2012

WORLDWIDE HEALTHCARE TRUST PLC

ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

WORLDWIDE HEALTHCARE TRUST PLC ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2012

Frostrow CAPITAL

OrbiMed Healthcare Fund Management

ACCESSING THE GLOBAL MARKET

The healthcare sector is a global one and accessing this global market as a UK investor can be difficult. Within the UK, there are diminishing options for investment as the universe of healthcare companies is shrinking through mergers and acquisitions. Worldwide Healthcare Trust PLC offers an opportunity to gain exposure to pharmaceutical, biotechnology and related companies in the healthcare sector on a global scale.

INVESTMENT OBJECTIVE AND POLICY

Worldwide Healthcare Trust PLC invests in the global healthcare sector with the objective of achieving a high level of capital growth. In order to achieve its investment objective, the Company invests worldwide in a diversified portfolio of shares in pharmaceutical and biotechnology companies and related securities in the healthcare sector. It uses gearing and derivative transactions to mitigate risk and also to enhance returns. Further details of the Company's investment policy are set out in the Report of the Directors beginning on page 17.

CONTINUATION VOTE

The next continuation vote of the Company shall be held at the Annual General Meeting in 2014, and further opportunities to vote on the continuation of the Company shall be given to shareholders every five years thereafter.

GEARING

The Company's borrowing requirements are met through the utilisation of a loan facility, repayable on demand provided by Goldman Sachs & Co. New York. At 31 March 2012 £64.4m was drawn down from this facility.

FINANCIAL CALENDAR

Financial Year End	31 March
Financial Results Announced	May
Half Year End	30 September
Half Year Results Announced	November
Interim Management Statements Announced	February/August
Dividends payable	January/July
2012 Annual General Meeting	12 noon, Tuesday, 17 July to be held in the Barber-Surgeon's Hall, Monkwell Square, Wood Street, London EC2Y 5BL

Financial Highlights

	Year ended 31 March 2012	Year ended 31 March 2011
Share price (total return)*	+18.2%	-0.9%
Net asset value per share (total return)*	+14.4%	+4.0%
Benchmark index (total return)**	+13.4%	+2.5%
Dividend per share	17.5p	15.0p

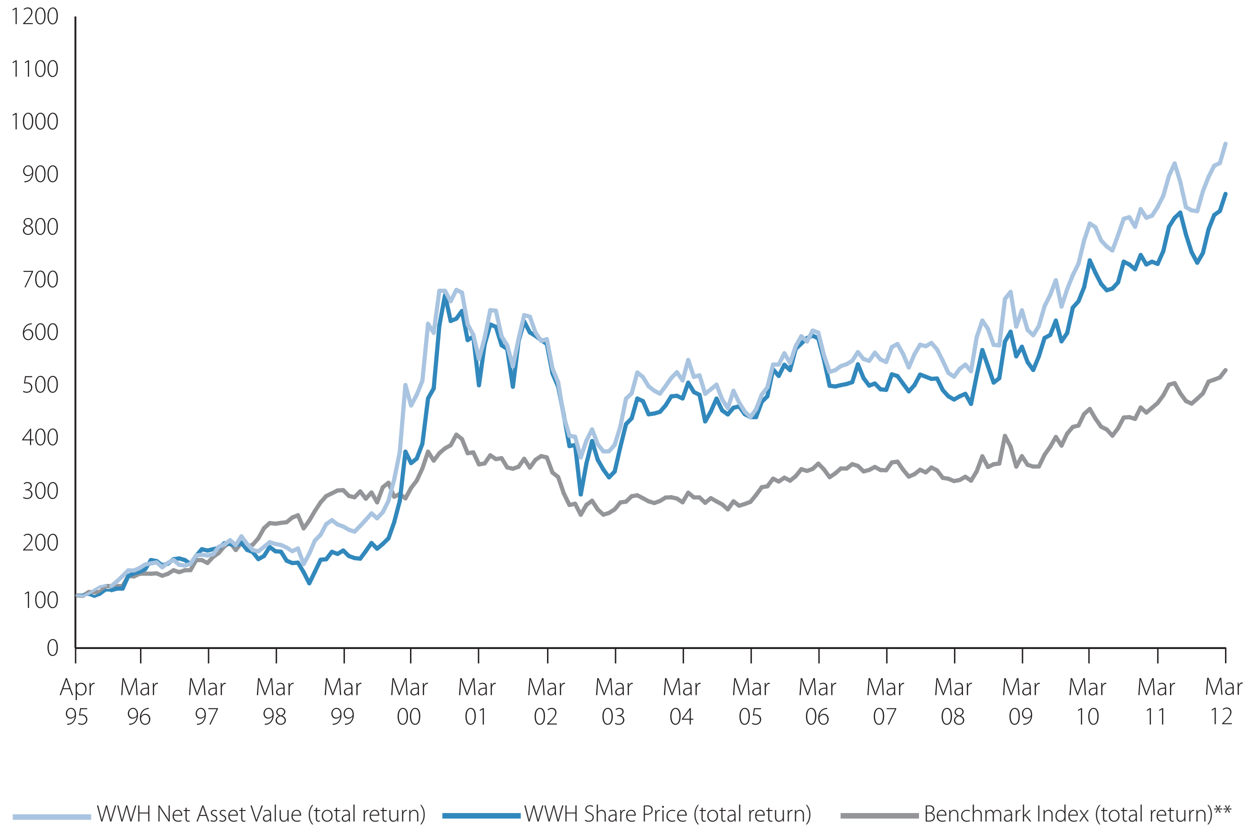
*Source – Morningstar.

The net asset value per share has been diluted for subscription shares and treasury shares.

**With effect from 1 October 2010, the performance of the Company is measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis. Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted). The return for the year ended 31 March 2011, therefore, consists of a blended figure containing both indices. (Source: Thomson Reuters and Morningstar).

Details of the Company's historic performance can be found on page 10.

PERFORMANCE SINCE LAUNCH TO 31 MARCH 2012



Rebased to 100 as at 28 April 1995

*Source – Morningstar, Thomson Reuters and Bloomberg.

Chairman's Statement

"…the Company's net asset value per share total return was 14.4% and the share price total return was 18.2%, both substantially outperforming the Company's benchmark…"

Martin Smith

REVIEW OF THE YEAR AND PERFORMANCE

Having reported a slightly negative net asset value per share total return over the first half of the year, I am delighted to report that returns in the second half have shown a significant improvement.

Overall, during the year ended 31 March 2012, the Company's net asset value per share total return was 14.4% and the share price total return was 18.2%, both substantially outperforming the Company's benchmark, the MSCI World Health Care Index on a total return, sterling adjusted basis, which rose by 13.4%. Since the Company's inception in 1995, the total return of the Company's net asset value per share is 858.2%, equivalent to a compound annual return of 14.3%. This compares to a cumulative "blended" benchmark return of 428.1%, equivalent to a compound annual return of 10.3% over the same period.

At 31 March 2012, the discount of the Company's share price to the diluted net asset value was 8.7% (31 March 2011: 11.3%). The average discount of the share price to the diluted net asset value per share during the year was 7.1% this compares to 7.6% during the previous year.

The Company has continued to benefit from strong performance from emerging biotechnology companies, the release of important positive product data and merger and acquisition activity in the healthcare sector. Further information on the Company's investments can be found in the Review of Investments beginning on page 5.

CAPITAL

In implementing our policy of actively managing the share price discount we repurchased a total of 908,586 ordinary shares for treasury at a cost of £6.9m (including expenses) during the year. In addition, 238,125 subscription shares were repurchased for cancellation at a cost of £294,000 (including expenses). As mentioned above, the average discount during the year of the Company's share price to the diluted net asset value per share was 7.1%, slightly wider than the stated target of 6%. As we have previously highlighted it remains possible for the discount to be greater than 6% at times as the share price reflects the overall balance between supply and demand for the Company's shares in the secondary market. The volatility of the net asset value per share in an asset class such as healthcare is another factor over which we have no control however, the Board remains fully committed to a discount protection through an active share buy-back programme. Shareholder approval to renew the authority to buy-back shares will be sought at the Annual General Meeting. The execution and timing of any share buy-back will continue to be at the absolute discretion of the Board.

I would like to remind shareholders that the Board has resolved that any shares held in treasury will be cancelled on the date of the Annual General Meeting each year and consequently all shares held in treasury on 17 July 2012 will be cancelled.

The next exercise date for the Company's subscription shares is 31 July 2012 and the exercise price is 638p. This is the last opportunity for holders of subscription shares to exercise their subscription rights at this price as, after this date, the exercise price will increase to 699p where it will remain until the expiry date of the subscription shares on 31 July 2014. During the year and to the date of this report a total of 3,061,723 new shares were issued, raising £19.5m of additional funds for the Company, as a result of holders of subscription shares exercising their subscription rights.

REVENUE AND DIVIDEND

I reported last year that the Company's net revenue return had been boosted by a higher yield from a number of investments within the portfolio. I am pleased to report that this has again been the case this year with our net revenue return for the year rising to £9.5 million (2011: £7.2 million). In order to maintain investment trust status the Board has declared an interim dividend of 17.5p per share, compared to last year's interim dividend of 15.0p per share, an increase of 16.7%. It is the Board's intention to maintain this level of distribution as long as the yield from the portfolio permits us to do so. Based on the current mid-market share price of 769p the interim dividend represents a yield of 2.3%.

The interim dividend will be payable on 6 July 2012 to ordinary shareholders on the register of members on 8 June 2012. The associated ex-dividend date will be 6 June 2012.

In light of the increase in the Company's net revenue the Board has given consideration to the frequency of dividends paid to shareholders. It has been decided that in future the Company will declare two interim dividends per year, one at the half-year stage and one shortly after the year-end. It is therefore expected that in respect of the year ending 31 March 2013 a first interim dividend will be declared in November 2012 and a second interim dividend will be declared in May 2013.

GEARING

The Company's borrowing requirements are met through a loan facility, negotiated on competitive terms, which is repayable on demand, provided by the custodian Goldman Sachs & Co New York. As at 31 March 2012 a total of £64.4m of this facility was drawn down, representing 16.4% of the Company's net assets. Your Company has used a modest level of gearing over a number of years and the Board believes that the availability of a meaningful gearing facility is very useful for a closed end investment company such as ours.

THE BOARD

Professor Duncan Geddes, who has been a Director of the Company since its launch in 1995, will be retiring from the Board at the conclusion of this year's Annual General Meeting. Duncan's knowledge and experience have been an essential part of your Board's deliberations and I would like to thank him for his hard work during his time on the Board. His experience and wise counsel will be greatly missed. Anthony Townsend will be succeeding him as the Senior Independent Director.

Your Board is currently in discussions with external advisers concerning the appointment of a successor.

OUTLOOK

We continue to experience difficult and volatile markets and after two successive quarters of negative growth the U.K. is officially in a "double dip" recession. There is also doubt about the health of the U.S. economy and the sustainability of its recovery. Further uncertainty exists in Europe where in recent elections the first socialist president for 30 years was elected in France and in Greece no clear result was obtained, prompting the need for a further election in the summer. The recent banking problems in Spain have also contributed to the doubts over the future of the euro.

Our Investment Manager believes, however, that the outlook for the healthcare sector is positive and that there is potential for strong performance both in relative and absolute terms. In particular, they believe that the portfolio is well positioned to benefit from such factors as historically low valuations, a rise in the prospects for emerging markets and increased levels of productivity driven by research and development.

Our focus continues to be on the selection of stocks with strong prospects and we continue to believe that the long term investor in our sector will be well rewarded.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Tuesday, 17 July 2012 at 12 noon, and we hope as many shareholders as possible will attend. This will be an opportunity to meet the Board and to receive a presentation from our Investment Manager.

Martin Smith
Chairman
1 June 2012

OrbiMed Capital LLC – Investment Manager

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

OrbiMed had approximately US$6 billion in assets under management as at 31 March 2012, across a range of funds, including investment trusts, hedge funds and private equity funds. OrbiMed's investment management activities were founded in 1989 by Samuel D. Isaly.

THE TEAM

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

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

INVESTMENT STRATEGY AND PROCESS

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

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

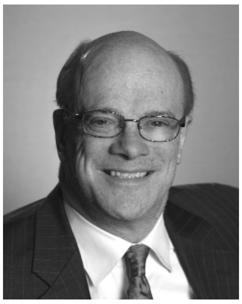
A disciplined portfolio construction process is utilised to ensure that the portfolio is focused on 60 to 70 "high conviction" positions.

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

Review of Investments

"Our confidence in the potential performance of the healthcare sector is high… Conditions are ripe for both positive absolute and relative performance."

PERFORMANCE REVIEW



Samuel D. Isaly

The fiscal year ended 31 March, 2012 was one of volatility and ultimately modest returns for the global equity markets. This is evidenced by the MSCI World Index, which experienced slight declines early in the year that were followed by a sharp drop in the summer months of July and August. This fall presaged a market rally into the year end, with the index posting a total return of 1.0% in sterling terms.

Global healthcare equities followed a similar pattern but unequivocally outperformed the broader market in the year. Healthcare stocks also saw a fiscal year end rally, but to a greater and more sustained magnitude, ending on new highs. The total return for the MSCI World Healthcare Index was 13.4% in sterling terms for the year.

In comparison, the total return of the Company's net asset value per share was14.4% for the year. The share price total return was 18.2% in the same period.

Since the Company's inception in 1995, the total return of the Company's net asset value per share measures 858.2%, equivalent to a compound annual return of 14.3%, this compares to a cumulative blended benchmark return of 428.1%, equivalent to a compound annual return of 10.3%.

While currency movements have been volatile in recent times, including swings in 2011, the currency impact was modest this fiscal year. A significant majority of the portfolio holdings are denominated in U.S. dollars, but the net movement in sterling versus the dollar was close to zero in the period.

CONTRIBUTION TO PERFORMANCE

Emerging biotechnology companies over the past decade have become critical providers of clinical innovation and drug discovery for the pharmaceutical industry. The top contributors to the Company's performance are certainly reflective of this trend. Medivation Inc. of San Francisco, California is a typical example of this. The stock soared in response to phase III data unveiled by the company for their novel oral therapy for the treatment of prostate cancer. The compound was licensed to and is being co-developed by Astellas Pharma Inc. During the fiscal period, Medivation rose by approximately 300% with the share price moving to $74.72 at 31 March 2012 from $18.64 at 31 March 2011; this was the top contributor to the Company's net asset value total return (see page 9).

VIVUS Inc., another emerging biopharmaceutical company, enjoyed some regulatory success in their pursuit to bring a drug for obesity to the market. The stock more than doubled in response to a positive recommendation for approval by a panel convened by the U.S. Food and Drug Administration ("FDA"). We expect approval in 2012. The company also possesses pipeline assets that help support its valuation, most notably in erectile dysfunction.

The viral disease of hepatitis C ("HCV") is highly prevalent and is a burden to healthcare systems on a worldwide basis. The past 5 years have shown incredible advances in the treatment of this chronic disease. Pharmasset Inc. became a leader in the next wave of therapies for HCV. Their lead compound, GS-7977, became a desired asset in the race for the next standard of care and a bidding war ensued. Pharmasset was the next largest contributor in the period, specifically in the form of merger and acquisition ("M&A") activity. Gilead Sciences Inc.'s U.S. $11 billion purchase of Pharmasset Inc., represented nearly a 100% premium to the previous close and was a record high in the industry for an acquisition of a company with no revenues and a lead asset in phase II clinical development. Pharmasset's shares ceased trading on 18 January 2012 at U.S. $136.97 which represented a 248% increase during the Company's fiscal year.

Roche Holding AG remains an important holding and was another top contributor to performance in the fiscal year. The stock rebounded from a difficult year in 2010, in which news flow was decidedly negative, and rose by a further 20% in local currency terms during the Company's fiscal year. Nevertheless, we viewed the stock as oversold and our patience was rewarded in 2011. The company remains the worldwide leader in oncology and their cancer pipeline consists of important late stage products whose visibility should continue to grow and provide a defence against potential "bio-similars". This should foster a critical life cycle strategy for the company's respective cancer franchises. Not to be overlooked is the company's efforts to broaden the scope of the therapeutic categories in which it sells drugs, in particular cardiovascular disease. Roche has some high-risk, high-reward compounds in development that should bear fruit over the next two years.

Alzheimer's disease represents a major unmet medical need and the commercial potential of a truly disease modifying agent is huge. Thus, it is no surprise that a company geared to the pursuit of a new therapy was a top contributor in the period. Elan Corporation plc, in conjunction with Johnson & Johnson and Pfizer, is nearing the completion of a multi-year development programme for an antibody to treat this brain disorder. The stock enjoyed enormous momentum in anticipation of the results, expected in 2012.

Review of Investments (continued)

We would be remiss not to mention the contribution of Bristol-Myers Squibb to performance. The company was the best performing large capitalisation holding in 2011 as its industry leading pipeline moves through regulators and onto the commercial market. We expect this to continue as the company has been able to demonstrate research and development ("R&D") leadership in diabetes, oncology, virology, and cardiovascular medicine, just to name a few. The stock was a key contributor to outperformance versus the benchmark in the fiscal year.

Key detractors from performance were diverse in the fiscal year, both in terms of sub-sector and geography. Human Genome Sciences Inc., an emerging biotechnology company, was the largest detractor from performance in the period. The company, in conjunction with GlaxoSmithKline, launched the first new drug for the treatment of lupus in decades in March 2011. Expectations were appropriately high for the novel compound, known as Benlysta (belimumab). However, the sales of the drug in its first year fell short of these lofty expectations and the drug sold off. We feel the sell off was excessive and that the company is currently undervalued given the remaining opportunity for Benlysta and other compounds in Human Genome's pipeline.

Hospira, Inc. is a specialty pharmaceutical company that is a world leader in generic injectable drugs and infusion technologies. The stock performed poorly during the year as manufacturing issues affecting both its drug and device operations forced management to reduce its growth outlook. Although the company's shares have partially recovered from their December 2011 lows, we found the stock's risk-reward profile unattractive. As a result, we exited the position.

The mid-tier Japanese pharmaceutical company, Mitsubishi Tanabe Pharma Corp., was besieged by bad news this year. Of course, there was the lingering impact of the great East Japan earthquake and subsequent tsunami, although the stock rebounded nicely from that sell off. Two other unexpected events occurred and their impacts have been more enduring. First, Japanese regulators, who are responsible for setting all pharmaceutical prices in that country, priced the company's innovative new HCV treatment, Telavic (telaprevir, licensed from Vertex), well below expectations. In fact, the set price is approximately 70% of the price payable in the United States. Second, a safety scare for the company's multiple sclerosis drug, Gilenya (fingolimod, licensed to Novartis), prompted another fall in share price. We believe the valuation dropped to a compelling level that overly discounted the prospects for Gilenya and we added to our position on the dip. We expect Gilenya to reach blockbuster status in 2012.

Illumina, Inc. is a leading developer of next-generation sequencing instruments in a fast growing applied genomics research market. Illumina' s stock underperformed the general market during second half of the calendar year 2011 as its key end-markets in academia and government funded research labs deteriorated due to concerns arising from the federal debt ceiling and the ensuing budget cuts. The failure of the Joint Super Committee ("JSC") enacted a mandatory cut in federal spending for 2013, known as sequestration, potentially cutting 2013 budget by as much as 8% to the National Institute of Health ("NIH") which funds academic research end market. We exited the position in Illumina after a lacklustre third quarter results pre-announcement due to limited visibility and the continued debate around budgetary sequestration planned for 2013.

Sinopharm Group Co. is the largest drug distributor in China. The shares declined during the fiscal year due to government-mandated price cuts on drugs, restrictions on the use of antibiotics in hospitals, cash flow challenges in the business, and diminished ability of Sinopharm to acquire smaller distributors at compelling prices. We believe that Chinese healthcare policies will continue to act as headwinds to Sinopharm's business in the near-term.

SECTOR UPDATE

We believe therapeutic stocks rose due to two important observations – R&D productivity has been on an upswing and more new products are being approved. As a metric, we look to the FDA approvals record. 2011 was the best year for approvals since 2004, easily surpassing the lacklustre approval performance of 2010. A total of 30 "new chemical entities" (including biologics) were approved in 2011, nine more than those approved in 2010 (source: Washington Analysis). We expect this trend to continue. The start of 2012 (January through March) saw a continuation of this trend as approval numbers are once again up on a year-over-year basis. Certainly pharmaceutical and biotechnology companies are doing their part with new product applications, but the recent trend also reflects the increasing "industry friendliness" we have been observing at the FDA. This includes an increase in priority reviews, approvals in the absence of advisory committees, and a willingness to extend deadlines to get a drug approved (rather than simply rejecting it to ensure a deadline "was met").

Review of Investments (continued)

Moreover, 2012 may bring the approval of a drug for obesity – which we would hail as a watershed moment for the FDA, the industry, and patients.

M&A is a constant theme in the therapeutics space and, although there can be some ebbs and flows, we believe we are approaching another inflection point of M&A activity. The market downturn witnessed in mid-2008 eventually led to a bout of acquisition activity as acquirers took advantage of lower valuations. The market downturn starting in mid-2011 may lead to another bout of acquisition activity. There is evidence to suggest that this is happening as a number of M&A plays occurred in late 2011 including Pharmasset (by Gilead), Inhibitex (by Bristol-Myers Squibb), and Adolor (by Cubist) just to name a few.

2012 represents a pivotal political year for the U.S. healthcare landscape. In addition to being an election year, the Supreme Court of the United States will be ruling on President Obama's sweeping healthcare reforms, and Congress will need to address budgetary and debt ceiling concerns. The Supreme Court's decision in June will determine whether the Affordable Care Act ("ACA") will stand or be repealed. If the whole act is repealed, the Managed Care industry will be the subsector that is most positively affected while hospital companies will be hurt. If the ACA is upheld, the reforms will continue as planned with Medical Device taxes being levied in 2013 and Health Insurance Market reforms beginning in 2014. The next political catalyst will be the elections in November. If the Republicans are able to win both the White House and a majority in the Senate, they may try to repeal ACA by defunding its programs. Lastly, Congress has been able thus far to delay its implementation as it relates to the national debt and budgetary issues. However, they may decide to enact broad budget cuts and sequestration which may put all government funded healthcare programs at risk (Medicaid, Medicare, and NIH).

PHARMACEUTICALS

Recently we have grown more bullish on the large capitalisation pharmaceutical stocks. The calendar-year end rally in 2011 proved to be a flight-to-safety for the generalist investor rather than a fundamental rotation into these stocks.

However, the much discussed patent cliff will reach its maximum extent in 2012 with the *genericisation* of some of the largest pharmaceutical brands in history, including Lipitor (Pfizer), Plavix (Bristol-Myers Squibb and Sanofi), Zyprexa (Eli Lilly), and Diovan (Novartis). On the anniversary of these patent expirations the growth outlook becomes more clear and positive for the industry, attracting growth investors who have avoided the space for years.

We also believe R&D productivity, coupled with a more industry friendly FDA, will continue to produce new product flow and drug launches that will be above the pace seen in the previous decade. This should also add to the earnings growth in 2013 and beyond.

Emerging markets have finally reached critical mass for the large capitalisation pharmaceutical companies. With revenues from emerging markets reaching up to 30% of total sales for some companies and a growth outlook decidedly above developed markets, this creates a new growth driver the sector.

Finally, valuations remain near the low end of the historical range for pharmaceuticals. And while these stocks have been cheap for some time, the improvement in fundamentals and the return to growth certainly portends the possibility of significant multiple expansion.

That said, we continue to be selective in the space. We remain focused on companies with pipeline opportunities, new product flow, and catalyst rich. Additionally, we will pursue contrarian ideas. Valuation, dividends and potential M&A will also be considered.

BIOTECHNOLOGY

A number of the large capitalisation biotechnology stocks have become catalyst driven growth stories, in particular pipeline related catalysts. This will be our focus for 2012. In the small and mid-capitalisation biotechnology space, we will continue to focus on "hot" therapeutic classes where significant advances should drive stock performance including HCV, oncology (mainly prostate cancer and liquid tumors), orphan diseases, multiple sclerosis, and Alzheimer's disease. Certainly we continue to expect acquisitions in the emerging biotechnology space as well. Finally we note that several product launches fell short of expectations in 2011 which engendered a negative attitude amongst investors. We see a contrarian opportunity in stocks that we believe will exceed launch expectations.

Review of Investments (continued)

SPECIALTY PHARMACEUTICALS

Our strategy in specialty pharmaceuticals remains multi-pronged given the inherent heterogeneity of this sub-sector. First, we search for high growth companies with attractive, growth adjusted valuations. Second, we consider stocks with rock bottom valuations with underappreciated business opportunities that are often contrarian ideas. Third, we look, ex-U.S., on a highly selective basis as we await improved fundamentals and more attractive valuations considering the significant pricing headwinds across European markets owing to sever austerity measures that have occurred. Finally, M&A is a consideration as we look for companies that are themselves potential acquisition targets.

GENERICS

The generic drug manufactures face a mixed landscape, particularly on a global basis. Like their specialty pharmaceutical brethren, European austerity has adversely impacted this group. Additionally, increased regulatory scrutiny, especially on manufacturing, has affected many players. Continual changes in reimbursement create uncertainty, a dynamic shunned by the generalist investor. The role of the pure play generic drug maker in the U.S. is becoming a more and more difficult business model to sustain. However, there are many tailwinds for this sector as well. Patent expirations for branded products reaches its zenith in 2012 and is a boon for companies exposed to the U.S. market. In the U.S., we prefer small/mid-sized generic players with emerging branded franchises who can seize both near term opportunities but also sustain long term growth. Japan possesses the fastest growing generic drug market in the world and 2012 promises to be the most dynamic in history. In India, we prefer companies with geographic and product diversification with strong management teams in place.

MEDICAL DEVICES

We remain cautious on the medical device sector, an industry that has underperformed due to multi-year head winds. Innovation and pricing go hand-in-hand and this sector has been devoid of both. Uncertain economic times have lead to lower utilisation and decreased demand, clearly a headwind for these companies. An inflection is possible if not inevitable, so we continuously monitor utilisation trends across the healthcare space. These metrics are critical in considering the large capitalisation medical device stocks. For small and mid-capitalisation companies, we look for undervalued quality and misunderstood product cycles that allow for opportunistic buys.

HEALTHCARE SERVICES

It is a fascinating time for the managed care players in the U.S., the so-called "HMOs" or Health Maintenance Organisations. Privatisation of Medicare/Medicaid/Dual eligibles is an area of growth as stretched government budgets encourage shifting these individuals to a managed care platform. The HMOs have been able to maintain premiums by assuming a recovery in utilisation, however this is unlikely to recover until the broader macro and employment environment improves. Uncertainty around the upcoming Supreme Court ruling and eventual "ObamaCare" implementation continues to weigh on the sector. But with attractive valuations and a resolution expected in 2012 for the above, we are positive on the group.

LIFE SCIENCE TOOLS AND DIAGNOSTICS

We are bullish on the life science tools and diagnostics sub-sectors as we enter 2012. The sector should continue its rebound from the depressed valuation levels seen in the second half of 2011 as the uncertainty over the academic budget receeds with the emergence of news-flow supporting a less draconian cut to the NIH budget. The political will to support a well-funded academic research environment is strong as we head into the general election cycle in November.

On a micro level, specialty capitalisation diagnostic names continue to attract attention as we continue to overweight assets with new product launch stories that are also viewed as attractive acquisition targets. We remain positive on stories with transformative products as wide ranging as sophisticated cancer diagnostics in the clinic to simple to use over-the-counter tests for home use. We also remain optimistic but cautious about stocks with leverage to the next-generation-sequencing market. There is the prospect of sequencing a human genome for U.S.$1,000 later in 2012.

EMERGING MARKETS

The 2011 sell off in emerging market stocks created an opportunity for bold purchases. Thus, the portfolio's holdings in emerging markets substantially increased during the year. The weighting here to direct holdings has increased from under 4%

Review of Investments (continued)

at the end of fiscal year 2010 to more than doubling that exposure during 2011. The diversity of holdings has also increased dramatically, from two positions to nine that span numerous healthcare subsectors. Second, the portfolio gains indirect exposure to emerging markets through our global large capitalisation holdings, in particular pharmaceutical stocks, in which emerging market sales can range up to 30% of total revenues for those companies. For the period ended the 2011 fiscal year, we estimate that this contributed an additional 5% of exposure.

Nevertheless, our geographic exposure continues to place significant emphasis on our holdings in North America, with over 65% of the portfolio in that region. The balance of our exposure resides in Europe (which has increased to above 20%), Asia and emerging markets (approaching 15%).

OUR GAME PLAN FOR 2012 AND BEYOND

Our confidence in the potential performance in the healthcare sector is high. The beginning of the 2012 calendar year was perhaps a preview of things to come. Fundamentals continue to improve and valuations remain on the low end of historic levels. Conditions are ripe for both positive absolute and relative performance.

Samuel D. Isaly
OrbiMed Capital LLC
Investment Manager
1 June 2012

CONTRIBUTION BY INVESTMENT – EXCLUDING DERIVATIVES

Principal contributors to and detractors from net asset value performance over the year to 31 March 2012

Top Five Contributors	**Contribution for the year to 31 March 2012 £'000**	**Contribution per share (pence)***
Medivation	7,258	16.74
VIVUS	7,128	16.44
Pharmasset	6,273	14.47
Roche Holding	3,686	8.50
Elan Corporation	3,425	7.90
		64.05
Top Five Detractors		
Human Genome Sciences	(3,478)	(8.02)
Hospira	(2,336)	(5.39)
Mitsubishi Tanabe Pharma Corporation	(2,330)	(5.37)
Illumina	(2,242)	(5.17)
Sinopharm	(2,175)	(5.02)
		(28.97)

*based on the weighted average number of shares in issue during the year ended 31 March 2012 (43,362,962).
Source: Frostrow Capital LLP

Historic Performance

	31 March 2007	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012	% Change for the year ended 31 March 2012
Net asset value per share – diluted (dilution for warrants/subscription shares)	511.2p	482.4p	600.5p	752.7p	773.5p	871.0p	+12.6
Net asset value per share – basic	520.9p	486.6p	635.9p	780.8p	799.2p	909.4p	+13.8
Share price	477.8p	457.0p	550.5p	701.5p	686.0p	795.0p	+15.9
Warrant/subscription share price	106p	27.50p	62p	98p	84.5p	133.5p	+58.0
Discount of share price to diluted net asset value per share	(6.5%)	(5.3%)	(8.3%)	(6.8%)	(11.3%)	(8.7%)	n/a
Average month end discount of share price to diluted net asset value per share	(3.1%)	(6.4%)	(7.5%)	(7.1%)	(7.6%)	(7.1%)	n/a
Gearing ^	5.7%	1.8%	15.3%	10.4%	13.3%	16.4%	n/a
Ongoing charges †	1.3%	1.3%	1.2%	1.0%	1.0%	1.1%	n/a
Ongoing charges (including performance fees crystallised during the period)†	1.3%	1.3%	1.2%	1.0%	1.8%	1.3%	n/a

^Calculated using the Association of Investment Companies definition (prior charges as a percentage of average net assets).
†See glossary on page 64.

Champions of Innovation

INDUSTRY LEADING INVESTMENTS IN THE PORTFOLIO DURING THE YEAR

1) MEDIVATION INC.

Medivation Inc. of San Francisco, California is a typical example of a small "biopharmaceutical" company that rose to prominence in late 2011 on the heels of a single compound. The company, with just over 100 employees, released data for their lead investigational compound, enzalutamide (MDV3100), the first oral androgen receptor signaling inhibitor (ARSI) in development for the treatment of early-stage and advanced prostate cancer. The data was spectacular and promises to change the treatment of this highly prevalent disease. The stock has more than quadrupled since the first phase III data release in November 2011. It is this type of opportunity that we strive to identify.

2) VIVUS INC.

Another small biopharmaceutical company with a blockbuster opportunity is VIVUS, Inc. Also based in California, the company has long pursued the development of a drug for the treatment of obesity, often considered the "Holy Grail" of pharmaceutical indications commercially but also regarded as the "graveyard" of indications from a regulatory perspective. Undaunted by previous failure, VIVUS is on the verge of launching the first new treatment for obesity to be approved in over a decade. The stock rose to prominence in February 2012 when a U.S. Food and Drug Administration panel of experts nearly unanimously recommended the approval of Qnexa (phentermine and topiramate). We anticipate final approval in 2012 and expect Qnexa to be the biggest drug launch of the year.

3) EXPRESS SCRIPTS HOLDING COMPANY

Express Scripts is the largest full service pharmacy benefit management and specialty managed care company. The company processes and pays prescription drug claims for customers like managed care companies, third party administrators, and employers. With the recent acquisition of competitor Medco Health Solutions and a management team with deep business integration experience, Express Scripts should have good visibility into driving significant integration synergies and greater percentage of generics dispensed through mail. As we move through 2012 to 2014, Express Scripts should also benefit from large generic opportunities to drive operating profitability. The company's business has a high return on equity exceeding 25%.

4) BRISTOL-MYERS SQUIBB

We have viewed Bristol-Myers Squibb as a Champion of Innovation in the past. The company has not rested on its laurels and continues to be one of the leading research and development organisations amongst global pharmaceutical companies. Yervoy (ipilimumab) for metastatic melanoma was successfully launched in 2011 with a trajectory that is indicative of a blockbuster. Eliquis (apixaban) is a best-in-class blood thinning compound for stroke prevention that will launch in 2012. Dapagliflozin, a first-in-class compound diabetes compound has been filed with regulatory authorities in U.S. and Europe. Declatisvir and INX-189 combined represent the next wave of all-oral therapy for the treatment of hepatitis C. The company's PD-1 antibody platform may represent paradigm-shifting immunotherapy for oncology. Finally, the company has mid-stage development opportunities in Alzheimer's disease. The company's new drug pipeline remains unparalleled in comparison to its peers.

Portfolio

as at 31 March 2012

Investments	Country	Market value £'000	% of investments
Pfizer	USA	25,123	5.3
Roche	Switzerland	22,047	4.7
Novartis	Switzerland	20,187	4.3
Sanofi-Aventis	France	17,712	3.8
Merck & Co.	USA	15,610	3.3
Mitsubishi Tanabe Pharma	Japan	15,598	3.3
Abbott Laboratories	USA	15,334	3.3
Gilead Sciences	USA	13,450	2.9
United Health	USA	12,911	2.8
Watson Pharmaceuticals	USA	12,596	2.7
Top 10 Investments		**170,568**	**36.4**
Life Technologies	USA	11,336	2.4
Allergan	USA	11,047	2.4
Wellpoint	USA	11,039	2.4
Incyte Corp +	USA	11,027	2.3
Bristol-Myers Squibb	USA	10,773	2.3
Dendreon ^	USA	10,410	2.2
GlaxoSmithKline	UK	9,600	2.0
Aetna	USA	8,571	1.8
Elan~	Ireland	8,330	1.8
Baxter International	USA	7,891	1.7
Top 20 Investments		**270,592**	**57.7**
Humana	USA	7,814	1.7
Medtronic	USA	7,496	1.6
Warner Chilcott	Ireland	7,493	1.6
Sawai Pharmaceutical	Japan	6,995	1.5
Shire	Ireland	6,882	1.5
Medco Health Solutions	USA	6,600	1.4
Shandong Weigao Group	China	6,491	1.4
Onyx Pharmaceuticals	USA	5,740	1.2
Nichi-Iko Pharmaceutical	Japan	5,735	1.2
Zimmer	USA	5,631	1.2
Top 30 Investments		**337,469**	**72.0**

+includes Incyte 4.75% 01/10/15 (Conv) equating to 1.5% of investments
^includes Dendreon 2.875% 15/01/16 (Conv) equating to 1.6% of investments
~includes Elan 8.75% 15/10/16 equating to 0.6% of investments

Portfolio (continued)

as at 31 March 2012

Investments	Country	Market value £'000	% of investments
Towa Pharmaceutical	Japan	5,613	1.2
Thermo Fisher Scientific	USA	5,215	1.1
VIVUS	USA	4,560	1.0
Volcano #	USA	4,398	0.9
VWR Funding 10.25% 15/07/15	USA	4,380	0.9
Questcor Pharmaceutical	USA	4,354	0.9
Align Technology	USA	4,035	0.9
Impax Laboratories	USA	3,998	0.9
Exact Sciences	USA	3,838	0.8
HCA	USA	3,778	0.8
Top 40 Investments		**381,638**	**81.4**
Biogen Idec	USA	3,737	0.8
Valeant Pharmaceutical	Canada	3,698	0.8
Regeneron Pharmaceuticals	USA	3,655	0.8
BioMarin Pharmaceutical	USA	3,600	0.8
Actelion	Switzerland	3,541	0.8
Carefusion	USA	3,489	0.7
3SBio	China	3,381	0.7
Angiotech Pharmaceutical FRN 01/12/13	USA	3,342	0.7
Forest Laboratories	USA	3,257	0.7
Biosensors	Singapore	2,901	0.6
Top 50 Investments		**416,239**	**88.8**
K-V Pharmaceutical•	USA	2,860	0.6
China Shineway Pharmaceutical	China	2,855	0.6
McKesson	USA	2,637	0.6
Fluidigm	USA	2,630	0.6
Lyrica Royalty 11% 01/05/19	USA	2,589	0.6
Ono Pharmaceutical	Japan	2,567	0.6
NPS Pharmaceuticals	USA	2,560	0.5
Given Imaging	Israel	2,520	0.5
Orasure Technologies	USA	2,519	0.5
Sequenom	USA	2,478	0.5
Top 60 Investments		**442,454**	**94.4**

#includes Volcano 2.875% 01/09/15 (Conv) equating to 0.2% of investments
•includes KV Pharmaceutical 12% 15/03/15 equating to 0.4% of investments

Portfolio (continued)

as at 31 March 2012

Investments	Country	Market value £'000	% of investments
Cardinal Health	USA	2,429	0.5
Ariad Pharmaceuticals	USA	2,008	0.4
Sinopharm	China	1,868	0.4
Neurocrine Biosciences	USA	1,850	0.4
Immunogen	USA	1,709	0.4
Human Genome Science	USA	1,391	0.3
QHP Royalty 10.25% 15/03/15	USA	592	0.1
Total equities and fixed interest investments		**454,301**	**96.9**
Derivatives – (OTC Equity Swaps)		13,691	2.9
Options - (Put & Call)		940	0.2
Total investments		**468,932**	**100.0**

SUMMARY

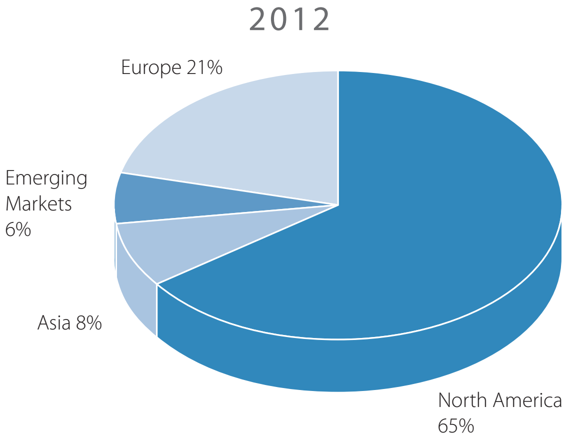
as at 31 March 2012

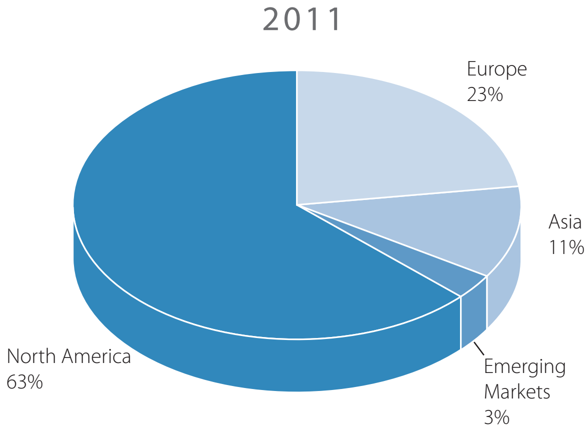
	Market value £'000	% of investments
Equities (including options & swaps)	437,358	93.3
Convertibles	15,871	3.4
Fixed Interest Securities	15,703	3.3
Total of all investments	**468,932**	**100.0**

Analysis of the Portfolio

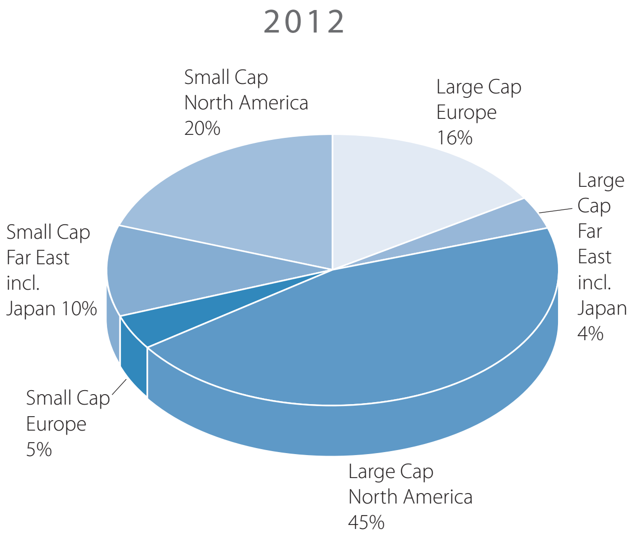
as at 31 March 2012

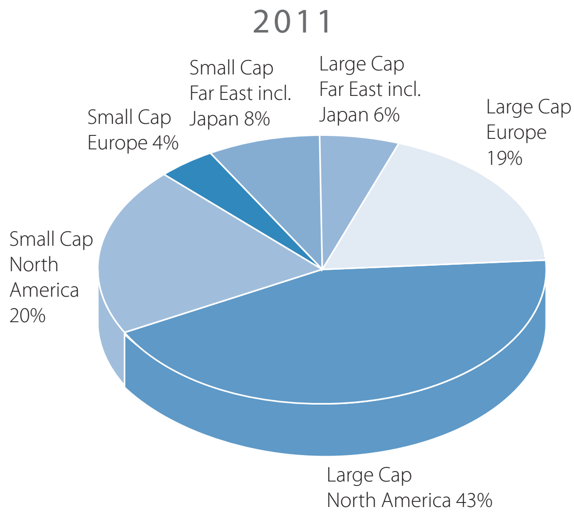
BY GEOGRAPHY





BY MARKET CAPITALISATION





Note:
A small capitalisation company is defined as being one with a market capitalisation of less than U.S.$5bn and a large capitalisation company is one with a market capitalisation of more than U.S.$5bn.

Your Board

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

MARTIN SMITH+ (CHAIRMAN)

Martin Smith, aged 69, joined the Board in 2007. He was a founder of Phoenix Securities, a private investment banking firm. Following the acquisition of Phoenix in 1997 by Donaldson Lufkin and Jenrette ("DLJ"), he chaired DLJ's European Investment Banking Group. He subsequently founded and was a non executive director of New Star Asset Management Group PLC. He attended Oxford University and has an MBA from Stanford University.

JOSEPHINE DIXON*+

Josephine (Jo) Dixon aged 52, joined the board in 2004 and is Chairman of the Audit Committee. She is currently the Interim Finance Director at the Eden project in Cornwall and a non-executive Director and Chairman of the Audit Committee of Standard Life Equity Income Trust PLC and Baring Emerging Europe PLC. Jo is a graduate Chartered accountant having trained with Touche Ross in London. She has held a number of roles in her career including Commercial Director UK Europe and Middle East of Serco Group and Finance Director at Newcastle United PLC. She also held a number of senior executive positions in investment banking and at the group head office of NatWest Group.

PROFESSOR DUNCAN GEDDES*+

Professor Geddes, aged 70, joined the Board at launch in 1995 and has been designated as the Senior Independent Director. An author of numerous publications on respiratory medicine, Professor Geddes is self-employed.

DR DAVID HOLBROOK*+

Dr David Holbrook, aged 52, joined the Board in 2007. He is a qualified physician and a Director of MTI Partners Limited, a leading technology venture capital investor. He attended London and Oxford Universities, and has an MBA from Harvard Business School. He has held senior positions in a number of blue chip biopharmaceutical organisations including GlaxoSmithKline and Roche.

SAMUEL D. ISALY

Sam Isaly, aged 67, joined the Board at launch in 1995. Sam is Managing Partner of OrbiMed Capital LLC, the Company's Investment Manager, and has been an international pharmaceutical investment specialist for more than 20 years having worked in New York and Europe with Chase Manhattan, Société Générale, Crédit Suisse and UBS Warburg.

ANTHONY TOWNSEND*+

Anthony Townsend, aged 64, joined the Board at launch in 1995. Anthony has spent over 40 years working in the City and was Chairman of The Association of Investment Companies from 2001 to 2003. Anthony is Chairman of Baronsmead VCT 3 plc, British & American Investment Trust PLC, F&C Global Smaller Companies PLC, Finsbury Growth & Income Trust PLC and Miton Worldwide Growth Investment Trust Plc.

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

*Member of the Audit Committee
+Member of the Nominations and Management Engagement and Remuneration Committees

Report of the Directors

Incorporating the Business Review

In accordance with the requirements of the Companies Act 2006 (the 'Act') and the UK Listing and Transparency Rules, the Directors present their annual report on the affairs of the Company together with the audited financial statements and the Independent Auditors' Report for the year ended 31 March 2012.

INTRODUCTION

The Report of the Directors includes the Business Review and Corporate Governance Statement. The Business Review contains a review of the Company's business, the principal risks and uncertainties it faces and an analysis of its performance during the financial period and the position at the period end and the future business plans of the Company. To aid understanding of these areas the Board has included an analysis using appropriate Key Performance Indicators. The Business Review should be read in conjunction with the Chairman's Statement on pages 2 and 3, the Review of Investments on pages 5 to 9 and the analyses on pages 10 to 15.

BUSINESS AND STATUS OF THE COMPANY

The Company is registered as a public limited company and is an investment company within the terms of Section 833 of the Companies Act 2006 (the 'Act'). Its shares are listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange, which is a regulated market as defined in Section 1173 of the Act. The Company has received approval from HM Revenue & Customs as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 (CTA 2010') for the year ended 31 March 2011. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. In the opinion of the Directors, the Company continues to direct its affairs so as to enable it to qualify for such approval.

CONTINUATION OF THE COMPANY

A resolution was passed at the Annual General Meeting held in 2009 that the Company continue as an investment trust for a further five year period. In accordance with the Company's Articles of Association, shareholders will have an opportunity to vote on the continuation of the Company at the Annual General Meeting in 2014 and every five years thereafter.

INVESTMENT OBJECTIVE AND BENCHMARK

The Company invests worldwide in pharmaceutical and biotechnology companies and related securities in the healthcare sector with the objective of achieving a high level of capital growth. With effect from 1 October 2010, the Company's performance has been measured against the MSCI World Health Care Index (total return, sterling adjusted). Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted).

INVESTMENT POLICY

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

Investment Limitations and Guidelines

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

- The Company will not invest more than 10% of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company will not invest more than 15% of the portfolio in any one individual stock at the time of acquisition;
- At least 60% of the portfolio will normally be invested in larger companies (i.e. with a market capitalisation of at least US$5bn);
- At least 20% of the portfolio will normally be invested in smaller companies (i.e. with a market capitalisation of less than US$5bn);
- Investment in unquoted securities will not exceed 10% of the portfolio at the time of acquisition;
- A maximum of 5% of the portfolio, at the time of acquisition, may be invested in each of debt instruments, convertibles and royalty bonds issued by pharmaceutical and biotechnology companies;
- A maximum of 15% of the portfolio, at the time of acquisition, may be invested in companies in each of the following sectors:
  - healthcare equipment
  - healthcare technology
  - providers of healthcare and related services

Report of the Directors (continued)

Incorporating the Business Review

- The Company's gearing policy is to borrow up to the lower of £90m or 20% of the Company's net asset value;
- Derivative transactions can be used to mitigate risk and/or enhance capital returns and will be restricted to 5% of the portfolio; and
- Equity Swaps may be used in order to meet the Company's investment objective of achieving a high level of capital growth and is restricted to 8% of the portfolio.

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

PERFORMANCE

In the year to 31 March 2012, the Company's net asset value total return was 14.4% compared to a rise of 13.4% in the Company's benchmark. With effect from 1 October 2010, the Company's performance is measured against the MSCI World Health Care Index (total return, sterling adjusted). Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted). Historic data, therefore, consists of a blended figure containing both indices. The Company's share price total return was 18.2% during the year.

The Review of Investments on pages 5 to 9 includes a review of the principal developments during the year, together with information on investment activity within the Company's portfolio.

RESULTS AND DIVIDEND

The results attributable to shareholders for the year and the transfer to reserves are shown on page 37. In order to maintain investment trust status the Directors have declared an interim dividend for the year of 17.5p per share (2011: interim dividend of 15.0p) payable on 6 July 2012.

KEY PERFORMANCE INDICATORS ('KPIs')

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

- Net asset value total return (see pages 1 and 10)
- Share price total return (see pages 1, 10 and 34)
- Stock contribution analysis (see page 9)
- Share price premium/discount to net asset value per share (see page 10)
- Ongoing charges (see page 10)
- Benchmark performance (see pages 1, 10 and 34)
- Issue of new shares/repurchase of own shares (see page 20)

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

PRINCIPAL RISKS AND THEIR MITIGATION

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

Investment Activity and Strategy

The Board regularly reviews the Company's investment mandate and its long-term investment strategy in relation to market and economic conditions, and the operation of the Company's peers, thereby monitoring whether the Company should continue in its present form. An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported on by the Manager. A continuation vote was held at the Annual General Meeting held in 2009 and will be held every five years thereafter. Each month the Board receives a monthly review, which monitors the Company's investment performance (both on an absolute basis and against the benchmark and peer group) and its compliance with the investment guidelines. Additional reports and presentations are regularly presented to investors by the Company's Manager, Investment Manager and also by Winterflood Securities, the Company's Corporate Stockbroker.

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which

Report of the Directors (continued)

Incorporating the Business Review

share price performance may be enhanced, including the effectiveness of marketing and share buy-backs, where appropriate. The Board has implemented a discount control mechanism intended to establish a target level of no more than a 6% discount of share price to the diluted net asset value per share. Shareholders should note, however, that it remains possible for the share price discount to net asset value per share to be greater than 6% on any one day and is due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The volatility of the net asset value per share in an asset class such as healthcare is another factor over which the Board has no control. The average month end share price discount during the year was 7.1%. The making and timing of any share buy-backs is at the absolute discretion of the Board.

A significant proportion of the Company's assets are, and will continue to be, invested in securities denominated in foreign currencies, in particular U.S. dollars. As the Company's shares are denominated and traded in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies. The Board has made clear the Company's position with regard to currency fluctuation, which is that it does not currently hedge against currency exposure.

Shareholder Relations and Corporate Governance

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

Operational

Disruption to, or failure of accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. The Board reviews both the internal control and the disaster recovery procedures put in place by its principal service providers on a regular basis.

Financial

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

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

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

The Company's assets can be held by Goldman Sachs & Co. New York as collateral for the loan provided by them to the Company. Such assets taken as collateral may be used, loaned, sold, rehypothecated or transferred by Goldman Sachs & Co. New York, although the Company maintains the economic benefits from ownership of those assets. Goldman Sachs & Co. New York may take up to 140% of the value of the outstanding loan as collateral. The Company is protected, such protection being equal to the net assets held by Goldman Sachs & Co. New York, by SEC rules and U.S. legislation. (Also see glossary on page 64).

Assets held by Goldman Sachs & Co. New York, as custodian, that are not used as collateral, are held in segregated client accounts.

Further information on financial instruments and risk, as required by FRS 29, can be found in note 18 to the financial statements beginning on page 50.

The Company is also exposed to the risk that the custodian and/or counterparties may fail and that title to stocks does not survive an ensuing liquidation. The Company's Investment Manager is responsible for undertaking reviews of the credit worthiness of the counterparties that it uses. The Board regularly reviews the Investment Manager's approved list of counterparties.

Accounting, Legal and Regulatory

In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the London Stock Exchange, the UKLA Listing

Report of the Directors (continued)

Incorporating the Business Review

Rules and Disclosure & Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or subject to criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended in listing which in turn would breach Section 1158. The Board relies on the services of its Manager to ensure compliance with The Companies Act and The UKLA Listing Rules.

LOAN FACILITY

The Company's borrowing requirements are met through the utilisation of a loan facility, repayable on demand, provided by Goldman Sachs & Co. New York. Further details can be found in note 11 on page 48 and in note 18 beginning on page 50.

SHARE CAPITAL

On 4 September 2009, the Company made a bonus issue of subscription shares on the basis of one subscription share for every five ordinary shares held at that date. The subscription shares have quarterly subscription dates and the following shares were allotted by the Company as a result of holders of the subscription shares exercising their subscription rights during the year:

15,599 shares were allotted on 18 May 2011 raising £100,000.

354,240 shares were allotted on 2 August 2011 raising £2,260,000.

10,813 shares were allotted on 1 November 2011 raising £69,000.

467,487 shares were allotted on 2 February 2012 raising £2,980,000.

Subsequent to the year-end 2,213,584 shares were allotted on 2 May 2012 raising £14,120,000.

During the year under review the Company re-purchased a total of 908,586 shares to be held in treasury, at a cost of £6,942,000 (including expenses). Since the year end and to 31 May 2012 1,063,722 shares have been repurchased by the Company. In aggregate, to 31 May 2012, the shares re-purchased equate to a total of 4.4% of the issued share capital (excluding shares held in treasury) at the beginning of the year. As indicated in the Chairman's Statement, the Board has agreed that any treasury shares remaining on 17 July 2012, the date of the Annual General Meeting, will be cancelled. A total of 358,607 shares held in treasury were cancelled on 26 July 2011.

During the year 238,125 Subscription Shares were re-purchased for cancellation at a cost of £294,000 (including expenses). To 31 May 2012 the Subscription Shares re-purchased equate to a total of 2.9% of the subscription shares in issue at the beginning of the year.

PROSPECTS

The Company's Investment Manager is confident in the potential for good performance in the healthcare sector. They believe that the beginning of the 2012 calendar year was a preview of things to come. Fundamentals continue to improve and valuations remain on the low end of historic levels. They believe that conditions are ripe for both positive absolute and relative performance.

The Alternative Investment Fund Managers Directive came into force in July 2011 and is required to be implemented into national legislation by July 2013. Companies then have until July 2014 to obtain the relevant authorisation. Currently, European regulators are preparing the more detailed rules and UK regulators are considering how to implement the rules in the UK. The Board is keeping developments here under close review.

HMRC's regulations on the modernisation of investment trust tax rules have been finalised and were approved by Parliament in December 2011. The new regime became effective for this company from 1 April 2012.

INVESTMENT MANAGEMENT

Investment Management Agreement:

The Investment Manager receives a periodic fee equal to 0.65% p.a. of the Company's net asset value. The Investment Management Agreement may be terminated by either party giving notice of not less than 12 months. The Investment Manager under the terms of the agreement provides, *inter alia*, the following services:

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

Report of the Directors (continued)

Incorporating the Business Review

MANAGEMENT

Company Management, Company Secretarial and Administrative Services Agreement:

The Manager, receives a periodic fee equal to 0.30% per annum of the Company's market capitalisation up to £150m, 0.20% per annum of the market capitalisation in excess of £150m and up to £500m, and 0.125% per annum of the market capitalisation in excess of £500m, plus a fixed amount equal to £57,500 per annum.

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

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

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

Performance Fee:

Dependent on the level of long term outperformance of the Company, the Investment Manager and the Manager are entitled to the payment of a performance fee. The performance fee is calculated by reference to the amount by which the Company's net asset value ('NAV') performance has outperformed the benchmark index. (See page 1 for details of the benchmark).

The fee is calculated quarterly by comparing the cumulative performance of the Company's NAV with the cumulative performance of the benchmark since the launch of the Company in 1995. The performance fee amounts to 16.5% of any outperformance over the benchmark, the investment manager receiving 15% and the manager receiving 1.5% respectively. Provision is also made within the daily NAV per share calculation as required and in accordance with generally accepted accounting standards.

In order to ensure that only sustained outperformance is rewarded, at each quarterly calculation date any performance fee is based on the lower of:

i) The cumulative out-performance of the investment portfolio over the benchmark as at the quarter end date; and

ii) The cumulative out-performance of the investment portfolio over the benchmark as at the corresponding quarter end date in the previous year.

In addition, a performance fee only becomes payable to the extent that the cumulative outperformance gives rise to a total fee greater than the total of all performance fees paid to date.

As at 31 March 2012 no fee was payable in relation to maintained outperformance.

During the year a performance fee of £909,000 crystallised (year ended 31 March 2011: £2,624,000) in relation to maintained outperformance.

CONTINUING APPOINTMENT OF THE MANAGER AND INVESTMENT MANAGER

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

GOING CONCERN

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors on pages 17 to 25. The financial position of the Company, its liquidity position and its borrowing facility are set out in the notes to the financial statements beginning on page 41. In addition, the Corporate Governance Report, the Financial Statements and the associated notes give details of the Company's objectives, policies and processes, its financial risk management objectives and its exposure to risks. The Company has considerable financial resources and a good spread of investments across different geographical areas. The majority of the Company's investments are listed on recognised stock exchanges and are readily realisable. Having considered the Company's prospects, the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Report of the Directors (continued)

Incorporating the Business Review

CREDITORS PAYMENT POLICY

Terms of payment are negotiated with suppliers when agreeing settlement details for transactions. While the Company does not follow a formal code, it is the Company's continuing policy to pay amounts due to creditors as and when they become due. As at 31 March 2012, the Company did not have any trade creditors (2011: nil).

CHARITABLE AND POLITICAL DONATIONS

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

ENVIRONMENTAL AND ETHICAL POLICY

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

INDIVIDUAL SAVINGS ACCOUNTS

The Company's shares are eligible to be held in the stocks and shares component of an ISA or Junior ISA, subject to applicable annual subscription limits (£11,280 for an ISA and £3,600 for a Junior ISA for the 2012/2013 tax year). Investments held in ISAs or Junior ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available for UK resident children aged under 18 and born before 1 September 2002 or after 2 January 2011. Sums received by a shareholder on a disposal of Ordinary Shares held within an ISA or Junior ISA will not count towards the shareholder's annual limit. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility as should individuals wishing to invest through a Junior ISA for children under 18 years old.

DIRECTORS

The Directors of the Company, all of whom served throughout the year, except as noted, are all non-executive and are listed below. Their biographies can be found on page 16.

Martin Smith *(Chairman)*
Jo Dixon
Paul Gaunt (retired on 7 July 2011)
Professor Duncan Geddes
Dr David Holbrook
Samuel D. Isaly
Anthony Townsend

DIRECTORS' INTERESTS

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

	Shares of 25p each		Subscription Shares	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
Martin Smith	5,859	5,859	400	400
Josephine Dixon	3,000	3,000	600	600
Professor Duncan Geddes	42,250	42,250	8,450	8,450
Paul Gaunt (retired on 7 July 2011)	–	–	–	–
Dr David Holbrook	–	–	–	–
Samuel D. Isaly	353,600	353,600	100,720	100,720
Anthony Townsend	21,619	18,785	25,793	3,757

As at 1 June 2012 there had been no changes in the above details.

Samuel D. Isaly is a partner in OrbiMed Capital LLC which is party to the Investment Management Agreement with the Company and receives fees as described on pages 20 and 21. A number of the partners at OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's Manager.

Report of the Directors (continued)

Incorporating the Business Review

DIRECTORS' FEES

A report on Directors' Remuneration is set out on pages 33 and 34.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE COVER

Directors' & officers' liability insurance cover was maintained by the Company during the year ended 31 March 2012. It is intended that this policy will continue for the year ending 31 March 2013 and subsequent years.

DIRECTORS' INDEMNITIES

As at the date of this report, indemnities are in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his or her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

SUBSTANTIAL SHAREHOLDINGS

As at 31 March 2012 the Company was aware of the following interests in the shares of the Company, which exceeded 3% of the issued share capital (excluding treasury shares):

Beneficial shareholder	Registered holder	Number of shares	% of issued share capital
Investec Wealth & Investment	Various Nominees	2,891,852	6.57
Henderson Global Investors	Various Nominees	2,512,549	5.71
East Riding of Yorkshire Council	Nortrust Nominees	2,503,520	5.69
Alliance Trust Savings	Alliance Trust Savings Nominees	2,212,892	5.03
Newton Investment Management	Various Nominees	2,125,163	4.83
Smith & Williamson	Various Nominees	1,982,518	4.51
Brewin Dophin	Various Nominees	1,653,497	3.76
Legal & General Investment Management	Various Nominees	1,590,944	3.62
Investec Asset Management	Various Nominees	1,574,030	3.58
Deutsche Bank Private Wealth Management	Pershing Nominees	1,446,657	3.29
Speirs & Jeffrey, Stockbrokers	Various Nominees	1,381,534	3.14
Charles Stanley, Stockbrokers	Various Nominees	1,359,707	3.09

INDEPENDENT AUDITORS

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

AUDIT INFORMATION

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

SECTION 992 OF THE COMPANIES ACT 2006

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

Capital Structure

The Company's capital structure is summarised in note 13 on page 48.

Report of the Directors (continued)

Incorporating the Business Review

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 60.

CORPORATE GOVERNANCE

A formal statement on Corporate Governance, which forms part of this Report of the Directors, is set out on pages 27 to 32.

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

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

NOTICE PERIOD FOR GENERAL MEETINGS

Recent amendments made to the Company's Articles of Association included a provision allowing general meetings of the Company to be called on the minimum notice period provided for in the Companies Act 2006. For meetings other than annual general meetings this is currently a period of 14 clear days.

A Special Resolution was passed by shareholders at last year's Annual General Meeting approving this. The Board is proposing Resolution 14 as a Special Resolution to renew this approval for a further year. The notice period for annual general meetings will remain 21 clear days.

ANNUAL GENERAL MEETING

The formal Notice of Annual General Meeting is set out on pages 57 to 62 of this Annual Report.

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

Issue of Shares

Ordinary Resolution 9 in the Notice of Annual General Meeting gives authority to the Directors to allot the unissued share capital up to an aggregate nominal amount of £1,105,775 (equivalent to 4,423,102 shares, or 10% of the Company's existing issued share capital on 31 May 2012, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 10 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 31 May 2012 (reduced by any treasury shares sold by the Company pursuant to Special Resolution 11, as described below), as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 10. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

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

Report of the Directors (continued)

Incorporating the Business Review

authority is limited to 10% of the Company's existing share capital on 31 May 2012 (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution 10, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions 9, 10 and 11 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in General Meeting.

Authority for the Company to purchase its own shares

The Company's Articles of Association permit the purchase by the Company of its own Ordinary and Subscription shares subject to shareholders' prior approval being obtained. Resolutions 12 and 13, if passed, would authorise the Company to buy back up to 6,630,230 Ordinary shares and 733,200 Subscription shares, which represents approximately 14.99% of the Company's issued ordinary share capital (excluding shares held in treasury) and 14.99% of the Company's Subscription shares as at 31 May 2012 respectively. If given, these authorities will expire at the conclusion of the next AGM of the Company after the passing of the resolution or, if earlier, 15 months from the date of the passing of the resolution. The Directors intend to seek a renewal of such powers at each AGM.

The resolutions specify the maximum and minimum prices at which shares may be bought, reflecting the requirements of the Companies Act 2006 and the Listing Rules. Any buy back would only be made on the London Stock Exchange.

Any purchases of Ordinary shares will be made within guidelines established from time to time by the Directors, but they will only exercise the authority if, in their opinion, it would be in the interests of the Company to do so and would result in an increase in net asset value per Ordinary share for the remaining shareholders and if it is in the best interests of shareholders generally. Such purchases will only be made at prices below the prevailing net asset value per Ordinary share and within the price constraints set out in paragraphs (b) and (c) of the resolution.

Under the Companies Act 2006, the Company is allowed to hold its own Ordinary shares in treasury following a buy back, instead of cancelling them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with additional flexibility in the management of its capital base. Shares held in treasury may be resold for cash but all rights attaching to them including voting rights and any right to receive dividends, are suspended while they are held in treasury. If the Directors exercise the authority conferred by resolution 12, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to the authority and will decide at the time of purchase which option to pursue. The Directors will have regard to any guidelines issued by investor groups at the time of any such purchase, holding or re-sale of treasury shares.

Purchases of Subscription shares will only be made through the market at prices where the Directors believe such purchases will enhance Ordinary shareholder value and within the price constraints set out in paragraphs (b) and (c) of the resolution. Any Subscription shares repurchased by the Company will be cancelled and will not be held in treasury for reissue or resale.

General Meetings

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

The authorities being sought under Resolutions 9, 10, 11, 12, 13 and 14 will last until the conclusion of the next Annual General Meeting or, if less, a period of 15 months.

The Board considers that the resolutions set out above are, in the Board's opinion, in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting.

By order of the Board
Frostrow Capital LLP
Company Secretary
1 June 2012

Statement of Directors' Responsibilities

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

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year. Under this law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit and loss of the Company for that period.

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

- select suitable accounting policies and applied them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Under applicable law and regulation, the Directors are also responsible for preparing a Report of the Directors, including a formal statement on Corporate Governance and a Directors' Remuneration Report that comply with such law and regulations.

The financial statements are published on the Company's website (website address: www.worldwidewh.com), which is a website maintained by the Manager. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors, whose details can be found on page 16, each confirm that to the best of their knowledge the financial statements, within the Annual Report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the profit for the year ended 31 March 2012, and that the Chairman's Statement, Review of Investments and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.1.11R of the FSAs Disclosure and Transparency Rules.

On behalf of the Board
Martin Smith
Chairman
1 June 2012

Corporate Governance

This Corporate Governance Statement forms part of the Report of the Directors.

COMPLIANCE

The Board has considered the principles and recommendations of the Association of Investment Companies ("AIC") Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"), both of which can be found on the AIC website www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (the "UK Governance Code") as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Governance Code), provides better information to shareholders. A copy of the UK Governance Code can be found at www.frc.org.uk.

The Board considers that it has managed its affairs throughout the year ended 31 March 2012 in compliance with the recommendations of the AIC Code and the relevant provisions of the UK Governance Code, except as set out below:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

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

In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by provision B.7.1 of the UK Corporate Governance Code and principle 3 of the AIC Code. The Board has agreed that all Directors of the Company will seek re-election annually. Professor Duncan Geddes, however, will not be seeking re-election at this years' Annual General Meeting.

INTERNAL AUDIT

As the Company delegates its day-to-day operations to third parties and has no employees, the Board has determined that there are no requirements for an internal audit function. The Board reviews annually whether a function equivalent to an internal audit is needed annually and it will continue to monitor its systems of internal controls in order to provide assurance that they operate as intended.

BOARD INDEPENDENCE, COMPOSITION AND TENURE

Martin Smith as Chairman is responsible for leadership of the Board and for ensuring its effectiveness in all aspects of its role, currently consists of six non-executive Directors. The Directors' biographical details, set out on page 16, demonstrate a breadth of investment, commercial and professional experience. Professor Duncan Geddes has been designated as the Senior Independent Director who can act as a sounding board for the Chairman and also acts as an intermediary for the other Directors when necessary. Professor Geddes will not be seeking re-election at this year's Annual General Meeting. He will be succeeded as the Senior Independent Director by Anthony Townsend. The Directors review their independence annually.

Samuel D. Isaly is Managing Partner of OrbiMed, the Company's Investment Manager, and has also served on the Board for over nine years. Mr Isaly is therefore not considered to be an Independent Director. Professor Geddes and Anthony Townsend have both also served on the Board for over nine years. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that, with the exception of Samual D. Isaly, each of the Directors is independent in character and judgement and that there are no relationships or circumstances which are likely to effect their judgement. Jo Dixon joined the Board in 2004 and Martin Smith and Dr David Holbrook joined the Board in 2007 and are all considered by the Board to be independent. The Board has considered the position of Ms Dixon and Messrs Isaly, Smith, Townsend and Dr Holbrook as part of the evaluation process, and believes that it would be in the Company's best interests to propose them for re-election at the forthcoming Annual General Meeting. In line with the Company's strong commitment to its corporate governance responsibilities, the Board regularly reviews its performance and composition to ensure it has the correct mix of relevant skills and experience for the good conduct of the Company's business. As part of this process the Board has agreed a programme of refreshment, which will see its membership change as current Directors retire in an orderly manner, and new Directors are appointed.

Corporate Governance (continued)

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

THE BOARD'S RESPONSIBILITIES

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

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

EXTERNAL INDEPENDENT BOARD EVALUATION

The results of the external independent evaluation process were presented to and discussed by the Board in March 2012 and, as a result, it was agreed that the current Directors contributed effectively and that all had the skills and experience which are relevant to the leadership and direction of the Company.

CONFLICT OF INTEREST

On 1 October 2008 it became a statutory requirement that a Director must avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict"). The Company's Articles of Association have been amended to give the Directors authority to approve such situations, where appropriate.

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. He or she must request authorisation from the Board as soon as he or she becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether they should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from performing his or her duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at quarterly Board meetings, to ensure that any

Corporate Governance (continued)

authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

COMMITTEES OF THE BOARD

During the year the Board delegated certain responsibilities and functions to committees. Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available for inspection at the Annual General Meeting, and can be found at the Company's website at www.worldwidewh.com. Following a review by the Board in 2008, it was agreed that due to the size of the Board, the membership of the Management Engagement and Remuneration and Nominations Committees should comprise the whole Board, under the chairmanship of the Chairman of the Company and Professor Geddes respectively (provided that a majority of the Directors present are independent). It was further agreed at a Board Meeting held in March 2011 that Mr Isaly, due to his role at OrbiMed the Company's Investment Manager, should cease to be a member of the Management Engagement and Remuneration and Nominations Committees. The membership of the Audit Committee comprises the following independent Directors: Jo Dixon (Chairman), Dr David Holbrook, Professor Duncan Geddes and Anthony Townsend. Directors who are not members of the Company's committees may attend at the invitation of the Chairman of the committee. Details of the membership of the Committees as at 31 March 2012 are shown with the Directors' biographies on page 16.

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

NOMINATIONS COMMITTEE

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

MANAGEMENT ENGAGEMENT AND REMUNERATION COMMITTEE

The level of Directors' fees is reviewed on a regular basis relative to other comparable investment companies and in the light of Directors' responsibilities. Neither the Chairman nor individual Directors participate in discussions involving personal remuneration. Details of the fees paid to the Directors in the year under review are detailed in the Directors' Remuneration Report on pages 33 and 34.

This committee also reviews the terms of engagement of the Investment Manager, the Manager and the Company's other service providers.

MEETING ATTENDANCE

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

Type and number of meetings held in 2011/12	**Board (4)**	**Audit Committee (2)**	**Nominations Committee (1)**	**Management Engagement and Remuneration Committee (1)**
Martin Smith	4	N/A	1	1
Jo Dixon	4	2	1	1
Professor Duncan Geddes	3	2	–	–
Paul Gaunt *(retired as a director on 7 July 2011)*	2	N/A	–	–
Dr David Holbrook	4	2	1	1
Samuel D. Isaly*	4	N/A	1	1
Anthony Townsend	4	2	1	1

All of the Directors attended the Annual General Meeting held on 7 July 2011.

*Mr Isaly ceased to be a member of the Management Engagement & Remuneration and Nominations Committees after the meetings of those committees held in March 2011.

Corporate Governance (continued)

AUDIT COMMITTEE

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

The Audit Committee meets representatives of the Manager and Investment Manager and their Compliance Officers who report as to the proper conduct of business in accordance with the regulatory environment in which the Company, Manager and Investment Manager operate. The Company's external Auditors also attend meetings of this Committee at its request and report on their work procedures and their findings in relation to the Company's statutory audit. They also have the opportunity to meet with the Committee without representatives of the Manager or the Investment Manager being present. The Audit Committee reviews the need for non-audit services to be provided by the auditor and authorises such on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditors. Non-audit fees of £11,000 were paid to Ernst & Young LLP during the year for agreed upon procedures in relation to the Company's option positions, performance fee review and tax services. The Board has concluded, on the recommendation of the Audit Committee, that the Auditors continued to be independent and that their reappointment be proposed at the Annual General Meeting.

THE BRIBERY ACT 2010

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private in the UK or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same Standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.worldwidewh.com.

BOARD DIVERSITY

The Company welcomes the objectives of the Davies Report to improve the performance of Corporate boards by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the board, including gender, and takes this into account in its board appointments. The Company is committed to ensuring that any Director search processes actively seek persons with the right qualifications so that appointments can made, on the basis of merit, against objective criteria from a diverse selection of candidates. To this end the Board will continue to dedicate time to consider diversity during any director search process.

INTERNAL CONTROLS

The Directors are responsible for the Company's system of internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming a reality; and
- the Company's ability to reduce the incidence and impact of risk on its performance.

Corporate Governance (continued)

Against this background, the Board has split the review of risk and associated controls into five sections reflecting the nature of the risks being addressed. These sections are as follows:

- corporate strategy;
- investment activity;
- published information, compliance with laws and regulations;
- service providers; and
- financial activity.

The Company has appointed Frostrow Capital LLP to provide Company management, Company secretarial and administrative services to the Company. The Company has obtained from its various service providers assurances and information relating to their internal systems and controls to enable the Board to make an appropriate risk and control assessment, including the following:

- details of the control environment in operation;
- identification and evaluation of risks and control objectives;
- review of communication methods and procedures; and
- assessment of the control procedures.

The key procedures which have been established to provide internal financial controls are as follows:

- investment management is provided by OrbiMed Capital LLC. The Board is responsible for setting the overall investment policy and monitors the actions of the Investment Manager at regular Board meeting;
- administration, company secretarial and marketing duties for the Company are performed by Frostrow Capital LLP;
- custody of assets is undertaken by Goldman Sachs & Co. New York;
- the Board clearly defines the duties and responsibilities of their agents and advisers. The appointment of agents and advisers to the Company is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- mandates for authorisation of investment transactions and expense payments are set by the Board; and
- the Board reviews financial information produced by the Investment Manager and the Manager in detail on a regular basis.

All of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board or on its behalf by Frostrow Capital LLP.

In accordance with guidance issued to directors of listed companies, ("the Turnbull Guidance") the Directors confirm that they have carried out a review of the effectiveness of the system of internal financial control during the year and up to the date of approval of the financial statements, as set out above.

RELATIONS WITH SHAREHOLDERS

The Board reviews the shareholder register at each Board meeting. The Company has regular contact with its institutional shareholders particularly through the Manager. The Board supports the principle that the Annual General Meeting be used to communicate with private investors. The full Board attends the Annual General Meeting under the Chairmanship of the Chairman of the Board. Details of proxy votes received in respect of each resolution are made available to shareholders at the meeting and are also published on the Company's website at www.worldwidewh.com. Representatives from the Investment Manager attend the Annual General Meeting and give a presentation on investment matters to those present. The Company has adopted a nominee share code which is set out on page 32.

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

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

Corporate Governance (continued)

EXERCISE OF VOTING POWERS

The Board has delegated authority to the Investment Manager to vote the shares owned by the Company that are held on its behalf by its custodian, Goldman Sachs & Co. New York. The Board has instructed that the Investment Manager submit votes for such shares wherever possible. This accords with current best practice whilst maintaining a primary focus on financial returns. The Investment Manager may refer to the Board on any matters of a contentious nature. The Company does not retain voting rights on any shares that are subject to rehypothecation in connection with the loan facility provided by Goldman Sachs & Co. New York.

ACCOUNTABILITY AND AUDIT

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 26. The report of the Auditors is set out on pages 35 and 36. The Board has delegated to external agencies, including the Manager and the Investment Manager, the management of the portfolio, custodial services (which includes the safeguarding of the Company's assets), the day to day marketing, accounting administration, company secretarial requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Manager and the Investment Manager and *ad hoc* reports and information are supplied to the Board as required.

NOMINEE SHARE CODE

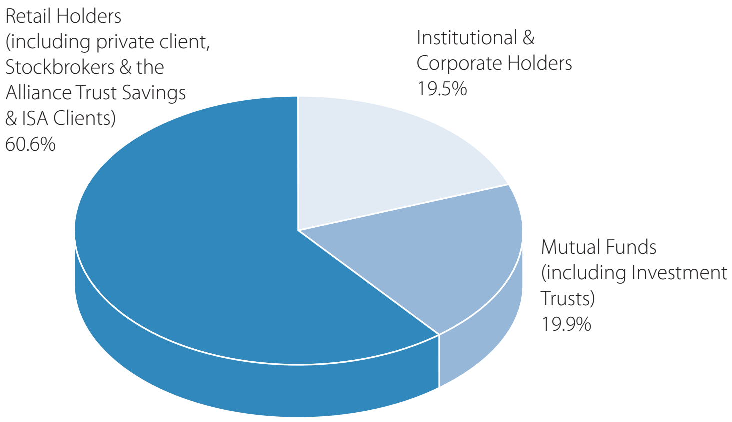
Where shares are held in a nominee company name, the Company undertakes:

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

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

Shareholder Analysis

% of shares held at 31 March 2012



Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 420 to 422 of the Companies Act 2006. 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 35 and 36.

MANAGEMENT ENGAGEMENT AND REMUNERATION COMMITTEE

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

The Directors' fees are reviewed annually by the Management Engagement and Remuneration Committee and such review will not necessarily result in a change to the rates paid. During the year, the Management Engagement and Remuneration Committee carried out a review of the level of Directors' fees in relation both to fees paid to the boards of other investment trust companies and also to the Board's corporate governance obligations. The Board decided, on the advice of the Management Engagement and Remuneration Committee, that the fees paid to the Directors should be increased with effect from 1 April 2012. The revised fee levels are set out on page 34.

POLICY ON DIRECTORS' FEES

The Board's policy is that the remuneration of Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. It is intended that this policy will continue for the year ending 31 March 2013 and subsequent years.

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

DIRECTORS' SERVICE CONTRACTS

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

YOUR COMPANY'S PERFORMANCE

The Regulations require a line graph be included in the Directors' Remuneration Report comparing, for a period of five years, on a cumulative basis, the total share price return (assuming all dividends are reinvested) to shareholders and the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to the Company's stated benchmark. With effect from 1 October 2010, the performance of the Company has been measured against the MSCI World Health Care Index on a net total return, sterling adjusted basis. Prior to this date, performance was measured against the Datastream World Pharmaceutical & Biotechnology Index (total return, sterling adjusted). Therefore, the benchmark return for the year ended 31 March 2011 represented in the graph overleaf consists of a blended figure containing both indices.

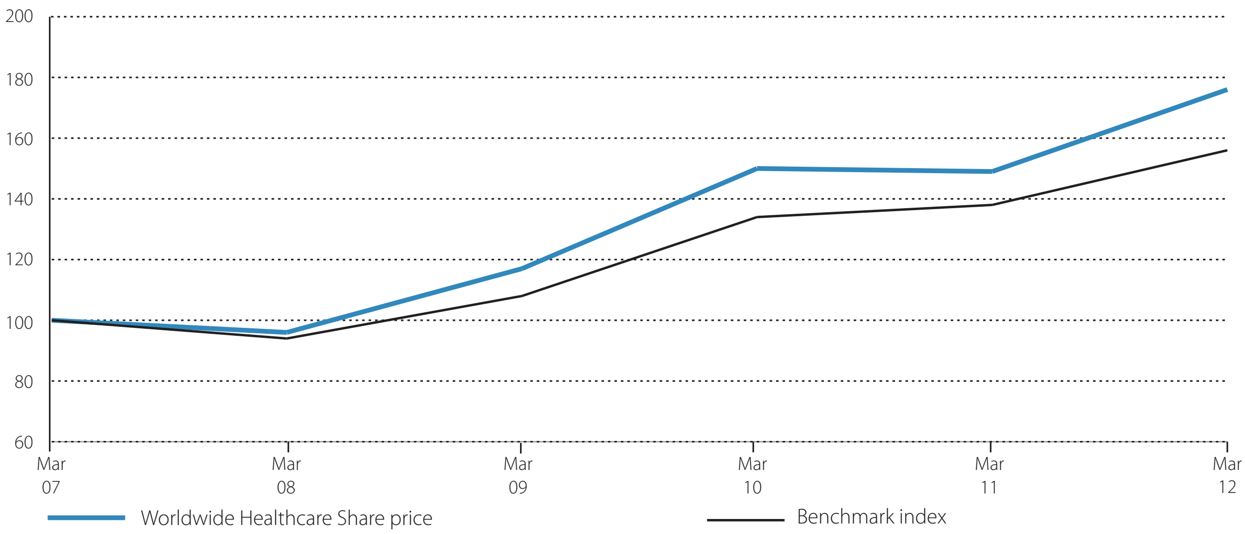
Directors' Remuneration Report (continued)

DIRECTORS' EMOLUMENTS FOR THE YEAR (AUDITED)

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

	Level of fees with effect from 1 April 2012 (unaudited) £'000	Fees 2012 £'000	Fees 2011 £'000
Martin Smith *(Chairman of the Board)*	38.0	36.5	35.0
Jo Dixon *(Chairman of the Audit Committee)*	27.0	26.0	25.0
Paul Gaunt *(retired on 7 July 2011)*	–	8.0	22.0
Professor Duncan Geddes *(Senior Independent Director)*	24.5	23.5	22.0
Dr David Holbrook	24.0	23.0	22.0
Samuel D. Isaly	24.0	23.0	22.0
Anthony Townsend	24.0	23.0	22.0
	161.5	163.0	170.0

SHAREHOLDER TOTAL RETURN FOR THE FIVE YEARS TO 31 MARCH 2012



Rebased to 100 as at 31 March 2007
Source: Morningstar, Thomson Reuters and Bloomberg

APPROVAL

The Directors' Remuneration Report on pages 33 and 34 was approved by the Board of Directors on 1 June 2012 and signed on its behalf by:

Martin Smith
Chairman

Independent Auditors' Report

to the Members of Worldwide Healthcare Trust PLC

We have audited the financial statements of Worldwide Healthcare Trust PLC for the year ended 31 March 2012 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

Independent Auditors' Report (continued)

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Amarjit Singh (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
1 June 2012

Income Statement

for the year ended 31 March 2012

	Notes	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Gains on investments held at fair value through profit or loss	9	–	52,193	52,193	–	5,477	5,477
Exchange (losses)/gains on currency balances		–	(535)	(535)	–	710	710
Income from investments held at fair value through profit or loss	2	11,653	–	11,653	9,125	–	9,125
Investment management, management and and performance fees	3	(162)	(5,953)	(6,115)	(147)	(2,658)	(2,805)
Other expenses	4	(548)	–	(548)	(586)	–	(586)
Net return before finance charges and taxation		10,943	45,705	56,648	8,392	3,529	11,921
Finance costs	5	(14)	(272)	(286)	(13)	(247)	(260)
Net return before taxation		10,929	45,433	56,362	8,379	3,282	11,661
Taxation on net return on ordinary activities	6	(1,456)	406	(1,050)	(1,224)	239	(985)
Net return after taxation		9,473	45,839	55,312	7,155	3,521	10,676
Return per share – basic	7	21.8p	105.7p	127.5p	16.5p	8.1p	24.6p
Return per share – diluted	7	21.4p	103.7p	125.1p	16.3p	8.1p	24.4p

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

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

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

No operations were acquired or discontinued in the year.

The accompanying notes are an integral part of this statement.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 March 2012

	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2011	10,875	82	181,395	135,319	6,978	10,132	344,781
Net return from ordinary activities after taxation	–	–	–	45,839	–	9,473	55,312
Dividend paid in respect of year ended 31 March 2011	–	–	–	–	–	(6,474)	(6,474)
Subscription shares exercised for ordinary shares	212	(9)	5,199	9	–	–	5,411
Shares purchased to be held in treasury and treasury shares cancelled	(90)	–	–	(6,939)	90	–	(6,939)
Subscription shares repurchased for cancellation	–	(2)	(294)	2	–	–	(294)
At 31 March 2012	10,997	71	186,300	174,230	7,068	13,131	391,797

For the year ended 31 March 2011

	Ordinary share capital £'000	Subscription share capital £'000	Share premium account £'000	Capital reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2010	12,644	90	176,648	145,160	5,009	6,630	346,181
Net return from ordinary activities after taxation	–	–	–	3,521	–	7,155	10,676
Dividend paid in respect of year ended 31 March 2010	–	–	–	–	–	(3,653)	(3,653)
Subscription shares exercised for ordinary shares	200	(8)	4,747	8	–	–	4,947
Shares purchased to be held in treasury and treasury shares cancelled	(1,969)	–	–	(13,370)	1,969	–	(13,370)
At 31 March 2011	10,875	82	181,395	135,319	6,978	10,132	344,781

The accompanying notes are an integral part of this statement.

Balance Sheet

as at 31 March 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	454,301	385,869
Derivative – OTC swaps	9 & 12	13,691	–
		467,992	385,869
Current assets			
Debtors	10	2,512	6,138
Derivative – financial instruments	9 & 12	940	2,223
		3,452	8,361
Current liabilities			
Creditors: amounts falling due within one year	11	(79,647)	(49,449)
		(79,647)	(49,449)
Net current liabilities		(76,195)	(41,088)
Total net assets		391,797	344,781
Capital and reserves			
Ordinary share capital	13	10,997	10,875
Subscription share capital	13	71	82
Share premium account		186,300	181,395
Capital reserve	19	174,230	135,319
Capital redemption reserve		7,068	6,978
Revenue reserve		13,131	10,132
Total shareholders' funds		391,797	344,781
Net asset value per share – basic	14	909.4p	799.2p
Net asset value per share – diluted for subscription shares	14	871.0p	773.5p
Net asset value per share – fully diluted for subscription shares and treasury shares	14	869.7p	772.8p

The financial statements on pages 37 to 56 were approved by the Board of Directors and authorised for issue on 1 June 2012 and were signed on its behalf by:

Martin Smith
Chairman

The accompanying notes are an integral part of this statement.

Cash Flow Statement

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Net cash inflow from operating activities	15	4,112	3,268
Servicing of finance			
Interest paid		(286)	(260)
Taxation			
Taxation suffered		(422)	(202)
Financial investments			
Purchases of investments and derivatives		(301,803)	(274,348)
Sales of investments and derivatives		288,756	273,089
Net cash outflow from financial investment		(13,047)	(1,259)
Equity dividends paid	8	(6,474)	(3,653)
Net cash outflow before financing		(16,117)	(2,106)
Financing			
Repurchase of own shares		(7,233)	(13,374)
Subscription shares exercised for ordinary shares	13	5,411	4,947
Net cash outflow from financing		(1,822)	(8,427)
Decrease in cash	16	(17,939)	(10,533)

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

(b) Investments Held at Fair Value Through Profit or Loss

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

Unquoted investments are also been designated by the Board as held at fair value through profit or loss, and are valued by the Directors using primary valuation techniques such as earnings multiples, option pricing models, discounted cash flow analysis and recent transactions.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'gains or losses on investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase. All purchases and sales are accounted for on a trade date basis.

The Company has classified its financial assets designated at fair value through profit or loss and the fair value of derivative financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(c) Investment Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. UK dividends are shown net of tax credits and foreign dividends are grossed up at the appropriate rate of withholding tax.

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

Deposit interest is accounted for on an accruals basis.

(d) Expenses

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

(i) expenses which are incidental to the acquisition or disposal of an investment, categorised as fixed assets held at fair value through profit or loss are charged to the capital column of the Income Statement; and

(ii) expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management and management fees have been charged to the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income, from the Company's portfolio. As a result 5% of the investment management and management fees are charged to the revenue column of the Income Statement and 95% are charged to the capital column of the Income Statement.

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

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

(e) Finance Costs

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

(f) Taxation

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

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

(g) Foreign Currency

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

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

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

(h) Functional and Presentational Currency

The financial information is shown in sterling, being the Company's presentational currency. In arriving at the functional currency the Directors have considered the following:

(i) the primary economic environment of the Company;

(ii) the currency in which the original capital was raised;

(iii) the currency in which distributions are made;

(iv) the currency in which performance is evaluated; and

(v) the currency in which the capital would be returned to Shareholders on a break up basis.

The Directors are of the opinion that sterling best represents the Company's functional currency.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

(i) Derivative Financial Instruments

The Company uses derivative financial instruments (namely put and call options and equity swaps). The merits and rationale behind such strategies are to enhance the capital return of the portfolio, facilitate management of portfolio volatility and improve the risk-return profile of the Company relative to its benchmark.

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

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

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

(j) Capital Reserves

The following are transferred to this reserve:

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

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

	2012 £'000	2011 £'000
Income from investments		
UK listed dividends	505	343
Overseas dividends	8,863	7,226
Fixed interest income	2,283	1,549
	11,651	9,118
Other income		
Deposit interest	2	7
Total income from investments held at fair value through profit or loss	11,653	9,125
Total income comprises:		
Dividends	9,368	7,569
Interest	2,285	1,556
	11,653	9,125

Notes to the Financial Statements (continued)

3. INVESTMENT MANAGEMENT, MANAGEMENT AND PERFORMANCE FEES

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Investment Management fee	119	2,251	2,370	107	2,030	2,137
Management fee	43	817	860	40	763	803
Performance fee accrual/(write back)	–	2,885	2,885	–	(135)	(135)
	162	5,953	6,115	147	2,658	2,805

During the year, a performance fee of £909,000 crystallised (year ended 31 March 2011: £2,624,000).

Further details of the performance fee basis can be found in the Report of the Directors on page 21 under the heading 'Performance Fee'.

4. OTHER EXPENSES

	2012 Revenue £'000	2011 Revenue £'000
Directors' remuneration	163	170
Auditors' remuneration for the audit of the Company's financial statements	26	24
Auditors' remuneration for other services	11	4
Marketing costs	44	38
Registrar fees	54	51
Broker retainer	30	27
Legal and professional costs	13	16
Printing	35	43
Stock exchange listing fees	17	41
Custody fees	3	6
Other costs	152	166
	548	586

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on page 34.

5. FINANCE CHARGES

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Finance charges	14	272	286	13	247	260

Notes to the Financial Statements (continued)

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in year:

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
UK corporation tax at 26% (2011: 28%)						
Tax relief to capital	406	(406)	–	239	(239)	–
Overseas taxation	1,050	–	1,050	985	–	985
	1,456	(406)	1,050	1,224	(239)	985

(b) Factors affecting current tax charge for the year

The tax charged for the year is lower than the standard rate of corporation tax in the UK for a large company 26% (2011: 28%).

The difference is explained below.

	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Total return before taxation	**10,929**	**45,433**	**56,362**	8,379	3,282	11,661
Corporation tax at 26% (2011: 28%)	2,842	11,813	14,655	2,346	919	3,265
Non-taxable gains on investments held at fair value through profit or loss	–	(13,431)	(13,431)	–	(1,620)	(1,620)
Overseas withholding tax not recoverable	1,050	–	1,050	985	–	985
Non taxable overseas dividends	(2,535)	–	(2,535)	(1,725)	–	(1,725)
Non taxable UK dividend	(131)	–	(131)	(96)	–	(96)
Expenses charged to capital available to be utilised	(6)	1,212	1,206	–	462	462
Timing differences on overseas dividends	231	–	231	(291)	–	(291)
Disallowed expenses	5	–	5	5	–	5
Current tax charge	1,456	(406)	1,050	1,224	(239)	985

(c) Provision for deferred tax

As at 31 March 2012 the Company has not recognised a deferred tax asset of £8,805,000 (24% tax rate) (2011: £9,830,000 (26% tax rate) as a result of unutilised management expenses and non-trade loan relationship. It is not anticipated that this asset will be utilised in the foreseeable future.

Deferred tax has not been provided for in these financial statements, because the Company meets and intends to continue meeting the conditions for approval as an investment trust.

Notes to the Financial Statements (continued)

7. RETURN PER SHARE

	2012 £'000	2011 £'000
The return per share is based on the following figures:		
Revenue return	9,473	7,155
Capital return	45,839	3,521
Total return	55,312	10,676
Weighted average number of ordinary shares in issue during the year – basic	43,362,962	43,342,727
Revenue return per share	21.8p	16.5p
Capital return per share	105.7p	8.1p
Total return per share – basic	127.5p	24.6p
Weighted average number of shares in issue during the year – diluted	44,223,263	43,776,264
Revenue return per share	21.4p	16.3p
Capital return per share	103.7p	8.1p
Total return per share – diluted	125.1p	24.4p

8. INTERIM DIVIDEND

Under UK GAAP, final dividends are not recognised until they are approved by shareholders and interim dividends are not recognised until they are paid. They are also debited directly from reserves. Amounts recognised as distributable to ordinary shareholders for the year ended 31 March 2012 were as follows:

	2012 £'000	2011 £'000
Interim dividend in respect of the year ended 31 March 2011	6,474	–
Interim dividend in respect of the year ended 31 March 2010	–	3,653
	6,474	3,653

In respect of the year ended 31 March 2012, an interim dividend of 17.5p per share (2011: 15.0p per share) has been declared. The aggregate cost of this dividend based on the number of shares in issue at 31 May 2012 is estimated to be £7,740,000. In accordance with FRS 21 this dividend will be reflected in the interim accounts for the period ending 30 September 2012. Total dividends in respect of the financial year, which is the basis on which the requirements of s1158 of the Corporation Tax Act 2010 are considered, are set out below:

	2012 £'000	2011 £'000
Revenue available for distribution by way of dividend for the year	9,473	7,155
Dividends for the year ended 31 March	(7,740)	(6,474)
	1,733	681

based on 44,231,026 shares in issue as at 31 May 2012.

Notes to the Financial Statements (continued)

9. INVESTMENTS

	Listed investments £'000	Unlisted investments £'000	Derivative financial instruments £'000	Total £'000
Cost at 1 April 2011	346,920	5,107	1,486	353,513
Investment holdings gains at 1 April 2011	32,309	1,533	737	34,579
Valuation at 1 April 2011	379,229	6,640	2,223	388,092
Movement in the year:				
Purchases at cost	276,768	–	37,292	314,060
Sales – proceeds	(254,048)	(6,209)	(25,156)	(285,413)
– realised gains on sales	32,293	1,102	338	33,733
Net movement in investment holding gains	20,059	(1,533)	(66)	18,460
Valuation at 31 March 2012	454,301	–	14,631	468,932
Cost at 31 March 2012	401,933	–	13,960	415,893
Investment holding gains at 31 March 2012	52,368	–	671	53,039
Valuation at 31 March 2012	454,301	–	14,631	468,932

Gains on investment	2012 £'000	2011 £'000
Realised gains based on historical cost – sales	33,733	41,414
Less: amounts recognised as investment holding gains in previous years	(13,237)	(30,857)
Realised gains based on carrying value at previous Balance Sheet date	20,496	10,557
Movement in investment holding gains in the year	31,697	(5,080)
Gains on investments	52,193	5,477

Purchase transaction costs for the year to 31 March 2012 were £575,000 (year ended 31 March 2011: £507,000). These comprise mainly stamp duty and commission.

Sales transaction costs for the year to 31 March 2012 were £504,000 (year ended 31 March 2011: £467,000). These comprise mainly commission and stamp duty.

10. DEBTORS

	2012 £'000	2011 £'000
Amounts due from brokers	254	3,597
Withholding taxation recoverable	947	525
VAT recoverable	47	49
Prepayments and accrued income	1,264	1,967
	2,512	6,138

Notes to the Financial Statements (continued)

11. CREDITORS

Amounts falling due within one year	2012 £'000	2011 £'000
Amounts due to brokers	12,448	191
Stamp duty due on repurchase of own shares	5	–
Bank loan facility*	64,359	45,885
Performance fee accrued	1,976	2,624
Other creditors and accruals	859	749
	79,647	49,449

*The Company's borrowing requirements are met through the utilisation of a loan facility, repayable on demand, provided by Goldman Sachs & Co. New York ("Goldman Sachs"). Interest on the facility is charged at the Federal Funds effective rate plus 1 week LIBOR-OIS Spread† plus 35 basis points. As at 31 March 2012, assets to the value of approximately 140% of the Company's debt were held by Goldman Sachs as collateral.

†See glossary on page 64

12. DERIVATIVE FINANCIAL INSTRUMENTS

	2012 £'000	2011 £'000
Fair value of OTC equity swaps	13,691	–
Fair value of call and put options	940	2,223
	14,631	2,223

See note 9 on page 47 for movements during the year.

13. SHARE CAPITAL

	Ordinary shares number	Treasury shares number	Total Ordinary shares in issue number	Total Subscription shares in issue number
Issued and fully paid:				
At 1 April 2011	43,141,611	358,607	43,500,218	8,191,112
Ordinary shares bought back and held in treasury	(908,586)	908,586	–	–
Treasury shares cancelled following 2011 AGM	–	(358,607)	(358,607)	–
Subscription shares converted to Ordinary shares	848,139	–	848,139	(848,139)
Subscription shares repurchased for cancellation	–	–	–	(238,125)
At 31 March 2012	43,081,164	908,586	43,989,750	7,104,848

	£'000
Issued and fully paid:	
43,989,750 Ordinary shares of 25p (including 908,586 ordinary shares held in treasury)	10,997
7,104,848 Subscription shares of 1p	71

During the year ended 31 March 2012 a total of 908,586 shares were bought back by the Company (2011: 1,996,340) at a cost of £6,908,000 and expenses of £31,000 (2011: 13,305,000 and £65,000). 908,586 shares were held in treasury at 31 March 2012 (2011: 358,607). 848,139 new shares were issued during the year as a result of holders of subscription shares exercising their subscription rights, raising £5,411,000. 238,125 Subscription shares were bought back for cancellation (2011: nil) at a cost of £292,000 and expenses of £2,000 (2011: nil and nil).

At the year end there were 7,104,848 subscription shares in issue (2011: 8,191,112).

Notes to the Financial Statements (continued)

14. NET ASSET VALUE PER SHARE

	2012	2011
Net asset value per share – basic	909.4p	799.2p
Net asset value per share – diluted for subscription shares	871.0p	773.5p
Net asset value per share – fully diluted for subscription shares and treasury shares	869.7p	772.8p

The net asset value per share is based on the assets attributable to equity shareholders of £391,797,000 (2011: £344,781,000) and on the number of shares in issue at the year end of 43,081,164 (excluding shares held in treasury) (2011: 43,141,611). As at 31 March 2012, there were 7,104,848 subscription shares in issue (2011: 8,191,112).

The net asset value per share diluted assumes all outstanding subscription shares were exercised at 638p resulting in assets attributable to equity shareholders of £ 437,126,000 and on 50,186,012 shares (2011: assumed all outstanding subscription shares were exercised at 638p resulting in assets attributable to shareholders of £397,040,000 and on 51,332,723 shares).

The net asset value per share fully diluted for subscription shares and treasury shares assumes that all outstanding subscription shares were exercised at 638p and the treasury shares were sold back to the market at 795p resulting in assets attributable to equity shareholders of £444,349,000 (2011: £399,482,000) and on 51,094,598 shares (2011: 51,691,330).

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

	2012 £'000	2011 £'000
Gains before finance costs and taxation	56,648	11,921
Less: capital gain before finance costs and taxation	(45,705)	(3,529)
Revenue return before finance costs and taxation	10,943	8,392
Expenses charged to capital	(5,953)	(2,658)
Decrease/(increase) in accrued income	703	(1,105)
Decrease/(increase) in other debtors	2	(12)
Decrease in creditors and accruals	(533)	(364)
Net taxation suffered on investment income	(1,050)	(985)
Net cash inflow from operating activities	4,112	3,268

16. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	2012 £'000	2011 £'000
Increase in net debt resulting from cashflows	(17,939)	(10,533)
Exchange movements	(535)	710
Movement in net debt in the year	(18,474)	(9,823)
Net debt at start of year	(45,885)	(36,062)
Net debt at end of year	(64,359)	(45,885)

Represented by:

	At 1 April 2011 £'000	Cash flows £'000	Exchange movements £'000	At 31 March 2012 £'000
Net bank overdraft	(45,885)	(17,939)	(535)	(64,359)

Notes to the Financial Statements (continued)

17. RELATED PARTIES

Details of the relationship between the Company and OrbiMed Capital LLC are disclosed in the Report of the Directors on page 20. Samuel D. Isaly is a Director of the Company, as well as Managing Partner of the Company's Investment Manager, OrbiMed Capital LLC. During the year ended 31 March 2012, OrbiMed Capital LLC earned £2,370,00 in respect of Investment Management fees, of which £639,000 was outstanding at the year end. In addition performance fees of £827,000 were earned and paid during the year and £nil was payable at 31 March 2012.

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

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

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on pages 17 and 18. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets.

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

(i) market risk (including foreign currency risk, interest rate risk and other price risk)

(ii) liquidity risk

(iii) credit risk

These risks and the Directors' approach to the management of them, are set out in the Report of Directors on pages 18 to 20 and have not changed from the previous accounting period. The Investment Manager, in close co-operation with the Board of Directors, co-ordinates the Company's risk management.

(i) Market risk:

The Company's portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objective. Further information on the portfolio is set out on pages 12 to 15.

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

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

Notes to the Financial Statements (continued)

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

(a) Foreign currency risk

A significant proportion of the Company's portfolio is denominated in currencies other than sterling (the Company's functional currency, and the currency in which it reports its results). As a result, movements in exchange rates can significantly affect the sterling value of those items.

Rate of exchange against sterling at 31 March

	2012	2011
U.S. dollar	1.598	1.603
Japanese yen	131.487	132.853
Swiss franc	1.444	1.467
Euro	1.120	1.130

Foreign currency exposure and sensitivity

The fair values of the Company's monetary items that are denominated in foreign currency as at 31 March 2012 are shown below:

	2012 Current assets £'000	2012 Current liabilities £'000	2012 Investments £'000	2011 Current assets £'000	2011 Current liabilities £'000	2011 Investments £'000
U.S. dollar	575	(74,797)	345,222	1,490	(45,992)	271,695
Swiss franc	–	(596)	45,774	–	–	41,064
Japanese yen	351	–	36,508	319	–	41,472
Euro	–	–	17,712	–	–	10,249
Hong Kong dollar	23	(128)	11,215	–	(191)	12,396
Singapore dollar	–	(647)	2,901	–	–	–
	949	(76,168)	459,332	1,809	(46,183)	376,876

Management of risk:

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

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

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

Foreign currency sensitivity

The following table details the sensitivity of the Company's profit or loss after taxation for the year and shareholders' funds to a 10% increase and decrease in sterling against the U.S. dollar (2011: 10% increase and decrease), a 10% increase and decrease in sterling against the Japanese yen (2011: 10% increase and decrease), and a 10% increase and decrease in sterling against the Swiss franc (2011: 10% increase and decrease).

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

	2012 USD £'000	2012 YEN £'000	2012 CHF £'000	2011 USD £'000	2011 YEN £'000	2011 CHF £'000
Sterling depreciates	31,662	4,102	5,213	25,107	4,609	4,692
Sterling appreciates	(25,906)	(3,356)	(4,265)	(20,786)	(3,771)	(3,839)

Notes to the Financial Statements (continued)

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

(b) Interest rate risk

Interest rate movement may affect:

– the interest payable on the Company's variable rate borrowings;

– the level of income receivable from floating rate securities and cash at bank and on deposit;

– the fair value of investments of fixed interest securities.

Management of the risk

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

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

Interest rate exposure

The Company has a loan facility with Goldman Sachs which is repayable on demand. £64,359,000 was drawn down under this facility at 31 March 2012. The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below.

Floating rate

The floating interest rate exposure of the financial assets and financial liabilities to interest rate risk at 31 March 2012 in respect of cash was nil (2011: nil). At 31 March 2012 there was an overdraft position at Goldman Sachs of £64,359,000 (2011: £45,885,000).

Fixed rate

In the year to 31 March 2012, the Company held 3.3% of the portfolio in fixed interest securities. This percentage is deemed not to be material and accordingly no sensitivity analysis has been presented.

(c) Other price risk

Other price risk may affect the value of the Company's investments. If market prices at the Balance Sheet date had been 25% higher or lower (2011: 25% higher or lower) while all other variables remained constant, the revenue return would have decreased/increased by £49,000 (2011: £43,000), and the capital return would have increased/decreased by £116,168,000 (2011: £96,144,000) and the return on equity would have increased/decreased by £116,119,000. The calculations are based on the portfolio valuations as at the respective Balance Sheet dates and are not representative of the year as a whole.

Notes to the Financial Statements (continued)

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

(ii) Liquidity risk

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

Management of the risk

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

Interest on the facility is charged at the Federal Funds effective rate plus 1 week LIBOR-OIS Spread† plus 35 basis points.

† See glossary on page 64.

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

Liquidity exposure

Contractual maturities of the financial liabilities as at 31 March 2012, based on the earliest date on which payment can be required are as follows:

31 March 2012	**3 months or less £'000**	**2012 Not more than one year £'000**	**Total £'000**
Current liabilities:			
Borrowings under the loan facility	64,359	–	64,359
Amounts due to brokers and accruals	15,288	–	15,288
	79,647	–	79,647

31 March 2011	**3 months or less £'000**	**2011 Not more than one year £'000**	**Total £'000**
Current liabilities:			
Borrowings under the loan facility	45,885	–	45,885
Amounts due to brokers and accruals	3,564	–	3,564
	49,449	–	49,449

Notes to the Financial Statements (continued)

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

Company's hierarchy as quoted in note 1b on page 41.

(iii) Credit risk

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

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

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

Certain of the Company's assets are held by Goldman Sachs as collateral for the loan provided by them to the Company. Such assets held by Goldman Sachs are available for rehypothecation†. As at 31 March 2012, assets with a total market value of £93.9m (31 March 2011: £64.4m) were held as collateral.

Management of the risk

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

- by only dealing with brokers which have been approved by OrbiMed Capital LLC and banks with high credit ratings;
- by setting limits to the maximum exposure to any one counterparty at any time; and
- by monitoring the assets subject to rehypothecation†.

† See glossary on page 64.

Credit risk exposure

	2012 Balance Sheet £'000	2011 Balance Sheet £'000
Fixed interest securities and convertibles	31,574	29,968
Derivative – OTC equity swaps	13,691	–
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable and derivative financial instruments)	3,452	8,361

Notes to the Financial Statements (continued)

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

As of 31 March 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial investments designated at fair value through profit or loss	454,301	–	–	454,301
Fair value of derivative financial instruments	–	14,631	–	14,631
Assets measured at fair value	454,301	14,631	–	468,932

As at 31 March 2012, the put and call options have been classified as level two. All of the remaining investments have been classified as level one. The position in the unquoted convertible preferred equity certificates (CPEC) was sold during the year. It was previously classified as level three (see below reconciliation).

As of 31 March 2011	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial investments designated at fair value through profit or loss	379,229	–	6,640	385,869
Fair value of derivative financial instruments	–	2,223	–	2,223
Assets measured at fair value	379,229	2,223	6,640	388,092

Level 3 Reconciliation

At 31 March 2012	2012 Equity investments £'000
Opening fair value at 1 April 2011	6,640
Total losses included in gains on investments in the income statement:	(431)
Repayment of principal	(6,209)
Closing balance at 31 March 2012	–

Level 3 valuation techniques used by the Company are explained in the accounting policies in note 1b.

Fair value of financial assets and financial liabilities

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

Capital management policies and procedures

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

The Board's policy is to limit gearing to the lower of £90m or 20% of the Company's net assets.

The capital structure of the Company consists of the equity share capital, retained earnings and other reserves as disclosed on the Balance Sheet on page 39.

Notes to the Financial Statements (continued)

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

Gearing for this purpose is defined as net debt as a percentage of shareholders' funds. As at 31 March 2012 the gearing percentage of the Company was 16.4% (2011: 13.3%).

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

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

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

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

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

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

19. CAPITAL RESERVE

	Capital Reserve – Other £'000	Capital Reserve* – Investment Holding Gains £'000	Total £'000
At 31 March 2011	100,740	34,579	135,319
Transfer on disposal of investments	13,237	(13,237)	–
Net gains on investments	20,496	31,697	52,193
Expenses charged to capital less tax relief thereon	(5,819)	–	(5,819)
Subscription shares exercised & cancelled	11	–	11
Shares purchased including expenses	(6,939)	–	(6,939)
Exchange loss on currency balances	(535)	–	(535)
At 31 March 2012	121,191	53,039	174,230

* Investment holding gains relate to the revaluation of investments held at the reporting date. (See note 9 on page 47 for further details).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Worldwide Healthcare Trust PLC will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London, EC2Y 5BL on Tuesday, 17 July 2012 from 12 noon for the following purposes:

ORDINARY BUSINESS

1. To receive and, if thought fit, to accept the Audited Accounts and the Report of the Directors for the year ended 31 March 2012
2. To re-elect Ms Jo Dixon as a Director of the Company
3. To re-elect Dr David Holbrook as a Director of the Company
4. To re-elect Mr Samuel D. Isaly as a Director of the Company
5. To re-elect Mr Martin Smith as a Director of the Company
6. To re-elect Mr Anthony Townsend as a Director of the Company
7. To re-appoint Ernst & Young LLP as the Company's Auditors and to authorise the Directors to determine their remuneration
8. To approve the Directors' Remuneration Report for the year ended 31 March 2012

SPECIAL BUSINESS

To consider, and if thought fit, pass the following resolutions of which resolutions 10, 11, 12, 13 and 14 will be proposed as special resolutions:

Authority to Allot Shares

9. THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to a maximum aggregate nominal amount of £1,105,775 (being 10% of the issued share capital of the Company at 31 May 2012) and representing 4,423,102 shares of 25 pence each (or, if less, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in General Meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

10. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 11 set out in the notice convening the Annual General Meeting at which this resolution is proposed ("Notice of Annual General Meeting")) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 9 set out in the Notice of Annual General Meeting or otherwise as if Section 561(1) of the Act did not apply to any such allotment:

    (a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25p each in the Company ("Shares") are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

Notice of Annual General Meeting (continued)

(b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £1,105,775, being 10% of the issued share capital of the Company as at 31 May 2012 and representing 4,423,102 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 11 set out in the Notice of Annual General Meeting and (ii) no allotment of equity securities shall be made under this power which would result in Shares being issued at a price which is less than the net asset value per Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion,

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

11. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 10 set out in the Notice of Annual General Meeting) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to sell relevant shares (within the meaning of Section 560 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act ("treasury shares")), for cash as if Section 561(1) of the Act did not apply to any such sale provided that:

(a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value of ordinary shares of 25p each in the Company ("Shares"), such discount must be (i) lower than the discount to the net asset value per Share at which the Company acquired the Shares which it then holds in treasury and (ii) not greater than 5% to the prevailing net asset value per Share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such Shares were acquired by the Company and the net asset value per Share at the latest practicable time before such Shares are sold pursuant to this power); and

(b) this power shall be limited to the sale of relevant shares having an aggregate nominal value of £1,105,775 being 10% of the issued share capital of the Company as at 31 May 2012 and representing 4,423,102 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that the number of relevant shares to which power applies shall be reduced from time to time by the number of Shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 10 set out in the Notice of Annual General Meeting,

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

Notice of Annual General Meeting (continued)

Authority to Repurchase Ordinary Shares

12. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("Shares") (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:

    (a) the maximum aggregate number of Shares authorised to be purchased is 6,630,230 (representing approximately 14.99% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed);

    (b) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;

    (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the price of the last independent trade and the highest then current independent bid on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments);

    (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

    (e) the Company may make a contract to purchase Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

Authority to Repurchase Subscription Shares

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of subscription shares of 1p each in the capital of the Company ("Subscription Shares") for cancellation provided that:

    (a) the maximum aggregate number of Subscription Shares authorised to be purchased is 733,200 (representing approximately 14.99% of the issued Subscription Share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed;

    (b) the minimum price (exclusive of expenses) which may be paid for a Subscription Share is 1p;

    (c) the maximum price (exclusive of expenses) which may be paid for a Subscription Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Subscription Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Subscription Share is purchased and (ii) the higher of the price of the last independent trade and the highest then current independent bid on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments);

    (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2013 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

    (e) the Company may make a contract to purchase Subscription Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Subscription Shares in pursuance of any such contract.

Notice of Annual General Meeting (continued)

General Meetings

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

By order of the Board

Registered Office:
One Wood Street
London EC2V 7WS

Frostrow Capital LLP

Company Secretary
1 June 2012

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

3. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon Friday, 13 July 2012.

4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.

6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "Register of Members") at 5.30 p.m. on Friday, 13 July 2012 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

9. As at 31 May 2012 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 44,231,026 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 31 May 2012 are 44,231,026.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Notice of Annual General Meeting (continued)

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).

15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday.

17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

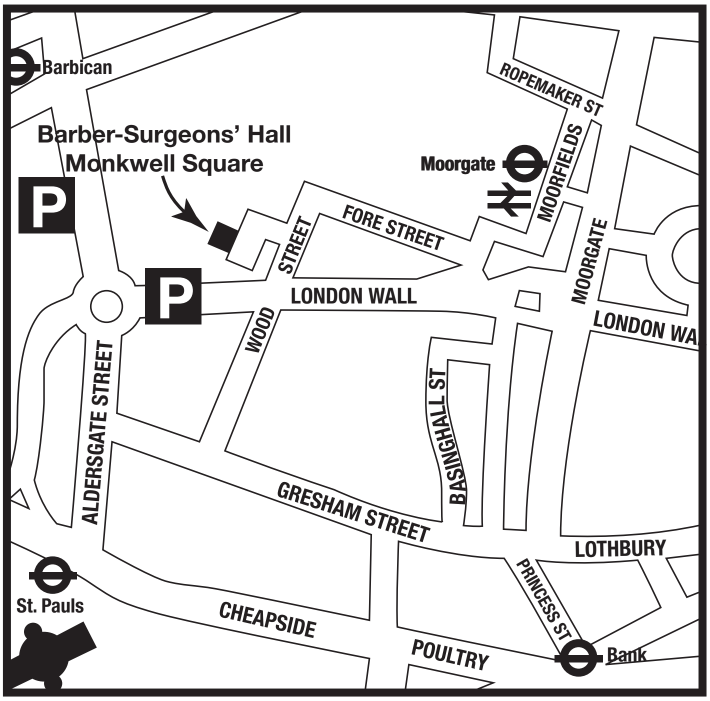
18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

    In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see page 61) then, subject to paragraph 4, the proxy appointment will remain valid.

19. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.

Notice of Annual General Meeting (continued)

LOCATION OF THE ANNUAL GENERAL MEETING



How to Invest

Alliance Trust Savings Limited

The Company's shares are available through savings plans (including Investment Dealing Accounts, ISAs and SIPPs) operated by Alliance Trust Savings Limited, which facilitates both regular monthly investments and lump sum investments in the Company's shares. Shareholders who would like information on the savings plans should call Alliance Trust Savings Limited on 01382 573737 or log on to www.alliancetrustsavings.co.uk or email contact@alliancetrust.co.uk. Calls to this number may be recorded for monitoring purposes.

An Individual Savings Account ('ISA') and Junior ISA are tax efficient methods of investment for an individual which gives the opportunity to invest in the Company up to £11,280 in the year 2012/2013 for an ISA and £3,600 for a Junior ISA and in subsequent tax years when they subscribe to a Stocks and Shares ISA.

The preceding two paragraphs have been issued and approved by Alliance Trust Savings Limited. Alliance Trust Savings Limited of PO Box 164, 8 West Marketgait, Dundee DD1 9YP is registered in Scotland with number SC98767. Alliance Trust Savings Limited provides investment products and services and is authorised and regulated by the Finance Services Authority. It does not provide investment advice.

Capita Registrars – Share Dealing Service

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

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £20.00, max £75.00)	1.5% of the value of the deal (Minimum £25.00, max £102.50)

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

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

For further information on this service please contact:

www.capitadeal.com (online dealing) or 0871 664 0364† (telephone dealing)

If calling from outside the UK please dial +44 (0) 203 367 2686

†Calls cost 10p per minute plus network extras and may be recorded for training purposes. Lines are open from 8.00 a.m. to 4.30 p.m. Monday to Friday.

The Share Dealing Service is provided by Capita IRG Trustees Limited which has issued and approved the preceding paragraphs. Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU is registered in England and Wales with number 2729260. Capita IRG Trustees Limited is authorised and regulated by the Financial Services Authority.

RISK WARNINGS

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

Glossary

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

Discount or Premium
A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing
The term used to describe the process of borrowing money for investment purposes. The expectation is that the returns on the investments purchased will exceed the finance costs associated with those borrowings.

There are several methods of calculating the level of gearing and the following has been selected:

The amount drawn down from the Company's loan facility divided by shareholders' funds expressed as a percentage.

Hypothecation
The pledging of securities or other assets as collateral to secure a loan such as a debit balance in a margin account.

LIBOR-OIS Spread
This is the difference between LIBOR and the Overnight Indexed Swap (OIS) rates. The spread between the two rates is considered to be a measurement of health of the banking system.

London Interbank Offered Rate (LIBOR)
The interest rate at which banks can borrow unsecured funds from other banks in London wholesale money markets, as measured by daily surveys of the British Bankers' Association. The published rate is a trimmed average of the rates obtained in the survey.

NAV per share (pence)
The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

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

Overnight Indexed Swap (OIS)
An interest rate swap that serves as a measure of investor expectations of an average effective overnight rate over the term of the swap.

Rehypothecation
The pledging to banks by securities brokers of the assets in a customer's margin account used as collateral for a loan.

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

Ongoing Charges
Ongoing charges are calculated by taking the Company's annualised ongoing charges, excluding performance fees and exceptional items, and dividing by the average month end net asset value of the Company over the year.

The publishing of ongoing charges information rather than a total expense ratio (TER) is advocated by the Association of Investment Companies who believe that using a single methodology to calculate ongoing charges will help reduce inconsistencies and allow investors and advisers to compare investment companies more easily with open-ended funds.

Treasury Shares
Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Company Information

DIRECTORS
Martin Smith (Chairman)
Jo Dixon
Professor Duncan Geddes
Dr David Holbrook
Samuel D. Isaly
Anthony Townsend

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

The Company was incorporated in England and Wales on 14 February 1995. The Company was incorporated as Finsbury Worldwide Pharmaceutical Trust PLC.

WEBSITE
Website: www.worldwidewh.com

REGISTERED OFFICE
One Wood Street
London EC2V 7WS

INVESTMENT MANAGER
OrbiMed Capital LLC
601 Lexington Avenue, 54th Floor
New York NY 10022
Website: www.orbimed.com
Registered under the U.S. Securities & Exchange Commission

MANAGER, ADMINISTRATOR AND COMPANY SECRETARY
Frostrow Capital LLP
25 Southampton Buildings, London WC2A 1AL
Telephone: 0203 008 4910
E-mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Services Authority

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

CUSTODIAN AND BANKER
Goldman Sachs & Co.
200 West Street, Third Floor
New York, NY10282

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

REGISTRARS
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): + 44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

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

†calls cost 10p per minute plus network charges and may be recorded for training purposes. Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday.

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

SHARE AND SUBSCRIPTION SHARE PRICE LISTINGS
The price of your shares and subscription shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman.

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

IDENTIFICATION CODES

Shares:	SEDOL	:	0338530
	ISIN	:	GB0003385308
	BLOOMBERG	:	WWH LN
	EPIC	:	WWH
Subscription Shares:	SEDOL	:	B3VMCB0
	ISIN	:	GB00B3VMCB07
	BLOOMBERG	:	WWHS LN

London Stock Exchange
LISTED
PREMIUM

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

This report is printed on Revive 75 Silk. The paper consists of 50% de-inked post consumer waste, 25% pre-consumer waste and 25% virgin wood fibre. The pulp used is a combination of Elemental Chlorine Free (ECF) and Totally Chlorine Free (TCF). The mill is certified to environmental management standard ISO 14001. This product has been awarded the NAPM 75% Recycled Mark. This report has been printed using vegetable based inks.

Perivan Financial Print 224634

The Association of
Investment Companies

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

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