SVM Global Fund plc

Annual Report 30 September 2007

Contents

SVM Global Fund exploits global opportunities to provide long-term growth – providing shareholders with a diversified international multi-strategy portfolio and unique access to specialist funds including hedge and private equity

- Net asset value (''NAV'') increases by 20.8%
- NAV outperforms FTSE World Index by 10 percentage points
- Retains historic themes in a multi-strategy fund format

Financial Highlights	30 September 2007	30 September 2006	% Change
Total return:			
Net asset value	**426.81p**	353.30p	+20.8
Share price	**420.00p**	355.75p	+18.1
FTSE World Index	**342.25**	309.08	+10.7
Discount/(premium)	**1.6%**	(0.7%)	
Total expense ratio:			
Investment management fees	**0.65%**	0.65%	
Incentive fees	**0.72%**	1.15%	
Other operating expenses	**0.12%**	0.15%	

Historical records Year to 30 September	NAV per share (p)	Share price (p)	Revenue return per share (p)	Dividend per share (p)
2002	151.71	135.00	0.56	2.25
2003	191.83	166.00	0.42	2.25
2004	221.03	203.50	0.26	2.25
2005	289.50	274.50	0.75	2.25
2006	353.30	355.75	1.05	1.25
2007	**426.81**	**420.00**	**1.05**	**1.25**

Performance to 30 September 2007	1 Year	3 Years	5 Years	10 Years	Since Launch
Net asset value	+20.8	+90.4	+140.9	+197.9	+803.8
FTSE World Index	+10.7	+43.2	+72.0	+42.0	+173.7
Ranking (Global Growth Sector)	11/31	5/30	6/28	4/21	3/18

Chairman's Statement

I am pleased to report another year of out-performance. The net asset value of your Company increased by 20.8% to 426.81 pence in the year ended 30 September 2007. Over the same period, the Company's benchmark index, the FTSE World Index, rose by 10.7%. In addition, the Company continues to out-perform over the longer term and is significantly ahead of its benchmark over three, five and ten years as well as since inception in 1991.

Portfolio

Global equity markets enjoyed another good year. Indeed, some reached all-time highs earlier in the year. There were short sharp falls in February and August, a reminder that equity markets never go up in a straight line.

For the third year in a row, emerging markets outperformed mature markets as investors sought higher growth markets. Currencies again played a key role. Sterling proved to be the currency of choice, bolstered by high interest rates and low inflation. The US Dollar, the Japanese Yen and, to a lesser extent, the Euro have performed poorly. Solid equity returns generated in these regions have been eroded by this currency depreciation. The Company remains underweight in both US Dollar and Japanese Yen assets, preferring to invest in economies that demonstrate higher growth and this stance has proved very beneficial.

The Company is a multi-strategy fund with the current emphasis on resources, property, private equity, hedge funds and other specialist funds. These themes have changed little over the year and portfolio turnover remains low although there has been a degree of fine tuning holdings. As markets have increased, the Managers have increased exposure to funds that are less dependent on rising stockmarkets to generate returns. Even allowing for the increase in gearing over the year from 6% to 9%, the Managers estimate that effective exposure to equity markets has reduced to around the 80% level, down from 90% this time last year.

The Board continues to believe that gearing, accompanied by good stock selection, can enhance long-term returns for shareholders. The Company retains banking facilities allowing it to borrow up to 20% of assets, although at no time in the year was more than half this used. All the gearing operated by the Company is in the form of bank overdraft which is both flexible and inexpensive. Additionally, the Company is not charged for any of the unused borrowings and the intention is to retain this facility.

Dividends and Share Transactions

It is proposed that an unchanged final dividend of 1.25p per share be paid on 10 January 2008 to shareholders on the Register at close of business on 7 December 2007 (ex dividend date 5 December 2007). The principal investment objective is capital growth and the intention is to pay a dividend sufficient to enable the Company to retain its investment trust status.

Private clients and their advisers retain a healthy demand for our shares. Although part of retaining our premium rating is performance driven, part is due to a vigorous and successful marketing campaign to attract investors. The Company's shares have traded at a premium to net asset value for much of the year, only dipping to a small discount at the time of the August market slide. During the year the Company issued 2,300,000 new ordinary shares at an average premium in excess of 2.5% of the relevant asset values. New shares will only be issued to investors seen as being long term holders and only at levels that increase the net asset value.

The Company still retains buy back powers to cancel shares or to hold them in treasury should the shares trade at an anomalous discount and such action will be taken as and when it is deemed appropriate. We believe that retaining the ability to issue new shares at a premium or buy back shares at a discount creates an active and efficient market for shareholders. This allows them to profit fully from the out-performance of the net asset value.

Annual General Meeting

The Annual General Meeting will be held in London on 18 December 2007 and details of the resolutions to be proposed are given in the Notice of Meeting at the end of this Report. The AGM will be at 12.30 p.m. and will be preceded at 12 Noon by a presentation from the Managers, who will review the portfolio and investment policy, and answer questions from shareholders. Copies of the presentation will be available upon request to all shareholders and will be posted on the Managers' website.

This year, a resolution is included to authorise the Company to offer shareholders the opportunity to have documents and information made available to them through a website and in electronic form, following the implementation of provisions in the new Companies Act 2006.

Assuming that the resolution is passed, the Company will write to shareholders in due course to ask individually whether you would like to elect to continue to receive documents in paper form or to have them made available through the website or in other electronic form. This should improve communications with shareholders as well as achieving significant environmental benefits by reducing the use of paper and the energy required for publication and distribution and saving some costs for the Company.

Outlook

The Managers believe, with markets close to their historic highs, the risk is increasingly on the downside. Their strategy is based on the assumption that further progress is becoming more difficult and that the rates of market rises are returning to more normal levels after four years of above average growth. The Managers believe that credit markets problems are likely to slow the global economy. However, there remain good investment opportunities, particularly in the less developed markets.

We believe the Fund is well managed, as clearly demonstrated by the continued outperformance and that it is well positioned with its combination of relative and absolute return focussed funds, to continue to deliver above average performance.

Senator Shane Ross
Chairman
12 November 2007

Managers' Review

SVM Global Fund Managers

Colin McLean

Fund Manager & Managing Director of SVM Asset Management

Colin has over 30 years' investment experience and is widely regarded as one of the UK's top stockpicking analysts. Prior to establishing SVM Asset Management in 1990, he held senior positions with three major financial institutions. He was Head of Investment of two UK life assurers, FS Assurance and Scottish Provident, before being Managing Director of Templeton International's European operations.

Donald Robertson

Fund Manager & Finance Director of SVM Asset Management

Donald is a qualified accountant with in excess of 25 years' investment and financial experience. Prior to co-founding SVM, he worked at Ivory & Sime, one of UK's largest independent fund management companies. In addition to the management of SVM's specialist fund of funds products, he manages a number of SVM's specialist funds.

Introduction

The principal objective of the Company is to achieve long term capital growth and to outperform the FTSE World Index. The Company is a multi-strategy fund of funds with an underlying diversified portfolio in excess of 60 funds ranging from those that demonstrate low risk absolute performance to those more geared into rising equity markets.

The net asset value continued to make steady progress in the year under review. On an absolute basis, the net asset value rose in ten out of the twelve months with the negative months occurring only in July and August in line with the correction as a result of the much discussed US credit problems. On a relative basis, the asset value outperformed in nine out of the twelve months with May, August and September being the exceptions. Both May and September saw abnormally strong rises (in excess of 4%) which the Company could not keep up with. Subsequently, the portfolio 'caught up' with the market and out-performance resumed.

Shareholders are understandably much more interested in the performance of the share price. The share price increased by 18.1% comfortably beating the benchmark increase of 10.7%. The shares traded at a premium for much of the year with only brief flurries into discount territory, principally when most asset classes were aggressively sold off in July/August. Throughout the year, the trading range was very narrow – a 3% premium to a 3% discount – and, as a consequence, was much less volatile than the market as a whole.

Generally, investment trust discounts have widened in the year and few consistently trade on a premium. To assist the Board and Managers in their aim that the Company's shares trade close to asset value, the Company retains the powers both to issue shares and to buy back for cancellation or into treasury should there be an opportunity to enhance shareholder value. It is hoped that this facility will create an orderly market for shareholders.

Investment Strategy

Although the Company has a broadly based diversified portfolio, its asset allocation continues to differ materially from that of the benchmark index and the majority of our peers. The portfolio retains its marked underweight position in the US equities and US dollar assets. This has served the Company well in recent years and we see no immediate reason to change this stance. Much has been made of the main US indices hitting all time highs – and indeed they are – but for a Sterling based investor, these returns are significantly reduced by the ongoing US Dollar weakness.

To a lesser extent, the same can apply to Japan, where the Company also has an underweight position. However, the position in Japan is much less clear cut and we would be looking to increase holdings in Japan at some time. It is clear that the returns available elsewhere continue to be superior. The so-named BRIC economies of Brazil, Russia, India and China offer better risk reward characteristics than their more mature peers and the Company retains significant weightings in these countries.

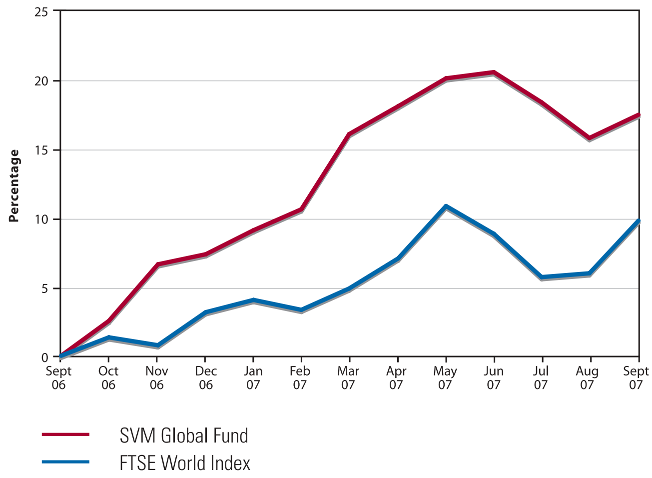
The Company continues to use short term gearing to enhance performance with the gearing level being around 10% for much of the year. The Company prefers the use of short term flexible borrowings that can be repaid at no penalty rather than any long term debenture or loan. Even allowing for the gearing, the Managers estimate that effective exposure to equity markets has been reduced from 90% down to around the 80% level.

We continue to source and invest in funds that offer diversified non-correlated returns while still retaining an active exposure to global markets. The current themes have not substantially changed in the last year with small increases in Specialist, Hedge and Property and small reductions in Resources and Private Equity.

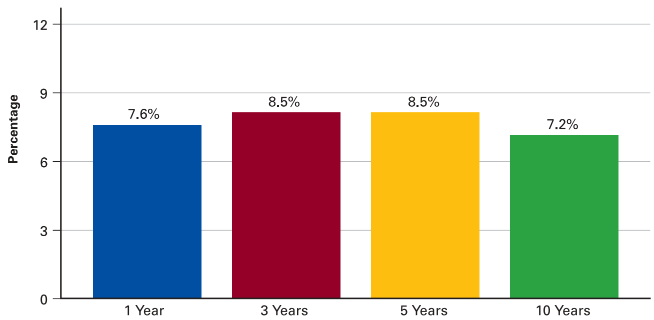
Specialist Investments

With many of the funds investing in emerging markets, funds within this theme have produced some exceptional returns in the year. Investors have been drawn toward the less developed markets globally in the search for higher growth and returns. The best performing funds were investments exposed to Latin America (especially Brazil), Eastern Europe (in particular Ukraine) and the Far East (chiefly China & Hong Kong). Of particular note were two funds which recently restructured and in the process unlocked substantial hidden value; Vostok Nafta Investments demerged its non-Gazprom assets and Value Partners

Share Price v Benchmark

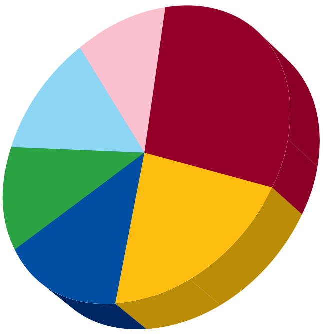


Annualised Outperformance

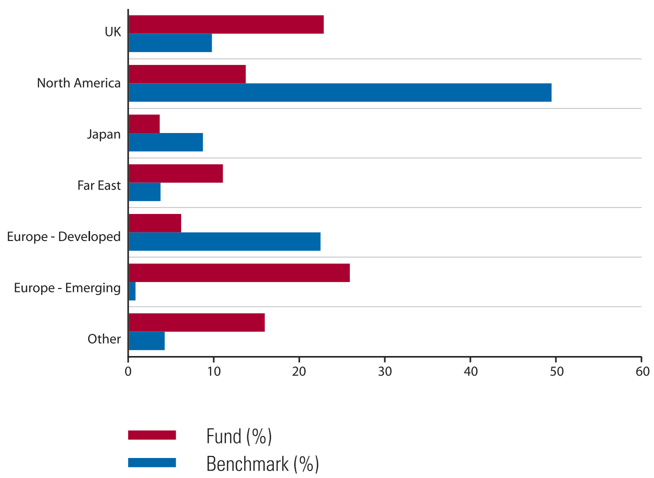


Themes Analysis

- Specialist Funds: 35%
- Hedge: 18%
- Resources: 16%
- Property: 15%
- Private Equity: 10%
- Others: 7%



Geographic Analysis



China Greenchip Fund unitised. During the year, selective additions were made in asset classes that are currently unfashionable but attractive – in particular, UK small companies and Japan.

Resources

It would appear that our assertion a few years ago that resources would be a longer term theme than many believed appears to have been vindicated with most commodity prices continuing to be strong. There is a commodity supply/demand imbalance in the world that is unlikely to be rectified in the near future as it takes a long time to discover, prove up and commercially exploit a new resource. Global demand continues unabated with China in particular having a ravenous appetite. It is hard to envisage a situation in the short to medium term where demand for raw material out of China and the other expanding emerging markets contracting significantly. With this in mind, we continue to retain a high weighting to this theme although in the year substantial profits were extracted through the disposal of the non-core holdings of Petra Diamonds and Gazprom.

Property

Property investment recently has proved to be quite challenging. The Company has no exposure to US property and very limited interests in the UK. In fact, as far as we can determine, the Battersea Power Station holding within Real Estates Opportunities is the sole representation in the UK. The portfolio has been relatively immune to the problems associated with US sub prime mortgages and the increase in defaults both in the US and UK. Our preference is to concentrate on international rather than domestic property as the potential rates of return and dynamics offer more attractive risk/reward characteristics. During the year, further additions were made to Jupiter Adria and Ceiba Investments and new allocations were made to funds focussing on South Africa and China.

Hedge

Our hedge fund investments are a means of generating consistent positive returns with lower or indeed no equity market sensitivity. For the avoidance of doubt, none of the Company's hedge funds has or had any direct exposure to the US credit crunch, which we believe will continue to rumble on for some time yet. The Company has investments in twelve investment strategies representing approximately 18% of the portfolio. We are invested in hedge funds that can average 12–15% returns per annum without having to rely on positive equity market for these returns. To date, these funds have successfully achieved this target. During the year, there were no realisations and a single new allocation in Cambium Global Forestry.

Private Equity

In a similar way to property, we believe that there is a different way to achieving exposure to the attractive long term returns generated by private equity. We concentrate on existing mature funds that are at the point of or close to realising their underlying investments rather than buying immature funds. There have been a raft of new private equity issues in the last few years, none of which, we believe, offered attractions at the time. Most private equity funds, irrespective of their investment stance, take a number of years to mature and in the meantime shareholders tend to lose money. Currently, there are relatively few funds available that offer the risk reward characteristics that we want and the private equity weighting is as low as it has been for a number of years. During the year, further distributions were received from 5E Holdings and Baring Vostok Investments with a single new allocation made in Equest Investments Balkans.

Others

The balance of the portfolio is invested in companies which either do not fit naturally in the above categories or are more focused on the Company's benchmark. These holdings are being reduced gradually as and when funds are required to invest in the other portfolio themes.

Summary

We continue to maintain a portfolio balance between funds with absolute performance aims and others focussed on relative performance. With the global economic outlook looking less positive, we continue to be defensively positioned and, in the relative section of the portfolio, focus on the higher growth markets globally. We believe that the Company, with its unique approach, retains the potential for continued performance, building on its long term investment record.

10 Year Discount

Investment Portfolio *as at 30 September 2007*

	Company	% of Company	Cost 2007 £000	Valuation 2007 £000	% of Net Assets	Valuation 2006 £000
1	Eurovestech	18.4	3,200	10,543	4.4	9,958
2	Merrill Lynch World Mining	1.0	1,961	10,245	4.2	7,002
3	JP Morgan Russian Securities	2.6	999	8,671	3.6	6,036
4	Firebird Republics Fund*	2.5	1,423	8,456	3.5	7,313
5	Value Partners China Greenchip Fund	8.2	2,291	7,412	3.1	4,430
6	Real Estates Opportunities	2.0	5,075	7,149	3.0	5,696
7	Horseman Global Fund*	–	2,216	7,118	2.9	4,709
8	Firebird New Russia Fund*	3.4	1,422	7,103	2.9	6,063
9	Ukrainian Investment Fund*	2.9	3,872	6,765	2.8	2,684
10	Ceiba Investments	12.3	4,607	6,761	2.8	3,777
	Ten largest investments		**27,066**	**80,223**	**33.2**	
11	Merrill Lynch Latin American IT	2.6	1,519	6,320	2.6	4,834
12	Dolphin Capital Investors	0.8	2,816	5,705	2.4	4,512
13	Prosperity Voskhod Fund	3.8	4,891	5,602	2.3	–
14	Oryx International Growth	9.5	4,785	5,489	2.3	4,573
15	Cambium Global Forestry	4.8	5,000	5,400	2.2	–
16	City Natural Resources Trust	4.5	1,862	5,127	2.1	3,242
17	Prospect Japan Fund	5.9	3,795	5,115	2.1	6,102
18	Jupiter Adria*	2.6	3,083	4,809	2.0	2,335
19	Jupiter European Opportunities Trust	2.7	650	4,774	2.0	4,348
20	China Real Estates Opportunities	1.3	4,990	4,640	1.9	–
	Twenty largest investments		**60,457**	**133,204**	**55.1**	
21	Equity Partnership Investment Company	11.4	3,720	4,503	1.9	3,395
22	Value Catalyst Fund	3.6	2,685	4,346	1.8	3,994
23	Advance UK Trust	5.0	2,170	4,326	1.8	3,894
24	Advance Developing Markets Trust	1.2	1,001	4,183	1.7	3,663
25	Amber Trust*	7.0	1,734	3,936	1.6	2,850
26	US Special Opportunities Trust	7.7	2,027	3,927	1.6	3,773
27	Equest Investments Balkans	1.9	3,424	3,628	1.5	–
28	ASM Asian Recovery Fund*	2.5	2,478	3,501	1.5	3,237
29	Ecofin Water & Power Opportunities	1.6	3,500	3,368	1.4	–
30	South African Property Opportunities	4.8	3,104	3,315	1.4	–
	Thirty largest investments		**86,300**	**172,237**	**71.3**	
	Other investments		82,356	91,971	38.1	
	Total investments		**168,656**	**264,208**	**109.4**	
	Net current liabilities			**(22,764)**	**(9.4)**	
				241,444	**100.0**	

All investments are equity investments and those marked with an asterisk are unlisted.
Further information is given in note 7 on page 28. A full portfolio listing as at 30 September 2007 is detailed on the website.

Shareholder Information

The SVM website remains the best source of information about the Company. Over the last year there have been a number of initiatives which have been added to improve shareholder access and the quality of reporting and marketing. These initiatives attract new investors and keep existing shareholders informed.

The Company webpage is easy to access within the Manager's website www.svmonline.co.uk and provides detailed information on the Company.

The Company's latest share price is updated daily and new functionality gives access to historical share price data since launch in 1991.

A new interactive charting tool allows investors to view the performance record over fixed time periods or dates of their choice.

Comprehensive monthly factsheets are available with the Managers' commentary, portfolio analysis, featured stock, fund performance, sector breakdowns and current hedging and gearing status.

In order to improve access to the Managers' thinking, quarterly video interviews are conducted and posted online together with written transcripts.

In the last year, SVM has launched a Saving Scheme for Children which is specifically designed to add new long term investors to the shareholder base.

The Company distributes monthly updates by email to a number of intermediaries. It is also possible for shareholders and other interested parties to subscribe to this. To do so, please email your request to info@svmonline.co.uk

At SVM, we aim to achieve superior investment performance through careful stockpicking and analysis. Whether we are researching for our long or long/short funds we undertake proprietary, in-depth analysis in order to identify the true value of a company or fund. This strategy has ensured that we have achieved superior investment returns for a broad range of clients – both institutional and private investors. As pure equity specialists, we focus our expertise on investing in UK and European companies as well as global investment funds.

Investing in SVM Global Fund

There are a variety of ways to invest in the Company. Shares can be easily traded on the stock market. However, regular savings and tax free wrappers are also available;

- SVM Investment Trust Savings Scheme accepts minimum lump sum investment from £200 and monthly savings from £50. Investments can be made as gifts for children or other adults. Dividends can be reinvested at no cost.
- SVM ISA allows investors to save tax free up to £7,000 per annum. The minimum lump sum investment is £1,000 or regular savings from £50 per month.
- SVM PEP allows investors to transfer the value of all or any number of existing PEP holdings into SVM UK Active Fund shares. There is no charge for the transfer.
- SVM Saving Scheme for Children is a low cost option available to any adult who wants to invest for children. The minimum lump sum accepted is £200 and monthly savings start from as little as £25.

For more information or brochures call 0131 226 7660. Alternatively, application packs can be downloaded from www.svmonline.co.uk

Board of Directors

Senator Shane P N Ross (Chairman) (aged 58)

Senator Shane Ross has been an elected member of the Irish Senate (Upper House of Parliament) since 1981. He is chairman of SVM Saltire Fund. He has been chairman of two Dublin stockbroking firms and is currently a director of New Russia Fund and Baring Hedge Select Fund. He is also the business editor of the *Sunday Independent*, Ireland's biggest-selling Sunday newspaper. He was appointed in 2001 and is due for re-election this year.

Peter J Hulse (aged 60)

Peter Hulse is a consultant to Contiga Capital Management. Previously he was an executive director of Jupiter Asset Management Limited, where he was responsible for managing socially responsible assets in the UK. He has been a professional investment manager since 1969. He was appointed in 2001 and is due for re-election in 2008.

Daniel H Hodson (Senior non-executive Director) (aged 63)

Daniel Hodson was until recently Chairman of the Design and Artists Copyright Society and of the University of Winchester as well as being a director of a number of private companies and not for profit organisations. Previously he was Group Finance Director of Unigate, Finance Director of Nationwide Building Society and Chief Executive of LIFFE. He was appointed in 2004 and is due for re-election this year.

Colin W McLean (aged 55)

Colin McLean is Managing Director of SVM Asset Management and a director of SVM UK Active Fund. He was previously Managing Director of Templeton's European operations and Assistant General Manager (Investment) of Scottish Provident. He was appointed in 1990 and is due for re-election this year.

Terence G Arthur (aged 67)

Terry Arthur left Bacon and Woodrow in 1991 where he

was a consulting actuary. He is currently a director and consultant specialising in institutional investment. He is a director of Allianz Dresdner Second Endowment Policy Trust and until recently Executive Chairman of TKM Group Pension Trust. He was appointed in 2001 and is due for re-election in 2008.

The Directors submit their Report and Accounts for the year to 30 September 2007.

Principal activity and status

The Company is an Investment Company as defined in Section 266 of the Companies Act 1985. The Company is not a close company for taxation purposes. The Company has been approved by the HM Revenue & Customs as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988 for the year to 30 September 2006. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to seek such approval and the Company will continue to seek approval each year.

Results

The post tax total return for the year to 30 September 2007 of £41,021,000 (2006 – £35,301,000) has been transferred to reserves. A final dividend of 1.25 pence per share (2006 – 1.25 pence) has been declared.

Investment policy

The Company is an investment trust quoted on the London Stock Exchange and is required to comply with the Companies Act, the UK Listing Rules and applicable accounting standards. In addition to the formal annual and interim accounts, the Company publishes weekly asset values and monthly factsheets.

The Company's investment policy is to invest in a diversified unconstrained portfolio of collective investment funds using a multi-strategy approach. Full details of portfolio and its management is included in the Manager's Review. The principal objective of the Company is to outperform the FTSE World Index. Although the objective is for long term growth, the Managers believe that outperformance in the short term is also important for the control of the Company's discount. The performance and the level of the discount, as detailed on page 1, are the two primary key performance indicators for the Company and the Board assesses these on a quarterly basis. The factsheets and the website carry further information on these indicators.

Some of the Company's investments are in funds exposed to less developed markets and may be seen as carrying a higher degree of risk. We believe that these risks are mitigated through portfolio diversification, in depth analysis, the experience of the Managers and a rigorous internal control culture. Further information on the internal controls operated for the Company is detailed in the Report of the Directors on page 14.

Business review

A review of the business during the year is set out on pages 4 to 7.

Directors

The Directors who held office during the year and their beneficial interests in the Ordinary Shares of the Company were:

	30 September 2007	1 October 2006
S P N Ross	**15,625**	15,625
T G Arthur	**20,840**	20,840
D H Hodson	**20,769**	20,769
P J Hulse	**12,500**	12,500
C W McLean	**589,580**	589,580
A Saunders	**2,500***	2,500

* Date of retirement (30 September 2007).

There have been no changes in the Directors' interests between 30 September and 12 November 2007.

Messrs S P N Ross, D H Hodson and C W McLean retire in accordance with the Combined Code and, being eligible, offer themselves for re-election at the Annual General Meeting.

Mr A Saunders retired from the Board on 30 September 2007.

Mr C W McLean as a director and shareholder of SVM Asset Management Limited has an interest in the investment management agreement between SVM Asset Management Limited and the Company and is not regarded as independent. Mr C W McLean brings considerable experience of investment and financial markets. The Board believes that he makes a strong contribution to the Board and a number of aspects of the Company's operations, such as hedging, merit his full involvement in those activities as a Director. The Board recommends his and Messrs S P N Ross's and D H Hodson's re-election to shareholders.

Each Director has a letter of appointment details of which are on page 16.

Report of the Directors

Disclosure of information to Auditors

Each Director of the Company confirms that:

- so far as each Director is aware, there is no information needed by the Auditors in connection with preparing their audit of which the Auditors are unaware; and
- each Director has taken all the steps that he ought to have taken to make himself aware of any such information and to establish that the Auditors are aware of that information.

Management

SVM Asset Management Limited provides investment management and secretarial services to the Company. These services can be terminated by either party, without compensation, at any time by giving one year's notice of termination or an immediate payment of a year's fee in lieu of notice. SVM Asset Management Limited receives a fee, payable quarterly in advance, equivalent to 0.65% per annum of the Company's total assets less current liabilities. In addition, SVM Asset Management Limited is entitled to an incentive fee of 10 per cent of achieved outperformance of the Company's benchmark index, FTSE World Index, on a six monthly in arrears basis subject to a high water mark. An incentive fee of £1,571,000 was paid in respect of the year to 30 September 2007 (2006 – £2,041,000).

The Management and Nomination Committee assesses the Managers' performance on an ongoing basis and each year meets to conduct a formal evaluation of the Managers. It assesses the resources made available by the Managers, the results and investment performance in relation to objectives and also the additional services provided by the Managers to the Company.

The Management and Nomination Committee has reviewed the appropriateness of the Managers' contract. In carrying out its review, the Committee considered the past investment performance and the Managers' capability and resources to deliver superior future performance. It also considered the length of the notice period of the investment management contract and the fees payable, together with the standard of other services provided which include secretarial, account and marketing.

Following this review, it is the Directors' opinion that the continuing appointment of the Managers on the terms agreed is in the best interest of the shareholders as a whole.

Financial instruments

The Company's financial instruments comprise the investment portfolio, cash at bank and on deposit, bank overdrafts and debtors and creditors that arise directly from operations. The main risks that the Company faces from its financial instruments are disclosed in Note 13 to the financial statements.

Creditors payment policy

The Company's policy is to agree and make suppliers aware of payment terms prior to the transacting of business. The Company has and will continue to operate this policy. The Company did not have any trade creditors outstanding at the year end.

Substantial shareholdings

At 12 November 2007, the following interests in excess of 3% of the issued Ordinary Shares of the Company had been reported:

Name	Number of Shares	Percentage of Issued Shares
Rensburg Shepherds Investment Management	3,293,904	5.8%
FPCP Investment Trust	3,273,787	5.8%
Legal & General Assurance Society	2,077,415	3.7%

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as the Company's Auditors and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Directors' authority to issue shares

During the year, the Company issued 2,300,000 ordinary 25p shares for £9,372,000.

The Directors are currently authorised to allot ordinary shares up to an aggregate amount of £1,414,238 and renewal of this authority is set out in resolutions 9 and 10 of the Notice of the Annual General Meeting.

The Directors will only issue new shares pursuant to this authority if they believe it is advantageous to the Company's existing shareholders to do so.

Directors' authority to buy back shares

The current authority of the Company to make market purchases of up to 15 per cent of the issued ordinary shares expires at the end of the Annual General Meeting and Special Resolution 11, as set out in the Notice of the Annual General Meeting, seeks renewal of such authority until the Annual General Meeting in 2008. The price paid for shares will not be less than the nominal value of 25 pence per share nor more than 105 per cent of the average of the market value of the shares for the five business days before the shares are purchased. This power will only be exercised if, in the opinion of the Directors, a purchase would be in the best interests of the shareholders as a whole. Any shares purchased under this authority will either be cancelled or held in treasury for future re-sale in appropriate market conditions.

Directors' responsibilities in relation to the Financial Statements

The Directors are required by law to prepare financial statements each year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the net return of the Company for that year. These statements must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In preparing these statements, the Directors are required to: (a) select suitable accounting policies and then apply them consistently; (b) make judgements and estimates that are reasonable and prudent; and (c) state whether applicable accounting standards have been followed.

The Directors are also responsible for the maintenance of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The Board, having made appropriate enquiries, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of preparing the financial statements. At the Annual General Meeting this year and every five years thereafter, shareholders will be given the opportunity to decide on the future of the Company. Barring unforeseen circumstances, the Directors expect that the continuation resolution will be passed by shareholders.

Corporate governance

The Board of Directors has had in place throughout the year the procedures necessary to ensure compliance with the Financial Reporting Council Combined Code of Best Practice (''the Combined Code'') except as noted below. In addition, the Company has complied throughout the year with the provisions of the AIC Code of Corporate Governance. Therefore, those issues on which the Company does not report in detail are excluded because the Board deems them to be irrelevant to the Company as explained in the AIC Code.

The Directors confirm that the Company has complied with the requirements to be headed by an effective Board to lead and control the Company. The Company is an investment trust and not a trading company and, as such, there is no requirement for a Chief Executive Officer (Code A.2.1). Mr D H Hodson has acted as senior non-executive Director throughout the year. The Board comprises five non-executive Directors, four of whom are independent of the Managers and free from all business or other relationships that could interfere with the exercise of their independent judgement. Senator Shane Ross is also chairman of SVM Saltire Fund, which is managed by SVM Asset Management Limited. Mr C W McLean, as a director and shareholder of SVM Asset Management Limited, is not regarded as independent and is re-elected annually.

Whilst the Directors are not appointed for specific terms, as required by the Combined Code (Code A.7.2), all the Directors must submit themselves for re-election by the shareholders at least every three years and are not entitled to compensation if they are not re-elected to office.

Since all Directors are non-executive, the Company is not required to comply with the principles of the Combined Code in respect of executive Directors' remuneration. Directors may seek independent advice at the expense of the Company.

During the year, there were four Board and four Committee meetings (two Audit and two Management and Nominations). All Directors attended all relevant meetings.

The Directors complete an annual self-assessment of their individual and collective performances by discussion on a range of issues in order to ensure that they are acting in the best interests of the Company and its shareholders. Each Director continues to be regarded as effective and committed to the Company.

The Managers maintain regular contact with the Company's shareholders, particularly institutional shareholders, and report regularly to the Board on shareholder relations. In addition, the Board uses the Annual General Meeting in London and the shareholder meeting in Edinburgh as a forum for shareholders to meet and discuss issues with the Board and the Managers.

The Board has defined the scope of the Managers' Responsibilities, including the principal operating issues such as hedging, gearing and share buy backs. Details of the limits set on key areas of risk are set out in the Financial Instruments disclosure in Note 13 to the Financial Statements.

The Managers have adopted the statement of principles set out by the Institutional Shareholders' Committee on The Responsibilities of Institutional Shareholders and Agents.

The Company usually exercises its voting powers at general meetings of investee companies. The Company does not operate a fixed policy when voting but treats each case on merit.

The Board recognises that corporate, social, environmental and ethical responsibility enables good sustainable business growth and can have positive implications for shareholder value. The Board believes that encouraging companies to recognise these responsibilities is best achieved with a dialogue and actively aiming to encourage best practice. The Board believes that long term growth is compatible with ethical behaviour and environmental responsibility in all its forms, as would be recognised by a large majority of the shareholders to whom we are answerable within the law.

Committees

The Board has adopted a schedule of matters specifically reserved to itself for decision and, in relation to certain matters, two Committees have been established. The Chairman of both Committees is Mr D H Hodson. The terms of reference of both Committees are available from the Managers upon request.

Management and nomination committee

The Management and Nomination Committee, which comprises all of the independent Directors and for which a quorum is any two of the independent Directors meets at least once a year. Its remit includes such matters as reviewing all contracts for services delivered to the Company (e.g. by the Auditors and the Managers), reviewing and recommending new appointments to the Board and fixing the remuneration of the Directors.

Audit committee

The Audit Committee, which comprises all of the independent Directors, and for which a quorum is any two of the independent Directors meets at least twice a year. Its remit includes the review of the Company's financial position, internal controls, scope and results of the audit and its cost effectiveness and the independence and objectivity of Auditors. The Committee must also satisfy itself that the Company's published financial statements represent a true and fair view of the position. The Company's Auditors are invited to attend that meeting and report on the results of the audit. The Auditors do not provide any non-audit services other than tax services, for which they were paid £2,000 during the year. Notwithstanding these, the Committee has concluded that the Auditors are independent.

The Committee considers annually the need for an internal audit function. It believes such a function is unnecessary as the Company has no employees and subcontracts its business to third parties, the principal one of which is SVM Asset Management Limited.

Internal control and financial reporting

The Board, in conjunction with the Managers, has in place a process for identifying, evaluating and managing the significant risks faced by the Company. This process, which accords with the Turnbull guidance, has been in place for the whole year and up to the date of approval of the financial statements. The Board is responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The principal elements of the Company's system of internal controls and the process applied by the Board in reviewing its effectiveness are:

- Clearly documented contractual arrangements with service providers
- Annual review by the Board of the internal control reports of service providers
- Consideration by the Board of the latest Review of Internal Controls every six months
- Quarterly Board meetings to review performance, investment policy, strategy and shareholder relations
- Regular updating by the Managers on key risks and control developments.

The Board meets every quarter to review the overall business of the Company and to consider the matters specifically reserved for it to decide upon. At these meetings, the Directors review investment performance of the Company compared to its benchmark index and in relation to comparable investment trusts. The Directors also review the Company's activities over the preceding quarter to ensure it adheres to its investment policy, or if it is considered appropriate, to authorise any change to that policy. The Board is satisfied that it is supplied in a timely manner with information to enable it to discharge its duties.

The Board has engaged external firms to undertake the investment management, secretarial and custodial activities of the Company. There are clearly documented contractual arrangements between the Company and these organisations which define the areas where the Board has delegated authority to them. The Board receives reports on at least an annual basis detailing the internal control objectives and procedures adopted by each organisation. Each report has been reviewed by the respective organisation's auditors. The Board's examination of these reports allows it to assess the effectiveness of the internal systems of financial control which affect the Company.

In relation to the action raised against HM Revenue and Customs regarding the charging of VAT on management fees, the Board has confirmed to the Managers that the Company will only recover VAT to the extent it has previously been paid over to them.

Compliance statement

Except as noted above, the Company has complied with the applicable provisions of the Combined Code during the year and up to the date of the approval of the financial statements.

By Order of the Board,
SVM Asset Management Limited
Secretaries
Edinburgh

12 November 2007

Directors' Remuneration Report

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

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 18 and 19.

Remuneration Committee

The Company had five non-executive Directors, as detailed on page 10, four of whom are independent. The Management and Nomination Committee, comprising the independent non-executive directors, fulfils the function of a Remuneration Committee in addition to its nominations functions. The Board has appointed SVM Asset Management Limited as Company Secretaries to provide advice when the Management and Nomination Committee considers the level of Directors' fees. The Management and Nomination Committee carries out a review of the level of Directors' fees on an annual basis. In addition, SVM Asset Management Limited provides investment management and administration services to the Company.

Policy on Directors' fees

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure, and have similar investment objectives. It is the intention that this policy will continue for the forthcoming year.

The fees for the year to 30 September 2007 were £21,250 for the Chairman, £15,750 for the senior non-executive Director and £13,750 for the other Directors. The Board believe that these levels reflect the levels that would attract suitable Directors. These fees were increased in February this year, the last increase being in 2005.

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association and shareholder approval in a general meeting would be required to change these limits. Non-executive Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

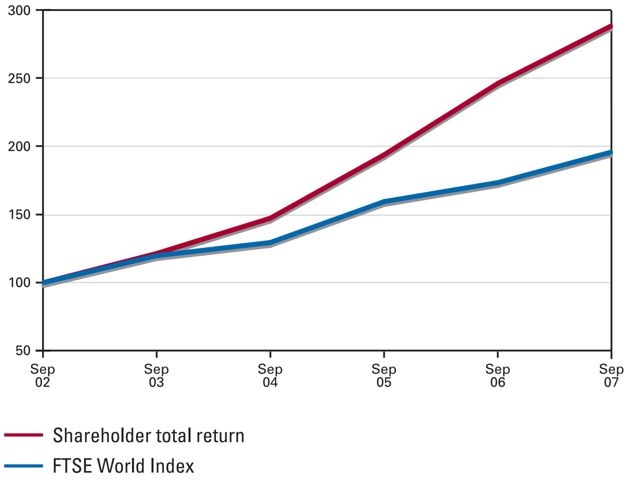
Directors' service contracts

It is the Board's policy that none of the Directors has a service contract. The years of appointment and future re-election of each Director are detailed on page 10. The terms of their appointment provide that a Director shall retire and be subject to re-election at the first Annual General Meeting following their appointment. Directors are thereafter obliged to retire by rotation, and, if they wish, to offer themselves for re-election, at least every three years thereafter. There is no notice period and no provision for compensation on early termination of appointment.

The Board's policy on tenure is to review actively whether Directors with service of nine years or more should be re-nominated, whilst ensuring that the process of refreshing the Board does not compromise a balance of experience, age, length of service and skills. The Management and Nomination Committee recommends to the Board candidates for nomination as Directors. The Committee selects candidates with the aim of ensuring that the Board comprises a broad spread of experience and knowledge and, where appropriate, actively searches for candidates.

Company performance

The graph below compares the total return (assuming all dividends are reinvested) to Ordinary Shareholders for the last five financial years, to the total shareholder return on a notional investment made up of shares of the same kinds and number as those by reference to which the FTSE World Index is calculated. The Index has been chosen as it represents a comparable broad equity market index and is the Company's benchmark index.



Directors' emoluments for the year (audited)

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

	Fees 2007 £	Fees 2006 £
S P N Ross	**21,250**	18,750
D H Hodson	**15,750**	13,500
T G Arthur	**13,750**	12,500
P J Hulse	**13,750**	12,500
A Saunders	**17,500**	10,986
S McClean	**–**	4,064
C W McLean	**–**	–
	82,000	72,290

Mr C W McLean is a director and shareholder of SVM Asset Management Limited and has agreed to waive his entitlement to Directors' emoluments.

By Order of the Board,
SVM Asset Management Limited
Secretaries
Edinburgh

12 November 2007

Independent Auditors' Report *to the Members of SVM Global Fund plc*

We have audited the financial statements of SVM Global Fund plc for the year ended 30 September 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders Funds, Accounting Policies and related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

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

Respective responsibilities of Directors and Auditors

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

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

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

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

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Highlights, Chairman's Statement, Managers' Review, Investment Portfolio, Shareholder Information, Board of Directors, Report of the Directors and unaudited part of the Directors' Remuneration Report, Corporate Information and Notice of the Annual General Meeting. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2007 and of its net return for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Ernst & Young LLP
Registered Auditor
Edinburgh

16 November 2007

Income Statement *for the year to 30 September 2007*

	Notes	Revenue £000	Capital £000	Total £000
Net gain on investments at fair value through profit or loss	7	–	44,473	44,473
Exchange differences		–	354	354
Gains on investments		–	44,827	44,827
Income	1	1,163	–	1,163
Investment management fees	2	(164)	(3,046)	(3,210)
Other expenses	3	(280)	(155)	(435)
Return before interest and taxation		719	41,626	42,345
Finance costs – bank overdraft interest		(132)	(1,187)	(1,319)
Return on ordinary activities before taxation		587	40,439	41,026
Taxation	4	(5)	–	(5)
Return attributable to ordinary shareholders	6	582	40,439	41,021
Return per ordinary share	6	1.05p	72.95p	74.00p

The Total column of this statement is the profit and loss account of the Company. All revenue and capital items are derived from continuing operations. No operations were acquired or discontinued in the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The Accounting Policies and the Notes on pages 25 to 31 form part of these Financial Statements

Income Statement *for the year to 30 September 2006*

	Notes	Revenue £000	Capital £000	Total £000
Net gain on investments at fair value through profit or loss	*7*	–	38,763	38,763
Exchange differences		–	368	368
Gains on investments		–	39,131	39,131
Income	*1*	1,078	–	1,078
Investment management fees	*2*	(135)	(3,258)	(3,393)
Other expenses	*3*	(255)	(97)	(352)
Return before interest and taxation		688	35,776	36,464
Finance costs – bank overdraft interest		(116)	(1,047)	(1,163)
Return on ordinary activities before taxation		572	34,729	35,301
Taxation	*4*	–	–	–
Return attributable to ordinary shareholders	*6*	572	34,729	35,301
Return per ordinary share	*6*	1.05p	64.00p	65.05p

The Total column of this statement is the profit and loss account of the Company. All revenue and capital items are derived from continuing operations. No operations were acquired or discontinued in the year. A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the Company have been reflected in the above statement.

The Accounting Policies and the Notes on pages 25 to 31 form part of these Financial Statements

Balance Sheet *as at 30 September 2007*

	Notes	2007 £000	2006 £000
Fixed Assets			
Investments at fair value through profit or loss	*7*	**264,208**	204,080
Current Assets			
Debtors	*8*	**51**	223
Creditors: amounts falling due within one year	*9*	**(22,815)**	(12,568)
Net current liabilities		**(22,764)**	(12,345)
Total assets less current liabilities		**241,444**	191,735
Capital and Reserves			
Share capital	*10*	**14,142**	13,567
Share premium		**8,797**	–
Special reserve		**8,251**	8,251
Capital redemption reserve		**4,179**	4,179
Capital reserve – realised		**110,021**	94,732
Capital reserve – unrealised		**95,553**	70,403
Revenue reserve		**501**	603
Equity shareholders' funds		**241,444**	191,735
Net asset value per ordinary share	*6*	**426.81p**	353.30p

Approved by the Board of Directors and authorised for issue on 12 November 2007
and signed on its behalf by Senator Shane Ross, Chairman

The Accounting Policies and the Notes on pages 25 to 31 form part of these Financial Statements

Reconciliation of Movements in Shareholders Funds *as at 30 September 2007*

For the year to 30 September 2007

	Share capital £000	Share premium £000	Special reserve £000	Capital redemption reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000
As at 1 October 2006	**13,567**	–	**8,251**	**4,179**	**94,732**	**70,403**	**603**
Net gain on sale of investments	–	–	–	–	**19,323**	–	–
Transaction costs	–	–	–	–	**(155)**	–	–
Expenses charged to capital	–	–	–	–	**(4,233)**	–	–
Exchange difference	–	–	–	–	**354**	–	–
Movement in unrealised appreciation on investments	–	–	–	–	–	**25,150**	–
Revenue attributable to shareholders	–	–	–	–	–	–	**582**
Ordinary dividend	–	–	–	–	–	–	**(684)**
Share issue	**575**	**8,797**	–	–	–	–	–
	14,142	**8,797**	**8,251**	**4,179**	**110,021**	**95,553**	**501**

For the year to 30 September 2006

	Share capital £000	Special reserve £000	Capital redemption reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000
As at 1 October 2005	13,567	8,251	4,179	82,988	47,418	709
Net gain on sale of investments	–	–	–	15,778	–	–
Transaction costs	–	–	–	(97)	–	–
Expenses charged to capital	–	–	–	(4,305)	–	–
Exchange differences	–	–	–	368	–	–
Movement in unrealised appreciation on investments	–	–	–	–	22,985	–
Revenue attributable to shareholders	–	–	–	–	–	572
Ordinary dividend	–	–	–	–	–	(678)
	13,567	8,251	4,179	94,732	70,403	603

The Accounting Policies and the Notes on pages 25 to 31 form part of these Financial Statements

Cash Flow Statement *for the year to 30 September 2007*

	2007 £000	2006 £000
Reconciliation of revenue before interest and taxation to net cash flows from operating activities		
Return before interest and taxation	**42,345**	36,464
Gains on investments	**(44,827)**	(39,131)
Transaction costs	**155**	97
Movement in creditors	**(615)**	404
Movement in debtors	**172**	(110)
Net cash outflow from operating activities	**(2,770)**	(2,276)
Returns on investment and servicing of finance		
Finance costs	**(1,319)**	(1,163)
Taxation		
Taxation paid	**(5)**	(2)
Capital expenditure and financial investment		
Purchases of fixed asset investments	**(65,690)**	(27,648)
Sales of fixed asset investments	**49,594**	37,532
	(16,096)	9,884
Equity dividends paid	**(684)**	(678)
Net cash outflow before financing	**(20,874)**	5,765
Financing		
Share issue	**9,372**	–
(Decrease)/increase in cash	**(11,502)**	5,765
Reconciliation of Net Cash Flow to Movement in Net Debt		
Movement in cash in the year	**(11,502)**	5,765
Net debt at start of the year	**(11,420)**	(17,553)
Exchange difference	**354**	368
Net debt at end of the year	**(22,568)**	(11,420)

Net debt comprises bank overdrafts

The Accounting Policies and the Notes on pages 25 to 31 form part of these Financial Statements

Basis of Preparation

The accounts are prepared in accordance with UK Generally Accepted Accounting Practice (''GAAP'') and with the 2005 Statement of Recommended Practice ''Financial Statements of Investment Trust Companies'' (''SORP'').

Income

Income is included in the Income Statement on an ex-dividend basis. Deposit interest is included on an accruals basis.

Expenses and Interest

Expenses and interest payable are dealt with on an accruals basis.

Investment Management Fees and Finance Costs

The investment management fee and bank overdraft interest paid have been allocated 10% to revenue and 90% to capital. The allocation is in line with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the investment portfolio. The incentive fee, where payable, has been allocated 100% to capital. The terms of the investment management agreement are detailed in the Report of the Directors on page 12.

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

Investments

The Company's investments have been categorised as ''fair value through profit or loss''.

All investments are held at fair value. For listed investments, this is deemed to be bid prices as at 30 September 2007. Unlisted investments are valued at fair value based on the latest available information and with reference to the International Private Equity and Venture Capital Valuation Guidelines.

All changes in fair value are included in the Income Statement as a capital item.

Transaction costs on the acquisition and disposal of portfolio investments are charged to Capital reserve – realised. Purchases and sales of investments are accounted for on the trade date.

Foreign Currencies

Assets and liabilities in foreign currencies are converted at the year end exchange rates. Foreign currency transactions are translated at the exchange rate on the transaction date. Exchange differences are dealt with in either the income account or capital reserve depending on the nature of the exchange gain or loss.

Capital Reserves – Realised

Gains and losses on realisations of fixed asset investments, and transaction costs, together with appropriate exchange differences, are dealt with in this reserve. All incentive fees, a portion of the investment management fee and finance costs, together with any tax relief, is also taken to this reserve.

Capital Reserves – Unrealised

Increases and decreases in the valuation of fixed asset investments are dealt with in this reserve.

	2007 £000	2006 £000
1. Income		
Income from equity shares and securities –		
UK investment income	**975**	601
Overseas income	**188**	476
Interest on short term deposits	**–**	1
	1,163	1,078
2. Investment Management Fees		
Revenue		
Investment management fee	**164**	135
Capital		
Investment management fee	**1,475**	1,217
Incentive fee	**1,571**	2,041
	3,046	3,258
Total	**3,210**	3,393
3. Other Expenses		
Revenue		
General expenses	**178**	163
Directors' fees	**82**	72
Auditors' remuneration – audit services	**18**	18
Auditors' remuneration – taxation services	**2**	2
	280	255
Capital		
Transaction costs	**155**	97
Total	**435**	352

	2007 £000	2006 £000
4. Taxation		
Current taxation	**5**	–
Deferred taxation	**–**	–
Total taxation for the year	**5**	–
Revenue on ordinary activities before taxation	**587**	572

The tax assessed for the year is different from the standard rate of corporation tax in the UK.

The differences are noted below:		
Corporation tax (30%)	**176**	172
Non-taxable UK dividends	**(293)**	(180)
Current period excess expenses	**122**	8
Total taxation charge for the year	**5**	–

At 30 September 2007, the Company had unutilised management expenses of £23,032,000 (2006 – £22,535,000). No deferred tax asset has been recognised on the unutilised management expenses as it is unlikely that there would be suitable taxable profits from which the future reversal of the deferred tax asset could be deducted.

	2007 £000	2006 £000
5. Dividends		
2006 final dividend 1.25p (2005 – 1.25p)	**684**	678

The proposed final dividend of 1.25p per share is subject to shareholder approval at the Annual General Meeting and has not been included as a liability in these financial statements. This dividend of £707,000 (2006: £684,000) is the basis on which the requirement of Section 842 of the Income and Corporation Taxes Act 1988 are considered. The revenue available for distribution by way of dividend for the year is £582,000 (2006: £572,000).

6. Returns per Share

Returns per share are based on a weighted average of 55,437,354 (2006 – 54,269,546) ordinary shares in issue during the year.

Total return per share is based on the total return for the year of £41,021,000 (2006 – £35,301,000).
Capital return per share is based on net capital gain during the year of £40,439,000 (2006 – £34,729,000).
Revenue return per share is based on revenue after taxation for the year of £582,000 (2006 – £572,000).

The net asset values per share are based on the net assets of the Company (2007 – £241,444,000; 2006 – £191,735,000) divided by the number of shares in issue at the year end as shown in Note 10.

			2007 £000	2006 £000

7. Fixed Assets – Investments at fair value through profit and loss

			2007 £000	2006 £000
Listed investments			**194,964**	141,638
Unlisted investments			**69,244**	62,442
			264,208	204,080

	Listed	Unlisted	Total	
Valuation as at 1 October	**141,638**	**62,442**	**204,080**	174,634
Unrealised appreciation as at 1 October	**(46,871)**	**(23,532)**	**(70,403)**	(47,418)
Cost as at 1 October	**94,767**	**38,910**	**133,677**	127,216
Purchases of investments at cost	**59,278**	**6,032**	**65,310**	27,934
Proceeds from sale of investments	**(38,099)**	**(11,556)**	**(49,655)**	(37,251)
Net gain on sale of investments	**15,628**	**3,695**	**19,323**	15,778
Cost as at 30 September	**131,574**	**37,081**	**168,655**	133,677
Unrealised appreciation as at 30 September	**62,962**	**32,591**	**95,553**	70,403
Valuation as at 30 September	**194,536**	**69,672**	**264,208**	204,080

Net gain on sale of investments	**19,323**	15,778
Movements in unrealised appreciation	**25,150**	22,985
Total gains on investments	**44,473**	38,763

Transaction costs

Fixed asset investments are now categorised as ''financial assets at fair value through profit or loss''.
Transaction costs on the acquisition and disposal of portfolio investments are charged to Capital reserve – realised.
In the year to 30 September 2007 these costs amounted to £155,000 (acquisitions £94,000 and disposals £61,000).
For the year to 30 September 2006, the comparative costs were £97,000 (acquisitions £62,000 and disposals £35,000).
This amount has been transferred to reduce Capital reserve – realised with a corresponding adjustment to Capital reserve – unrealised.

	2007 £000	2006 £000
8. Debtors		
Dividends due but not received	**49**	221
Taxation recoverable within one year	**2**	2
	51	223
9. Creditors: amounts falling due within one year		
Bank overdraft	**22,568**	11,420
Due to brokers	–	286
Incentive fee	**207**	825
Other creditors	**40**	37
	22,815	12,568

	Number of ordinary 25p shares	£000
10. Share Capital		
Authorised		
As at 1 October 2006 and 30 September 2007	**63,739,320**	**15,935**
Allotted, issued and fully paid		
As at 1 October 2006	**54,269,546**	**13,567**
Share issue	**2,300,000**	**575**
As at 30 September 2007	**56,569,546**	**14,142**

During the year, the Company issued 2,300,000 ordinary 25p shares for £9,372,000. The shares, which were issued at a premium in excess of 2% to the prevailing asset value, were issued to increase liquidity.

11. Substantial Interests

Interests of 20% or more of equity share capital (all ordinary shares).

Company	Country of incorporation and operation	Year end	% of class and equity held	Aggregate capital and reserves £000	Post tax profits £000	Dividends received £000
Armadillo Investments	Guernsey	31.12.06	25.0	9,827	(41)	–

12. Financial Information on Significant Unquoted Investments

In accordance with the Listing Rules, the following information is provided for unquoted investments of greater than 5% of assets and covering at least the ten largest investments.

Company	Business	Earnings per share p	Dividend per share p	Dividend cover %	Net assets attributable £000
Firebird Republics Fund	Investment Company	522.0	–	–	8,369
Horseman Global Fund	Investment Company	132.3	–	–	4,108
Firebird New Russia Fund	Investment Company	(191.3)	–	–	6,530

The above investments are held at net asset value which is fair value. There is no requirement to provide for any diminution in value.

13. Financial Instruments

Risk Management

The major risks inherent within the Company are market risk, liquidity risk, exchange rate and interest rate risk. The Company has an established environment for the management of these risks which are continually monitored by the Managers. Appropriate guidelines for the management of the investments, gearing and financial instruments have been established by the Board of Directors. Specifically, gearing and liquidity are targeted to fall between 0 and 20% of total assets. The Company does not use currency hedging or the material use of derivatives within its portfolio.

Market risk exists where there are changes in interest rates, exchange rates, equity valuations, share prices and the liquidity of financial instruments. Liquidity risk exists where the Company is a forced seller of the fixed asset investments at times where there may not be sufficient demand for these assets. Interest rate risk exists where the returns generated from the investments are less than the cost of borrowing. Market price and exchange rate risk management is part of the fund management process and is typical of equity related investment. The portfolio is managed so as to minimise the effects of adverse price and exchange rate movements and results from detailed and continuing analysis with an objective of maximising overall returns to shareholders. The portfolio is not currency hedged and its functional currency is Sterling. Further information on the investment portfolio is detailed on page 8, in note 7 on page 28 and in the Managers' Review on pages 4 to 7.

13. Financial Instruments (continued)

Financial instruments

The Company's investment policy is to hold investments and cash balances with gearing being provided by a bank overdraft. All financial assets and liabilities are carried at fair value. The fair value is the same as the carrying value of all financial assets and liabilities.

The Company has the following foreign currency exposures.

	2007 **£000**	2006 £000
Fixed asset investments		
– Sterling	**151,203**	110,875
– US Dollar	**83,094**	66,921
– Euro	**26,814**	23,174
– Yen	**3,097**	3,110
Bank overdraft		
– Sterling	**2,432**	933
– US Dollar	**13,226**	4,480
– Euro	**6,910**	6,007
Exchange rate		
– US Dollar	**2.047**	1.872
– Euro	**1.435**	1.477
– Yen	**235.024**	221.259
Interest rate		
– Sterling	**5.75%**	4.75%
– US Dollar	**4.75%**	5.25%
– Euro	**4.00%**	3.00%

Where appropriate, gearing is utilised in order to enhance net asset value. The Company does not invest in fixed rate securities other than where the Company has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities. No such securities were held in the year. Investments, which comprise mainly equity investments, are valued as detailed in the Company's accounting policies. Any cash balances are held on a variable rate call account generally yielding a higher rate of interest than that available for fixed interest securities and is based on prevailing interest rates. The Company only operates short term gearing, which is limited to 20% of gross assets, and is undertaken through an unsecured variable rate bank overdraft with interest being charged based on prevailing interest rates. Short term debtors and creditors are excluded from disclosure except currency disclosures. There were no currency debtors and creditors at the year end. The fair value is not materially different from the carrying value of all financial assets and liabilities as disclosed in notes 8 and 9.

Corporate Information

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Auditors

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Bankers

Bank of New York Limited

Stockbrokers

Landsbanki Securities (UK) Limited

Registered Number

15905

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SVM Global Fund plc will be held at London Capital Club, 15 Abchurch Lane, London EC4N 7BW on 18 December 2007 at 12.30 pm (immediately following a presentation to be given by the Managers at 12 noon), for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. That the report and accounts for the year ended 30 September 2007, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.

2. That the Directors' remuneration report for the year ended 30 September 2007 be approved.

3. That a final dividend of 1.25p per share be declared.

4. That Senator Shane Ross, who retires from office by rotation, be re-elected as a Director.

5. That Daniel H Hodson, who retires from office by rotation, be re-elected as a Director.

6. That Colin W McLean, who retires from office annually, be re-elected as a Director.

7. That Ernst & Young LLP be reappointed as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.

8. That the Company be authorised generally and unconditionally, subject to and in accordance with the provisions of the Companies Act 2006, to use electronic communications with its shareholders and in particular to send or supply all types of notices, documents or information to shareholders by means of electronic equipment, including making them available on a website and this Resolution will supercede any provisions in the Company's Articles of Association to the extent that it is inconsistent with this Resolution.

9. That, in substitution for any existing power under section 80 of the Companies Act 1985 (the ''Act'') but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £1,414,238, such authority to expire one year from the date on which this resolution is passed or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2008, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider, and if thought fit, pass the following as Special Resolutions:

10. That, subject to the passing of Resolution 9 above and in substitution for any existing power under section 95 of the Companies Act 1985 (the ''Act''), the Directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of sections 94(2) to 94(3A) of the Act) for cash pursuant to the authority conferred by Resolution 9 above as if section 89(1) of the Act did not apply to the allotment. This power:

    (i) expires one year from the date on which this resolution is passed or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2008, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and

(ii) shall be limited to:

(a) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of a regulatory body or stock exchange; and

(b) the allotment of ordinary shares for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount equal to £1,414,238.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution 10 the words ''pursuant to the authority conferred by the resolution 9 above'' were omitted.

11. That in substitution for any existing authority, the Company be generally and unconditionally authorised in accordance with section 166 of the Companies Act 1985 to make market purchases (within the meaning of section 163(3) of the said Act) of ordinary shares of 25 pence each (''Shares'') in the share capital of the Company provided that:

(a) the maximum number of Shares hereby authorised to be purchased is less than 15 per cent. of the issued share capital as at the date this resolution is passed;

(b) the minimum price which may be paid for a Share shall be 25 pence;

(c) the maximum price (exclusive of expenses) which may be paid for a Share shall be 105 per cent. of the average of the middle market quotations (as derived from the Daily Official List) for the Shares for the five business days immediately preceding the date of purchase; and

(d) unless renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the 2008 annual general meeting of the Company, or 18 December 2008 if earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Shares under such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares pursuant to any such contract.

By order of the Board
SVM Asset Management Limited
Secretaries

12 November 2007

Notes:

Under Section 324 of the Companies Act 2006, a member of the Company is entitled to appoint one or more persons as his proxy to exercise all or any of his rights to attend, speak and vote at a meeting of the Company, provided that each proxy is appointed to exercise the rights attached to different shares held by him.

A form of proxy for use by shareholders is enclosed with this document. Proxies must be lodged with the Company's Registrars, Computershare Investor Services plc at the address noted on the form, not less than 48 hours before the time appointed for the meeting. Completion of the form of proxy will not prevent a shareholder from attending the meeting and voting in person.

Notes

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