



CF OLIM UK Equity Trust

Annual Report and Financial Statements
30 November 2010

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(Authorised and regulated by the Financial Services Authority)

DIRECTORS OF THE MANAGER
C. Addenbrooke
N. Boyling (from 7 February 2011)
L. Everitt
C. Hayes
K.J. Midl
J. Millan
R. M. Short (from 22 November 2010)

INVESTMENT MANAGER
OLIM Limited
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(Authorised and regulated by the Financial Services Authority)

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INDEPENDENT AUDITORS
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(Chartered Accountants and Registered Auditors)

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MANAGER'S REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010

The following policies have been changed effective from 1 July 2010:

- In specie redemptions;
- Large deals; and
- Stamp duty reserve tax.

Full details of the changes can be found in the revised Prospectus dated 22 April 2010.

CAPITA FINANCIAL MANAGERS LIMITED
Manager of CF OLIM UK Equity Trust
1 March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010

INVESTMENT OBJECTIVE AND POLICY

The objective of the CF OLIM UK Equity Trust ('the Trust') is to achieve long term total returns through investment primarily in UK equities and convertible securities. The Manager may from time to time invest in other securities, including UK government securities and other fixed interest securities.

The portfolio of the Trust may be comprised of transferable securities, derivative and hedging instruments as deemed appropriate to meet the objective of the Trust and other permitted instruments may be selected and other permitted transactions entered into from time to time.

MARKET BACKGROUND

The UK equity market continued to recover from the crisis days of winter 2008/2009 during the last year. The FTSE All-Share Index rose by 8% for the year, making a recovery of 34% in the last two years. Including income, the total return on the Index was 11.5%. High yielding companies underperformed the market average with an unchanged capital value and a total return of only 4.7%. Mid and small sized companies performed very well with rises of 19% and 10% in their respective indices. In the fixed income markets, the All Stocks Gilt Index gave a total return of 4.5% and the Over 15 Year Index returned 2.7%. The pound recovered to 1.20 against the euro but weakened slightly against the dollar to 1.56. The UK base rate remained at only 0.5% for our whole year and inflation remained above the targeted rate of 2%.

The fourth quarter of 2009 marked the end of the global recession. Though growth in UK GDP was initially weak, it strengthened during 2010 and the second quarter's rise of 1.2% surprised economists, who had been more cautious. The rise in the third quarter was more moderate at +0.8%, but still surprised the cautious forecasters. Growth returned around the world, with the major developed world economies expected to grow by up to 2% in 2010 and the emerging market economies growing faster, with China, India and Brazil showing particularly strong trends. The better economic news has been offset by the financial problems of the countries in Southern Europe and Ireland, where the public sector debts built up earlier in this decade have threatened the stability of the European banks and the national finances. Both Greece and Ireland have had to admit to the need for rescue packages and the future of the euro currency remains uncertain.

In the UK, levels of public sector debt and the fiscal deficit, at 13% of gross domestic product, were generating serious concerns about the future stability of this country ahead of the General Election in May. The new government, however, showed immediate recognition of the dangers of the inherited situation and a determination to rein back public sector spending and rebalance the economy. Worries ahead of the election were compounded by BP's oil leak in the Gulf of Mexico in April and the period from then until the end of June saw a significant setback in UK equities. Dividends across the market had been growing steadily before the leak, but the loss of BP's dividend caused a considerable loss in the overall income earned on the FTSE All-Share Index. With the oil leak capped, diminished political uncertainties and stronger company reporting, the market recovered, almost to the level reached at the end of March.

PERFORMANCE

Against the overall market total return of 11.5% and the high yield sector's total return of 4.7%, the total return on the Trust's units was 17.4%, measured by the change in the bid price of the accumulation units. Our overweight holdings in mid-cap companies were the principal reason for the outperformance, particularly in the manufacturing companies operating in the faster growing economies. Amongst the global manufacturing companies, the prices of Croda International, Spectris and Rotork all rose by more than 40% over the year and elsewhere amongst the mid-cap companies the prices of Restaurant Group and Informa also rose by more than 40%. Since the Trust's formation in January 2002, the bid price of the accumulation units has risen by 73.9% compared with the total return on the FTSE All-Share Index of 51.5%.

DISTRIBUTION

We maintained the interim distribution at 2.1p and the final distribution for our year will be 2.4886p compared with 2.4966p last year. The suspension of BP's dividend has inhibited the income position this year, and the takeover of VT Group, though very beneficial in capital terms, has caused a loss in this year's income. In the circumstances of the year we are pleased almost to have been able to maintain the distribution and we expect next year to be able to increase it. The total distribution for the year is 4.5886p which compares with 4.5966p for the previous year.

PORTFOLIO

We have continued to be fully invested, and cash of less than 1% was held in the portfolio at the end of November. In equity stock selection we are overweight in mid-cap companies amongst the industrial subsectors, focusing on companies exposed to global growth. In the UK economy we are overweight in utilities and in the travel and leisure sector and underweight in the sectors close to the consumer, with no mainstream retail (non-food) or house-building companies. We continue to concentrate on income generation in our stock selection.

VT Group were taken over in July by Babcock International Group at an equivalent price 38% higher than that at our last year end. We received a mixture of Babcock shares and cash in exchange for the VT shares. In the utility sectors we switched the holding in Scottish and Southern Electricity into Centrica, and we also sold the holding in Land Securities. New companies bought during the year were Johnson Matthey (global specialty chemicals), Rio Tinto, Halma (global specialist electronics), Stobart Group (UK multi-modal transport solutions) and Dairy Crest. At the end of November we held investments in 40 companies, with a net average yield of 3.7%.

OUTLOOK

With economic recovery in 2010 now confirmed, investors are looking forward to next year's prospects. Earlier concerns about a possible 'double dip' have eased and economists are now expecting growth next year generally at or above the levels of 2010. We expect consumer spending to be subdued through the early part of the year, after the increase in VAT to 20% and with unemployment rising in the public sector. Industrial companies continue to report buoyant orders and good growth is expected in profits and earnings from those sectors of the market. We expect dividends generally to grow by at least 10% in 2011 and the resumption of dividends by BP will add to the income comparison. The rising income from equities will compensate investors for the continuing high rate of inflation, the low rate of return on cash, and the additional taxes and charges imposed by the new government.

Gilt yields fell to very low levels during the recession but are now rising. At ten years' maturity, yields have risen from recent lows of 2.9% and are now 3.5%, but with rising inflation, gilts still represent poor value in our opinion. Equities currently yield 2.9%, but with an overall increase of 15% next year they would yield 3.3%. We continue to think that equities will deliver the best returns compared with cash and bonds over the next year.

OLIM LIMITED
Investment Manager
16 December 2010

TRUST INFORMATION**PRICE AND INCOME HISTORY***Income units*

Calendar Year	Highest Buying Price p	Lowest Selling Price p	Distribution per unit p
2005	121.38	104.22	3.5583
2006	144.29	119.89	6.1959
2007	155.70	129.13	4.5156
2008	137.77	87.00	4.8415
2009	117.88	79.48	5.2966
2010*	133.61	108.43	4.5966
2011**	–	–	2.4886

Accumulation units

Calendar Year	Highest Buying Price p	Lowest Selling Price p	Distribution per unit p
2005	140.25	116.36	3.8377
2006	172.57	140.85	6.9971
2007	187.00	156.40	5.3472
2008	170.29	109.34	5.9160
2009	156.63	103.26	6.7419
2010*	184.98	147.37	6.1716
2011**	–	–	3.4453

* To 30 November 2010.

** Payable 31 January 2011.

NET ASSET VALUE

Date	Unit Class	Net Asset Value £	Units in Issue	Net Asset Value pence per unit
30.11.08	Income	2,914,793	3,176,847	91.75
	Accumulation	3,937,402	3,303,143	119.20
30.11.09	Income	2,007,527	1,851,384	108.43
	Accumulation	5,001,387	3,393,493	147.38
30.11.10	Income	2,849,750	2,326,783	122.48
	Accumulation	5,531,126	3,197,256	173.00

RISK WARNING

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

TOTAL EXPENSE RATIO

Expense Type	30.11.10 %	30.11.09 %
Manager's periodic charge	1.50	1.50
Other expenses*	—	—
Total expense ratio	1.50	1.50

* The Manager is responsible for the payment of all other expenses of the Trust.

The Total Expense Ratio represents the total expenses of the Trust, excluding transaction costs, interest payable and expenses of a capital nature, expressed as a percentage of the average net assets during the accounting period.

PORTFOLIO TURNOVER RATE

	30.11.10 %	30.11.09 %
Portfolio turnover rate	21.95	15.56

The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading over a twelve month period. The PTR is calculated by taking the total transactions in securities by the Trust, less the total transactions in units in the Trust, expressed as a percentage of the average net assets during the preceding twelve month period.

TRUST PERFORMANCE TO 30 NOVEMBER 2010 (%)

	1 year	3 years	5 years
CF OLIM UK Equity Trust	17.38	5.22	28.18

The performance of the Trust is based on the net asset value per Accumulation unit which includes reinvested income, calculated at bid values at the close of business, which differs to the published prices calculated at the Trust's valuation point.

Details of the distributions per unit for the year are set out in the Distribution Table on page 28.

**PORTFOLIO STATEMENT
AS AT 30 NOVEMBER 2010**

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.11.10 %	30.11.09 %
	OIL & GAS			
	<i>OIL & GAS PRODUCERS</i>			
45,000	BP	191,678	2.29	
21,700	Royal Dutch Shell 'B'	414,036	4.94	
		<u>605,714</u>	<u>7.23</u>	<u>10.08</u>
	<i>OIL EQUIPMENT, SERVICES & DISTRIBUTION</i>			
18,000	AMEC	194,580	2.32	2.04
	TOTAL OIL & GAS	<u>800,294</u>	<u>9.55</u>	<u>12.12</u>
	BASIC MATERIALS			
	<i>CHEMICALS</i>			
11,100	Croda International	161,394	1.93	
7,500	Johnson Matthey	133,725	1.60	
		<u>295,119</u>	<u>3.53</u>	<u>1.91</u>
	<i>MINING</i>			
7,000	BHP Billiton	159,915	1.91	
5,200	Rio Tinto	212,134	2.53	
		<u>372,049</u>	<u>4.44</u>	<u>1.86</u>
	TOTAL BASIC MATERIALS	<u>667,168</u>	<u>7.97</u>	<u>3.77</u>
	INDUSTRIALS			
	<i>AEROSPACE & DEFENCE</i>			
		—	—	4.38
	<i>ELECTRONIC & ELECTRICAL EQUIPMENT</i>			
68,000	Halma	213,248	2.54	
29,500	Spectris	336,595	4.02	
		<u>549,843</u>	<u>6.56</u>	<u>3.50</u>
	<i>INDUSTRIAL ENGINEERING</i>			
21,000	Rotork	331,590	3.96	3.94

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.11.10 %	30.11.09 %
	<i>INDUSTRIAL TRANSPORTATION</i>			
11,500	Forth Ports	150,650	1.80	
90,000	Stobart Group	129,150	1.54	
88,000	Wincanton	151,360	1.81	
		<u>431,160</u>	<u>5.15</u>	<u>4.51</u>
	<i>SUPPORT SERVICES</i>			
223,888	AssetCo	129,855	1.55	
30,143	Babcock International Group	156,141	1.86	
15,000	Capita Group (The)#	97,800	1.17	
58,000	Carillion	192,560	2.30	
		<u>576,356</u>	<u>6.88</u>	<u>7.77</u>
	TOTAL INDUSTRIALS	<u>1,888,949</u>	<u>22.55</u>	<u>24.10</u>
	<i>CONSUMER GOODS</i>			
	<i>BEVERAGES</i>			
45,000	Britvic	<u>220,050</u>	<u>2.63</u>	<u>2.51</u>
	<i>FOOD PRODUCERS</i>			
32,000	Dairy Crest	115,360	1.38	
15,000	Unilever	266,550	3.18	
		<u>381,910</u>	<u>4.56</u>	<u>2.55</u>
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
87,000	Telford Homes	<u>67,860</u>	<u>0.81</u>	<u>1.23</u>
	TOTAL CONSUMER GOODS	<u>669,820</u>	<u>8.00</u>	<u>6.29</u>
	<i>HEALTH CARE</i>			
	<i>HEALTH CARE EQUIPMENT & SERVICES</i>			
45,000	Consort Medical	<u>207,788</u>	<u>2.48</u>	<u>2.23</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.11.10 %	30.11.09 %
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
62,100	Dechra Pharmaceuticals	312,363	3.73	
23,500	GlaxoSmithKline	284,820	3.39	
		<u>597,183</u>	<u>7.12</u>	<u>8.21</u>
	TOTAL HEALTH CARE	<u>804,971</u>	<u>9.60</u>	<u>10.44</u>
	<i>CONSUMER SERVICES</i>			
	<i>FOOD & DRUG RETAILERS</i>			
67,000	Tesco	<u>277,581</u>	<u>3.31</u>	<u>3.50</u>
	<i>GENERAL RETAILERS</i>			
75,000	N Brown Group	<u>208,350</u>	<u>2.49</u>	<u>2.73</u>
	<i>MEDIA</i>			
81,000	Informa	320,193	3.82	
24,134	Reed Elsevier	122,842	1.47	
		<u>443,035</u>	<u>5.29</u>	<u>4.77</u>
	<i>TRAVEL & LEISURE</i>			
11,000	Go-Ahead Group	130,460	1.55	
185,000	Marston's	184,630	2.20	
120,000	Restaurant Group	326,400	3.89	
		<u>641,490</u>	<u>7.64</u>	<u>6.73</u>
	TOTAL CONSUMER SERVICES	<u>1,570,456</u>	<u>18.73</u>	<u>17.73</u>
	<i>TELECOMMUNICATIONS</i>			
	<i>FIXED LINE TELECOMMUNICATIONS</i>			
83,000	BT Group	<u>141,100</u>	<u>1.68</u>	<u>0.90</u>
	<i>MOBILE TELECOMMUNICATIONS</i>			
206,000	Vodafone Group	<u>331,042</u>	<u>3.95</u>	<u>4.03</u>
	TOTAL TELECOMMUNICATIONS	<u>472,142</u>	<u>5.63</u>	<u>4.93</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.11.10 %	30.11.09 %
	UTILITIES			
	<i>ELECTRICITY</i>	—	—	2.15
	<i>GAS, WATER & MULTIUTILITIES</i>			
55,700	Centrica	171,054	2.04	
31,500	National Grid	178,762	2.13	
34,400	United Utilities Group	205,196	2.44	
		<u>555,012</u>	<u>6.61</u>	<u>4.03</u>
	TOTAL UTILITIES	<u>555,012</u>	<u>6.61</u>	<u>6.18</u>
	FINANCIALS			
	<i>BANKS</i>			
54,916	HSBC Holdings	<u>356,020</u>	<u>4.24</u>	<u>3.82</u>
	<i>NON-LIFE INSURANCE</i>			
35,000	Amlin	<u>131,355</u>	<u>1.57</u>	<u>1.85</u>
	<i>LIFE INSURANCE</i>			
129,000	Legal & General Group	<u>117,906</u>	<u>1.41</u>	<u>1.42</u>
	<i>REAL ESTATE INVESTMENT TRUSTS</i>	—	—	2.71
	<i>FINANCIAL SERVICES</i>			
21,500	Provident Financial	<u>174,365</u>	<u>2.08</u>	<u>2.91</u>
	TOTAL FINANCIALS	<u>779,646</u>	<u>9.30</u>	<u>12.71</u>
	Portfolio of investments	8,208,458	97.94	98.27
	Net other assets	<u>172,418</u>	<u>2.06</u>	<u>1.73</u>
	Net assets	<u>8,380,876</u>	<u>100.00</u>	<u>100.00</u>

The investments have been valued in accordance with note 1(g) and are ordinary shares unless stated otherwise.

Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES
FOR THE YEAR ENDED 30 NOVEMBER 2010

Total purchases for the year (note 12)		£1,572,347
Purchases		Cost £
Rio Tinto		203,403
Halma		184,603
Centrica		154,809
Stobart Group		134,369
Dairy Crest		119,651
Johnson Matthey		112,332
HSBC Holdings		110,512
United Utilities Group		96,411
Unilever		91,581
Provident Financial		84,346
BT Group		70,995
HMV Group		61,177
National Grid		40,200
Royal Dutch Shell 'B'		37,957
Tesco		35,923
Go-Ahead Group		34,078

Total sales for the year (note 12)	£1,261,796
Sales	Proceeds £
VT Group	259,372
Land Securities Group	194,198
Scottish & Southern Energy	152,850
Capita Group (The)	128,022
Provident Financial	109,259
Croda International	99,923
BP	79,105
Spectris	61,610
National Grid	59,782
Rotork	52,488
HMV Group	49,799
BT Group	15,388

The portfolio changes represent all of the purchases and sales during the year.

AUTHORISED STATUS

CF OLIM UK Equity Trust is a unit trust authorised by the Financial Services Authority with effect from 26 November 2001.

It is a 'UCITS Scheme' which complies with the COLL Sourcebook, and the currency of the Trust is pounds sterling.

A unitholder shall not be liable to make any further payments for the units held in excess of the price of the units and no further liability can be imposed in respect of the units held.

MANAGER'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Services Authority.

K.J. MIDL

J. MILLAN

CAPITA FINANCIAL MANAGERS LIMITED
Manager of CF OLIM UK Equity Trust
1 March 2011

STATEMENT OF MANAGER'S RESPONSIBILITIES

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

The Financial Services Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') requires the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Trust for that year. In preparing those financial statements, the Manager is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IMA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

In so far as the Manager is aware:

- there is no relevant audit information of which the Trust's Auditors are unaware; and
- the Manager has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditors are aware of that information.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is under a duty to take into its custody and to hold the property of the Trust in trust for the holders of units. It is also the duty of the Trustee to enquire into the conduct of the Manager in the management of the Trust and to ensure that the Trust is managed in accordance with all applicable rules and restrictions in each annual accounting period, and to report thereon to unitholders. A copy of the Trustee's report is set out below.

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 30 NOVEMBER 2010

In our opinion, the Manager has managed the Trust, in all material respects, during the period covered by this Report in accordance with the investment and borrowing powers and the restrictions applicable to the Trust and otherwise in accordance with the provisions of the Trust Deed and the rules in the COLL Sourcebook.

BNY MELLON TRUST & DEPOSITARY (UK) LIMITED
Trustee of CF OLIM UK Equity Trust
1 March 2011

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF CF OLIM UK EQUITY TRUST

We have audited the financial statements of CF OLIM UK Equity Trust ('the Trust') on pages 18 to 28 for the year ended 30 November 2010, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Portfolio Statement, the Balance Sheet, the Summary of Material Portfolio Changes, the related notes and the Distribution Table. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Trust's unitholders as a body, in accordance with Rule 4.5.12 of the New Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') issued by the Financial Services Authority. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE MANAGER AND AUDITORS

The Manager's responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Managers Responsibilities on page 14.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association in November 2008, the COLL Sourcebook issued by the Financial Services Authority and the Trust Deed. We also report to you whether in our opinion, that information required to be reported by Rule 4.5.9 of the COLL Sourcebook issued by the Financial Services Authority, contained within the Manager's Report or elsewhere, is consistent with the financial statements.

In addition we report to you if, in our opinion, the Manager has not kept proper accounting records, if the financial statements are not in agreement with the accounting records for the Trust, or if we have not received all the information and explanations we require for our audit.

BASIS OF OPINION

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Trust's affairs as at 30 November 2010 and of its net revenue and the net capital gains on the property of the Trust for the year then ended; and
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association in November 2008, the COLL Sourcebook issued by the Financial Services Authority and the Trust Deed; and
- the information as required by Rule 4.5.9 of the COLL Sourcebook issued by the Financial Services Authority, given in the Manager's Report or elsewhere, is consistent with the financial statements for the year ended 30 November 2010.

KINETIC PARTNERS AUDIT LLP

Chartered Accountants and Registered Auditors

1 March 2011

FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 30 NOVEMBER 2010

	Notes	£	30.11.10 £	£	30.11.09 £
Income:					
Net capital gains	2		1,009,908		1,260,830
Revenue	3	299,367		333,656	
Expenses	4	(115,814)		(105,127)	
Finance costs: Interest	6	—		—	
Net revenue before taxation		183,553		228,529	
Taxation	5	—		—	
Net revenue after taxation			183,553		228,529
Total return before distributions			1,193,461		1,489,359
Finance costs: Distributions	6		(298,556)		(332,130)
Change in net assets attributable to unitholders from investment activities			894,905		1,157,229

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 30 NOVEMBER 2010

	Note	£	30.11.10 £	£	30.11.09 £
Opening net assets attributable to unitholders			7,008,914		6,852,195
Amounts receivable on issue of units		704,611		360,387	
Amounts payable on cancellation of units		(433,068)		(1,565,259)	
			271,543		(1,204,872)
Stamp duty reserve tax	1(e)		(883)		(257)
Change in net assets attributable to unitholders from investment activities			894,905		1,157,229
Retained distribution on Accumulation units			206,397		204,619
Closing net assets attributable to unitholders			8,380,876		7,008,914

BALANCE SHEET
AS AT 30 NOVEMBER 2010

	Notes	£	30.11.10 £	£	30.11.09 £
ASSETS					
Investment assets			8,208,458		6,888,000
Other assets					
Debtors	7	34,933		34,653	
Cash and bank balances		206,791		141,446	
Total other assets			241,724		176,099
Total assets			8,450,182		7,064,099
LIABILITIES					
Other liabilities					
Creditors	8	(11,402)		(8,963)	
Distribution payable on Income units		(57,904)		(46,222)	
Total other liabilities			(69,306)		(55,185)
Total liabilities			(69,306)		(55,185)
Net assets attributable to unitholders			8,380,876		7,008,914

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 NOVEMBER 2010

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') issued by the Investment Management Association in November 2008.

During the year the Trust adopted the IMA SORP 2008. This has resulted in presentational changes to the Statement of Total Return whereby currency gains/losses are now classified as capital gains/losses. The related amounts are shown in note 2.

(b) *Recognition of revenue*

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Revenue on debt securities is accounted for on an effective yield basis.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

(c) *Treatment of stock and special dividends*

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(d) *Treatment of expenses*

The Manager's periodic charge is deducted from capital. The Manager is responsible for the payment of all other expenses on the Trust.

In accordance with the SORP, the Manager's periodic charge is included within expenses but is disregarded for the purpose of determining the amount available for distribution (see notes 4 and 6). The tax accounting treatment follows the treatment of the principle amount.

(e) *Taxation*

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

1. ACCOUNTING POLICIES (*continued*)

(e) *Taxation (continued)*

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Stamp duty reserve tax suffered on the surrender of units is deducted from capital.

(f) *Distribution policy*

Surplus revenue, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to unitholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the Manager's discretion. Final distributions are made in accordance with the Regulations.

(g) *Basis of valuation of investments*

Listed investments are valued at closing bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

(h) *Exchange rates*

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

	30.11.10 £	30.11.09 £
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	1,009,908	1,260,830
Net capital gains	<u>1,009,908</u>	<u>1,260,830</u>
3. REVENUE		
Non-taxable dividends	295,323	326,002
UK property income distributions	4,042	6,903
Bank interest	2	751
Total revenue	<u>299,367</u>	<u>333,656</u>

	30.11.10 £	30.11.09 £
4. EXPENSES		
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	115,814	105,127
Total expenses	<u>115,814</u>	<u>105,127</u>
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge (note 5b)	–	–
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation	<u>–</u>	<u>–</u>

b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (30.11.09 : 20%) for the reasons explained below.

	30.11.10 £	30.11.09 £
Net revenue before taxation	183,553	228,529
Corporation tax at 20%	36,711	45,706
Effects of:		
Non-taxable dividends	(59,065)	(65,200)
Unutilised excess management expenses	22,354	19,494
Corporation tax charge	–	–
Overseas tax	–	–
Current tax charge (note 5a)	<u>–</u>	<u>–</u>

c) Deferred tax

At the year end there are potential deferred tax assets of £129,392 (30.11.09 : £107,038) in relation to surplus management expenses available for double tax relief. It is unlikely that the Trust will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current or prior period.

6. FINANCE COSTS

Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on cancellations of units, and comprise:

	30.11.10 £	30.11.09 £
Interim	134,622	160,568
Final	168,059	158,797
	<u>302,681</u>	<u>319,365</u>
Add: Revenue deducted on cancellation of units	2,986	18,028
Deduct: Revenue received on issue of units	(7,111)	(5,263)
Net interest distributions for the year	298,556	332,130
Interest	–	–
Total finance costs	<u>298,556</u>	<u>332,130</u>

Details of the distributions per unit are set out in the table on page 28.

	30.11.10 £	30.11.09 £
Distributions represented by:		
Net revenue after taxation	183,553	228,529
Allocations to Capital:		
Managers periodic charge, net of tax relief	115,005	103,597
Balance brought forward	1	5
Balance carried forward	(3)	(1)
Net distributions for the year	<u>298,556</u>	<u>332,130</u>

7. DEBTORS

Amounts receivable for issue of units	1,763	–
Accrued revenue:		
Non-taxable dividends	30,981	33,272
Taxation recoverable:		
Income tax	2,189	1,381
Total debtors	<u>34,933</u>	<u>34,653</u>

	30.11.10 £	30.11.09 £
8. CREDITORS		
Accrued expenses:		
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	10,798	8,913
Taxation payable:		
Stamp duty reserve tax	604	50
Total creditors	<u>11,402</u>	<u>8,963</u>

9. RELATED PARTY TRANSACTIONS

Management fees payable to Capita Financial Managers Limited ('the Manager') are disclosed in note 4 and amounts outstanding at the year end in note 8.

The aggregate monies received and paid by the Manager through the issue and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 18 and amounts due at the year end in notes 7 and 8.

The net cash balances on deposit with BNY Mellon Trust & Depositary (UK) Limited are £206,791 (30.11.09 : £141,446). Net interest received was £2 (30.11.09 : £751).

Capita Financial Managers Limited and its associates (including other authorised investment funds managed by Capita Financial Managers) had the following unitholdings in the Trust:

	Held at 30.11.10	Change in year	Held at 30.11.09
Income units	251,387	583	250,804
Accumulation units	53,803	7,501	46,302

Capita Group plc is the ultimate parent undertaking of Capita Financial Managers Limited ('the Manager'). As part of the investment strategy the Investment Manager may from time to time hold shares in Capita Group plc. At the balance sheet date the Trust held 15,000 shares in Capita Group plc with a value of £97,800 (30.11.09 : 31,000 shares with a value of £220,565).

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

10. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or outstanding commitments (30.11.09 : none).

11. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

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

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

i. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty and these are reviewed on an ongoing basis.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Trust's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

The table below shows the interest rate risk profile:

	30.11.10 £	30.11.09 £
Floating rate assets:		
Pounds sterling	206,791	141,446
Assets on which interest is not paid:		
US Dollar	–	1,803
Pounds sterling	8,243,391	6,920,850
	8,243,391	6,922,653
Liabilities on which interest is not paid:		
Pounds sterling	(69,306)	(55,185)
Net assets	<u>8,380,876</u>	<u>7,008,914</u>

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to UK LIBOR or its international equivalents.

11. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

ii. Interest rate risk (continued)

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

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

The table below shows the foreign currency risk profile:

	30.11.10 £	30.11.09 £
Currency:		
US dollars	–	1,803
Pounds sterling	8,380,876	7,007,111
Net assets	<u>8,380,876</u>	<u>7,008,914</u>

iv. Liquidity risk

The main liability of the Trust is the cancellation of any units that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Manager will ensure that a substantial portion of the Trust's assets consist of readily realisable securities.

v. Market price risk

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

Market price risk represents the potential loss the Trust may suffer through holding market positions in the face of price movements. The Trust's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. For an equity portfolio the risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

vi. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii. Sensitivity analysis

The Trust held no derivatives during the current or prior year.

12. PORTFOLIO TRANSACTION COSTS

Analysis of total purchase costs

	30.11.10 £	30.11.09 £
Purchases in year before transaction costs	1,562,371	1,015,453
Transaction costs:		
Commissions	3,002	1,519
Stamp duty and other charges	6,974	3,815
	9,976	5,334
Gross purchases total	<u>1,572,347</u>	<u>1,020,787</u>

Analysis of total sale costs

Gross sales before transaction costs	1,263,976	2,000,353
Transaction costs:		
Commissions	(2,167)	(3,955)
Other charges	(13)	(48)
	(2,180)	(4,003)
Total sales net of transaction costs	<u>1,261,796</u>	<u>1,996,350</u>

DISTRIBUTION TABLE
FOR THE YEAR ENDED 30 NOVEMBER 2010 – IN PENCE PER UNIT

Interim

Group 1 – Shares purchased prior to 1 December 2009

Group 2 – Shares purchased on or after 1 December 2009 and on or before 31 May 2010

Income Units	Net Revenue	Equalisation	Paid 31.07.10	Paid 31.07.09
Group 1	2.1000	–	2.1000	2.1000
Group 2	1.0502	1.0498	2.1000	2.1000

Accumulation Units	Net Revenue	Equalisation	Allocated 31.07.10	Allocated 31.07.09
Group 1	2.8542	–	2.8542	2.7282
Group 2	1.4274	1.4268	2.8542	2.7282

Final

Group 1 – Shares purchased prior to 1 June 2010

Group 2 – Shares purchased on or after 1 July 2010 and on or before 30 November 2010

Income Units	Net Revenue	Equalisation	Payable 31.01.11	Paid 31.01.10
Group 1	2.4886	–	2.4886	2.4966
Group 2	1.1843	1.3043	2.4886	2.4966

Accumulation Units	Net Revenue	Equalisation	Allocation 31.01.11	Allocated 31.01.10
Group 1	3.4453	–	3.4453	3.3174
Group 2	1.6395	1.8058	3.4453	3.3174

EQUALISATION

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

GENERAL INFORMATION

VALUATION POINT

The valuation point of the Trust is 10.00am on each business day. Valuations may be made at other times with the Trustee's approval.

BUYING AND SELLING UNITS

The Manager will accept orders to buy or sell units on normal business days between 8.30am and 5.30pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell units may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

PRICES

The most recent prices of units are published in the *Financial Times* under the heading Capita Financial Managers and are also available on the website of the Investment Management Association at www.investmentuk.org under the heading Capita Financial Managers or by calling 0845 922 0044 during the Manager's normal business hours.

OTHER INFORMATION

The Trust Deed, Prospectus, Simplified Prospectus and the latest annual and interim reports may be inspected at the offices of the Manager and copies may be obtained on application to the Manager.

The Register of Unitholders can be inspected by unitholders during normal business hours at the Customer Service Centre, Capita Financial Administrators Limited at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

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

DATA PROTECTION ACT

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

INVESTMENT MANAGER

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