board, the powers of individual Directors are restricted to the extent necessary to ensure good governance.

Board Meetings

Last year the Board operated to a new timetable, meeting six times a year but structured over two days. We have found that this has allowed more time for the Directors to get a better and more in-depth insight into the operation of all parts of the Group and to make greater contact with management below Board level.

The Company Secretary, Donald McPherson, attends all Company Board meetings and is responsible for advising the Board on matters of corporate governance and legal compliance. The Directors always have access to the Company Secretary for information and assistance as required.

Attendance of the Directors at scheduled Board and Committee meetings is provided in the table below.

Board Committees

The three committees reporting to the Board are:

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Terms of Reference of each of these Committees have been reviewed and updated in the course of the period. Copies of the Terms of Reference of the Committees can be found on our website www.alliancetrust.co.uk.

Meeting Attendances	BOARD		AUDIT		REMUNERATION		NOMINATION	
Director	**Actual**	**Possible**	**Actual**	**Possible**	**Actual**	**Possible**	**Actual**	**Possible**
Lesley Knox	6	6	-	-	-	-	5	5
Katherine Garrett-Cox	6	6	-	-	-	-	5	5
Christopher Masters	6	6	4	4	6	6	5	5
Hugh Bolland	6	6	4	4	6	6	5	5
Consuelo Brooke	1	1	-	-	-	-	-	-
Robert Burgess	6	6	-	-	-	-	-	-
John Hylands	6	6	4	4	6	6	5	5
Timothy Ingram	6	6	4	4	6	6	5	5
Clare Sheikh	2	3	-	-	1	3	0	3
Alan Trotter	6	6	-	-	-	-	-	-

Corporate Governance

Audit Committee

The members are shown on pages 26 and 27.

The Board is satisfied that John Hylands has recent and relevant financial experience. The work of the Committee during the year is explained in the Accountability and Audit section of the report on pages 43 to 45.

Remuneration Committee

The members are shown on pages 26 and 27.

The work of the Committee during the year is explained in the Directors' Remuneration section of the report on pages 34 to 42.

Nomination Committee

The members are shown on pages 26 and 27.

The Committee is responsible for ensuring that there is planned succession, so far as possible, at Board level and for ensuring the proper composition of the Board in terms of skills, knowledge, experience and diversity is maintained. We have not adopted a target for gender diversity but will continue, as we have in the past, to appoint the best qualified person for the job regardless of their gender.

During the year the Committee recognised the need to increase the level of hands-on investment experience among the non-executive directors given the strategy to develop the asset management subsidiary and in the knowledge that Hugh Bolland intended to retire at the 2012 AGM. At this time Consuelo Brooke was introduced to members of the Board and it rapidly became clear that her career in investment management made her extremely well-suited to provide the required level of experience. Following due diligence the Board concluded that her appointment would be of significant benefit and for this reason no formal search or open advertisement was necessary on this occasion. It remains the normal practice of the Board to undertake searches in respect of new non-executive appointments.

Karin Forseke was appointed as the Chairman of Alliance Trust PLC following an extensive external search led by the Senior Independent Director who acted as the Chairman of the Nomination Committee for this purpose, with the assistance of a search firm specialising in board-level appointments. Her appointment was confirmed by the Board of Alliance Trust PLC on 4 January 2012 on the recommendation of the Nomination Committee which had previously considered a wide range of candidates and had determined Karin Forseke to be the preferred candidate.

Other Committees

Various other committees have been established which include Executive Directors and other senior managers. The following are the major executive committees. All have terms of reference and are attended by the Company Secretary or his nominee to ensure good governance is followed and decisions properly recorded:

Asset Allocation Committee

This Committee, which meets on a monthly basis or more often, if required, comprises the Chief Investment Officer, the Director of Investment Strategy, the Chief Operating Officer-Investment and the Head of Fixed Income. The Finance Director also attends its meetings.

Executive Committee

This Committee, comprising the Chief Executive and senior management, is the main executive committee providing leadership, oversight and communication across the Group.

Operating Committee

This Committee, comprising the Chief Executive and the senior operational managers, provides a focus on financial and operational performance against the business plan and risk management.

Risk Committee

This committee comprises the Finance Director and the senior managers who oversee and review the control, monitoring and reporting framework and related procedures for risk management. The work of the Committee is covered on pages 22 and 23.

Authorisation Committee

This Committee, comprising the Executive Directors and other senior managers, considers and approves changes to signing authorities, approval of banking arrangements, appointment of brokers and approval of other administrative arrangements.

Board and Committee evaluation

Each year the Board reviews its own performance, and also the performance of its committees and individual Directors. This year the review was carried out internally but next year will be conducted with external assistance.

The evaluation was undertaken by a series of structured interviews led by the Chairman with the Company Secretary in attendance during the period between December 2011 and January 2012.

The evaluation identified a number of actions which could be taken to improve the effectiveness of the Board, including additional contact between non-executives and management between meetings, and changes to Board and committee meeting arrangements. It also provided an opportunity to consider Board composition in the light of forthcoming changes.

The Senior Independent Director led the evaluation of the Chairman's performance, which was the subject of discussion at a meeting of the Non-Executive Directors. The evaluation confirmed that the Chairman was effective in her role.

Re-election of Directors

Consuelo Brooke was appointed on 25 November 2011 and Karin Forseke on 1 March 2012. Their appointment falls to be confirmed by shareholders at the Annual General Meeting. Hugh Bolland, Timothy Ingram and Lesley Knox are standing down from the Board. The Board has decided that in line with the UK Corporate Governance Code all of the Directors will be subject to re-election every year. Therefore the remaining directors will stand for re-election at this meeting.

The individual performance of each Director and their ongoing suitability for election or re-election was considered and endorsed by the Nomination Committee. All are recommended for election or re-election at the forthcoming Annual General Meeting. Each of our Directors has confirmed that they remain committed to their role and have sufficient time available to meet what is expected of them.

Dr Masters has agreed to offer himself for re-election despite having served as an independent non-executive director for nine years, in order to assist with the transition of the Board. He will retire from the Board during the course of the year. The Board is of the view that Dr Masters remains independent in character and judgement – independence cannot be determined by length of time alone, and Dr Masters continues to demonstrate the constructive challenge to management expected from non-executive directors. His experience of senior management roles outside the financial services sector also adds to the diversity of views around the Board table.

Directors' and Officers' Indemnification

The Company provides insurance (maximum payable £22m in aggregate) for legal action brought against its Directors as a consequence of their position. In addition separate deeds of indemnity have been agreed with each Director indemnifying them as permitted by company law. The indemnity and insurance does not extend to cover claims brought by the Company itself which are upheld by the Courts, nor to criminal fines or penalties.

Director Development

Every new director receives an individually tailored induction. The Board as a whole received updates on corporate governance, risk and business issues during the period.

Conflicts of Interest

The Directors have previously provided details of all interests which potentially could cause a conflict of interest to arise. The unconflicted Directors in each case noted the declarations by the Directors of their other interests and confirmed that at that time none of the interests disclosed were reasonably likely to give rise to a conflict. An annual review of all interests was undertaken as part of the year end process and this was considered by the Board in March 2012. Procedures are in place to allow Directors to request authority should it be required outwith the normal Board meeting schedule.

Access to advice

All Directors have access to independent professional advice if necessary.

Major Shareholders

As at 1 March 2012 the company had received the following notifications from shareholders holding more than 3% of the voting rights of the ordinary shares in issue of the Company.

DC Thomson & Company Limited and John Leng & Company Limited	37,000,000	**6.3%**
Legal and General Group PLC	27,155,896	**4.6%**
Elliott International, LP, Liverpool Limited Partnership	20,259,667	**3.5%**

The largest shareholder in the Company is the nominee company for Alliance Trust Savings which holds its shares on behalf of over 25,000 clients.

Alliance Trust Savings Nominees Limited	143,931,019	**24.6%**

Payment of Creditors

The Group's policy and practice is to pay creditors in accordance with the terms agreed. At 31 December 2011 the Company had no trade creditors. The Company's subsidiary undertaking, Alliance Trust Services Limited, which purchases most of the goods and services for the Group and recharges them to the appropriate entity, had trade creditors outstanding at 31 December 2011 representing 10 days of purchases.

Relationship with Shareholders

All Directors attend the AGM where they have the opportunity to meet shareholders. Meetings also take place throughout the year with major and institutional shareholders, such meetings normally being attended by the Chairman or Chief Executive.

Corporate Governance

In addition to these meetings, investor forums are held in different locations during the year where individual shareholders are invited to meet Directors and senior managers. All Non-Executive Directors are expected to attend these meetings periodically. In 2011 around 500 shareholders, clients of Alliance Trust Savings and guests attended these meetings. For more details of forthcoming events, please see page 89.

Relationship with third parties

The Company has no relationships with suppliers or contractors that it considers critical to the business.

Investment Trust Status

The Company is an investment trust and seeks annual approval from HM Revenue and Customs to maintain this status. The last such approval was granted in respect of our financial year ended 31 January 2011.

Share Capital and Waiver of Dividends

The Company's issued share capital as at 31 December 2011 comprised 593,301,146 Ordinary 2.5p shares of which 1,770,212 have been acquired by the Trustee of an Employee Benefit Trust ('the Trustee') with funds provided by the Company in connection with its employee share plans. The Trustee has elected to waive all dividends payable in respect of those shares. Each Ordinary share of the Company is entitled to one vote but the Trustee does not vote in respect of the shares held by it on behalf of the Company.

In the course of the period the Company acquired and cancelled 67,758,614 shares at a total consideration of £243.8m. Since the period end an additional 8,527,000 shares at a total consideration of £31.0m have been acquired and cancelled. The Company's issued share capital after these transactions, as at 2 March 2012, was 584,774,146 ordinary 2.5p shares.

There are no preference shares or shares held in treasury.

Agreement in respect of voting rights

There are no agreements in respect of voting rights.

Share Buy Back Authority

At the last AGM the shareholders renewed the authority (originally approved at the EGM held on 10 May 2006), for the repurchase of up to 14.99% of the issued shares. This authority falls to be renewed at the next AGM. The Company made use of this provision during the course of the year as detailed above. The Company will, as part of the authority being sought, declare its intention that any shares bought back under the authority will be cancelled.

Annual General Meeting

In addition to formal business, the Chief Executive will present on business developments and there will be the opportunity for questions to be put to the other Directors. This year, in addition to the normal business there will be proposals to confirm the notice period for convening general meetings other than Annual General Meetings and to renew the share buy back authority.

During the year the Board and committees considered the following business either in the course of scheduled meetings or at specially convened meetings and conference calls.

	Q1	Q2	Q3	Q4
Board	Decided to wind down Private Equity exposure. Decided to close Pension Scheme to future accrual. Presentations by European, Private Equity, UK and North America portfolio managers and Head of Research.	Annual Strategy Review: including investment performance and contribution by subsidiary companies. Executive Succession planning. Approved policy for Business Conduct and considered the Board's position on Gender diversity.	Adopted a performance reference point. Approved a policy on the use of derivatives. Discount and share buybacks. Presentations by Asia and Fixed Income portfolio managers and Head of Research.	Approved Business Plan and Budget. Brand Values. Annual Policy Review. Presentations by Global portfolio manager and Head of Research.
Audit	Reviewed the Effectiveness of Internal Controls. Approved the Compliance and Internal Audit Plan. Received the Annual Anti Money Laundering Reporting Officers Report. Separate Private Sessions with Internal and external Auditors. Considered the Report and Accounts. Reviewed the Whistleblowing Policy.		Reviewed Interim Results. Approved External Audit Plan.	
Remuneration	Reviewed Executive Directors' and other senior managers' remuneration. Considered implications of the FSA Remuneration Code. Consulted with major shareholders on amendments to the LTIP.	Approved the Remuneration section of the Accounts. Approved Executive Directors targets and objectives. Agreed to propose amendments to the LTIP. Considered senior investment managers' incentive arrangements.	Approved the structure of long term incentive arrangements for the senior managers of Alliance Trust Investments. Approved the Company's Pillar 3 disclosures.	Approved Performance Awards and associated performance conditions within the LTIP to senior managers.
Nomination	Non-Executive Director succession Planning. Re-election of Directors. Chairman succession planning.		Chairman succession. Non-Executive Director appointment.	Chairman succession. Non-Executive Director appointment.
Asset Allocation	Reduced the UK and Asian portfolios. Increased the US portfolio. Agreed the disposal of investment properties.	Reduced the Company investment in Fixed Income. Reduced the range for investment in private equity and property. Approved Japanese yen forward exchange contract. Reduced the Global and Asian portfolios.	Reduced gearing. Regional/Global portfolio investments reallocated. Reviewed our performance measurement metric.	Approved an investment in the Global Thematic Opportunities Fund.

Directors' Remuneration

"In this section of the Report we report how we have rewarded our Executive Directors and other key employees for the period. We also explain how we seek to ensure that rewards represent a fair alignment between the interests of the Directors and those of our shareholders. We disclose how the proportions of the compensation received are made up and the amount that has not been paid where targets have not been achieved. We also show the total compensation received by each Director for the period.

Our aim is to ensure that we continue to attract and retain high calibre investment professionals and the structures and systems of rewards we have in place are geared to reward not just investment performance but also to minimise the risk of loss through adverse investment decisions."

Timothy Ingram
Chairman of the Remuneration Committee

Principle

Variable pay

Variable pay will form a significant proportion of executives' total remuneration package and will be discretionary.

Base salaries

Base salaries will be targeted at market median for jobs of a similar size and complexity.

Total direct compensation

Total direct compensation (base salary plus annual and long-term incentives) will reflect the Company's performance, with the goal of being upper quartile for upper quartile performance.

Benefits

Benefits offered to executives will be targeted at median for comparable roles.

Pension provision

Pension provision will be taken into consideration as part of the total remuneration package.

Remuneration

Remuneration packages of executives will be structured in such a way as to promote sound and effective risk management within the Company's risk appetite.

Termination payments

Termination payments should not reward failure.

What we did in 2011	What we will do in 2012
Variable pay is based on performance against a combination of short and long term performance targets. Both short and long term targets were reviewed during 2011 as described in this report. We provide details of the variable pay elements that form part of the total remuneration package on pages 37 and 38.	**Ensure that we set targets and individual objectives that are both stretching and aligned with shareholders' interests.**
We received advice from the Committee's advisers that all Directors were at or around the market median, and agreed salary movements reflecting that advice.	**Continue to take advice from our advisers on appropriate comparators while remaining sensitive to salary levels elsewhere in the Company. We will not automatically follow market movements and no salary increases have been awarded to our Executive Directors for 2012.**
Salary movements and bonus awards made reflected the Company performance (see detail on page 37). Amendments to the Long Term Incentive Plan were approved at last year's AGM so that future awards require outperfomance against peers for both Net Asset Value growth and Total Shareholder Return. In addition a requirement for a progressive dividend in absolute terms was introduced.	**Maintain our approach of rewarding improved performance by way of incentive awards rather than salary increases and do this against the market conditions prevailing at the time.**
Advice received from the Committee's advisers was that all Directors were at or around the market median. The types of benefits received by the Directors are, in the main, also received by most other employees.	**Make no significant changes to our existing benefit structure, which we believe are competitive, other than where there are major changes to market practice.**
No pension contributions are made in respect of our Directors who now receive payments in lieu (see page 39). All payments received by the Directors are taken into account in setting total remuneration.	**Monitor market practice in this area. We are unlikely to propose any new pension arrangements for our Executive Directors.**
The remuneration policy incorporates the statement of risk appetite, and risk is included as a specific consideration both in relation to annual bonus and long-term incentives.	**Recognise the continued improvements in our risk framework and use the output to assist in our consideration of risk and reward.**
Service contracts already included mitigation provisions. However the Long Term Incentive Plan was amended to introduce a clawback provision in the case of material misstatement or misconduct.	**Where appropriate we will utilise the mitigation provisions that we have already put in place.**

Directors' Remuneration

Remuneration Approach

At the start of the period we considered the implications of the FSA Remuneration Code and reported on this last year.

Performance assessment: We have in place throughout the Company an annual performance review based on achievement of personal objectives aligned to the Company's Key Performance Indicators (KPIs).

Guarantees: The use of guaranteed bonuses has always been limited and this will continue to be the case.

Severance: The Company's policy is only to make payments on early termination that reflect the leaver's contractual entitlements and other amounts which a court or tribunal would be likely to award.

Leverage: The Remuneration Committee has reviewed the proportion of variable pay to annual salary of Directors and other senior managers and is satisfied that it is appropriate.

Multi-year framework: The Company currently operates a combination of annual and three year performance conditions together with a requirement for Directors and other senior managers to defer part of any award in the form of shares.

Our investment managers are eligible for annual bonuses based on achievement of annual performance targets relevant to their own portfolio and the wider equity portfolio. At least one half of any annual bonus is deferred for three years. At the end of the three year deferral period a matching award may vest based on individual portfolio performance (including consideration of consistency of fund performance, risk profile of the fund and market conditions) and achievement of the corporate target as set by the Board.

Other senior managers' annual bonuses are based on performance against business and individual objectives during the year, with the long-term element based on corporate and/or business performance measures. On page 39 we provide information on the aggregate payments made to the Senior Managers and others whose objectives had made a significant impact on the risk profile of the Company.

In setting the levels of remuneration for the Executive Directors, the Remuneration Committee takes account of the levels of remuneration of other employees, particularly at senior level, within the Company and of the overall level of pay awards made. The Executive Directors' remuneration is not set through any formulaic approach or multiple of any other employees engaged within the business, but is driven by their experience and market rates for comparable roles.

We have used our KPIs to set the following Corporate Targets for the determination of the amount of any annual bonus and in the case of the Executive Directors between 25% and 70% of their annual bonus is based on achievement of these targets over the period:

- Percentage change in Net Asset Value against the peer group
- Percentage change in Total Shareholder Return against the peer group
- Dividend growth
- Achievement of cost budget

The peer group is the AIC Global Growth Investment Trust sector.

This year we have not reduced the level of incentive awards made to reflect that they were being given for an 11 month period rather than for a full year but the Committee took into account performance against targets over the shorter period. In respect of the Corporate Targets there were no significant differences between the position of the end of the period and that at the end of January 2012.

Remuneration Committee

The membership of the Committee is set out on pages 26 and 27. The Board has delegated authority for remuneration policy to the Remuneration Committee. The Remuneration Committee itself sets the remuneration of the Executive Directors and the Company Secretary and has oversight of remuneration arrangements for such other senior employees as the Committee may determine from time to time.

The Remuneration Committee also considers the remuneration arrangements of other employees and the operation of the share-based incentive plans to ensure that remuneration arrangements for the Executive Directors have regard to pay and employment conditions elsewhere in the Group. However, decisions on individual remuneration arrangements are made by management in the area, with oversight by the HR function which reports to the Chief Executive.

The Committee has during the year received independent advice on remuneration from Towers Watson. Towers Watson has no connection with the Company other than by virtue of their appointment by the Remuneration Committee and has not received any instruction to carry out any assignment for the Company. During the period the Committee also received advice from PricewaterhouseCoopers in relation to long term incentive arrangements in Alliance Trust Investments.

The Committee met on six occasions during the year and examples of the matters considered at its meetings can be found on page 33.

Annual Salary

The table below shows the annual salaries of each of our Executive Directors.

Salary at	1/2/09 (£)	1/2/10 (£)	1/2/11 (£)	1/1/12 (£)
Katherine Garrett-Cox	405,000	405,000	425,250	425,250
Robert Burgess	230,000	250,000	262,500	262,500
Alan Trotter	-	210,000	225,000	225,000

Basic Salary

The Policy adopted by the Committee is that base salaries of executives should be targeted at market median for jobs of a similar size and complexity. As at 31 December 2011 the salaries of all of the Executive Directors are below or around the market median. No salary increases have been awarded to Executive Directors for 2012.

Variable Pay

There are two components to variable pay; firstly the Annual Bonus and, secondly, awards made under the Company's Long Term Incentive Plan (LTIP) which was approved by shareholders in 2007.

Annual Bonuses

Katherine Garrett-Cox is eligible for an annual bonus of up to 150% of salary. Other Executive Directors are eligible for an annual bonus of up to 100% of their salary. All are totally dependent upon performance. At least 50% of any annual bonus award must be deferred into shares within the LTIP described below. The Director can choose to receive the rest of any bonus in cash or have it deferred into the LTIP.

The Corporate targets, detailed on the previous page, comprised 70% of the potential bonus award for Katherine Garrett-Cox, 50% for Alan Trotter and 25% of the potential award for Robert Burgess. The remainder of the potential award was subject to performance against a combination of business and individual objectives determined at the start of the year as set out below.

Director	Corporate objectives	Business objectives	Individual objectives
Katherine Garrett-Cox	70%	20%	10%
Robert Burgess	25%	55%	20%
Alan Trotter	50%	30%	20%

The business and individual targets for Katherine Garrett-Cox reflected both her role as Chief Investment Officer and Chief Executive, and included financial performance of the subsidiary businesses, people development, oversight and investor relations.

The business and individual objectives for Robert Burgess related to the financial performance of Alliance Trust Savings, the strategic development and operational effectiveness of the group and developing the Alliance Trust Savings management team. The objectives for Alan Trotter related to the embedding of risk management and internal controls across the business, leadership in financial matters and business planning.

The following bonuses in respect of the period ending 31 December 2011 were awarded and were payable after the period end.

Director	Bonus	% of maximum
Katherine Garrett-Cox	£527,850	83%
Robert Burgess	£157,500	60%
Alan Trotter	£194,175	86%

Directors' Remuneration

Long Term Incentive Plans

Participants are given the opportunity to acquire shares at nil cost after three years, subject to the Company achieving certain targets. In respect of awards made in 2008, the target that must be met to achieve the minimum level of vesting was TSR equivalent to inflation plus 3% each year, compounded over three years, with the maximum level of vesting only being achieved for TSR of 10% over inflation compounded over three years. The target was not met and these awards lapsed during the year. In 2009 this target was replaced with one based on TSR compared to that of a peer group of other investment trusts with the minimum level of vesting (25%) at median and full vesting at upper quartile. Vesting between median and upper quartile is based on a vesting curve.

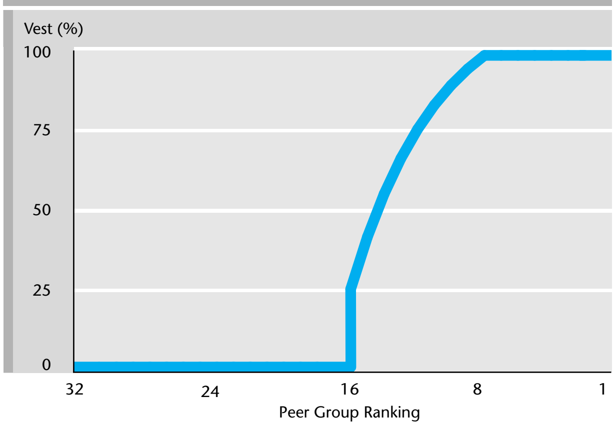
The current target, as approved by the shareholders in 2011, is based on a combination of two separate performance measures – one relating to growth in NAV and another to TSR – each of which will determine the extent to which 50 per cent. of an award vests. Under these conditions, the TSR and NAV growth of the Company will be measured over a period of three consecutive financial years (commencing with the financial year in which the award in question is granted) and then compared to the corresponding performance of each company in a comparator group comprised of the AIC global growth investment trusts (the members of the comparator group at the end of the financial period can be found on page 42).

At the end of this period, two separate ranking tables will be produced – one for the "TSR element" of the award and another for the "NAV element" – with Alliance Trust's position in each table determining the extent to which the relevant part of the award vests as follows:

TSR/NAV Performance against Peer Group	% of share awards that vest
Below Median	0
Median	25
Between Median and Top Quartile	25-100*
Top Quartile	100

* Based on a vesting curve shown below

LTIP awards



So, for example, if over the applicable period of three financial years Alliance Trust achieved an upper quartile position in the TSR ranking table but only managed median performance in relation to NAV growth then an award would vest in respect of 62.5 per cent. of the total number of shares over which it was originally granted (i.e. 50 per cent. x 100 per cent. for TSR performance plus 50 per cent. x 25 per cent. for NAV performance).

However, notwithstanding the level of the Company's performance against the TSR and NAV growth conditions no part of an award will vest unless the Company has declared a progressive dividend in respect of each of the financial years that make up the performance period.

The revised TSR and NAV based measures described above determine the vesting of grants made to Executive Directors of Alliance Trust. For other participants the Committee has the discretion to set targets that relate to the financial performance of their particular business area for part of the awards with the remainder linked to the corporate targets described above.

This flexibility allows the Committee to incentivise and reward more effectively those employees at a senior level whose contribution is directed towards one specific area of your Company's business. Any such business-specific targets are quantified, measurable and demonstrably create value for shareholders.

There are two categories of award which can be made under the LTIP.

Matching Awards: These entitle the participant to receive shares at nil cost with the number of shares being calculated with reference to the amount of deferred bonus which is used to purchase shares in the Company and which are deposited in the plan. At least 50% of the annual bonus must be used in this way. The maximum that can be received is twice the number of shares that could be purchased with the gross value of the annual bonus at the time of the award. The maximum that Katherine Garrett-Cox may receive is the equivalent of the gross value of the annual bonus at the time of the award.

Performance Awards: These are based on the same long-term performance measure as the matching awards. However, in this case, there is no requirement for the participant to purchase any shares. The maximum number of shares which can be awarded in a performance award is calculated on twice the annual salary of the participant at the date of the award.

Details of the awards made can be found on page 41.

It is intended that all awards will be satisfied from shares purchased on the open market and no new shares will be issued to satisfy awards.

Fixed and Variable Remuneration

Katherine Garrett-Cox	Fixed Cash ①	Variable Cash ②	Variable Share Award	Total (£)
1 Maximum that could be received	29%	36%	35%	1,769,861
2 Actual received	49%	51%	③	1,034,175
Robert Burgess				Total (£)
1 Maximum that could be received	54%	46%		566,751
2 Actual received	66%	34%		461,751
Alan Trotter				Total (£)
1 Maximum that could be received	54%	46%		487,734
2 Actual received	58%	42%		456,909

① Includes Salary, Car Allowance, Taxable Benefits and Other Payments.
② Refers to the Annual Bonus awarded in respect of the period but paid after the period end.
③ If the LTIP target had been met the Director would have received shares in the period from the awards made in 2008 (valued at the Market Price of shares on the date of award (5 May 2008: £3.51)).

All Employee Share Ownership Plan

Executive Directors and employees may participate in the Company's All Employee Share Ownership Plan (AESOP). All participants are treated in the same way and each may:

1) elect to purchase shares in the Company from pre-tax income up to a maximum of £1,500 per tax year;

2) receive Dividend Shares purchased from dividends paid in respect of shares held by the participant in the Scheme; and

3) receive up to £3,000 worth of shares in each year

This year all full time participants who were in the Plan for the full year will receive the maximum award of shares, valued at £3,000. Part time staff and those that joined the Plan part way through the year will receive a pro-rated award.

Directors' Pension Benefits

From 1 February 2011 the Executive Directors no longer received contributions to a pension arrangement but received a payment equal to 25% of salary in the case of Katherine Garrett-Cox and 20% in the case of the other Executive Directors. All Executive Directors receive four times salary life insurance cover.

The Company does not grant pension benefits as part of variable remuneration.

Other elements of Directors' contracts

The contracts of all of the Executive Directors:

- are determinable on one year's notice by the Company and on six months' notice by the Director.
- contain express mitigation provisions should their contracts be terminated. The mitigation provisions are structured to provide monthly payments during the notice period against which any income received during this period is offset.
- do not contain a default normal retirement age.
- do not include any provision whereby the termination of their employment renders them entitled to a payment under the discretionary bonus plans in which they may participate.

Remuneration Code disclosures

The following table sets out fixed and variable remuneration paid to the Senior Managers and other Remuneration Code staff whose actions have a significant impact on the risk profile of the Company.

	Year ended 31 Jan 2011	Period ended 31 Dec 2011
Fixed remuneration	£2.99m	£2.96m
Variable remuneration	£1.71m	£2.23m
Number of beneficiaries	20	21

Directors' Shareholdings

All Directors are required to acquire 3,000 shares in the Company. Details of the shareholdings of all Directors, together with details of shares acquired in the year, are shown below. The Company has issued no options to subscribe for shares.

Directors' Shareholdings*

Name	As at 1 Feb 11 or date of appointment if later	As at 31 Dec 11	Acquired between 31 Dec 11 & 1 Mar 12
Lesley Knox	156,976	160,109	746
Hugh Bolland	10,000	10,000	-
Consuelo Brooke	-	3,000	-
Robert Burgess	58,724	89,764	2,651
Katherine Garrett-Cox	287,522	343,828	3,776
John Hylands	65,073	66,595	387
Timothy Ingram	38,182	44,524	-
Christopher Masters	11,401	11,657	95
Alan Trotter	8,771	18,181	79

* Unaudited

Karin Forseke was appointed during the close period prior to announcement of the Company's results for the period ending 31 December 2011. She intends to purchase the requisite holding following announcement of the results on 6 March 2012.

The Remuneration Committee has adopted a policy that Executive Directors should, over time, accumulate a personal holding of shares in the Company equivalent to their annual salary.

Non-Executive Directors

Non-Executive Directors receive only fees (£30,000 per annum in 2011) and do not receive salary, bonuses, pension or share options. Each Non-Executive Director's appointment is governed by written terms which are available for inspection at the Company's registered office and are also available at the Annual General Meeting. Non-Executive Directors are appointed initially for a term of three years.

The Company and the Remuneration Committee take advice from independent consultants who advise on fees and issues of comparability between the Company and other similarly sized companies, and companies operating in the same sector, to ensure that the Non-Executive Directors and Chairman are remunerated at a level which reflects the time commitment and responsibilities of the role.

The Remuneration Committee determines the Chairman's fee (£100,000 per annum in 2011) which includes membership of all committee and subsidiary boards. The Board (excluding the Non-Executive Directors who take no part in the process) determines the Non-Executive Directors' fees. There was no change in the fees paid to the Non-Executive Directors during the year, additional fees are paid for service on committees or subsidiary boards as follows:

Membership of Audit Committee	£3,000
Membership of Remuneration Committee	£3,000
Senior Independent Director	£3,000
Chairmanship of Remuneration Committee	£5,000
Chairmanship of Alliance Trust PLC Audit Committee	£5,000
Chairmanship of Alliance Trust Savings Audit Committee	£5,000
Subsidiary Business Directorship	£3,000
Subsidiary Business Chairmanship	£5,000

Summary Table of Salary and Benefits

Executive Director	Date of Contract	Salary/Fees 1/2/11 to 31/12/11 (£)	Car Allowance (£)	Annual Bonus (£)[1]	Taxable Benefits (£)	Other Payments (£)[2]	Total 1/2/11 to 31/12/11 (£)	Total 1/2/10 to 31/1/11 (£)
Katherine Garrett-Cox	20/04/07	389,813	13,750	527,850	5,309	97,453	1,034,175	842,645
Robert Burgess	02/02/10	240,625	13,750	157,500	605	49,271	461,751	549,572
Alan Trotter	01/02/10	206,250	13,750	194,175	484	42,250	456,909	405,833
Non-executive Director	**Date of Appointment**							
Lesley Knox	15/06/01	91,667	-	-	-	-	91,667	90,000
Hugh Bolland	01/07/07	37,583	-	-	-	-	37,583	39,000
Consuelo Brooke	25/11/11	3,600	-	-	-	-	3,600	-
John Hylands	22/02/08	42,167	-	-	-	-	42,167	44,000
Timothy Ingram	24/09/10	33,000	-	-	-	-	33,000	11,994
Christopher Masters	15/11/02	37,583	-	-	-	-	37,583	39,000
Clare Sheikh	14/09/05	10,024	-	-	-	-	10,024	31,500

[1] This is the bonus payable in respect of period ending 31 December 2011 and was paid after the period end.
[2] Payments in lieu of pension contributions.

Long Term Incentive Plan Awards

Awards made under Long Term Incentive Plan in the period ended 31 December 2011 and earlier years.

Katherine Garrett-Cox

Scheme and year of award	At 31 Jan 11	Awards Granted in year	Awards Lapsed in year	At 31 Dec 11	Market price of share on date of award	Vesting Date
LTIP 31 May 2011 (Matching Award)	-	68,466	-	68,466	£3.8150	31 May 2014
LTIP 31 May 2011 (Performance Award)	-	222,935	-	222,935	£3.8150	31 May 2014
LTIP 4 May 2010 (Matching Award)	70,008	-	-	70,008	£3.3970	4 May 2013
LTIP 4 May 2010 (Performance Award)	238,445	-	-	238,445	£3.3970	4 May 2013
LTIP 10 June 2009 (Matching Award)	94,406	-	Will lapse	94,406	£2.8275	10 June 2012
LTIP 25 June 2009 (Performance Award)	295,620	-	Will lapse	295,620	£2.7400	25 June 2012
LTIP 5 May 2008 (Matching Award)	25,545	-	25,545	-	£3.5100	5 May 2011
LTIP 5 May 2008 (Performance Award)	152,706	-	152,706	-	£3.5100	5 May 2011

Robert Burgess

Scheme and year of award	At 31 Jan 11	Awards Granted in year	Awards Lapsed in year	At 31 Dec 11	Market price of share on date of award	Vesting Date
LTIP 31 May 2011 (Matching Award)	-	66,537	-	66,537	£3.8150	31 May 2014
LTIP 31 May 2011 (Performance Award)	-	137,614	-	137,614	£3.8150	31 May 2014
LTIP 4 May 2010 (Matching Award)	105,755	-	-	105,755	£3.3970	4 May 2013
LTIP 4 May 2010 (Performance Award)	147,188	-	-	147,188	£3.3970	4 May 2013
LTIP 25 June 2009 (Performance Award)	127,737	-	Will lapse	127,737	£2.7400	25 June 2012

Alan Trotter

Scheme and year of award	At 31 Jan 11	Awards Granted in year	Awards Lapsed in year	At 31 Dec 11	Market price of share on date of award	Vesting Date
LTIP 31 May 2011 (Matching Award)	-	35,320	-	35,320	£3.8150	31 May 2014
LTIP 31 May 2011 (Performance Award)	-	117,955	-	117,955	£3.8150	31 May 2014
LTIP 4 May 2010 (Performance Award)	123,638	-	-	123,638	£3.3970	4 May 2013
Agreement 4 May 2010 (Share Award)*	34,571	-	-	34,571	£3.3970	4 May 2013

* On appointment, Alan Trotter received an award of £50,000 to reflect awards granted to him by his former employer which he forfeited upon accepting his appointment with the Company. This payment was conditional upon it being applied to the purchase of shares in the Company to which a share award was granted under the same terms, and under the same performance conditions as matching awards made under the LTIP.

The fee payable to the Chairman includes service on all committees and subsidiary boards. Separate fees are not paid to Directors who are both a member and chairman of a committee or subsidiary board.

Other Directorships

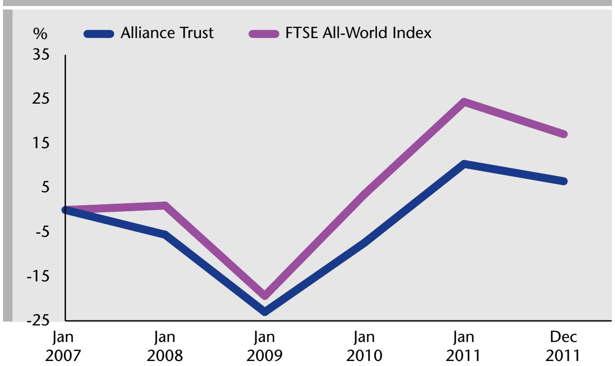
The Company has a policy of permitting its Executive Directors to hold one external directorship in another company where this does not conflict with their duties to the Company. Katherine Garrett-Cox became a member of the Supervisory Board of Deutsche Bank AG during the period (for which an annual fee is payable and is retained by the Director - no fee was received in the period) and Alan Trotter is a member of the University of Edinburgh Audit Committee (no fees are payable).

Company performance graph

We do not have a benchmark but are required by law to include a graph showing the total shareholder return of the Company against a broad equity market index over a five year period. The comparator which has been selected as a broad measure of our performance is the FTSE All-World Index.

It should be noted that the Company does not seek to track this index.

Company performance Source: FactSet



Performance relative to Peer Group*

Name	11 Months	3 Years	5 Years
TSR Ranking	6/32	29/32	20/31

*The peer group consists of the companies in the AIC Global Growth sector and is listed opposite.

Source: Morningstar and FactSet

Peer Group (AIC Global Growth Sector)

Bankers	Law Debenture
British Empire Securities	Lindsell Train
Brunner	Majedie
Caledonia Investments	Martin Currie Portfolio
Cayenne	Mid Wynd International
Edinburgh Worldwide	Miton Worldwide Growth
EP Global Opportunities	Monks
Establishment	New Star
Foreign & Colonial	Personal Assets
F&C Global Smaller Companies	RIT Capital Partners
F&C Managed Portfolio Growth	Ruffer (from Oct 2011)
Henderson Global	Scottish Investment
Independent	Scottish Mortgage
JPM Elect Managed Growth	SVM Global Fund
JPMorgan Overseas	Witan
Jupiter Primadona Growth	World Trust Fund

Audit Statement

The tables on pages 37, 40 and 41 together with the related footnotes have been audited by the Company's Auditor whose report is on page 46.

The Directors' remuneration report has been approved by the Board and signed on its behalf by

Timothy Ingram,
Chairman of the Remuneration Committee
5 March 2012

Accountability and Audit

"The Audit Committee has an important role in ensuring that the Company's financial statements are correct and that the systems of controls that are in place are effective and appropriate. We have seen in recent years that companies that do not have effective risk management systems and control processes have suffered major losses. Here I explain in more detail the work of the Committee."

John Hylands
Chairman of the Audit Committee

Directors' responsibility statement

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and have elected to prepare the parent company financial statements under IFRSs as adopted by the EU.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Company and the performance for that period; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

Role of the Audit Committee

Membership of the Committee can be found on pages 26 and 27.

In addition to reviewing and recommending to the Board the Financial Statements of the Company the Audit Committee's main roles are to:

- monitor the integrity and content of the financial statements of the Company and its subsidiaries;
- review the integrity and effectiveness of the internal controls and risk management systems of the Company and its subsidiaries; and

Accountability and Audit

- ensure that the Auditor's independence is maintained and that the audit service they provide is effective.

The Finance Director, Head of Internal Audit and Head of Compliance normally attend meetings of the Committee. The Chairman and the Chief Executive attend by invitation and the external auditors normally attend. The Audit Committee meets at least once per year with the Head of Internal Audit and the Auditor in the absence of management.

The Committee also reviews and reports to the Board on compliance with the requirements of relevant legislation or regulation and the relationship of any group company with any appropriate regulatory body supervising or regulating its business.

The work of the Committee during the year is described on page 33.

Internal Control

The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and for the Group's risk management and internal control systems. The Group's system of internal control is designed to facilitate effective and efficient operations and to ensure the assets of the Group are safeguarded, proper accounting records are maintained, and the financial information used within the business and for reporting to stakeholders is reliable.

The Board has established an ongoing process for the identification, evaluation and management of the significant risks faced by the Group. The Board regularly reviews this process, which has been in place from the start of the financial year to the date of approval of this report and which is in accordance with the revised guidance on internal control published in October 2005 (the Turnbull Guidance).

Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

The Board regularly reviews the effectiveness of the Group's system of internal control including financial, operational and compliance controls and risk management. The Board has also performed an assessment for the purpose of this annual report, which considered all significant aspects of internal control arising during the period of the report, including the work of Internal Audit, Compliance and Risk. The Audit Committee assists the Board in discharging its review responsibilities. The Audit Committee receives reports from the Group's internal and external auditors which include details of significant internal controls matters that they have identified. As a result of these ongoing procedures the Board was satisfied with the effectiveness of the risk management and internal control systems.

The Group has a clear organisational structure for the control and monitoring of its business, including defined lines of responsibility and delegation of authority. The Group has a comprehensive system for monitoring performance to the Board. The reports include a detailed financial review against forecast.

Internal control over financial reporting

One of the risks to the Group is Financial and Prudential Reporting – the risk of adopting inappropriate accounting policies and ineffective controls over financial and regulatory reporting. This risk and the mitigating controls are assessed regularly by management.

Controls over the preparation of the consolidated accounts include but are not limited to:

- A formal review and sign off of the annual accounts by management including verification of any statements made.
- Adoption of appropriate accounting policies by the Board.
- Review and approval of accounting estimates by the Board.

Auditor Independence

During 2010 the Board carried out a tender exercise for the role of Auditor and at the 2011 AGM the shareholders approved the appointment of Deloitte LLP as Auditor of the Company. In accordance with good practice we have ceased using Deloitte LLP for tax accounting for financial periods commencing after their appointment.

Since their appointment £101,000 was paid to the Auditor in respect of tax accounting (for work they were engaged to perform prior to their appointment) and for regulatory services.

The audit firm does have in-depth knowledge of the Company and there can, therefore, be advantages in engaging the audit firm for certain additional work. The Committee's policy is to allow the audit firm to be instructed to undertake such additional work only where there is no threat to independence. Any assignment must be approved on behalf of the Audit Committee by its chairman.

Disclosure of Information to Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Auditor is unaware; and 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 Auditor is aware of that information.

Going Concern

The Group's business activities are set out on page 2 with the principal risks which could impact on performance set out on page 22. The Group's financial position and cash flows are set out on pages 51 and 52 along with an analysis of its borrowings in Note 15 on page 70. As regards going concern the Directors have considered both liquidity and solvency risks.

Liquidity is concerned with our ability to liquidate assets or access new sources of short term funds in the time needed to meet our liabilities as they fall due. The majority of the Group's assets are in listed securities on recognised stock exchanges which are readily realisable even in volatile markets. At 31 December 2011 we also had £200m of unused committed funding lines.

Solvency is concerned with our ability to meet our liabilities in full. This involves managing our capital by maintaining a business model which is capable of delivering over time a continuing economic return to our shareholders whilst absorbing the impact of any risks which crystallise. As at 31 December 2011 the Group's total net assets were £2.4bn. Our investment policy restricts gearing to 30% of net assets at any given time (8% at 31 December 2011).

Sensitivities to market, credit, liquidity and gearing risk are set out in Note 23 on page 76. The Directors, who have reviewed the budgets, forecasts and sensitivities for the coming year, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly the Directors believe that it is appropriate to continue to adopt the going concern basis for preparing the financial statements.

Report of Directors and Responsibility Statement

The Report of the Directors, comprising the statements and reports on pages 2 and 3, and 6 to 25 together with the Governance sections on pages 28 to 33 and 43 to 45 of this Annual Report and Accounts has been approved by the Board.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties it faces.

Lesley Knox
Chairman

5 March 2012

Katherine Garrett-Cox
Chief Executive

5 March 2012

Independent Auditor's Report

TO THE MEMBERS OF ALLIANCE TRUST PLC

We have audited the financial statements of Alliance Trust PLC for the 11 month period ended 31 December 2011 which comprise the Group and Parent Company Income Statements, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's and the parent company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 45, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Calum Thomson (Senior statutory auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Edinburgh, UK

5 March 2012

Financial Statements

Financial Statements

Consolidated income statement for the 11 month period ended 31 December 2011

		11 months to December 2011			Year to January 2011		
£000	**Notes**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Revenue							
Income	3	**104,610**	-	**104,610**	101,943	-	101,943
(Loss)/Profit on fair value designated investments		-	**(253,611)**	**(253,611)**	-	404,536	404,536
(Loss)/Profit on investment property		-	**(240)**	**(240)**	-	589	589
Total revenue		**104,610**	**(253,851)**	**(149,241)**	101,943	405,125	507,068
Administrative expenses	4	**(37,419)**	**(1,957)**	**(39,376)**	(38,138)	(2,684)	(40,822)
Finance (costs)/income	5	**(8,736)**	**5,914**	**(2,822)**	(5,306)	(4,462)	(9,768)
Impairment losses		-	-	-	-	(297)	(297)
Loss on disposal of office premises		-	**(5)**	**(5)**	-	-	-
Loss on revaluation of office premises		-	-	-	-	(47)	(47)
Foreign exchange gains		-	**1,275**	**1,275**	30	95	125
(Loss)/Profit before tax		**58,455**	**(248,624)**	**(190,169)**	58,529	397,730	456,259
Tax	6	**(2,562)**	**(100)**	**(2,662)**	(4,439)	(73)	(4,512)
(Loss)/Profit for the period		**55,893**	**(248,724)**	**(192,831)**	54,090	397,657	451,747

All (loss)/profit for the period is attributable to equity holders of the parent

Earnings per share from continuing operations attributable to equity holders of the parent	8						
Basic (p per share)		**8.91**	**(39.66)**	**(30.75)**	8.20	60.26	68.46
Diluted (p per share)		**8.89**	**(39.66)**	**(30.77)**	8.17	60.10	68.27

Consolidated statement of comprehensive income

	11 months to December 2011			Year to January 2011		
£000	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
(Loss)/Profit for the period	**55,893**	**(248,724)**	**(192,831)**	54,090	397,657	451,747
Defined benefit plan net actuarial (loss)/gain	-	**(767)**	**(767)**	-	3,077	3,077
Retirement benefit obligations deferred tax	-	**449**	**449**	-	(348)	(348)
Loss on revaluation of office premises	-	-	-	-	(183)	(183)
Other comprehensive (loss)/income	-	**(318)**	**(318)**	-	2,546	2,546
Total comprehensive (loss)/income for the period	**55,893**	**(249,042)**	**(193,149)**	54,090	400,203	454,293

All total comprehensive (loss)/income for the period is attributable to equity holders of the parent

Company income statement for the 11 month period ended 31 December 2011

		11 months to December 2011			Year to January 2011		
£000	**Notes**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Revenue							
Income	3	**85,117**	**-**	**85,117**	86,837	-	86,837
(Loss)/Profit on fair value designated investments		**-**	**(254,584)**	**(254,584)**	-	391,349	391,349
(Loss)/Profit on investment property		**-**	**(240)**	**(240)**	-	589	589
Total revenue		**85,117**	**(254,824)**	**(169,707)**	86,837	391,938	478,775
Administrative expenses	4	**(14,824)**	**(1,159)**	**(15,983)**	(15,110)	(1,924)	(17,034)
Finance costs	5	**(3,026)**	**(2,950)**	**(5,976)**	(3,244)	(2,302)	(5,546)
Loss on disposal of office premises		**-**	**(5)**	**(5)**	-	-	-
Loss on revaluation of office premises		**-**	**-**	**-**	-	(47)	(47)
Foreign exchange gains		**-**	**1,275**	**1,275**	-	862	862
(Loss)/Profit before tax		**67,267**	**(257,663)**	**(190,396)**	68,483	388,527	457,010
Tax	6	**(5,369)**	**100**	**(5,269)**	(4,696)	328	(4,368)
(Loss)/Profit for the period		**61,898**	**(257,563)**	**(195,665)**	63,787	388,855	452,642

All (loss)/profit for the period is attributable to equity holders of the parent

Earnings per share from continuing operations attributable to equity shareholders	8						
Basic (p per share)		**9.87**	**(41.06)**	**(31.19)**	9.67	58.93	68.60
Diluted (p per share)		**9.84**	**(41.06)**	**(31.22)**	9.64	58.77	68.41

Company statement of comprehensive income

	11 months to December 2011			Year to January 2011		
£000	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
(Loss)/Profit for the period	**61,898**	**(257,563)**	**(195,665)**	63,787	388,855	452,642
Defined benefit plan net actuarial (loss)/gain	**-**	**(767)**	**(767)**	-	3,077	3,077
Retirement benefit obligations deferred tax	**-**	**449**	**449**	-	(348)	(348)
Loss on revaluation of office premises	**-**	**-**	**-**	-	(183)	(183)
Other comprehensive (loss)/income	**-**	**(318)**	**(318)**	-	2,546	2,546
Total comprehensive (loss)/income for the period	**61,898**	**(257,881)**	**(195,983)**	63,787	391,401	455,188

All total comprehensive (loss)/income for the period is attributable to equity holders of the parent

Statements of changes in equity for the 11 month period ended 31 December 2011

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Called up share capital				
At 1 February 2011	**16,527**	16,677	**16,527**	16,677
Own shares purchased and cancelled in the period/year	**(1,694)**	(150)	**(1,694)**	(150)
At 31 December 2011	**14,833**	16,527	**14,833**	16,527
Capital reserves				
At 1 February 2011	**2,158,630**	1,776,750	**2,131,651**	1,759,022
(Loss)/profit for the period/year	**(248,724)**	397,657	**(257,563)**	388,855
Defined benefit plan actuarial net (loss)/gain	**(318)**	2,729	**(318)**	2,729
Own shares purchased and cancelled in the period/year	**(245,534)**	(19,800)	**(245,534)**	(19,800)
Share based payments	**1,638**	1,294	**893**	845
At 31 December 2011	**1,665,692**	2,158,630	**1,629,129**	2,131,651
Revaluation reserve				
At 1 February 2011	-	183	-	183
Revaluation of office premises	-	(183)	-	(183)
At 31 December 2011	-	-	-	-
Merger reserve				
At 1 February 2011 and at 31 December 2011	**645,335**	645,335	**645,335**	645,335
Capital redemption reserve				
At 1 February 2011	**2,471**	2,321	**2,471**	2,321
Own shares purchased and cancelled in the period/year	**1,694**	150	**1,694**	150
At 31 December 2011	**4,165**	2,471	**4,165**	2,471
Revenue reserve				
At 1 February 2011	**71,541**	72,017	**98,520**	89,299
Profit for the period/year	**55,893**	54,090	**61,898**	63,787
Dividends	**(54,090)**	(54,599)	**(54,090)**	(54,599)
Unclaimed dividends	**4**	33	**4**	33
At 31 December 2011	**73,348**	71,541	**106,332**	98,520
Minority interest				
At 1 February 2011	-	11,684	-	-
Transfer to liabilities	-	(11,684)	-	-
At 31 December 2011	-	-	-	-
Total Equity At 1 February 2011	**2,894,504**	2,524,967	**2,894,504**	2,512,837
Total Equity At 31 December 2011	**2,403,373**	2,894,504	**2,399,794**	2,894,504

Balance sheet as at 31 December 2011

£000	Notes	Group Dec 11	Group Jan 11	Company Dec 11	Company Jan 11
Non-current assets					
Investments held at fair value	9	**2,625,615**	3,237,614	**2,560,576**	3,172,639
Investment property	9	**9,775**	28,515	**9,775**	28,515
Property, plant and equipment:	9				
Office premises		**6,025**	6,270	**6,025**	6,270
Other fixed assets		**15**	27	**15**	27
Intangible assets	11	**1,598**	2,345	**390**	542
Pension scheme surplus	25	**3,150**	846	**3,150**	846
Deferred tax asset	12	**907**	182	**907**	151
		2,647,085	3,275,799	**2,580,838**	3,208,990
Current assets					
Outstanding settlements and other receivables	13	**190,644**	47,051	**22,171**	29,687
Withholding tax debtor		**789**	1,413	**789**	1,413
Corporation tax debtor		**179**	79	**179**	79
Cash and cash equivalents		**415,435**	295,355	**72,349**	27,511
		607,047	343,898	**95,488**	58,690
Total assets		**3,254,132**	3,619,697	**2,676,326**	3,267,680
Current liabilities					
Outstanding settlements and other payables	14	**(600,539)**	(383,505)	**(22,661)**	(32,613)
Tax payable		**(141)**	(2,260)	**(3,991)**	(1,198)
Bank overdrafts and loans	15	**(248,768)**	(338,997)	**(248,768)**	(338,997)
		(849,448)	(724,762)	**(275,420)**	(372,808)
Total assets less current liabilities		**2,404,684**	2,894,935	**2,400,906**	2,894,872
Non-current liabilities					
Deferred tax liability	12	**(907)**	(303)	**(907)**	(303)
Amounts payable under long term Investment Incentive Plan		**(404)**	(128)	**(205)**	(65)
Net assets		**2,403,373**	2,894,504	**2,399,794**	2,894,504
Equity					
Share capital	16	**14,833**	16,527	**14,833**	16,527
Capital reserve	17	**1,665,692**	2,158,630	**1,629,129**	2,131,651
Merger reserve	17	**645,335**	645,335	**645,335**	645,335
Capital redemption reserve	17	**4,165**	2,471	**4,165**	2,471
Revenue reserve	17	**73,348**	71,541	**106,332**	98,520
Total Equity		**2,403,373**	2,894,504	**2,399,794**	2,894,504

All net assets are attributable to equity holders of the parent

	Notes	Group Dec 11	Group Jan 11	Company Dec 11	Company Jan 11
Net Asset Value per ordinary share attributable to equity holders of the parent	18				
Basic (£)		**£4.06**	£4.39	**£4.06**	£4.39
Diluted (£)		**£4.05**	£4.38	**£4.04**	£4.38

The financial statements were approved by the Board of Directors and authorised for issue on 5 March 2012.
They were signed on its behalf by:

Lesley Knox
Chairman

Katherine Garrett-Cox
Chief Executive

Cash flow statement for the 11 month period ended 31 December 2011

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Cash flows from operating activities				
(Loss)/Profit before tax	**(190,169)**	456,259	**(190,396)**	457,010
Adjustments for:				
Losses/(Gains) on investments	**253,851**	(405,125)	**254,824**	(391,938)
Foreign exchange gains	**(1,275)**	(125)	**(1,275)**	(862)
Scrip dividends	**(886)**	(213)	**(886)**	(213)
Depreciation	**12**	16	**12**	16
Amortisation of intangibles	**1,732**	1,696	**419**	404
Impairment losses	**-**	297	**-**	-
Loss on disposal/revaluation of property	**5**	47	**5**	47
Share based payment expense	**1,638**	1,294	**893**	845
Interest	**2,822**	9,768	**5,976**	5,546
Adjustment for pension funding	**(3,071)**	(2,690)	**(3,071)**	(2,690)
Operating cash flows before movements in working capital	**64,659**	61,224	**66,501**	68,165
Increase in amounts due to depositors	**43,876**	25,930	**-**	-
Increase/(Decrease) in receivables	**9,630**	(12,616)	**898**	(8,346)
(Decrease)/Increase in payables	**(6,759)**	10,265	**(1,010)**	1,289
Net cash flow from operating activities before income taxes	**111,406**	84,803	**66,389**	61,108
Taxes paid	**(4,377)**	(4,998)	**(2,103)**	(4,966)
Net cash inflow from operating activities	**107,029**	79,805	**64,286**	56,142
Cash flows from investing activities				
Proceeds on disposal of fair value through profit and loss investments	**1,526,557**	1,304,562	**1,654,004**	1,295,360
Purchases of fair value through profit and loss investments	**(1,176,618)**	(1,510,954)	**(1,292,281)**	(1,465,954)
Purchase of plant and equipment	**-**	(40)	**-**	(40)
Disposal of property, plant and equipment	**240**	-	**240**	-
Purchase of intangible assets	**(985)**	(692)	**(267)**	(211)
Net cash inflow/(outflow) from investing activities	**349,194**	(207,124)	**361,696**	(170,845)
Cash flows from financing activities				
Dividends paid - Equity	**(41,310)**	(68,071)	**(41,310)**	(68,071)
Unclaimed dividends repaid	**4**	33	**4**	33
Purchase of own shares	**(245,534)**	(19,800)	**(245,534)**	(19,800)
New bank loans raised	**-**	178,997	**-**	178,997
Repayment of borrowing	**(90,229)**	-	**(90,229)**	-
Third party investment in subsidiary OEIC – Alliance Trust Investment Funds	**50,711**	69,502	**-**	-
Interest payable	**(11,060)**	(7,587)	**(5,350)**	(5,525)
Net cash (outflow)/inflow from financing activities	**(337,418)**	153,074	**(382,419)**	85,634
Net increase/(decrease) in cash and cash equivalents	**118,805**	25,755	**43,563**	(29,069)
Cash and cash equivalents at beginning of period	**295,355**	269,475	**27,511**	55,718
Effect of foreign exchange rate changes	**1,275**	125	**1,275**	862
Cash and cash equivalents at end of period	**415,435**	295,355	**72,349**	27,511

Notes

1. General Information

Alliance Trust PLC was incorporated in the United Kingdom under the Companies Acts 1862-1886. The address of the registered office is given on page 88. The nature of the Group's operations and its principal activities are a global investment trust.

The Company's financial year end has changed to 31 December 2011. The following notes refer to the 11 month period ended 31 December 2011 and the comparatives which are in brackets for the year ended 31 January 2011.

Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates. The most significantly affected components of the financial statements and associated critical judgements are as follows:

Valuation of unlisted investments

Investments which are not listed or which are not frequently traded are stated at Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar instruments. With respect specifically to investments in private equity, whether through funds or partnerships, the Directors rely on unaudited valuations of the underlying investments as supplied by the managers of those funds or partnerships. The Directors regularly review the principles applied by the managers to those valuations to ensure they are in compliance with the above policies.

Defined benefit scheme

The estimation of the expected cash flows used in the calculation of defined benefit schemes' liabilities includes a number of assumptions around mortality and inflation rates applicable to defined benefits. More detail is given in note 25 of the financial statements. The Directors take actuarial advice when selecting these assumptions and when selecting the discount rate used to calculate the defined benefit scheme surplus/deficit.

2. Summary of Significant Accounting Policies

The directors believe that it is appropriate to continue to adopt the going concern basis for preparing the financial statements for the reasons set out on page 45.

Changes in accounting policies

The same accounting policies, presentations and methods of computation are followed in these financial statements as are applied in the Group's last annual audited financial statements.

Basis of accounting

Both the parent Company financial statements and the Group financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union ("Adopted IFRSs").

The financial statements have been prepared on the historical cost basis, except that investments and investment properties are stated at fair value. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ('SORP') "Financial Statements of Investment Trust Companies" for investment trusts issued by the Association of Investment Companies ('AIC') in January 2003 as revised in January 2009 is consistent with the requirements of IFRS, then the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. The Group and the Company have prepared the financial statements under the SORP save for the matters noted below. The Company allocates direct costs, including expenses incidental to the purchase and sale of investments and incentive awards deemed to be performance related pursuant to the SORP against capital profits. However, the Company treatment varies with the recommendation of the SORP that either a proportion of all indirect expenditure or no indirect expenditure is allocated against capital profits. The Company allocates indirect expenditure against revenue profits save that two thirds of the costs of bank indebtedness, an indirect cost, are allocated against capital profits save for the costs associated with seeding the fixed income bond fund which are all charged to revenue. The allocation of the costs of bank indebtedness reflects the long term return expected from the Company's investment portfolio.

Adopted IFRSs

Amendments to the following IFRSs were applicable for the period ended 31 December 2011 but had no impact on the financial statements:

- IAS 24 – Related party disclosure amended to simplify the identification of related party relationships
- IAS 32 – Financial instruments presentation and classification of rights issues

IFRSs not yet applied

The following standards and interpretations which have been adopted by the European Union but are not effective for the period ended 31 December 2011 and have not been applied in preparing the financial statements, are relevant to the financial statements of the Group and the Company:

IFRS 7	Amendments to Financial instruments disclosure in relation to transfers of financial assets
IAS 12	Amendments to Income Taxes – recovery of underlying assets

IFRS 9	Classification and measurement of financial instruments
IFRS10	Accounting for consolidated financial statements
IFRS 11	Joint Arrangements
IFRS 13	Fair Value measurement
IAS 1	Amendments to presentation and classification of Other Comprehensive Income
IAS 19	Amendments to Employee Benefits – additional disclosure and clarifications
IAS 28	Investments in Associates and Joint Ventures

Any required changes will be applicable to the financial statements of the Company and Group is for the year ended 31 December 2012 and future years and are expected to impact the Company and Group's accounting for financial assets and liabilities and the disclosures thereof.

The adoption of IFRS 9 which the Group plans to adopt for the year beginning on 1 January 2013 may impact the measurement and disclosure of financial assets and liabilities.

The directors do not believe that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an invested entity so as to obtain benefits from its activities. Where the Company has an investment of over 50% of the issued share capital of an Open Ended Investment Company ('OEIC'), the Company will treat the OEIC as a subsidiary. Third party investment in the OEICs is recognised in the balance sheet as a liability. Net gains/losses attributable to these investors are treated as finance costs in the income statement and are disclosed in note 5 on page 60 of the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Presentation of income statement

In order better to reflect the activities of an investment trust and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement. Net capital returns are not distributed by way of a dividend.

Revenue recognition

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, normally the ex-dividend date.

Where the Group has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the income statement.

Rental income from investment property and income from mineral rights is recognised on a time apportioned basis.

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Special dividends receivable are treated as repayment of capital or as income depending on the facts of each particular case.

Underwriting commission is recognised as earned.

Savings and pension plan transaction charges and set-up fees are accounted for on the date on which the underlying transaction occurs. Annual charges are applied over the period to which they relate.

Expenses connected with rental income and mineral rights are included as administrative expenses.

Foreign currencies

Transactions in currencies other than Sterling are recorded at the rates of exchange applicable to the dates of the transactions. At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included as capital net profit or loss for the period where investments are classified as fair value through profit or loss.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the income statement, all expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the acquisition of an investment are included within the cost of that investment.
- Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.
- Annual bonus and Incentive Plan costs which relate to the achievement of investment manager performance objectives and total shareholder return and net asset value performance objectives are allocated against capital profits and those that relate to the achievement of other corporate targets or job performance objectives against revenue profits save for those costs associated with the fixed income bond fund which are all allocated to revenue costs.
- The Directors have determined to allocate two thirds of the cost of bank indebtedness incurred to finance investment against capital profits with the balance being allocated against revenue profits save for those costs associated with the fixed income bond fund which are all allocated to revenue costs.

Operating leases

Charges for operating leases are debited to the income statement on an accruals basis. Note 26 "Operating lease commitments" discloses the commitments to pay charges for leases expiring within 1, between 2-5 years and over 5 years.

Share based payments

The Group operates two share based payment schemes, the All Employee Share Ownership Plan (AESOP) and the Long Term Incentive Plan (LTIP). The cost of the AESOP is recognised as a revenue cost in the period. The fair value of options granted to employees under the LTIP is recognised as staff costs, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense may be adjusted to reflect the actual number of share options that vest. For share based compensation schemes settled by the Company a recharge equal to the cost during the period is made to subsidiary companies.

Investment incentive plan

The LTIP (Investments) was introduced during the year ended 31 January 2011 and is a discretionary plan for members of the investment team. It consists of matching awards which are based upon the proportion of annual bonus set aside in the scheme by the participants either in the form of cash or units in the funds which they manage. The awards are settled in cash at the end of a three year performance period subject to meeting predefined performance targets.

Pension costs

Employer contributions to pension arrangements for staff are charged to revenue costs.

Contributions in respect of the defined benefit scheme are calculated by reference to actuarial valuations carried out for the Trustees at intervals of not more than three years, and represent a charge to cover the accruing liabilities on a continuing basis.

Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

Taxation

The Company carries on its business as an investment trust and conducts its affairs so as to qualify as such under the provisions of Section 1158/1159 of the Corporation Tax Act 2010.

The tax expense represents the sum of the withholding tax suffered on foreign dividends.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the income statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the income statement, then no tax relief is transferred to the capital return column.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recorded within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and where they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Neither the Company or the Group recognise deferred tax assets or liabilities on capital profits or losses on the basis that the investment trust status of the Company means no tax is due on such profits or losses.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group will only offset financial assets and financial liabilities if it has a legally enforceable right of set off and intends to settle on a net basis.

Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are principally designated as fair value through profit and loss upon initial recognition (not including transaction costs). Listed investments are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Listed investments include Collective Investment Schemes authorised in the UK. These are valued at closing prices.

Investments in property are initially recognised at cost and then valued at fair value based on an independent professional valuation at the reporting date, with changes in fair value recognised through the income statement. Disposals of investment property are recognised when contracts for sale have been exchanged and the sale has been completed.

In respect of unquoted instruments, or where the market for a financial instrument is not active, fair value is established by using valuation techniques, which may include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised. Where no reliable fair value can be estimated for such unquoted equity instruments, they are carried at cost, subject to any provision for impairment.

Investments in subsidiaries are valued at fair value.

Valuation of mineral rights, included in unlisted investments is based upon the gross income received from the asset in the previous twelve months multiplied by appropriate factors for gas and oil. Mineral rights are included in unlisted investments.

Foreign exchange gains and losses for fair-value designated investments are included within the changes in its fair value.

Cash and cash equivalents

Cash and cash equivalents are defined as short term, highly liquid investments that are readily convertible to known amounts of cash.

Other receivables

Other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Office premises

Office premises are valued every three years by chartered surveyors on the basis of market value in accordance with the RICS Appraisal and Valuation Standards. No depreciation has been charged on these assets as, in the opinion of the Board, any provision for depreciation would be immaterial.

Intangible assets

The external costs associated with the development and procurement of significant technology systems are capitalised where it is probable that the expected future economic benefit of that system will flow to the entity. They are stated at cost less accumulated amortisation. On the completion of each project amortisation is charged so as to write off the value of these assets over periods up to five years.

Other fixed assets

Other fixed assets are held at cost less accumulated depreciation, which is charged to write off the value of the asset over three years.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment is treated as a revaluation decrease.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for through the income statement on an accruals basis 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.

Other payables

Other payables are not interest bearing and are stated at their nominal value.

Buy backs and cancellation of shares

The costs of acquiring own shares for cancellation together with any associated trading costs are written back to distributable reserves. Share capital is reduced by the nominal value of the shares bought back with an equivalent entry made to the capital redemption reserve.

Realised and unrealised capital reserves

A description of each of the reserves follows:

Capital reserve

The following are recorded through this reserve:

- Gains and losses on realisation of investments
- Changes in fair value of investments
- Realised exchange differences of a capital nature
- Purchases of shares by the Trustee of the Employee Benefit Trust
- Amounts recognised in relation to share based payments which are capital in nature
- Amounts by which other assets and liabilities valued at fair value differ from their book value
- Buy back and cancellation of own shares.

Revaluation reserve

This reserve is used to record changes in the valuation of the office premises. A downward revaluation in office premises is charged to the income statement to the extent that there is no earlier upward revaluation in this reserve for those premises.

Merger reserve

This reserve was created as part of the arrangements for the acquisition of the assets of Second Alliance Trust PLC.

Capital redemption reserve

This reserve was created on the cancellation and repayment of the Company's preference share capital. Further movements in this reserve reflects the nominal value of the buy back and cancellation of a portion of the share capital of the Company.

Revenue reserve

Net revenue profits and losses of the Company and its subsidiaries and the fair value costs of share based payments which are revenue in nature are recorded within this reserve.

3 Revenue

An analysis of the Group's and Company's revenue is as follows:

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income from investments*				
Listed dividends – UK	**37,268**	39,563	**32,227**	33,392
Unlisted dividends – UK	**50**	56	**46**	29
Distributions from Collective Investment Schemes	-	-	**9,705**	6,822
Unlisted dividends – Subsidiaries	-	-	-	1,000
Listed dividends – Overseas	**37,988**	38,789	**37,988**	38,789
Unlisted dividends – Overseas	**18**	17	**18**	17
Interest on fixed income securities	**11,581**	6,889	**487**	1,352
Scrip dividends	**886**	213	**886**	213
	87,791	85,527	**81,357**	81,614
Other income				
Property rental income	**2,176**	3,517	**2,176**	3,517
Mineral rights income	**1,224**	1,400	**1,224**	1,400
Deposit interest	**2,939**	2,022	**349**	249
Other interest	-	24	-	3
Savings and pension plan charges	**8,855**	8,585	-	-
Other income	**1,625**	868	**11**	54
	16,819	16,416	**3,760**	5,223
Total income	**104,610**	101,943	**85,117**	86,837
Investment income comprises				
Listed UK	**48,362**	45,100	**41,932**	40,214
Listed Overseas	**37,988**	38,789	**37,988**	38,789
Unlisted	**68**	73	**64**	1,046
Other	**1,373**	1,565	**1,373**	1,565
	87,791	85,527	**81,357**	81,614

* Designated at fair value through profit and loss on initial recognition

4 Profit before tax is stated after charging the following administrative expenses:

		Group			Group	
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Staff costs	**17,004**	**1,957**	**18,961**	15,328	2,684	18,012
Social security costs	**2,088**	-	**2,088**	1,865	-	1,865
Pension (credit)/cost - defined benefit scheme**	**(1,571)**	-	**(1,571)**	1,070	-	1,070
Pension costs - defined contribution scheme	**1,413**	-	**1,413**	1,344	-	1,344
	18,934	**1,957**	**20,891**	19,607	2,684	22,291

Group and Company		Deloitte*			KPMG	
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Auditor's remuneration						
Fee payable to the auditor for the audit of the Company's annual accounts	**50**	-	**50**	61	-	61
Fee payable to the auditor and its associates for other services:						
The audit of the Company's subsidiaries pursuant to legislation	**72**	-	**72**	81	-	81
Other services pursuant to legislation	**35**	-	**35**	24	-	24
Other services – taxation	**39**	-	**39**	-	-	-
All other services	**27**	-	**27**	3	-	3
Total remuneration	**223**	-	**223**	169	-	169

* This represents the fees paid to Deloitte LLP since their appointment as auditors on 20 May 2011. Prior to Deloitte's appointment, £54,000 was paid in respect of taxation and other services.

Operating lease charges						
Land and buildings	**116**	-	**116**	116	-	116
Other	**49**	-	**49**	42	-	42
Total operating lease charges	**165**	-	**165**	158	-	158
Other administrative costs	**18,097**	-	**18,097**	18,204	-	18,204
Total administrative expenses	**37,419**	**1,957**	**39,376**	38,138	2,684	40,822

		Company			Company	
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Staff costs	**6,033**	**1,159**	**7,192**	5,690	1,924	7,614
Social security costs	**756**	-	**756**	741	-	741
Pension (credit)/cost - defined benefit scheme**	**(783)**	-	**(783)**	550	-	550
Pension costs - defined contribution scheme	**517**	-	**517**	500	-	500
	6,523	**1,159**	**7,682**	7,481	1,924	9,405
Operating lease charges						
Land and buildings	**6**	-	**6**	6	-	6
Other	**24**	-	**24**	19	-	19
Total operating lease charges	**30**	-	**30**	25	-	25
Other administrative costs including auditor's remuneration	**8,271**	-	**8,271**	7,604	-	7,604
Total administration costs	**14,824**	**1,159**	**15,983**	15,110	1,924	17,034

** As a result of the closure of the Defined Benefit Scheme to future accrual, the Group and Company benefited from a non-recurring credit to the Income Statement of £1,571,000 and £783,000 respectively.

Total Directors' remuneration was £2,208,000 (£2,054,000). Further details are given on pages 34 to 42. In the period the Group employed an average of 259 (256) full-time and 18 (20) part-time staff, excluding Directors.

Total expense ratio (TER) is calculated based on the average of opening and closing net assets. On this basis the annualised management and administration expenses of the Company amounted to £17,180,000 (£17,034,000) representing 0.65% (0.63%) of the average opening and closing net assets of £2,647,149,000 (£2,703,670,000). The expenses have been annualised given the current accounting period is for 11 months, except for incentives which are on an actual basis as they are specific to a particular financial period.

The cost of insured benefits for staff including Executive Directors is included in staff costs.

5 Finance costs

	Group			Group		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Payable to depositors	**25**	**-**	**25**	8	-	8
Bank loans and overdrafts	**3,030**	**2,950**	**5,980**	3,248	2,302	5,550
Net gains/(losses) attributable to third party investment in subsidiary OEIC	**5,681**	**(8,864)**	**(3,183)**	2,050	2,160	4,210
Total finance costs	**8,736**	**(5,914)**	**2,822**	5,306	4,462	9,768

	Company			Company		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Bank loans and overdrafts	**3,026**	**2,950**	**5,976**	3,244	2,302	5,546
Total finance costs	**3,026**	**2,950**	**5,976**	3,244	2,302	5,546

6 Taxation

	Group			Group		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
UK corporation tax at 26% (28%)	**(200)**	**200**	**-**	(73)	73	-
Prior year adjustment	**(2,650)**	**-**	**(2,650)**	105	-	105
Overseas taxation	**5,084**	**(100)**	**4,984**	4,605	-	4,605
	2,234	**100**	**2,334**	4,637	73	4,710
Deferred taxation	**328**	**-**	**328**	(198)	-	(198)
	2,562	**100**	**2,662**	4,439	73	4,512

Corporation tax is calculated at the average rate of 26% (28%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The charge for the period can be reconciled to the (loss)/profit per the income statement as follows:

	Group			Group		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
(Loss)/Profit before tax	**58,455**	**(248,624)**	**(190,169)**	58,529	397,730	456,259
Tax at the average UK corporation tax rate of 26% (28%)	**15,402**	**(65,512)**	**(50,110)**	16,388	111,364	127,752
Non taxable dividend income	**(21,082)**	**-**	**(21,082)**	(19,705)	-	(19,705)
Increase in appreciation/(depreciation) on assets held	**-**	**67,090**	**67,090**	-	(113,421)	(113,421)
Prior year adjustment	**(1,752)**	**-**	**(1,752)**	105	-	105
Foreign exchange adjustments	**-**	**(336)**	**(336)**	(8)	(27)	(35)
Effect of changes in tax rates	**(29)**	**-**	**(29)**	-	-	-
Overseas tax	**4,208**	**(100)**	**4,108**	4,605	-	4,605
Deferred tax assets not recognised	**3,328**	**832**	**4,160**	2,430	304	2,734
Loss on disposal of office premises	**-**	**1**	**1**	-	-	-
Adjustments arising on the difference between taxation and accounting treatment of income and expenses	**2,487**	**(1,875)**	**612**	624	1,853	2,477
Tax expense for the period/year	**2,562**	**100**	**2,662**	4,439	73	4,512

	Company			Company		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
UK corporation tax at 26% (28%)	**(35)**	**-**	**(35)**	287	(328)	(41)
Prior year adjustment	**19**	**-**	**19**	-	-	-
Overseas taxation	**5,088**	**(100)**	**4,988**	4,605	-	4,605
	5,072	**(100)**	**4,972**	4,892	(328)	4,564
Deferred taxation	**297**	**-**	**297**	(196)	-	(196)
	5,369	**(100)**	**5,269**	4,696	(328)	4,368

Corporation tax is calculated at the average rate of 26% (28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The charge for the period can be reconciled to the (loss)/profit per the income statements as follows:

	Company			Company		
£000	**Dec 11 Revenue**	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
(Loss)/Profit before tax	**67,267**	**(257,663)**	**(190,396)**	68,483	388,527	457,010
Tax at the average UK corporation tax rate of 26% (28%)	**17,725**	**(67,895)**	**(50,170)**	19,174	108,789	127,963
Non taxable dividend income	**(19,442)**	**-**	**(19,442)**	(19,477)	-	(19,477)
Increase in appreciation/(depreciation) on assets held	**-**	**67,147**	**67,147**	-	(109,756)	(109,756)
Prior year adjustment	**890**	**-**	**890**	-	-	-
Foreign exchange adjustments	**-**	**(336)**	**(336)**	-	(241)	(241)
Effect of changes in tax rates	**(29)**	**-**	**(29)**	-	-	-
Overseas tax	**4,208**	**(100)**	**4,108**	4,605	-	4,605
Deferred tax asset not recognised	**1,339**	**832**	**2,171**	242	304	546
Adjustments arising on the difference between taxation and accounting treatment of income and expenses	**678**	**252**	**930**	152	576	728
Tax expense for the period/year	**5,369**	**(100)**	**5,269**	4,696	(328)	4,368

7 Dividends

£000	**Dec 11**	**Jan 11**
Fourth interim dividend for the year ended 31 January 2010 of 2.075p per share	-	13,805
First interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Second interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Third interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Fourth interim dividend for the year ended 31 January 2011 of 2.2075p per share	**14,475***	-
First interim dividend for the period ended 31 December 2011 of 2.141p per share	**13,682**	-
Second interim dividend for the period ended 31 December 2011 of 2.141p per share	**13,147**	-
Third interim dividend for the period ended 31 December 2011 of 2.141p per share	**12,786**	-
	54,090	54,599

We also set out below the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1158/1159 of the Corporation Tax Act 2010 are considered.

First interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Second interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Third interim dividend for the year ended 31 January 2011 of 2.0625p per share	-	13,598
Fourth interim dividend for the year ended 31 January 2011 of 2.2075p per share	-	14,551*
First interim dividend for the period ended 31 December 2011 of 2.141p per share	**13,682**	-
Second interim dividend for the period ended 31 December 2011 of 2.141p per share	**13,147**	-
Third interim dividend for the period ended 31 December 2011 of 2.141p per share	**12,786**	-
Fourth interim dividend for the period ended 31 December 2011 of 2.5770p per share	**15,137**	-
	54,752	55,345

* December 2011 figures have been adjusted to reflect the share buy backs undertaken in the period.

8 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Group			Group		
	Dec 11 Revenue	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Ordinary shares						
Earnings for the purposes of basic earnings per share being net (loss)/profit attributable to equity holders of the parent (£000)	**55,893**	**(248,724)**	**(192,831)**	54,090	397,657	451,747
Number of shares						
Weighted average number of ordinary shares for the purposes of basic earnings per share			**627,212,088**			659,897,723
Weighted average number of ordinary shares for the purposes of diluted earnings per share			**628,982,298**			661,667,979

	Company			Company		
	Dec 11 Revenue	**Dec 11 Capital**	**Dec 11 Total**	**Jan 11 Revenue**	**Jan 11 Capital**	**Jan 11 Total**
Ordinary shares						
Earnings for the purposes of basic earnings per share being net (loss)/profit attributable to equity shareholders (£000)	**61,898**	**(257,563)**	**(195,665)**	63,787	388,855	452,642
Number of shares						
Weighted average number of ordinary shares for the purposes of basic earnings per share			**627,212,088**			659,897,723
Weighted average number of ordinary shares for the purposes of diluted earnings per share			**628,982,298**			661,667,979

The diluted figure is the weighted average of the entire number of shares in issue.

To arrive at the basic figure the number of shares has been reduced by 1,770,212 (1,770,203) ordinary shares held by the Trustee of the Employee Benefit Trust ("EBT"). During the period the Trustee increased its holding by 9 shares (nil). Nil (19,757) shares were transferred from the Employee Benefit Trust to participants in the Long Term Incentive Plans in satisfaction of awards.

IAS 33.41 requires that shares should only be treated as dilutive if they decrease earnings per share or increase the loss per share.

9 Non-current assets

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Investments designated at fair value through Profit and Loss				
Investments listed on a recognised investment exchange	**2,533,426**	3,103,480	**2,005,395**	2,702,923
Unlisted investments	**92,189**	134,134	**55,492**	70,463
Investment in collective investment schemes (subsidiary companies, note 10)	-	-	**421,460**	300,477
Investments in related and subsidiary companies (note 10)	-	-	**78,229**	98,776
	2,625,615	3,237,614	**2,560,576**	3,172,639
Investment property†	**9,775**	28,515	**9,775**	28,515
Total Investments	**2,635,390**	3,266,129	**2,570,351**	3,201,154

† The Company holds the investment property through a subsidiary Limited Partnership, Alliance Trust Real Estate Partners LP

January 2011	Group			
£000	**Listed Investments**	**Investment Property**	**Unlisted Investments**	**Total**
Opening book cost as at 1 February 2010	2,134,549	80,476	93,855	2,308,880
Opening unrealised appreciation/(depreciation)	373,952	(28,851)	(6,507)	338,594
Opening valuation	2,508,501	51,625	87,348	2,647,474
Movements in the period				
Purchases at cost	1,482,058	17	53,428	1,535,503
Sales – proceeds	(1,296,375)	(23,716)	(1,883)	(1,321,974)
– realised gains/(losses) on sales	198,364	(12,396)	16	185,984
Increase/(Decrease) in appreciation on assets held	210,932	12,985	(4,775)	219,142
Closing valuation	3,103,480	28,515	134,134	3,266,129
Closing book cost	2,518,596	44,381	145,416	2,708,393
Closing appreciation/(depreciation) on assets held	584,884	(15,866)	(11,282)	557,736
Closing valuation as at 31 January 2011	3,103,480	28,515	134,134	3,266,129

December 2011	Group			
£000	**Listed Investments**	**Investment Property**	**Unlisted Investments**	**Total**
Opening book cost as at 1 February 2011	2,518,596	44,381	145,416	2,708,393
Opening unrealised appreciation/(depreciation)	584,884	(15,866)	(11,282)	557,736
Opening valuation	3,103,480	28,515	134,134	3,266,129
Movements in the period				
Purchases at cost	1,273,158	-	29,736	1,302,894
Sales – proceeds	(1,597,507)	(18,500)	(63,776)	(1,679,783)
– realised gains/(losses) on sales	115,927	(8,746)	1,336	108,517
(Decrease)/Increase in appreciation on assets held	(361,632)	8,506	(9,241)	(362,367)
Closing valuation	2,533,426	9,775	92,189	2,635,390
Closing book cost	2,310,174	17,135	112,712	2,440,021
Closing appreciation/(depreciation) on assets held	223,252	(7,360)	(20,523)	195,369
Closing valuation as at 31 December 2011	2,533,426	9,775	92,189	2,635,390

January 2011			**Company**		
			Related and		
	Listed	**Investment**	**Subsidiary**	**Unlisted**	
£000	**Investments**	**Property**	**companies**	**Investments**	**Total**
Opening book cost as at 1 February 2010	2,083,281	80,476	89,987	62,324	2,316,068
Opening unrealised appreciation/(depreciation)	374,822	(28,851)	(29,741)	(3,074)	313,156
Opening valuation	2,458,103	51,625	60,246	59,250	2,629,224
Movements in the period					
Purchases at cost*	1,425,013	17	43,290	17,855	1,486,175
Sales – proceeds*	(1,280,567)	(23,716)	(17)	(1,883)	(1,306,183)
– realised gains/(losses) on sales	190,250	(12,396)	-	16	177,870
Increase/(Decrease) in appreciation on assets held	210,601	12,985	(4,743)	(4,775)	214,068
Closing valuation	3,003,400	28,515	98,776	70,463	3,201,154
Closing book cost	2,417,976	44,381	133,260	78,312	2,673,929
Closing appreciation/(depreciation) on assets held	585,424	(15,866)	(34,484)	(7,849)	527,225
Closing valuation as at 31 January 2011	3,003,400	28,515	98,776	70,463	3,201,154

December 2011			**Company**		
			Related and		
	Listed	**Investment**	**Subsidiary**	**Unlisted**	
£000	**Investments**	**Property**	**companies**	**Investments**	**Total**
Opening book cost as at 1 February 2011	2,417,976	44,381	133,260	78,312	2,673,929
Opening unrealised appreciation/(depreciation)	585,424	(15,866)	(34,484)	(7,849)	527,225
Opening valuation	3,003,400	28,515	98,776	70,463	3,201,154
Movements in the period					
Purchases at cost*	1,226,766	-	37,160	7,476	1,271,402
Sales – proceeds*	(1,565,165)	(18,500)	(46,658)	(17,058)	(1,647,381)
– realised gains/(losses) on sales	123,486	(8,746)	1,797	(347)	116,190
(Decrease)/Increase in appreciation on assets held	(361,632)	8,506	(12,846)	(5,042)	(371,014)
Closing valuation	2,426,855	9,775	78,229	55,492	2,570,351
Closing book cost	2,203,063	17,135	125,558	68,383	2,414,139
Closing appreciation/(depreciation) on assets held	223,792	(7,360)	(47,329)	(12,891)	156,212
Closing valuation as at 31 December 2011	2,426,855	9,775	78,229	55,492	2,570,351

* Expenses incidental to the purchase or sale of investments are included within the purchase cost or deducted from the sale proceeds. These expenses amount to £3,294,000 for purchases (£3,858,000) and £3,310,900 for sales (£2,457,000).

A geographical analysis of the investment portfolio by broad industrial or commercial sector together with a list of the 50 largest quoted equity investments in the portfolio is given on pages 12 and 13. Both are unaudited.

The investment properties were valued as at 31 December 2011 by DTZ on the basis of market value. The valuation was in accordance with RICS Appraisal and Valuation Standards. The historic cost of the investment properties is £17,135,000 (£44,381,000).

£000	Group	Company
	Office premises freehold / Heritable property	Office premises freehold / Heritable property
Valuation at 31 January 2010	6,500	6,500
Revaluation	(230)	(230)
Valuation at 31 January 2011	6,270	6,270
Disposal*	(245)	(245)
Valuation at 31 December 2011	6,025	6,025

At 31 January 2010 DTZ, an independent Chartered Surveyor, valued the office premises at 8 West Marketgait, Dundee at £6.025m on the basis of market value. The valuation was in accordance with RICS Appraisal and Valuation Standards. The Directors consider that this still approximates to fair value at 31 December 2011. The historic cost of the building as at 31 December 2011 was £12.7m.

* During the period the company sold its previous head office for £240,000. The historic cost of the building at the date of sale was £245,000.

£000	Group	Company
Other Fixed Assets		
Opening book cost at 1 February 2010	80	25
Additions	40	40
Disposals	(29)	(15)
Book cost at 31 January 2011	91	50
Additions	-	-
Disposals	-	-
Book cost at 31 December 2011	91	50
Opening depreciation at 1 February 2010	(77)	(22)
Depreciation charge	(16)	(16)
Disposals	29	15
Depreciation at 31 January 2011	(64)	(23)
Depreciation charge	(12)	(12)
Disposals	-	-
Depreciation at 31 December 2011	(76)	(35)
Net book value at 31 January 2011	27	27
Net book value at 31 December 2011	15	15

10 Subsidiaries

The results of the following subsidiary companies and partnerships are consolidated in the Group accounts.

Name	**Shares held**	**Country of incorporation**	**Principal Activity**
Alliance Trust Savings Limited ('ATS')	Ordinary	Scotland	Provision and administration of investment and pension products
Alliance Trust (Finance) Limited ('ATF')	Ordinary	Scotland	Asset holding
Alliance Trust Pensions Limited ('ATP')	Ordinary	England	Pension trustee
AT2006 Limited ('AT2006')	Ordinary	Scotland	Intermediate holding company
Second Alliance Trust Limited ('SATL')	Ordinary	Scotland	Inactive
Second Alliance Leasing Limited ('SAL')	Ordinary	Scotland	Leasing
Alliance Trust Real Estate Partners (GP) Limited ('ATREP')	Ordinary	Scotland	Real estate general partner
Alliance Trust Real Estate Partners LP	-	Scotland	Limited Partnership
Alliance Trust Asset Management Limited (branded Alliance Trust Investments 'ATI')	Ordinary	Scotland	Investment management
Alliance Trust Services Limited ('ATSL')	Ordinary	Scotland	Service company
Alliance Trust Equity Partners (Holdings) Limited ('ATEP')	Ordinary	Scotland	Intermediate holding company
Alliance Trust Equity Partners Limited ('ATEPL')	Ordinary	Scotland	Investment management
Albany Venture Managers GP Limited ('AVMGP')	Ordinary	Scotland	Private equity general partner
Albany Ventures GP I Limited ('AVGP1')	Ordinary	Scotland	Private equity general partner
Alliance Trust (PE Manco) Limited ('AT PE Manco')	Ordinary	Scotland	Investment company
ATEP 2007 GP Limited ('ATEP 2007GP')	Ordinary	Scotland	Private equity general partner
ATEP 2008 GP Limited ('ATEP 2008GP')	Ordinary	Scotland	Private equity general partner
ATEP 2009 GP Limited ('ATEP 2009GP')	Ordinary	Scotland	Private equity general partner
ATEP 2010 GP Limited ('ATEP 2010GP')	Ordinary	Scotland	Private equity general partner
Allsec Nominees Limited	Guarantee	Scotland	Nominee
Alliance Trust Savings Nominees Limited	Guarantee	Scotland	Nominee
Alliance Trust Investment Funds ('ATIF')	Ordinary	Scotland	UK domiciled Open Ended Investment Company

The investments in subsidiary companies are valued in the Company's accounts at £78,229,000 (£98,776,000) being the fair value of the Company's equity interest.

At 31 December 2011 the Company owned 100% of ATS, ATF, AT2006, SAL, ATREP, ATSL, ATAM, ATEP and AT PE Manco.

ATS owns 100% of ATP, AT2006 owns 100% of SATL, ATEP owns 100% of ATEPL, AVMGP, AVGP1, ATEP 2007GP, ATEP 2008GP, ATEP 2009GP and ATEP 2010GP.

The Company has seed funded Alliance Trust Investment Funds Limited ('ATIF'), a UK domiciled Open Ended Investment Company (OEIC).

As at 31 December 2011 the Company held the following proportions of each class of share in ATIF. The value of the shares held by the Company is also given below:

	Dec 11 Proportion %	**Dec 11 Value £000**	**Jan 11 Proportion %**	**Jan 11 Value £000**
UK Equity Income Fund	**91.1**	**41,010**	92.1	42,283
North American Equity Fund	**79.0**	**41,670**	71.6	41,367
European Equity Income Fund	**74.6**	**9,397**	77.2	10,999
Monthly Income Bond Fund	**49.3**	**102,273**	68.6	124,171
Asia Pacific Equity Fund	**95.1**	**42,450**	94.9	47,670
Japan Equity Fund	**89.5**	**30,388**	98.1	33,987
Global Thematic Opportunities Fund	**100.0**	**154,272**	-	-
	76.5	**421,460**	78.3	300,477

11 Intangible assets

£000	Group Technology systems	Company Technology systems
Opening book cost at 1 February 2010	8,142	1,957
Additions	692	211
Book cost at 1 February 2011	8,834	2,168
Additions	985	267
Book cost at 31 December 2011	9,819	2,435
Opening amortisation at 1 February 2010	(4,793)	(1,222)
Amortisation	(1,696)	(404)
Amortisation at 1 February 2011	(6,489)	(1,626)
Amortisation	(1,732)	(419)
Amortisation as at 31 December 2011	(8,221)	(2,045)
Carrying amount as at 31 January 2011	2,345	542
Carrying amount as at 31 December 2011	1,598	390

Amortisation is included within administrative expenses in the income statement.

12 Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the current and prior reporting period:

Group

£000	Retirement benefit obligations	Accelerated Tax Depreciation	Tax losses	Foreign Tax	Other	Total
At 1 February 2010 – asset/(liability)	452	(502)	-	-	191	141
Income statement – DT credit	-	369	-	-	-	369
Income statement – DT (charge)	-	-	-	(152)	(131)	(283)
Equity – DT (charge)	(348)	-	-	-	-	(348)
At 31 January 2011 – asset/(liability)	104	(133)	-	(152)	60	(121)
Income statement – DT credit	46	13	744	152	131	1,086
Income statement – DT (charge)	(1,386)	-	(27)	-	(1)	(1,414)
Equity – DT credit	449	-	-	-	-	449
At 31 December 2011 – (liability)/asset	(787)	(120)	717	-	190	-

At the balance sheet date, the Group had unused tax losses of £47.6m (£26.8m) available for offset against future profits. There are unrecognised deferred tax assets of £2.7m (£2.8m) in relation to share based payments, £11.9m (£7.2m) in respect of unused tax losses, £1.5m (£1.2m) in relation to fixed asset timing differences, and £0.1m (£0.5m) in relation to short term timing differences.

Company

£000	Retirement benefit obligations	Accelerated tax depreciation	Losses	Foreign Tax	Other	Total
At 1 February 2010 – asset/(liability)	452	(519)	-	-	67	-
Income statement – DT credit	-	368	-	-	-	368
Income statement – DT (charge)	-	-	-	(152)	(20)	(172)
Equity DT (charge)	(348)	-	-	-	-	(348)
At 31 January 2011 – asset/(liability)	104	(151)	-	(152)	47	(152)
Income statement – DT credit	46	31	744	152	144	1,117
Income statement – DT (charge)	(1,386)	-	(27)	-	(1)	(1,414)
Equity – DT credit	449	-	-	-	-	449
At 31 December 2011 – (liability)/asset	(787)	(120)	717	-	190	-

At the balance sheet date, the Company had unused tax losses of £9.9m (£1.1m) available for offset against future profits.

There are unrecognised deferred tax assets of Nil (£0.2m) in relation to short term timing differences, and £2.5m (£0.3m) in relation to unused tax losses.

13 Outstanding settlements and other receivables

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Sales of investments awaiting settlement	**173,691**	20,460	**7,112**	13,729
Dividends receivable	**4,336**	2,521	**4,336**	2,521
Other income receivable	**1,963**	6,972	**701**	6,559
Amounts due from subsidiary companies	**-**	-	**9,529**	6,337
Other debtors	**10,654**	17,098	**493**	541
	190,644	47,051	**22,171**	29,687

The Directors consider that the carrying amount of other receivables approximates to their fair value.

Of the £9.5m due from subsidiary companies, £7.1m (£3.6m) is due after one year.

14 Outstanding settlements and other payables

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Purchases of investments awaiting settlement	**156,159**	30,769	**3,002**	24,767
Amounts due to depositors	**282,233**	238,357	**-**	-
Amounts due to third party investors in subsidiary OEIC	**125,193**	83,346	**-**	-
Amounts due to subsidiary companies	**-**	-	**817**	2,211
Dividends payable	**12,780**	-	**12,780**	-
Other creditors	**24,174**	31,033	**6,062**	5,635
	600,539	383,505	**22,661**	32,613

The Directors consider that the carrying amount of other payables approximates to their fair value.

15 Bank overdrafts and loans

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Bank loans repayable within one year	248,768	338,997	**248,768**	338,997
Analysis of borrowings by currency:				
Bank loans – Sterling	**200,000**	290,000	**200,000**	290,000
Bank loans – Euros	**48,768**	48,997	**48,768**	48,997
The weighted average % interest rates payable:				
Bank loans	**2.02%**	1.85%	**2.02%**	1.85%
The Directors estimate the fair value of the borrowings to be:				
Bank loans	**248,768**	338,997	**248,768**	338,997

16 Share capital

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Authorised: *				
– 720,000,000 ordinary shares of 2.5p each	**18,000**	18,000	**18,000**	18,000
Allotted, called up and fully paid:				
– 593,301,146 ordinary shares of 2.5p each	**14,833**	16,527	**14,833**	16,527

The Company has one class of ordinary share which carries no right to fixed income.

The Employee Benefit Trust holds 1,770,212 (1,770,203) ordinary shares, acquired by its Trustee with funds provided by the Company. During the period the Trustee increased its holding by 9 shares (nil). Nil (19,757) shares were transferred from the Employee Benefit Trust to participants in the Long Term Incentive Plans in satisfaction of awards.

* At the Company's AGM on 20 May 2011 new Articles of association were adopted which removed the requirement, which was abolished by the Companies Act 2006, for the company to have an authorised share capital limit.

Share capital reconciliation	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Ordinary shares of 2.5p each				
Opening share capital	**16,527**	16,677	**16,527**	16,677
Share buy back	**(1,694)**	(150)	**(1,694)**	(150)
Closing share capital	**14,833**	16,527	**14,833**	16,527

Capital Management Policies and Procedures

The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objective, both of which are detailed on page 2. This is undertaken by the Asset Allocation Committee within parameters set by the Board.

The Company does not have any externally imposed capital requirements.

The Group and its financial services subsidiaries comply with the capital requirements of their relevant regulators, including the Capital Requirements Directive.

17 Reserves

Group

£000	Share Capital	Capital Reserves	Revaluation Reserve	Merger Reserve	Capital Redemption Reserve	Revenue Reserve	Minority Interest	Total
Net assets at 31 Jan 2010	16,677	1,776,750	183	645,335	2,321	72,017	11,684	2,524,967
Minority interest reclassified as current liabilities	-	-	-	-	-	-	(11,684)	(11,684)
Dividends	-	-	-	-	-	(54,599)	-	(54,599)
Unclaimed dividends	-	-	-	-	-	33	-	33
Profit for the year	-	397,657	-	-	-	54,090	-	451,747
Own shares purchased	(150)	(19,800)	-	-	150	-	-	(19,800)
Defined benefit plan net actuarial (loss)/gain	-	2,729	-	-	-	-	-	2,729
Share based payments	-	1,294	-	-	-	-	-	1,294
Revaluation reserve	-	-	(183)	-	-	-	-	(183)
Net assets at 31 Jan 2011	16,527	2,158,630	-	645,335	2,471	71,541	-	2,894,504
Dividends	-	-	-	-	-	(54,090)	-	(54,090)
Unclaimed dividends	-	-	-	-	-	4	-	4
(Loss)/profit for period	-	(248,724)	-	-	-	55,893	-	(192,831)
Own shares purchased	(1,694)	(245,534)	-	-	1,694	-	-	(245,534)
Defined benefit plan net actuarial (loss)/gain	-	(318)	-	-	-	-	-	(318)
Share based payments	-	1,638	-	-	-	-	-	1,638
Net assets at 31 Dec 2011	14,833	1,665,692	-	645,335	4,165	73,348	-	2,403,373

Company

£000	Share Capital	Capital Reserves	Revaluation Reserve	Merger Reserve	Capital Redemption Reserve	Revenue Reserve	Total
Net assets at 31 Jan 2010	16,677	1,759,022	183	645,335	2,321	89,299	2,512,837
Dividends	-	-	-	-	-	(54,599)	(54,599)
Unclaimed dividends	-	-	-	-	-	33	33
Profit for the year	-	388,855	-	-	-	63,787	452,642
Own shares purchased	(150)	(19,800)	-	-	150	-	(19,800)
Defined benefit plan net actuarial (loss)/gain	-	2,729	-	-	-	-	2,729
Share based payments	-	845	-	-	-	-	845
Revaluation reserve	-	-	(183)	-	-	-	(183)
Net assets at 31 Jan 2011	16,527	2,131,651	-	645,335	2,471	98,520	2,894,504
Dividends	-	-	-	-	-	(54,090)	(54,090)
Unclaimed dividends	-	-	-	-	-	4	4
(Loss)/profit for period	-	(257,563)	-	-	-	61,898	(195,665)
Own shares purchased	(1,694)	(245,534)	-	-	1,694	-	(245,534)
Defined benefit plan net actuarial (loss)/gain	-	(318)	-	-	-	-	(318)
Share based payments	-	893	-	-	-	-	893
Net assets at 31 Dec 2011	14,833	1,629,129	-	645,335	4,165	106,332	2,399,794

The reserves distributable by way of a dividend are £106.3m (£98.5m) which is represented by the revenue reserves.
Share buy backs are funded through realised capital reserves.

18 Net Asset Value per Ordinary Share

The calculation of the net asset value per ordinary share is based on the following:

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Equity shareholder funds	**2,403,373**	2,894,504	**2,399,794**	2,894,504
Number of shares at period end - Basic	**591,530,934**	659,289,557	**591,530,934**	659,289,557
Number of shares at period end - Diluted	**593,301,146**	661,059,760	**593,301,146**	661,059,760

The diluted figure is the entire number of shares in issue.

To arrive at the basic figure the number of shares has been reduced by 1,770,212 (1,770,203) shares held by the Trustee of the Employee Benefit Trust. During the period the Trustee increased its holding by 9 (nil). Nil (19,757) shares were transferred from the Employee Benefit Trust to participants in the LTIP in satisfaction of awards.

19 Segmental Reporting

Alliance Trust PLC has identified operating segments as strategic business units that offer different products and services. They are managed separately because of the differences in the products and services provided. They are, however, all complementary to the core business of investing in various asset classes to generate increasing value over the long term.

The Group's primary operating segments are the Company, Alliance Trust Savings (ATS) and Alliance Trust Investments (ATI). Alliance Trust Investments (ATI) meets the definition of an operating segment based on results for the 11 month period to 31 December 2011 and as such the comparatives have been amended to include Alliance Trust Investments (ATI). The disclosures below for ATI do not include the unit creations and cancellations in the ATIF since these do not have any impact on the operational performance of the Company.

The Company is a self-managed investment trust. ATS provides share dealing and pension administration services. ATI is an investment management company.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Alliance Trust PLC evaluates performance based on the profit before tax. Intersegment sales and transfers are accounted for on an arm's length basis.

All operating segments operate within the United Kingdom.

	Period ended 31 December 2011			
£000	**Company**	**ATS**	**ATI**	**Total**
Revenue				
Investment (losses)/gains	**(254,824)**	**763**	**-**	**(254,061)**
Net interest income	**349**	**2,587**	**44**	**2,980**
Non interest income	**84,768**	**8,855**	**1,728**	**95,351**
Segment revenue	**(169,707)**	**12,205**	**1,772**	**(155,730)**
Expenditure				
Depreciation and amortisation	**431**	**1,244**	**64**	**1,739**
Other expenses	**20,258**	**14,108**	**6,537**	**40,903**
Total expenses	**20,689**	**15,352**	**6,601**	**42,642**
Segment loss before tax	**(190,396)**	**(3,147)**	**(4,829)**	**(198,372)**

Revenue and Expenditure	**Year ended 31 January 2011**			
£000	**Company**	**ATS**	**ATI**	**Total**
Revenue				
Investment gains	391,938	1,434	-	393,372
Net interest income	249	2,744	27	3,020
Non interest income	86,588	8,585	1,619	96,792
Segment revenue	478,775	12,763	1,646	493,184
Expenditure				
Depreciation and amortisation	419	1,269	16	1,704
Other expenses	21,346	16,940	4,983	43,269
Total expenses	21,765	18,209	4,999	44,973
Segment profit/(loss) before tax	457,010	(5,446)	(3,353)	448,211

Reconciliation of reportable segment revenues and (loss)/profit before tax to consolidated accounts

Revenue **£000**	**Period ended** **31 December 2011**	**Year ended** **31 January 2011**
Total revenues for reportable segments	**(155,730)**	493,184
Other revenues	**(9,684)**	40,737
Elimination of intersegment revenues	**(4,164)**	(5,353)
Elimination of movement in investment in subsidiaries	**20,337**	(21,500)
Consolidated (loss)/profit	**(149,241)**	507,068
Expenditure		
Total depreciation and amortisation	**1,739**	1,704
Other expenses	**39,189**	49,105
Consolidated expenses	**40,928**	50,809

(Loss)/Profit **£000**	**Period ended** **31 December 2011**	**Year ended** **31 January 2011**
Total (loss)/profit for reportable segments	**(198,372)**	448,211
Elimination of movement in investment in subsidiaries	**8,203**	8,048
Consolidated (loss)/profit before tax	**(190,169)**	456,259

Assets and liabilities	**Period ended 31 December 2011**			
£000	**Company**	**ATS**	**ATI**	**Total**
Reportable segment assets	**2,676,326**	**321,181**	**4,528**	**3,002,035**
Reportable segment liabilities	**(276,532)**	**(304,054)**	**(2,742)**	**(583,328)**
Total net assets	**2,399,794**	**17,127**	**1,786**	**2,418,707**

Assets and liabilities	**Year ended 31 January 2011**			
£000	**Company**	**ATS**	**ATI**	**Total**
Reportable segment assets	3,267,680	274,261	7,624	3,549,565
Reportable segment liabilities	(373,176)	(263,245)	(3,466)	(639,887)
Total net assets	2,894,504	11,016	4,158	2,909,678

Reconciliation of reportable segment assets to consolidated amounts

Revenue **£000**	**Period ended** **31 December 2011**	**Year ended** **31 January 2011**
Reportable segment assets	**3,002,035**	3,549,565
Third party assets and other subsidiaries	**252,097**	70,132
Consolidated assets	**3,254,132**	3,619,697

Reconciliation of reportable segment liabilities to consolidated amounts

Revenue **£000**	**Period ended 31 December 2011**	**Year ended 31 January 2011**
Reportable segment liabilities	**(583,328)**	(639,887)
Third party liabilities and amounts due to third party investors in subsidiary OEIC	**(267,431)**	(85,306)
Consolidated liabilities	**(850,759)**	(725,193)

20 Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation.

Entities within the Group may purchase goods or services for other entities within the Group and recharge these costs directly to the appropriate entity that the costs relate to.

There are no other related parties other than the members of the group.

During the period the following amounts were reimbursed/(repaid).

Alliance Trust Services **£000**	**Period ended 31 December 2011**	**Year ended 31 January 2011**
Paid by Alliance Trust (the Company)	**9,844**	12,199
Paid to Alliance Trust (the Company)	**(6,159)**	(11,078)
	3,685	1,121
Paid by Alliance Trust Savings Limited	**10,248**	16,405
Paid to Alliance Trust Savings Limited	**(152)**	(501)
	10,096	15,904
Paid by Alliance Trust Investments	**3,623**	4,488
Paid to Alliance Trust Investments	**(12)**	(250)
	3,611	4,238
Paid by Alliance Trust Equity Partners (Holdings) Limited	**712**	1,461
Paid to Alliance Trust Equity Partners (Holdings) Limited	**(31)**	(17)
	681	1,444
Paid by Second Alliance Leasing Limited	-	2
Paid to Second Alliance Leasing Limited	-	-
	-	2
Paid by Alliance Trust (Finance) Limited	-	1,018
Paid to Alliance Trust (Finance) Limited	-	(1,017)
	-	1
Paid by Alliance Trust Real Estate Partners	-	10
Paid to Alliance Trust Real Estate Partners	-	(11)
	-	(1)

Transactions with key management personnel

Details of the Executive and Non Executive Directors are disclosed in the Governance section of the report on pages 28 and 33. Their remuneration and other compensation including pension cost is summarised below.

For the purpose of IAS 24 'Related Party Disclosures', key management personnel comprise the members of the Executive Committee (the Chief Executive and senior management) plus the non executive Directors of the Company.

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Total emoluments	**3,480**	2,720	**1,693**	1,403
Post retirement benefits	**48**	183	**24**	94
Equity compensation benefits	**1,333**	981	**701**	547
	4,861	3,884	**2,418**	2,044

21 Analysis of change in net funds/(debt)

Group

			Exchange			Exchange	
£000	**2010**	**Cash flow**	**gains**	**Jan 11**	**Cash flow**	**gains**	**Dec 11**
Cash and cash equivalents	269,475	25,755	125	295,355	118,805	1,275	**415,435**
Bank loans and overdraft	(160,000)	(178,997)	-	(338,997)	90,229	-	**(248,768)**
Net funds/(debt)	109,475	(153,242)	125	(43,642)	209,034	1,275	**166,667**

Company

			Exchange			Exchange	
£000	**2010**	**Cash flow**	**gains**	**Jan 11**	**Cash flow**	**gains**	**Dec 11**
Cash and cash equivalents	55,718	(29,069)	862	27,511	43,563	1,275	**72,349**
Bank loans and overdraft	(160,000)	(178,997)	-	(338,997)	90,229	-	**(248,768)**
Net funds/(debt)	(104,282)	(208,066)	862	(311,486)	133,792	1,275	**(176,419)**

22 Financial commitments

Financial commitments as at 31 December 2011, which have not been accrued, for the Group and the Company totalled £87,960,000 (£194,805,000).

Of this amount £87,960,000 (£193,298,000) was in respect of uncalled subscriptions in investments structured as limited partnerships of which £87,960,000 relates to investments in our private equity portfolio. These LP commitments may be called at any time up to an agreed contractual date. The Company may choose not to fulfil individual commitments but may suffer a penalty should it do so, the terms of which vary between investments.

A maturity analysis of the expiry dates of these LP commitments is presented below:

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
< 1 year	-	818	-	818
1-5 years	**3,489**	9,924	**3,489**	9,924
5-10 years	**84,471**	184,063	**84,471**	184,063
	87,960	194,805	**87,960**	194,805

The Company has provided letters of comfort in connection with banking facilities made available to certain of its subsidiaries.

On 25 March 2011 the Company granted a floating charge of up to £30,000,000 over its listed investments to the Trustees of the Alliance Trust Companies Pension Fund.

23 Financial instruments and Risk

The Directors' Report details the Company's approach to investment risk management on pages 22 and 23 and the accounting policies on pages 53 to 57 explain the basis on which currencies and investments are valued for accounting purposes.

The Directors are of the opinion that the fair values of financial assets and liabilities of the Group are not materially different to their carrying values.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the use of debt and equity balances. The Group and Company's overall strategy remains unchanged from the year ended 31 January 2011.

The capital structure of the Group and the Company consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the Company comprising issued capital, reserves and retained earnings as disclosed in Note 17 to the financial statements.

The Board reviews the capital structure of the Company and the Group on an at least semi-annual basis. The Group and the Company have decided that net gearing should at no time exceed 30% of the net assets of either the Group or the Company.

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Debt	**(248,768)**	(338,997)	**(248,768)**	(338,997)
Cash and cash equivalents	**415,435**	295,355	**72,349**	27,511
Net cash/(debt)	**166,667**	(43,642)	**(176,419)**	(311,486)
Net cash/(debt) as % of net assets	**6.9%**	(1.5%)	**(7.3%)**	(10.8%)

Risk management policies and procedures

As an investment trust the Company invests in equities, investment property, private equity, financial instruments and its subsidiary businesses for the long term in order to achieve the investment objectives set out on page 2. In pursuing these objectives the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for payment as dividends.

The principal financial instruments at risk comprise those in the Company's investment portfolio and this note addresses these risks below. The Group has certain additional risks, and these are detailed in the appropriate sections below.

These risks and the Directors' approach to managing them are set out below under the following headings: market risk (comprising currency risk, interest rate risk, and other price risk), credit risk, liquidity risk, and gearing risk.

The Group has a risk management framework in place which is described in detail on pages 22 and 23. The objectives, policies and processes for managing the risks, and the methods used to measure the risks have not changed from the previous accounting period.

23.1 Market Risk

Market risk embodies the potential for both losses and gains and includes currency risk (see note 23.2), interest rate risk (see note 23.3) and other price risk (see note 23.4). Market risk is managed on a regular basis by the Asset Allocation Committee (AAC). The purpose of this executive committee is to manage the capital of the Company within parameters set by the Directors on investment and asset allocation strategies and risk.

The Company's strategy on investment risk is outlined in our statement of investment objectives and policy on page 2 (unaudited).

Details of the investment portfolio at the balance sheet date are disclosed on pages 12 and 13.

23.2 Currency Risk

Some of the Group's assets, liabilities and transactions are denominated in currencies other than its functional currency of Sterling. Consequently the Group is exposed to the risk that movements in exchange rates may affect the Sterling value of those items.

The Group's currency holdings and gains/losses thereon are reviewed regularly by the Directors, and the currency risk is managed on a regular basis by the AAC within parameters set by the Directors on investment and asset allocation strategies and risk.

The currency exposure for overseas investments is based on the quotation currency of each holding, while the currency exposure for net monetary assets is based on the currency that each asset or liability is denominated in. At the reporting date the Group had the following exposures:

Currency Exposure (Group)

£000	Overseas investments Dec 11	Net monetary assets Dec 11	Total currency exposure Dec 11	Overseas investments Jan 11	Net monetary assets Jan 11	Total currency exposure Jan 11
US dollar	**498,097**	**2,310**	**500,407**	584,904	2,006	586,910
Euro	**257,153**	**12**	**257,165**	288,077	5,568	293,645
Yen	**118,492**	**2,859**	**121,351**	185,308	-	185,308
Other non-sterling	**363,960**	**4,377**	**368,337**	732,333	14,156	746,489
	1,237,702	**9,558**	**1,247,260**	1,790,622	21,730	1,812,352

Currency Exposure (Company)

£000	Overseas investments Dec 11	Net monetary assets Dec 11	Total currency exposure Dec 11	Overseas investments Jan 11	Net monetary assets Jan 11	Total currency exposure Jan 11
US dollar	**498,097**	**2,310**	**500,407**	584,904	2,006	586,910
Euro	**257,153**	**12**	**257,165**	288,077	5,568	293,645
Yen	**118,492**	**2,859**	**121,351**	185,308	-	185,308
Other non-sterling	**363,960**	**4,377**	**368,337**	732,333	14,156	746,489
	1,237,702	**9,558**	**1,247,260**	1,790,622	21,730	1,812,352

Sensitivity analysis

If the pound had strengthened by 5% relative to all currencies, with all other variables held constant, the income statement and the net assets attributable to equity holders of the parent would have (decreased)/increased by the amounts shown below. The analysis is performed on the same basis for the year ended 31 January 2011. The revenue return impact is an estimated figure for 12 months based on the cash balances at the reporting date.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	**(1,392)**	(1,705)	**(1,392)**	(1,705)
Capital return	**(61,885)**	(89,531)	**(61,885)**	(89,531)
Net Assets	**(63,277)**	(91,236)	**(63,277)**	(91,236)

A 5% (5%) weakening of Sterling against the above currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

23.3 Interest Rate Risk

The Group is exposed to interest rate risk in a number of ways. A movement in interest rates may affect the fair value of investments in fixed interest rate securities, income receivable on cash deposits and interest payable on variable rate borrowings.

The Company finances part of its activities through borrowings at levels which are approved and monitored by the Board. The possible effects on fair value and cash flows as a result of an interest rate change are taken into account when making investment or borrowing decisions.

The Company has a financial services subsidiary, Alliance Trust Savings Ltd, which holds client deposits and pays interest on these. This subsidiary has detailed risk management policies, with treasury and cash management undertaken within a framework of banking policies. These banking policies cover credit risk, counterparty exposure, capital adequacy and liquidity. The Alliance Trust Savings Asset and Liabilities Committee reviews interest rate risk on a regular basis.

The following table details the Group's and Company's exposure to interest rate risks:

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Exposure to floating interest rates				
Cash at Bank	**399,952**	205,362	**72,349**	27,511
Bank loans	**(248,768)**	(338,997)	**(248,768)**	(338,997)
	151,184	(133,635)	**(176,419)**	(311,486)

Sensitivity analysis

If interest rates had decreased by 0.25% (0.25%), with all other variables held constant, the income statement result and the net assets attributable to equity holders of the parent would have (decreased)/increased by the amounts shown below. The revenue return impact is an estimated figure for 11 months based on the cash balances at the reporting date.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	**(614)**	(41)	**197**	397
Capital return	**247**	398	**247**	398
Net Assets	**(367)**	357	**444**	795

If interest rates had increased by 0.25% (0.25%) with all other variables held constant, the income statement result and net assets attributable to equity holders of the parent would have (decreased)/increased by the amounts shown below.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	**(80)**	(529)	**(194)**	(380)
Capital return	**(247)**	(398)	**(247)**	(398)
Net Assets	**(327)**	(927)	**(441)**	(778)

The Group had the following exposures to fixed interest rate investments at fair value at the reporting date.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Exposure to fixed interest rates				
Investments at fair value				
Preference shares	-	6,320	-	6,320
Gilts	-	31,580	-	-
Bonds	**209,195**	179,389	**7,441**	8,975
Treasury bills	**15,483**	89,993	-	-
	224,678	307,282	**7,441**	15,295

Sensitivity analysis – Treasury Bills

If interest rates fell to 0% then the income statement result would increase as shown below:

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	-	-	-	-
Capital return	**1**	7	-	-
Net Assets	**1**	7	-	-

Preference shares and bonds are all in UK companies and along with gilts are included in the other price risk section below as that is considered to be more relevant for these instruments.

23.4 Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether caused by factors specific to an individual investment or its issuer, or by factors affecting all instruments traded in that market.

As the majority of the Group's financial assets are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect gains and losses on investments and net assets

The Directors manage price risk by having a suitable investment objective for the Company. The Board reviews this objective and investment performance regularly. The risk is managed on a regular basis by the AAC within parameters set by the Directors on investment and asset allocation strategies and risk.

Concentration of exposure to other price risks

An analysis of the Company's investment portfolio is shown on pages 12 and 13. This shows that the largest amount of equity investments by value is in UK companies, with significant amounts also in Asia and North America. It also shows the concentration of investments in various sectors.

The following table details the Group's exposure to market price risk on its quoted and unquoted equity investments:

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Fixed Asset Investments at Fair Value through Profit & Loss				
Listed	**2,533,426**	3,103,480	**2,005,395**	2,702,923
Unlisted	**92,189**	134,134	**55,492**	70,463
Investments in Collective Investment Scheme	-	-	**421,460**	300,477
Investments in Related and Subsidiary Companies	-	-	**78,229**	98,776
Investment Property	**9,775**	28,515	**9,775**	28,515
	2,635,390	3,266,129	**2,570,351**	3,201,154

The Company holds the investment property through a subsidiary Limited Partnership, Alliance Trust Real Estate Partners LP.

Sensitivity analysis

94.4% (93.8%) of the Company's investment portfolio is listed on stock exchanges. If share prices had decreased by 10% with all other variables remaining constant, the income statement result and the net assets attributable to equity holders of the parent would have decreased by the amounts shown below. The analysis for last year assumed a share price decrease of 10%.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	-	-	-	-
Capital return	**(253,343)**	(310,348)	**(242,686)**	(300,340)
Net Assets	**(253,343)**	(310,348)	**(242,686)**	(300,340)

A 10% increase (10% increase) in share prices would have resulted in a proportionate equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

23.5 Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group.

This risk is managed as follows:

- Investment transactions are carried out with a number of well established, approved brokers.
- Investment transactions are done on a cash against receipt or cash against delivery basis

The Company and ATS also minimise credit risk through banking polices which restrict banking deposits to highly rated financial institutions. The policies also set maximum exposure to individual banks.

None of the Group's financial assets are secured by collateral or other credit enhancements. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

At the reporting date, the Group's cash and cash equivalents exposed to credit risk were as follows:

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Credit Rating				
Aaa	**42,810**	114,366	**9,901**	21,915
Aa1	**38,000**	-	-	-
Aa2	**10,095**	10,075	-	-
Aa3	**38,000**	170,914	-	5,596
A1	**59,375**	-	**20,636**	-
A2	**170,132**	-	**41,812**	-
A3	**57,023**	-	-	-
	415,435	295,355	**72,349**	27,511
Average maturity	**33 days**	3 days	**1 day**	1 day

In addition the Company has seed funded the ATIF Monthly Income Bond Fund which is predominantly invested in corporate bonds. At the reporting date the Fund's exposure to credit risk was as follows:

	Group		**Company**	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
iBoxx Rating				
AAA	**18,133**	8,065	-	-
AA	**9,658**	21,462	-	-
A	**80,451**	86,519	-	-
BBB	**89,957**	54,701	-	-
BB	**8,941**	5,760	-	-
	207,140	176,507	-	-

The Company's UK listed equities are held in CREST, and its overseas listed equities are held by Bank of New York Mellon as custodian. Bankruptcy or insolvency of the custodian may cause the Group's rights with respect to securities held by the custodian to be delayed or limited.

Other than outlined above there were no significant concentrations of credit risk to counterparties at the reporting date.

23.6 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities.

This is not a significant risk for the Company as the majority of its assets are investments in quoted equities that are readily realisable. It also has the ability to borrow, which give it access to additional funding when required. At the balance sheet date it had the following facilities:

£000	Dec 11	Expires	Jan 11	Expires
Committed multi currency facility – RBS	**100,000**	**31/08/12**	100,000	31/08/12
Amount drawn	**100,000**	-	100,000	-
Committed multi currency facility – RBS	**100,000**	**01/04/12**	100,000	01/04/12
Amount drawn	**100,000**	-	90,000	-
Committed multi currency facility – RBS	**100,000**	**31/12/13**	100,000	31/12/13
Amount drawn	-	-	100,000	-
Committed multi currency facility – Santander	**50,000**	**30/09/12**	50,000	30/09/12
Amount drawn	**48,768**	-	48,997	-
Committed multi currency facility – Scotiabank	**100,000**	**22/12/14**	100,000	22/12/11
Amount drawn	-	-	-	-
Total facilities	**450,000**		450,000	
Total drawn	**248,768**		338,997	

All the facilities are unsecured and have covenants on the maximum level of gearing and minimum net asset value of the Company.

At the reporting date the Group's financial services subsidiary, Alliance Trust Savings Ltd, held client deposits of £282m (£238m). These deposits are placed with various financial institutions as per note 23.5 above.

23.7 Gearing Risk

This is the risk that the movement in the fair value of the assets of the Company is amplified by any gearing that the Company may have. The exposure to this risk and the sensitivity analysis is detailed below.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Investments after gearing	**2,635,390**	3,266,129	**2,570,351**	3,201,154
Gearing	**(248,768)**	(338,997)	**(248,768)**	(338,997)
Investments before gearing	**2,386,622**	2,927,132	**2,321,583**	2,862,157

Sensitivity analysis

If net assets before gearing had decreased by 10%, with all other variables held constant, the income statement result and the net assets attributable to equity holders of the parent would have further (decreased)/increased by the amounts shown below. The analysis for last year assumed a net assets before gearing decrease of 10%.

	Group		Company	
£000	**Dec 11**	**Jan 11**	**Dec 11**	**Jan 11**
Income Statement				
Revenue return	-	-	-	-
Capital return	**(24,877)**	(33,900)	**(24,877)**	(33,900)
Net Assets	**(24,877)**	(33,900)	**(24,877)**	(33,900)

A 10% increase (10% increase) in net assets before gearing would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

23.8 Hierarchical valuation of financial instruments

The Group refines and modifies its valuation techniques as markets develop. While the Group believes its valuation techniques to be appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of fair value at the balance sheet date.

The tables below analyse financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group Valuation hierarchy fair value through profit and loss

	As at 31 December 2011				As at 31 January 2011			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed investments	**2,533,426**	-	-	**2,533,426**	3,103,480	-	-	3,103,480
Unlisted	-	-	**92,189**	**92,189**	-	-	134,134	134,134
	2,533,426	-	**92,189**	**2,625,615**	3,103,480	-	134,134	3,237,614

Company Valuation hierarchy fair value through profit and loss

	As at 31 December 2011				As at 31 January 2011			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed investments	**2,426,855**	-	-	**2,426,855**	3,003,400	-	-	3,003,400
Unlisted	-	-	**137,721**	**137,721**	-	-	169,239	169,239
	2,426,855	-	**133,721**	**2,564,576**	3,003,400	-	169,239	3,172,639

The following table shows the reconciliation from the beginning balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy.

£000	**Group**	**Company**
Balance at 31 January 2011	134,134	169,239
Net losses from financial instruments at fair value through profit or loss	(9,241)	(17,888)
Purchases at cost	29,736	44,636
Sales proceeds	(63,776)	(63,716)
Realised gain/(loss) on sale	1,336	1,450
Balance at 31 December 2011	92,189	133,721

Private equity included under level 3 is valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines issued in September 2009.

Unlisted investments are stated at the General Partner's valuation. The General Partner's policy in valuing unlisted investments is to carry them at fair value. The General Partner will generally rely on the fund investment manager's fair value at the last reported period rolled forward for any cash flows. However if the General Partner does not feel the manager is reflecting a fair value they will select a valuation methodology that is most appropriate for the particular investments in that fund and generate a fair value. In those circumstances the General Partner believes the most appropriate methodologies to use to value the underlying investments in the portfolio are:

- Price of a recent investment
- Multiples
- Net assets
- Industry valuation benchmarks

The Directors consider any valuations of level 3 investments based on reasonably alternative assumptions to be immaterial to the results of the Company and the Group.

24 Share Based Payments

The Group operates two share based payment schemes:

All Employee Share Ownership Plan ('AESOP')

Employees may receive up to £3,000 of shares annually under the terms of the AESOP. This amount is pro rated for part time employees. Individuals receive these shares free of all restrictions after a period of 5 years. For the 11 month period ended 31 December 2011 awards of £3,000 (£2,000) per person will be made. The maximum cost of all awards for the period will be £744,000 (£462,000) of which the Company will pay £176,000 (£123,000). The charge to the income statement in the period was £729,000 (£435,000) of which the Company paid £172,000 (£125,000).

Long Term Incentive Plan ('LTIP')

The LTIP is a discretionary plan for executive Directors and senior managers. It comprises two elements: first it provides for the grant of matching awards based on the proportion of annual bonus applied by participants in the purchase of shares in the Company and held by the Employee Benefit Trust; and secondly it provides for the grant of performance awards. Both awards, granted over shares in the Company, vest either in full or in part at the end of the three year performance period subject to meeting pre-defined targets.

In the 11 month period ended 31 December 2011 participating employees applied a proportion of their annual cash bonuses for the year ended 31 January 2011 to purchase 136,368 (103,112) shares of Alliance Trust PLC at a price of £3.76 (£3.48) per share. Matching awards of up to 309,513 (297,750) shares and performance awards of up to 751,757 (657,194) were granted.

Matching awards and performance awards made during the year were valued at £602,000 (£485,000) and £1,626,000 (£1,072,000) respectively.

The fair value of awards granted during the period was calculated using a binomial methodology. The assumptions used were a share price of £3.82 (£3.40), share price volatility of 21% (21%) based on a long term average (5 year weekly average), dividend yield of 2.43% (2.4%), a risk free interest rate of 1.35% (1.21%) and forfeiture of nil (nil).

The cumulative charge to the income statement during the period for the cost of the LTIP awards referred to above was £1,638,000 (£1,294,000) for the Group and £893,000 (£845,000) for the Company. Per IFRS 2 the costs of matching and performance awards for each plan are expensed over the three year performance period.

These costs are only adjusted if certain vesting conditions are not met, for example if a participant leaves before the end of the three year vesting period.

Movements in options

Movements in options granted under the LTIP are as follows:

	Group December 2011		**Group January 2011**	
£000	**Number of options**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at 1 February	**2,827,951**	**£0.00**	3,163,460	£0.00
Granted during year	**1,061,270**	**£0.00**	954,944	£0.00
Exercised during year	**-**	**£0.00**	-	£0.00
Forfeited during year	**(74,362)**	**£0.00**	(84,714)	£0.00
Expired during year	**(782,879)**	**£0.00**	(1,205,739)	£0.00
Outstanding at 31 December	**3,031,980**	**£0.00**	2,827,951	£0.00
Exercisable at 31 December	**Nil**	**£0.00**	Nil	£0.00

The weighted average remaining contractual life of the options outstanding at 31 December 2011 was 613 days (588 days).

The weighted average exercise price of the options is nil as any options which vest at the end of the performance period are satisfied by shares held on behalf of the Company by the Trustee of the Employee Benefit Trust.

No options vested during the period or previous year.

25 Pension Scheme

The Group sponsors two pension arrangements. The following disclosures apply to both the Company and the Group.

The Alliance Trust Companies' Pension fund (the 'Scheme') is a funded defined benefit pension scheme which was closed to future accrual on 2 April 2011.

Employees, other than Executive Directors, receive contributions into their own Self Invested Personal Pension provided by Alliance Trust Savings Limited.

The disclosures which follow relate to the Scheme.

Participating Employers

Alliance Trust Services Limited is the sole Participating Employer and its pension obligations are guaranteed by the Company.

Valuation and Contributions

The last full actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 1 April 2009 although for the purpose of these calculations the results of the 1 April 2009 valuation have been updated on an approximate basis to 31 December 2011. Valuations are on the projected unit credit method.

The contributions made by the Participating Employer over the financial period were £1,627,000 (£3,760,000), this includes a one off contribution of £1,500,000 (£3,000,000). The level of contribution was reviewed following the triennial valuation of the Scheme as at 1 April 2009 and agreed as 34.5% of pensionable salaries.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

£000	Period ended 31 December 2011	Year ended 31 January 2011
Defined benefit obligation at start of period	**28,187**	27,845
Current service cost	**92**	836
Interest cost	**1,444**	1,566
Actuarial losses/(gains)	**1,342**	(1,344)
Settlements or curtailments	**(1,478)**	-
Benefits paid	**(956)**	(716)
Defined benefit obligation at end of period	**28,631**	28,187

The Group has no unfunded pension obligations.

Reconciliation of opening and closing balances of the fair value of plan assets

£000	Period ended 31 December 2011	Year ended 31 January 2011
Fair value of assets at start of period	**29,033**	22,924
Expected return on assets	**1,629**	1,332
Actuarial gains	**575**	1,733
Contributions by employer	**1,500**	3,760
Benefits paid	**(956)**	(716)
Fair value of assets at end of period	**31,781**	29,033

Total (credit)/expense recognised in income statement

£000	Period ended 31 December 2011	Year ended 31 January 2011
Current service cost	**92**	836
Interest on scheme liabilities	**1,444**	1,566
Expected return on scheme assets	**(1,629)**	(1,332)
Settlements or curtailments	**(1,478)**	-
Total (credit)/expense	**(1,571)**	1,070

Gains/(losses) recognised in statement of comprehensive income

£000	Period ended 31 December 2011	Year ended 31 January 2011
Difference between expected and actual return on scheme assets:		
Amount	**575**	1,733
Percentage of scheme assets	**2%**	6%
Experience (losses)/gains arising on the scheme liabilities:		
Amount	**(374)**	409
Percentage of present value of scheme liabilities	**(1%)**	1%
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:		
Amount	**(968)**	935
Percentage of present value of scheme liabilities	**(3%)**	3%
Total amount recognised in statement of comprehensive income:		
Amount	**(767)**	3,077
Percentage of present value of scheme liabilities	**(3%)**	11%

Assets

£000	Period ended 31 December 2011	Year ended 31 January 2011	Year ended 31 January 2010
Equities	**16,126**	17,192	11,309
Bonds	**15,440**	11,703	11,091
Other	**215**	138	524
	31,781	29,033	22,924

The assets are held independently of the assets of the Group in funds managed by Standard Life Investments and Legal and General.

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

Expected long term rates of return

The expected long term return on cash is equal to bank base rates at the balance sheet date. The expected return on bonds is determined by reference to UK long dated gilt and bond yields at the balance sheet date. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions at the balance sheet date. The expected long term rates of return are as follows:

%	31 December 2011	31 January 2011	31 January 2010
Equities	**5.70**	7.20	7.20
Bonds	**3.00**	4.50	4.50
Other	**0.50**	0.50	0.50
Overall for scheme	**4.35**	6.08	5.74

Actual return on scheme assets

The actual return on the scheme assets over the 11 month period ended 31 December 2011 was a gain of 2% (gain of 13%).

Assumptions

%	31 December 2011	31 January 2011	31 January 2010
RPI Inflation	**3.20**	3.70	3.70
CPI Inflation	**2.20**	3.20	-
Salary increases	-	4.70	4.70
Rate of discount	**4.70**	5.60	5.70
Allowance for pension in payment increases of RPI or 5% p.a. if less	**3.10**	3.70	3.70
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	**2.20**	3.20	-

The Government announced that statutory revaluation has changed to use the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) which was previously used.

We have assumed that the long term CPI assumption is 1% lower than the corresponding RPI assumption.

The Mortality assumptions adopted at 31 December 2011 imply the following life expectancies from age 65.

	31 December 2011 Years	31 January 2011 Years
Male currently age 45	**22.4**	24.2
Female currently age 45	**24.3**	26.7
Male currently age 65	**25.0**	22.2
Female currently age 65	**26.9**	24.8

Sensitivities

An estimate of the sensitivities regarding the principal assumptions used to measure the Scheme's liabilities are set out below.

Assumption	Change in assumption Increase	Estimated impact on scheme liabilities Increase/(Decrease)	Change in assumption Decrease	Estimated impact on scheme liabilities Increase/(Decrease)
Pension in payment increases	0.10%	£440,000	0.10%	(£432,000)
Revaluation of deferred pension increases	0.10%	£243,000	0.10%	(£241,000)
Discount rate	0.10%	(£664,000)	0.10%	£683,000
Life expectancy	1 year	£764,000	1 year	(£773,000)

Present values of defined benefit obligations, fair value of assets and deficit

£000	Period ended 31 December 2011	Year ended 31 January 2011	Year ended 31 January 2010
Present value defined benefit obligation	**28,631**	28,187	27,845
Fair value of scheme assets	**31,781**	29,033	22,924
Surplus/(Deficit) in scheme	**3,150**	846	(4,921)

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income of the Company since adoption of IAS19 is a loss of £2,212,000 (£1,445,000).

All actuarial gains and losses are recognised immediately.

Best estimate of contributions to be paid to scheme for the year ending 31 December 2012

The scheme closed to accrual on 2 April 2011.

Amounts for the current and previous four years

£000	Dec 11	Jan 11	2010	2009	2008
Fair value of assets	**31,781**	29,033	22,924	19,326	20,686
Defined benefit obligation	**28,631**	28,187	27,845	20,891	19,069
Surplus/(Deficit) in scheme	**3,150**	846	(4,921)	(1,565)	1,617
Experience adjustment on scheme liabilities	**(374)**	409	255	(494)	56
Experience adjustment on scheme assets	**575**	1,733	2,019	(3,343)	(299)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	**(968)**	935	(5,518)	555	1,647

26 Operating lease commitments

As at 31 December 2011 the Group and Company had total future minimum lease payments under non cancellable operating leases as follows:

	31 December 2011		31 January 2011	
£000 Group	**Land and buildings**	**Other**	**Land and buildings**	**Other**
Lease commitments due				
Within 1 year	-	-	-	-
Between 2-5 years	**591**	**206**	591	189
After 5 years	-	-	-	-

	31 December 2011		31 January 2011	
£000 Company	**Land and buildings**	**Other**	**Land and buildings**	**Other**
Lease commitments due				
Within 1 year	-	-	-	-
Between 2-5 years	**591**	**21**	591	6
After 5 years	-	-	-	-

Information for shareholders

Incorporation

Alliance Trust PLC is incorporated in Scotland with the registered number 1731.

The Company's Register of Members is held at Computershare Investor Services PLC, Lochside House, 7 Lochside Avenue, Edinburgh Park, Edinburgh EH12 9DJ.

General Enquiries

If you have an enquiry about the Company, please contact the Company Secretary at our registered office:

8 West Marketgait,
Dundee DD1 1QN
Tel: 01382 321000
Fax: 01382 321185
Email: investor@alliancetrust.co.uk

For security and compliance monitoring purposes telephone calls may be recorded.

Investor Relations

Our Head of Investor Relations can be contacted at our registered office (detailed above).

Our website www.alliancetrust.co.uk contains information about the Company, including daily share price and net asset value. The Investor Relations section of the website contains the terms of reference of the Audit, Remuneration and Nomination Committees.

Registrars

Our registrars are:

Computershare Investor Services PLC
PO Box 82, The Pavilions,
Bridgwater Road, Bristol BS99 7NH

Change of address notifications and registration enquiries for shareholdings registered in your own name should be sent to the Company's registrars at the above address, which should also be contacted if you would like dividends on shares registered in your own name to be sent to your bank or building society account. You may check your holdings and view other information about Alliance Trust shares registered in your own name at **www.computershare.com.**

Data Protection

The Company is a data controller as defined under the Data Protection Act 1998. Information received from or about shareholders or investors (for example from a stockbroker), whether by telephone or in writing, by fax or by any other electronic or digital means of communication may be processed.

Information held on the Company's Register of Members is, by law, information to which the public may, for a proper purpose, have access and the Company cannot prevent any person inspecting it or having copies of it for such purpose, on payment of the statutory fee.

Electronic Communications

If you hold your shares in your own name, we are able to send you annual reports and notices of meetings electronically instead of in paper format. If you wish to register for this service please log on to **www.alliancetrust.co.uk/ec.htm** which will provide you with a link to our registrars' website.

Taxation

If you are in any doubt about your liability to tax arising from a shareholding in the Company you should seek professional advice.

Income Tax

Dividends paid by the Company carry a tax credit at 10% of the gross dividend. Dividends are paid net of the tax credit.

If you hold your shares in your own name, the tax voucher which you need for your tax records will be sent to the address we have for you on the register maintained by Computershare. The Registrar will send a consolidated tax voucher to members after the final dividend during the tax year is paid.

If your dividends are received by a nominee, such as your stockbroker's nominee, you must contact that person for the tax voucher. If you invest in the Company through Alliance Trust Savings, it will automatically supply you with a consolidated income tax voucher for income received for you in the Investment Dealing Account.

Capital Gains Tax

For investors who purchased shares prior to 31 March 1982, the cost of those shares for capital gains tax purposes is deemed to be the price of the share on that date. The market value of each Alliance Trust PLC ordinary 25p share on that date was £2.85 which, when adjusted for the split on a 10 for 1 basis on 21 June 2006, gives an equivalent value of £0.285 per share. The market value of each Second Alliance Trust PLC ordinary 25p share on 31 March 1982 was £2.35. Holders of Second Alliance Trust PLC shares received 8.7453 ordinary 2.5p shares for each 25p ordinary share they held on 20 June 2006 and are treated as though they acquired these shares at the same time and at the same cost as the Second Alliance Trust shares they previously held. This gives an equivalent value of £0.269 per share.

Risks

If you wish to acquire shares in the Company, you should take professional advice as to whether an investment in our shares is suitable for you. You should be aware that:

- Investment should be made for the long term
- The price of a share will be affected by the supply and demand for it on the London Stock Exchange and may not fully represent the underlying value of the assets of the Company. The price generally stands below the net asset value of the Company ('at a discount') but it may also stand above it ('at a premium'). Your capital return will depend upon the movement of the discount/premium over the period you own the share, as well as the capital performance of the Company's own assets
- The assets owned by the Company may have exposure to currencies other than Sterling. Changes in market movements and in rates of exchange may cause the value of your investment to go up or down
- Past performance is not a guide to the future. What you get back will depend on investment performance. You may not get back the amount you invest.

Important dates

Our events give us the opportunity to meet and hear from our shareholders and clients, and are an ideal occasion to get an update on what is happening at Alliance Trust. You can meet senior representatives from the Company including Katherine Garrett-Cox, our Chief Executive, and other key members of our team, and learn about our products and services. There will be many opportunities during the event to ask questions.

Annual General Meeting

The 124th Annual General Meeting of the Company will be held at 11.00am on Friday 27 April 2012 at the Apex City Quay Hotel, Dundee. The Notice of Meeting, detailing the business of the meeting, is sent to all shareholders.

Investor Forums

We are pleased to announce that we will be holding two investor presentations during 2012.

27 April Apex Hotel, Dundee

27 September Victoria Plaza Hotel, London

Details of these and future events can be found at **www.alliancetrust.co.uk/events.**

Financial Calendar

Proposed dividend payment dates for the financial period to 31 December 2012 are on or around:

2 July 2012
1 October 2012
31 December 2012
2 April 2013

Contact

Alliance Trust PLC
8 West Marketgait
Dundee
DD1 1QN

Tel +44 (0)1382 321000
Email investor@alliancetrust.co.uk

www.alliancetrust.co.uk

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