MITHRAS
INVESTMENT TRUST plc

Annual Financial Report
31 December 2013

MITHRAS
Investment Trust plc

Mithras Investment Trust plc (the "Company") is a private equity investment trust managed by Mithras Capital Partners LLP ("MCP").

The Company's investment objective, approved by shareholders in January 2009, is to follow a realisation strategy which aims to crystallise value for shareholders in a manner which seeks to achieve a balance between returning cash to shareholders and maximising the value of the Company's portfolio.

In December 2012, the Board announced that the core strategy of returning capital to shareholders would be achieved through a series of tender offers.

The Company's investment portfolio consists of a commitment to Mithras Capital Fund LP ("MCF"), which is invested in European and United States based limited partnership buyout funds.

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Financial Summary

Group Financial Highlights

	Year ended 31 December 2013	Year ended 31 December 2012	% change compared to previous year
Net assets	**£44.3 million**	£52.0 million	(14.8)
Number of Ordinary shares in issue at end of period	**27,623,719**	36,287,312	(23.9)
Net Asset Value ("NAV") per Ordinary share	**160.4 pence**	143.1 pence	12.1
Mid market share price			
31 December	**137.5 pence**	112.5 pence	22.2
4 March 2014 [1]	**139.5 pence**		
Discount	**14.3%**	21.4%	
Cash distributions to shareholders during the period (dividends paid plus tender offers)			
– Dividends paid	**£0.4 million**	£0.7 million	(42.9)
– Tender offer proceeds	**£13.0 million**	–	–
	£13.4 million	£0.7 million	1,814.3
– Tender offer proceeds per Ordinary share	**37.6 pence**	–	–
– Proposed dividends [2]	**1.0 pence**	1.0 pence	0.0
Total return before tax	**£6.0 million**	£0.0 million	–
Ongoing charges (annualised) [3]	**1.0%**	1.0%	0.0
Total expense ratio (annualised) [4]	**1.6%**	1.6%	0.0

[1] Being the last practical date prior to approval of the Annual Financial Report.

[2] Proposed dividends, if approved by shareholders at the Annual General Meeting ("AGM"), are paid in the calendar year following proposal. Further information can be found in note 10 to the Financial Statements on page 56 and in the Financial Calendar on page 72.

[3] The ongoing charges figures have been calculated using the Association of Investment Companies' ("AIC") recommended methodology and relate to the ongoing costs of running the Company. Subsidiary expenses, such as those incurred by MCP and non-recurring fees are therefore excluded from the calculation.

[4] The ratio reflects the ongoing expenses for the Group. This follows the AIC guidance in calculating ongoing charges, but includes ongoing expenses of all subsidiaries.

Performance (Total Return) at 31 December 2013

	1 Year %	3 Year %	5 Year %	Since Flotation %
Share Price	23.1	30.2	122.5	316.4
NAV*	12.8	15.4	37.4	317.7
FTSE All-Share Index	20.8	31.0	95.2	317.4

*Returns based on NAV per share adjusted for dividends paid. The return since flotation is based on Group total return after tax before dividends, attributable to owners on opening owners' equity.

Chairman's Statement

Highlights of the year

During 2013 the Company took the first significant steps in delivering its realisation strategy, completing two tender offers returning a total of £12.8 million to shareholders. Whereas 2012 was flat in terms of NAV growth, the Company's NAV in 2013 increased by 12.1% from 143.1 pence per share to 160.4 pence per share. This was primarily driven by improving valuations towards the end of the year, reflecting some improvement in trading conditions in the UK, the US and parts of Europe as well as a small increase in comparable valuation multiples.

Despite periods of volatility in both the debt and equity markets during the year, most UK listed private equity share prices rose supported by a generally positive environment for realisations and the prospects of economic recovery. The Company's share price increased from 112.5 pence to 137.5 pence. The Company's share price discount narrowed materially from 21.4% to 14.3%, the reduction clearly supported by the two tender offers conducted during the year.

The Company's portfolio comprises some 67 underlying portfolio companies which continue to provide shareholders with a good breadth of deal size, sector and geographic exposure. The portfolio is mature in private equity terms with only two funds, CVC Europe V and PAI Europe V, still making new investments during the year. By April 2014 all of the underlying funds will have reached the end of their investment periods. As a consequence, MCF is only likely to call further capital from the Company to fund follow-on acquisitions by existing portfolio companies and fees. Given the fully invested state and maturity of the portfolio, the Company should be well placed to deliver future cash returns and NAV growth over the short and medium-term.

The Board

In line with the intention announced at the Company's 2013 AGM to reduce the number of the Company's Directors from five to four during the year, Mr Fabian French retired as a non-executive Director upon the completion of the second tender offer in December 2013. I would like to thank Mr French for his contribution to the Board over the last six years and wish him well for the future.

Following this change to the composition of the Board, I believe that the current Board is of a sufficient size and has the appropriate skills and expertise to deliver the realisation strategy for shareholders, including an ultimate exit.

Outlook

As 2013 progressed, investors grew increasingly confident that sustainable, albeit slow, economic recovery had started following the crisis of 2007/8. Most of the economic data published since the beginning of 2014 suggests that the recovery is more broadly based and rapid than had been anticipated. With the Company's portfolio largely based in the UK and Europe, we are optimistic that the underlying portfolio companies are starting to benefit from the improving macro-environment. Hopefully, this should lead to improved earnings which in turn should drive further growth in NAV.

Chairman's Statement

CONTINUED

The dual forces of increasing investor confidence in the economic recovery coupled with continued and unprecedented levels of central bank liquidity led to a favourable environment for private equity exits in the second half of 2013. The continuation of favourable market conditions will be crucial to the speed at which realisations are achieved by the Company's underlying portfolio companies. In this context, it was encouraging that the announcement in December 2013 by the US Federal Reserve of plans to commence unwinding stimulus measures did not unnerve markets in the way a similar announcement had in May 2013.

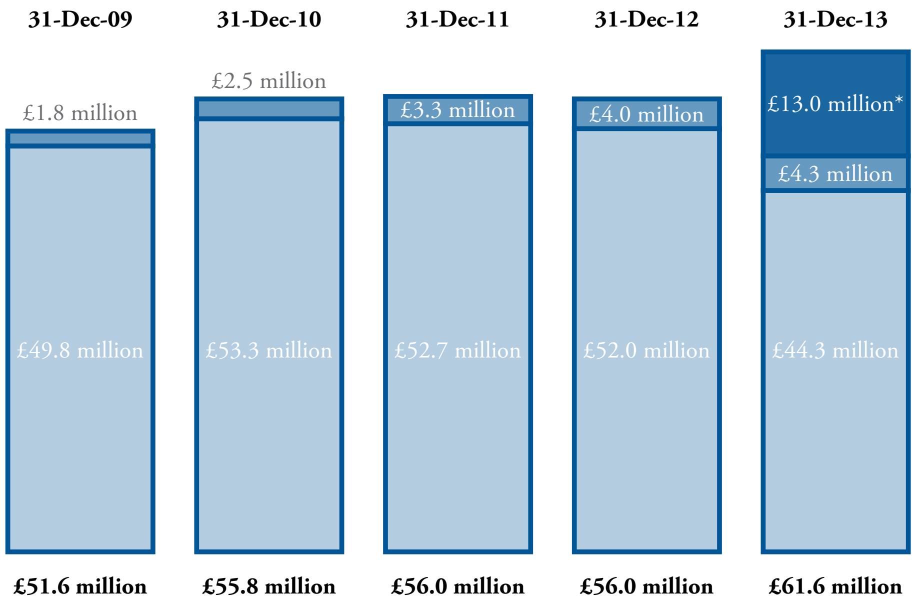
The Board remains committed to returning cash to shareholders. With the Company's cash balance at 31 December 2013 exceeding expected outstanding commitments to MCF by £2.2 million, the Board anticipates announcing a further tender offer during 2014. The timing and size of this tender offer will largely depend upon the generation of further cash proceeds from the Company's portfolio. The Company has minimal direct influence over such processes, which are always uncertain in nature and usually subject to market conditions. Given the current portfolio and the likely nature of exits from the underlying funds, shareholders should expect to receive the majority of their future returns in the form of capital.

With some 67 underlying investee companies in the portfolio, the Company is still in the relatively early stages of its overall realisation process. Despite this, the Board is working with its advisers to develop an ultimate exit strategy and will continue to welcome value-enhancing proposals which seek to maximise value for shareholders.

William Maltby
Chairman
5 March 2014

Investment Manager's Review

Net Assets and Cumulative Distributions to Shareholders following the approval of the Realisation Strategy (January 2009)



Key

- Net assets as at the Balance Sheet date
- Cumulative dividends paid
- Capital returned to shareholders through tender offers

*Gross tender offer proceeds including costs of the tender offers

Summary Financial Information following approval of Realisation Strategy

	Net Assets £m	NAV p	Share Price p	Discount %	Dividends paid per Ordinary share* p	Tender offer proceeds per Ordinary share p
31 December 2009	49.8	137.2	69.0	49.7	5.0	–
31 December 2010	53.3	146.8	112.5	23.4	2.0	–
31 December 2011	52.7	145.1	99.5	31.4	2.0	–
31 December 2012	52.0	143.1	112.5	21.4	2.0	–
31 December 2013	44.3	160.4	137.5	14.3	1.0	37.6
					12.00	37.6

* This is the dividend in pence per Ordinary share paid during the calendar year, declared in the previous year.

Investment Manager's Review

CONTINUED

Results and Performance for the Year

2013 was a positive year for the Company not only in terms of delivering the realisation strategy but also in respect of the Company's financial performance, with an improving NAV, share price and a further narrowing of the share price discount to NAV.

It has been a strong year for cash realisations from the underlying portfolio and the Company has been able to complete its first and second tender offers to shareholders. During the year the Company returned a total of £12.8 million to shareholders by way of tender offers (excluding costs of the tender offers).

Having provided shareholders with two opportunities to tender shares during the year, the Company's share price rose from 112.5 pence per share to 137.5 pence per share, an increase of 22.2% and the discount narrowed from 21.4% to 14.3%. The Group's NAV increased from 143.1 pence per share to 160.4 pence per share during the year and the Group's total return for the year was 17.1% (2012: 0.0%) which compares to the Group's benchmark, the FTSE All-Share Index's return of 20.8% (2012: 12.3%).

The Company will continue its strategy of paying a level of dividend required to maintain investment trust status. Accordingly, the Board has recommended a final dividend totalling 1.0 pence per Ordinary share (2012: 1.0 pence). If approved by shareholders, the proposed final dividend will be paid on 24 May 2014 to shareholders on the Register on 14 March 2014.

In line with our stated aim of managing the Company as efficiently as possible, the Company's operating expenses have decreased this year in absolute terms and we will continue to run the Company with this objective.

Realisation Strategy

The Company completed its initial tender offer in June 2013, buying back a total of 13% of the Ordinary shares in issue, returning £6.7 million of cash to shareholders. In December 2013, the Company completed its second tender offer buying back a total of 12.5% of the Ordinary shares in issue and returning £6.1 million of cash to shareholders. Both tender offers received strong support from shareholders with 88% of shareholders tendering their shares in June 2013 and 87% of shareholders tendering in December 2013. In total, the Company repurchased and cancelled 8,663,593 Ordinary shares during the year and returned £12.8 million of cash to shareholders which equates to a capital return of 37.6 pence per share.

Investment Activity

The Company's investment activity is solely focused on meeting the remaining outstanding commitment to MCF. As at 31 December 2013, only one underlying fund, ***CVC Europe V***, could still make new investments although its investment period is due to expire in April 2014. Given the relatively fully invested position of the portfolio, investment activity during the year was limited and MCF drew down a total of £2.4 million from the Company to meet draw downs due and expected from its underlying fund commitments.

The underlying funds within MCF made the following investments during 2013:

Investment Manager's Review

CONTINUED

CVC Europe V, the most active underlying fund during 2013, completed four acquisitions acquiring Cerved, a provider of credit and business information; ista, the leading global provider of submetering services; Campbell Soup Europe, the European soups and sauces business; and Domestic & General, a provider of extended warranties for UK domestic appliances. CVC Europe V also announced the acquisition of Skrill, a provider of online payment services in Europe, although this deal was subsequently funded and completed in 2014.

PAI Europe V completed three new investments during the year, acquiring IPH, a European distributor of industrial supplies; ADB Airfield Solutions, a world leader in airfield ground lighting; and R&R Ice Cream, a leading European ice cream manufacturer. During the year the investment period for PAI Europe V expired and it is now effectively fully invested at 93% drawn.

The remaining three underlying funds, ***OCM Principal Opportunities Fund IV, Doughty Hanson V*** and ***Riverside Europe III*** were fully invested throughout the year so made no new investments. During the year Riverside Europe III made small follow-on investments in Keycast, Agens and Tensator. Doughty Hanson V made a follow-on investment in Quiron.

Realisations and Repayments

2013 was an excellent year for distributions with MCF distributing a total of £11.2 million to the Company. These distribution proceeds comprised a number of full or partial exits, as well as refinancing and dividend recapitalisation proceeds as underlying funds took advantage of strong liquidity in the credit markets and positive exit conditions generally. OCM Principal Opportunities Fund IV was the most active during the year exiting from its investment in Claire's Stores, Tekni-Plex and Caesars Entertainment. It also received refinancing and dividend recapitalisation proceeds from Stock Spirits and Cyanco amongst others and achieved partial disposals of Chesapeake Corporation and Stock Spirits Group equity following their IPO's during the year.

CVC Europe V listed both Evonik and bpost during the year and the Company received partial distribution proceeds in respect of Evonik and has fully exited bpost during the year. CVC Europe V also substantially exited from its residual investment in Starbev and distributed proceeds from the partial disposal, repayment or refinancing of Sunrise, BJ's, Pilot Travel Centers and AlixPartners. Doughty Hanson V completed the sales of Vue Entertainment and Avanza during the year and PAI Europe V provided its first liquidity event with the partial disposal of its investment in Atos. Finally Riverside Europe III completed the sale of ONI. Despite this increased level of exit activity, the Company's portfolio still comprises 67 portfolio investments with the largest investment equating to less than 6% of NAV.

Liquidity and Outstanding Commitments

The Group's liquidity position during the year remained strong. The Group's cash position decreased during the year from £12.5 million to £7.7 million although this is after the Company returned a total of £12.8m to shareholders by way of two tender offers and paid a 1.0 pence per share dividend to shareholders in May 2013.

Excluding subsidiary company cash balances, the Company's cash balance of £7.1 million compares to maximum outstanding commitments of £6.2 million. As is typical with private equity fund-of-funds commitments, the Company does not expect this maximum outstanding commitment of £6.2 million to be fully drawn and the current expectation is that up to £4.9 million could be drawn, giving surplus cash of £2.2 million, before payment of the final dividend for the year ended 31 December 2013.

Investment Manager's Review

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Revaluations

During the year the Company recorded an unrealised valuation increase of £3.7 million from MCF, net of the Directors' valuation adjustment.

The Alternative Investment Fund Management Directive ("AIFMD")

The Board has appointed MCP to act as its Manager under AIFMD. The AIFMD is unlikely to have a material impact on MCP or the Company as MCP is currently sub-threshold and therefore most of the potential regulatory changes are not applicable. MCP has submitted its application to the Financial Conduct Authority ("FCA") to become a small authorised UK AIFM and does not expect to encounter any issues with its registration.

Outlook

The Company's maturing portfolio benefited from an improving macro-economic environment particularly in the UK and the US despite ongoing concerns about the eventual tightening of monetary policy. A continuation of the current market conditions should see the Company well placed to deliver NAV growth driven by improving earnings. The maturity of the portfolio and the current positive outlook for exits from within the portfolio should also enable the Company to continue to make further progress in its realisation strategy.

Mithras Capital Partners LLP
Investment Manager
5 March 2014

Consolidated Investment Portfolio At 31 December 2013

Investments	Fair value £'000	% of Portfolio
MCF limited partnership fund investments		
CVC European Equity Partners V	7,996	21
OCM Principal Opportunities Fund IV	6,935	19
Doughty Hanson & Co V	6,830	18
Riverside Europe Fund III	6,186	17
PAI Europe V	5,871	16
Net current assets held in MCF	665	2
Directors' revaluation adjustment	2,488	7
Total investment portfolio	36,971	100
Geographical spread of investments by fund currency exposure		
Continental Europe (EUR)	29,206	79
North America (USD)	7,100	19
United Kingdom (GBP)	665	2
Total investment portfolio	36,971	100

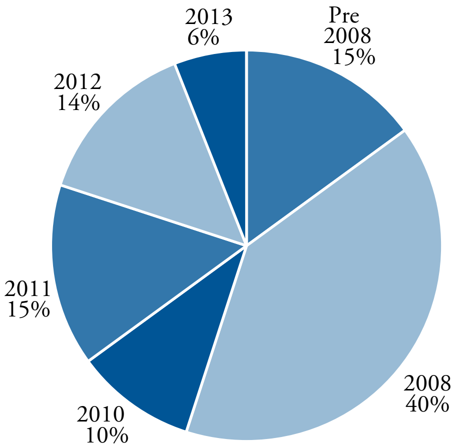
Listed below are the ten largest underlying investments by value which account for 42% of the consolidated investment portfolio. All of these investments are held indirectly through the Company's commitment to MCF.

Top Ten Largest Underlying Investments within MCF

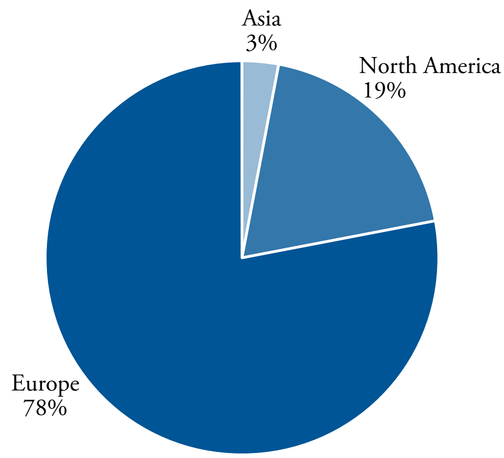
Portfolio Company	Sector	Country	Underlying Fund	Year of Investment	% of Portfolio
TMF Group	Services	Netherlands	Doughty Hanson & Co V	2008	7%
Quiron	Healthcare	Spain	Doughty Hanson & Co V	2012	6%
Diatron	Healthcare	Hungary	Riverside Europe Fund III	2005	5%
AdvancePierre Foods	Food & Beverage	United States	OCM Principal Opportunities Fund IV	2008	4%
Eurofiber	Telecoms, Media & Technology	Netherlands	Doughty Hanson & Co V	2012	4%
Tensator	Industrial Goods & Services	United Kingdom	Riverside Europe Fund III	2008	4%
Evonik	Oil, Gas & Chemicals	Germany	CVC European Equity Partners V	2008	3%
Vokes-Air	Building Materials & Others	Sweden	Riverside Europe Fund III	2008	3%
Fu Sheng	Basic Resources	Taiwan	OCM Principal Opportunities Fund IV	2007	3%
Summit Medical	Healthcare	United Kingdom	Riverside Europe Fund III	2008	3%

CONSOLIDATED INVESTMENT PORTFOLIO ANALYSIS

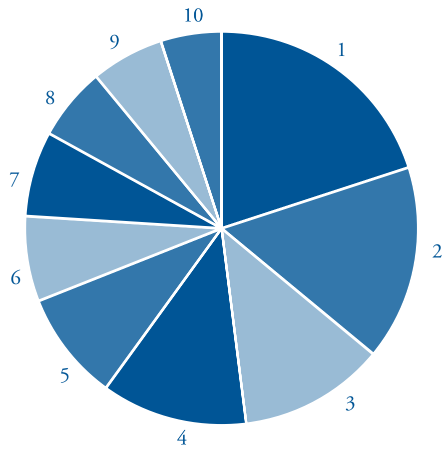
Underlying Investments by Year of Investment (by valuation)



Underlying Investments by Continent (by valuation)

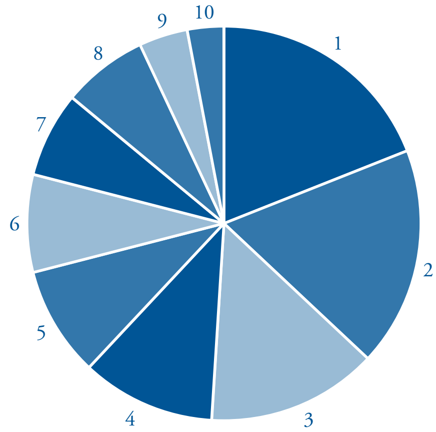


Underlying Investments by Sector (by valuation)



1	Healthcare	20%
2	Travel, Leisure & Retail	16%
3	Telecoms, Media & Technology	12%
4	Services	12%
5	Industrial Goods & Services	9%
6	Food & Beverage	7%
7	Basic Resources	7%
8	Building Materials & Others	6%
9	Oil, Gas & Chemicals	6%
10	Financial Services & Insurance	5%

Underlying Investments by Country (by valuation)



1	North America	19%
2	UK	18%
3	Benelux	14%
4	Spain	11%
5	Germany	9%
6	France	8%
7	Other Europe	7%
8	Scandinavia	7%
9	Rest of World	4%
10	Switzerland	3%

Portfolio Review – Mithras Capital Fund LP

Mithras Capital Fund LP

Mithras Capital Fund LP

MCF, a private equity fund-of-funds managed by MCP, held its final close in March 2008 raising a total of £120.0 million. MCF made five commitments ("Underlying Funds"), mostly to European buyout funds, which provide exposure across the whole range of the buyout market from the lower end through to the large segment of the market. MCF closed its commitment period on 24 July 2008 and no new commitments have been made since that date. The size of MCF was subsequently reduced to £110.0 million following a release of LP commitments totalling £10.0 million in April 2010.

The Company has a commitment of £55.0 million to MCF, Legal & General Assurance Society Limited ("LGAS"), the Company's largest shareholder, also has a commitment to MCF of £55.0 million.

The Company, through its commitment to MCF, has investment exposure to the following Underlying Funds: OCM Principal Opportunities Fund IV, Riverside Europe Fund III, Doughty Hanson & Co V, PAI Europe V and CVC European Equity Partners V. Details of these Underlying Fund investments can be found on pages 11 and 12.

Financial Position of MCF

As at 31 December 2013, MCF was valued at fair value based upon the latest available reports received from the general partners of the Underlying Funds. As part of the fair valuation process performed by MCP, a more up-to-date indication of fair value at 31 December 2013 has been sought from all underlying managers and this has been reflected as a Directors' valuation adjustment in the year end valuation for MCF.

The Company's investment in MCF at 31 December 2013 was as follows:

	31 December 2013	31 December 2012
Number of underlying portfolio companies	**67**	69
Fair value (£ million)	**37.0**	39.6
Cost (£ million)	**30.2**	37.7
Commitment to MCF (£ million)	**55.0**	55.0
Percentage of commitment drawn by MCF	**88.8%**	84.7%
Maximum undrawn commitment to MCF (£ million)	**6.2**	8.4
Percentage holding in MCF	**50.0%**	50.0%
Amounts called by MCF since inception (£ million)	**48.8**	46.6
Amounts distributed by MCF since inception (£ million)	**27.1**	15.9

The latest available audited financial statements for MCF at 31 December 2012 stated:

	31 December 2012
Allocation of net profit/(loss) attributable to MCF limited partners (£ million)	Nil
Net assets attributable to MCF limited partners (£ million)	79.2

Portfolio Review – Underlying Funds within MCF

OCM Principal Opportunities Fund IV ("OCM POF IV")

Company's share of OCM POF IV (via MCF)	31 December 2013	31 December 2012
Fair value (£ million)	**6.9**	9.9
Number of Investments	**20**	25
Commitment (US$ million)	**20.0**	20.0
Percentage of commitment drawn	**90.0%**	90.0%
Holding in OCM POF IV	**0.6%**	0.6%

OCM POF IV is a US$3.3 billion private equity fund which makes special situation private equity and distress for control investments in medium-sized companies that it believes are undervalued, possibly due to some kind of distress, and offer an opportunity for growth with an attractive risk/return profile. OCM POF IV attempts to structure investments with a view to obtaining control or significant influence. OCM POF IV's investment focus is predominantly on US opportunities although up to 35% could be invested in non-US opportunities. The investment period for OCM POF IV has expired so no new investments can be made.

CVC European Equity Partners V ("CVC Europe V")

Company's share of CVC Europe V (via MCF)	31 December 2013	31 December 2012
Fair value (£ million)	**8.0**	8.0
Number of Investments	**23**	20
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**77.9%**	65.0%
Holding in CVC Europe V	**0.1%**	0.1%

CVC Europe V is a €10.7 billion private equity fund which seeks to generate long-term capital appreciation primarily by investing in large European buyouts or other similar transactions where it can exert control. CVC Europe V targets companies which typically exhibit at least one of the following characteristics: a strong market position or product portfolio; a realistic business plan and a persuasive strategy for achieving it; or an opportunity for cash flow and profit growth internally or through acquisition. The investment period for CVC Europe V is due to expire in April 2014.

Doughty Hanson & Co V ("DH V")

Company's share of DH V (via MCF)	31 December 2013	31 December 2012
Fair value (£ million)	**6.8**	7.7
Number of Investments	**5**	7
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**78.3%**	77.0%
Holding in DH V	**0.5%**	0.5%

DH V is a €3.0 billion private equity fund which makes controlling equity investments in market leading, cash generative businesses which are headquartered in Europe or whose operations are primarily based in Europe. DH V targets businesses where the enterprise value at acquisition is in the range of €250 million – €1 billion. These will typically be family owned businesses with strong management teams where there is potential for equity value enhancement through improved revenue growth, market positioning, operating efficiencies and acquisitions. The investment period for DH V has expired so only add-on acquisitions to existing portfolio companies can be made.

Portfolio Review – Underlying Funds within MCF

CONTINUED

Riverside

Riverside Europe Fund III ("REF III")

Company's share of REF III (via MCF)	31 December 2013	31 December 2012
Fair value (£ million)	**6.2**	7.4
Number of Investments	**8**	9
Commitment (€ million)	**15.0**	15.0
Percentage of commitment drawn	**100.0%**	99.9%
Holding in REF III	**4.7%**	4.7%

REF III is a €320 million private equity fund which follows a pan-European buy and build strategy focused on the lower mid-market. REF III targets niche-leading companies with an initial enterprise value of between €10 million – €75 million and aims to grow the businesses acquired over a period of three to seven years by a combination of making acquisitions and adopting measures to improve earnings growth. Riverside's philosophy is to buy small companies, grow them into larger companies and exit them at medium to large company multiples. As REF III is now fully invested, no new investments can be made.

PAI partners

PAI Europe V ("PAI V")

Company's share of PAI V (via MCF)	31 December 2013	31 December 2012
Fair value (£ million)	**5.9**	5.1
Number of Investments	**11**	8
Commitment (€ million)	**7.5**	7.5
Percentage of commitment drawn	**93.3%**	76.0%
Holding in PAI V	**0.3%**	0.3%

PAI V is a €2.7 billion private equity fund which looks to make controlling equity investments in medium-sized private and public companies headquartered in Europe, with typical equity investments of between €100 million – €300 million. PAI V focuses on buying market-leading companies in one of five core sectors: business services, food & consumer goods, general industrials, healthcare and retail & distribution. PAI V particularly focuses on investing in consolidating sub-sectors or markets where growth can be sustained through both financial and economic cycles. PAI V's investment period has expired and as a consequence only add-on aquisitions to existing portfolio companies can be made.

Strategic Report

Introduction

The Directors present their Strategic Report on the Group for the year ended 31 December 2013. The Strategic Report contains a review of the Company's strategy and business model as well as the principal risks and challenges it faces, an analysis of its performance during the financial year and its future developments.

Pages 2 to 15 inclusive (together with the sections of the Annual Financial Report incorporated by reference) consist of a Strategic Report that has been prepared in accordance with Section 414A of the Companies Act 2006 (the "Act").

Business Model

The Group comprises the Company and its wholly owned subsidiaries, details of which together with the principal activities can be found in note 18 on pages 60 and 61.

The Company is incorporated in England and Wales as a public limited company and is domiciled in the United Kingdom. It is an investment company as defined by Section 833 of the Act and its Ordinary shares are listed and traded on the London Stock Exchange.

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust in accordance with Section 1158 Corporation Tax Act 2010 ("CTA") and in the opinion of the Directors, continues to meet the eligibility criteria to qualify as an investment trust. As an investment trust, the Company is exempt from Capital Gains Tax and given the Company's current portfolio, the shares are eligible for inclusion in an Individual Savings Account.

Objective and Investment Policy

The Company's investment objective, approved by shareholders in January 2009, is to follow a realisation strategy which aims to crystallise value for shareholders in a manner which seeks to achieve a balance between returning cash to shareholders and maximising the value of the Company's portfolio.

The Company will not make any new investments but will continue to meet its existing outstanding commitment to MCF. The Company will retain sufficient cash resources to meet all outstanding obligations and realised cash may be invested in AAA-rated money market funds pending its return to shareholders in accordance with the Company's investment objective.

Performance

An outline of performance, market background, investment activity and portfolio strategy during the year under review, as well as the outlook, is provided in the Chairman's Statement on pages 2 and 3 and the Investment Manager's Review on pages 4 to 7.

Measuring Performance – Key Performance Indicators

A number of performance measures are considered by the Board and MCP in assessing the Company's success in achieving its objectives. The Key Performance Indicators ("KPIs") used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- Movement in NAV;
- Movement in share price;
- Cash distributed to shareholders;
- Dividends per share;

- Ongoing charges; and
- Total expense ratio.

These KPIs are provided in the Group Financial Highlights summary on page 1.

Financial Risk Management

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. MCP has overall responsibility for managing the financial risks and the framework for monitoring and coordinating these risks. This is monitored by the Board. The Group's financial risk management objectives and processes used to manage these risks have not changed from the previous period and the policies are set out in note 21 to the Financial Statements on pages 62 to 65.

Principal Risks and Uncertainties

The Board, in conjunction with MCP, has established a risk management framework within the context of the Company's overall objective, as set out on page 13. The Board and the Audit Committee are responsible for the risk management framework, which enables the Company to assess the overall risk and exposure of the Company and to manage such risk.

General Risks Associated with Investment in Private Equity:

The Group invests in private equity through its exposure to MCF which mitigates some of these general risks through diversification. Such investments are illiquid and might be difficult to realise, particularly within a short timeframe.

Financial Risks:

By its nature as an investment trust, the Company's business activities are exposed to market risk (including currency risk, interest rate risk and market price risk), liquidity risk, and credit and counterparty risk. Details of these risks and how they are managed are set out in note 21 to the Financial Statements on pages 62 to 65.

Operational Risks:

As the Company's main functions are delegated to MCP and third party service providers, operational risk would arise from failures of internal control of those service providers. This would include, for example, non-compliance with statutes and regulations governing the functions of the Company. Operational risks are regularly assessed by the Board, which receives timely reports from MCP and its main service providers as to the internal control processes in place within those organisations. These serve to minimise the risk exposure to the Company. Further details regarding the Group's internal controls and management of risks are set out within the Directors' Report on pages 26 and 27.

Investment and Strategy Risks:

The Board considers at each meeting the performance of the investment portfolio and has established investment restrictions and guidelines within which MCP operates.

Valuation Risks:

The Group's exposure to valuation risk mainly comprises movements in the value of its underlying investments. The Company's investment in MCF is valued at fair value by the Directors in accordance with the current International Private Equity and Venture Capital ("IPEVC") Guidelines. Valuation risks are mitigated by a comprehensive review of underlying investments carried out by MCP twice each year. These valuations are then considered and approved by the Audit Committee and the Board. The Company's Auditors also review the valuations as part of their annual audit.

Strategic Report

CONTINUED

Regulatory Risks:

A breach of the CTA could result in the Company losing its status as an investment trust and becoming subject to Capital Gains Tax. MCP monitors the CTA qualification criteria and provides a report to the Board at each meeting. As an entity listed on the London Stock Exchange, the Company must also comply with the Listing, Prospectus and Disclosure and Transparency Rules (the "Rules") of the FCA as well as the Act. MCP and the Company Secretary provide regular reports to the Board on compliance with relevant provisions and report breaches without delay. The Board relies on MCP, the Company Secretary and professional third party advisers to ensure compliance with laws and regulations.

Corporate Governance and Shareholder Relations Risks:

Details of the Company's compliance with corporate governance best practice guidelines, including compliance with the AIC Code of Corporate Governance (the "AIC Code") and the maintenance of good communication with shareholders, are set out in the Corporate Governance Statement on pages 21 to 27.

Social and Environmental Policy

As an investment trust, the Company has no direct social, community, employee or environmental responsibilities and delegates all its functions to MCP and third party service providers. Details of the Investment Management Agreement are provided on page 18. The Company's principal responsibility is to ensure that its portfolio is properly managed and invested. As previously stated, the Company will make no new limited partnership commitments and no new investments in listed vehicles.

Anti-Bribery Policy

The Company is committed to the practice of responsible behaviour and to complying with all laws, regulations and other requirements which govern the conduct of its activity. The Company is committed to instilling a strong anti-corruption culture and is committed to compliance with anti-bribery legislation including, but not limited to, the Bribery Act 2010.

Gender Representation on the Board

The composition of the Board as at 31 December 2013 is set out on page 16. During the year under review, there were four male Directors (reduced to three Directors with effect from 20 December 2013) and one female Director on the Board. The Board's approach to diversity is set out in the Corporate Governance Statement on page 26.

Main Trends and Future Developments

Details of the Company's key developments during the year ended 31 December 2013, together with its prospects for the future, are set out in the Chairman's Statement on pages 2 and 3 and the Investment Manager's Review on pages 4 to 7. This is not intended to be a detailed forecast.

By Order of the Board
BNP Paribas Secretarial Services Limited
Company Secretary
5 March 2014

MITHRAS
Investment Trust plc

Board of Directors

The Directors of the Company who were in office at the date of signing these Financial Statements are listed below.

Chairman

William Maltby (Chairman of the Board, the Management Engagement and Nomination Committees)
William is a senior adviser to the Investment Banking Division of Deutsche Bank. Previously he was vice chairman of Investment Banking at Deutsche Bank where he worked for more than 25 years as a corporate financier. He qualified as a Chartered Accountant with Peat Marwick Mitchell and has a law degree from Cambridge University. He is also the chairman of The Tennis & Rackets Association Limited.
Appointed 2005.

Directors

Miriam Greenwood OBE DL
Miriam is a qualified Barrister who has spent more than 25 years working for a number of leading banks and financial institutions. She established SPARK Advisory Partners two years ago, as a new independent corporate advisory business. She is a non-executive director of Henderson Global Trust plc, Eclipse Shipping Limited, the Offshore Renewable Energy Catapult, Smart Metering Systems plc and until recently was a non-executive director of the Gas and Electricity Markets Limited Authority (OFGEM). She is a deputy lieutenant of the City of Edinburgh and in 2000 was awarded an OBE for services to corporate finance.
Appointed 2012.

John Mackie CBE (Senior Independent Director)
Following an early career in retail management he qualified as a Chartered Accountant with Arthur Andersen & Co in Glasgow. He then spent five years with 3i Group before joining Morgan Grenfell Private Equity in 1990 as a founder director. He was chief executive of the British Venture Capital Association from 2000-2006 and a partner in Parallel Private Equity LLP until 2011. He is also a non-executive director of Baronsmead VCT plc and is chairman of two advisory boards at early stage technology investment funds.
Appointed 2012.

David Shearer (Chairman of the Audit Committee)
David is an experienced corporate financier and turnaround specialist and was previously senior partner for Scotland & Northern Ireland and a UK Executive Board member of Deloitte LLP. He has just stood down as chairman of Mouchel Group following its successful turnaround and is chairman of Aberdeen New Dawn Investment Trust plc, co-chairman of Martin Currie (Holdings) Limited and senior independent director of STV Group plc. He was previously the chairman of Crest Nicholson plc and a non-executive director of City Inn Limited where he stood down after completing the financial restructuring of these businesses. He was also a non-executive director of Renold plc, Superglass Holdings plc and Scottish Financial Enterprise and a governor of The Glasgow School of Art. He is a Chartered Accountant.
Appointed 2007.

All Directors are members of the Nomination, Audit and Management Engagement Committees and are non-executive. No Remuneration Committee has been established.

All Directors are independent of MCP in accordance with the provisions of the AIC Code.

Directors' Report

The Directors present their annual Report and the audited Financial Statements of the Group for the year ended 31 December 2013 incorporating the Corporate Governance Statement on pages 21 to 27.

Information Disclosed in the Strategic Report

The following matters required to be disclosed in this report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are covered in the Strategic Report (inclusive of the Chairman's Statement and the Investment Manager's Review) on pages 2 to 15: the Company's status, objectives, policies, dividend, financial risk management, the Company's exposure to risks and the current and future developments (this is not intended to be a detailed forecast) as well as important events affecting the Group since the year end.

Share Capital

Details of changes in the Company's share capital during the year are set out in note 16 on page 59 of the Financial Statements.

As at the date of this Report, the Company had 27,623,719 Ordinary shares of 2p in issue. In June 2013, the Company purchased 13% of the issued share capital (equivalent to 4,717,350 Ordinary shares) from shareholders under an Initial Tender Offer and later that same year in December, the Company purchased 12.5% of the issued share capital (equivalent to 3,946,243 Ordinary shares) from shareholders under a Second Tender Offer. No shares were held in Treasury. Accordingly the total number of voting rights in the Company at the date of this Report is 27,623,719.

Directors

The Directors of the Company who held office at the end of 2013 and up to the date of signing these Financial Statements are set out on page 16 (including their biographical details). In line with the Board's intentions announced at the 2013 AGM to reduce the number of Directors from five to four during the course of the year, Mr French retired as a non-executive Director of the Company, with effect from 20 December 2013, upon the completion of the Second Tender Offer.

In accordance with the Articles of Association, Miss Greenwood and Mr Mackie are due to be re-elected at the 2014 AGM. The Nomination Committee, having reviewed their individual performance as Directors and their contribution to the operation of the Company, concluded that the Company benefited from their services. Accordingly, the Committee recommended to the Board that a resolution be put to shareholders for their re-election as Directors. Following formal performance evaluations, Miss Greenwood and Mr Mackie's performance continues to be effective and to demonstrate commitment to the role (including time for Board and Committee meetings and any other duties). Therefore the Board recommend that shareholders vote in favour of the re-election of Miss Greenwood and Mr Mackie. No Director has a contract of service with the Company.

Directors' Third-Party Indemnity Provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Act. The indemnity for Directors is in respect of any costs which they may incur relating to the defence of any proceedings brought against them arising out of their position as Directors, in which they are acquitted or judgement is given in their favour by the Court. The indemnity was in force throughout the last financial year and is currently in force.

Directors' Report

CONTINUED

The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Group.

Management and Significant Agreements

The Group's investments are self managed by MCP, which was appointed as Investment Manager under an Agreement effective from 1 April 2009 with the Company. Under this Agreement, MCP receives a fixed management fee of £64,000 per annum (2012: £64,000) payable by the Company. The Investment Management Agreement between the Company and MCP may be terminated by either party at not less than twelve months' written notice without penalty.

The Company and MCP are supported by Capita Asset Services who provide administration and accounting services for the Company. The Agreement between the Company and Capita Sinclair Henderson Limited may be terminated by either party giving twelve months' written notice at any time.

Company secretarial services are provided by BNP Paribas Securities Services who delegate this activity to their wholly owned subsidiary, BNP Paribas Secretarial Services Limited. The Agreement between the Company and BNP Paribas Securities Services may be terminated by either party giving not less than six months' written notice at any time.

Substantial Shareholdings

As at the year end and up to the date of this Report, the Company has determined that the following held interests of 3% or more of the voting rights attaching to the Company's issued share capital.

Beneficial Owner	No. of Shares as at 31 December 2013	% of Voting Rights as at 31 December 2013	No. of Shares as at 4 March 2014	% of Voting Rights as at 4 March 2014
Legal & General Assurance Society Limited	9,403,409	34.04	9,403,409	34.04
C G Asset Management Limited	3,291,682	11.92	3,291,682	11.92
Troy Asset Management Limited	3,060,033	11.08	3,060,033	11.08
East Riding of Yorkshire Council	2,615,412	9.47	2,615,412	9.47
A R B Johnson	1,635,308	5.92	1,760,308	6.37
South Yorkshire Pensions UK Fund Authority	1,133,953	4.10	1,133,953	4.10

Directors' Report
CONTINUED

Continuing Appointment of MCP

Having reviewed MCP's performance, the Board is satisfied with MCP's continued ability to produce satisfactory results. Accordingly, the Board believes that the continued appointment of MCP, on its current terms, is in the interest of shareholders. Such a review is carried out on an annual basis. Mr Boylan is the chairman of MCP and Mr Mackie is the Company's designated representative. Mr Mackie receives a fee of £5,000 per annum from MCP.

Takeover Directive Disclosure Requirements

- the Company's capital structure is summarised in note 16 on page 59 and the voting rights are summarised on page 68. There are no restrictions concerning the transfer of securities in the Company and there are no limitations between holders of securities regarding their transfer known to the Company;
- no restrictions exist on voting rights, including: limitations on voting rights of holders of a given percentage or number of votes; deadlines for existing voting rights; arrangements by which, with the Company's cooperation, financial rights carried by securities are held by a person other than the holder of the securities;
- the rules concerning the appointment and replacement of Directors are contained in Sections 154 to 169 of the Act and the Company's Articles of Association. The rules concerning the amendment of the Articles are contained within the Company's Articles of Association, which provide that a special resolution must be passed at a general meeting of the Company. The rules concerning the power to issue or buy back the Company's shares are contained in Sections 549 to 657 and Sections 690 to 708 of the Act respectively and within Articles 6 and 7 respectively of the Company's Articles of Association;
- no agreements exist to which the Company is party that may affect its control following a takeover bid; and
- no agreements exist between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions.

Going Concern

The Company has reviewed the guidance issued by the Financial Reporting Council ("FRC") in order to determine whether the going concern basis should be used in preparing the Financial Statements for the year ended 31 December 2013. In doing so, the Directors have reviewed the likely operational costs and cash flows for the Company for the twelve months from the date of this Report and are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have agreed that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements, as after due consideration, no material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

Directors' Report

CONTINUED

Independent Auditors

Having been appointed in 2003, the Independent Auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office as Auditors. After careful consideration of the services provided to the Group during the year and a review of the effectiveness of the external Auditors, the Audit Committee recommended to the Board that PricewaterhouseCoopers LLP should be re-appointed as Auditors to the Group. Accordingly, resolutions are to be proposed at the forthcoming AGM for their re-appointment, and to authorise the Directors to agree their remuneration for the ensuing year. There are no existing contractual obligations that restrict the choice of Auditor.

Disclosure of Information to Auditors

The Directors at the date of approval of this Report, as listed on page 16, confirm that:

- to the best of their knowledge and belief, there is no relevant information of which the Company's Auditors are unaware; and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Act.

Annual General Meeting

The twenty-fourth AGM of the Company will be held on Wednesday, 7 May 2014 at the offices of BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP at 12.00 noon. The business to be transacted at the meeting is detailed in the Notice of Meeting on pages 66 to 70.

Share Buy Backs

The Board is seeking approval at the AGM to renew the authority for the Company to repurchase up to 14.99% of the Company's shares for cancellation. The Board has no intention to hold any repurchased shares in Treasury. Following approval of the realisation strategy by shareholders, it is unlikely that the Board would seek to utilise this authority. Full details are included in the Explanatory Notes to the Notice of Meeting on page 70.

Notice of General Meeting

The Board is seeking approval at the AGM to allow the Company to hold general meetings, other than an AGM, on 14 clear days' notice. This is permitted under the Act provided that a special resolution is passed by the shareholders approving this notice period and providing that the Company offers the facility to shareholders to vote by electronic means. The Board intends that this shorter notice period would not be used as a matter of routine, but would only be used where the flexibility was justified by the business of the meeting and it was in the best interests of shareholders as a whole.

Recommendation

The Directors consider that passing the resolutions proposed at the AGM will be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders vote in favour of each of these resolutions, as they intend to do so, in respect of their own beneficial and non-beneficial holdings which amount in aggregate to 148,084 Ordinary shares of 2 pence each representing 0.54% of the voting rights of the Company.

Directors' Report
CONTINUED

Corporate Governance

Background

The Company is committed to high standards of corporate governance and has applied the principles of good governance set out in the AIC Code. Copies of the AIC Code can be found on www.theaic.co.uk. The AIC Code has been endorsed by the FRC and compliance with the AIC Code enables the Company to meet its obligations in relation to the provisions of the UK Corporate Governance Code 2012 insofar as they relate to the Company's business. Given its focus on private equity and in line with other private equity investment managers, it has been concluded that MCP is not required to report against the UK Stewardship Code published in September 2012.

Statement of Compliance

The Board considers that throughout the year ended 31 December 2013, it complied with the principles of the AIC Code insofar as they apply to the Company's business and with the provisions of the Code except for:

Principle 15 Recommendation – Considering the merit of obtaining on a regular basis, an independent appraisal of MCP's services. MCP attends each Board meeting, enabling the Board to review MCP's performance against the Company's investment objective, portfolio risk and attribution analysis. Therefore, the Board does not consider obtaining an independent appraisal of MCP's services to be necessary.

This Corporate Governance Statement, together with the Management Report and Statement of Directors' Responsibilities set out on pages 28 and 29, demonstrates how the Company has complied with the AIC Code.

Board Responsibilities

The Directors collectively have a duty to promote the long-term success of the Company.

To this end, the Board is responsible for determining the strategic direction of the Company. It meets at least four times per year to review the performance of the Company's investments, the financial position of the Company, its performance in line with the agreed investment objective and all other important issues to ensure control is maintained over the Company's affairs and that it operates within a framework of prudent and effective controls. All the Directors are non-executive and most of the Company's day-to-day responsibilities are delegated to MCP and third party service providers. Therefore, a schedule of matters specifically reserved for the Board for its decision has been adopted.

There is a clear division of responsibility between the Chairman, the Directors, MCP and the third party service providers. No one individual has unfettered powers of decision making. The Chairman is responsible for leading the Board and ensuring its effectiveness in all aspects of its role, promoting a culture of openness and debate by facilitating the effective contribution of Directors and for ensuring that the Directors receive accurate, timely and clear information. MCP and the Company Secretary liaise with the Chairman prior to each meeting to agree agenda content and papers to be submitted to the Board and Committee meetings. The Chairman also ensures that there is regular communication with shareholders. The Chairman at the time of his appointment was, and remains, independent of MCP.

The Board has delegated the following responsibilities to MCP: development of strategic plans and the taking of decisions as to the management of the Company's investment portfolio. The Board takes responsibility for the content of major corporate communications.

Directors' Report
CONTINUED

The Board has formalised arrangements under which the Directors, in furtherance of their duties, may take independent professional advice at the Company's expense. The Company Secretary is responsible for advising the Board, through the Chairman, on all governance matters and ensuring compliance with applicable rules, regulations and Company procedures.

The Directors have access to the advice and services of the Company Secretary through its appointed representatives. The appointment and removal of the Company Secretary is a matter for the whole Board.

Directors and Directors' Independence
At the year end the Board comprised the Chairman and three Directors all of whom are non-executive Directors. There is no chief executive position within the Company.

The Board considers that all Directors are independent in character and judgement and comply with the criteria for independence as set out in the AIC Code. All Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, they are responsible for ensuring that their policies and operations are in the best interests of all the Company's shareholders and that the interests of the creditors and suppliers to the Company are properly considered.

The Board is satisfied that it is of sufficient size, with an appropriate balance of skills and expertise, and that no individual or group of individuals is, or has been, in a position to dominate decision-making.

Conflicts of Interest
The Board has approved a policy on Directors' conflicts of interest and a Register of Conflicts of Interest has been compiled and approved by the Board. The Directors have also undertaken to notify the Chairman and the Company Secretary as soon as they become aware of any new actual or potential conflict of interest that would need to be considered and approved by the disinterested Directors and added to the Register, which is reviewed annually by the Board. The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate.

Professional Development
The Company has a full, formal and tailored induction programme, which covers the Group's investment strategy, policies and practices. As the Company is following the realisation strategy approved by shareholders, it is envisaged that the Directors currently serving will remain in place for the life of the Company. Throughout their time in office, the Directors are continually updated on the Group's business, the regulatory environment in which it operates and other changes affecting the Group by its advisers through written briefings and at Board meetings.

In addition, the Chairman reviews the training and development needs of each Director annually, as part of the evaluation process outlined below.

Directors' Report

CONTINUED

Board Evaluation

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board as a whole, the Committees of the Board and the individual Directors. The Board has adopted a questionnaire to be used as a basis for this formal and rigorous annual evaluation. The evaluations take place in two stages. First, the evaluation of individual Directors is led by the Chairman, and the evaluation of the Chairman's performance is led by the Senior Independent Director. Secondly, the Board evaluates its own performance and that of its Committees.

The Board evaluation considers attendance, the balance of skills, experience, independence and knowledge of the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness including the Board's ability to challenge MCP's recommendations.

The Chairman uses the feedback from the discussion to make recommendations to improve performance where necessary. The Board considers annually, in the absence of the Chairman, matters pertaining to his performance. It was concluded that the performance of the Directors was satisfactory in all areas and they were confident in their ability to make effective contributions and to demonstrate commitment to their roles.

Re-election

Directors are appointed subject to the provisions of the Act and the Company's Articles of Association. The re-appointment of a Director is reviewed by the Nomination Committee prior to a Director seeking re-election at an impending AGM. Re-appointment is not automatic and is subject to a review of performance. All Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, all Directors are subject to re-election in accordance with the Articles of Association. No Director will serve more than three years in office without shareholder approval.

Information Flows

The Board is regularly provided with information to enable it to discharge its duties, including information on regulatory changes and internal controls. MCP provides such information as requested by the Board in addition to timely clarification or amplification of specific issues from time to time. The Company Secretary is responsible for ensuring good information flows.

Board Committees

In order to enable the Directors to discharge their duties, three Board Committees, with written terms of reference, have operated throughout the year. Committee membership is set out on page 16. Attendance at the meetings of the various Committees is restricted to members and those persons expressly invited to attend. BNP Paribas Secretarial Services Limited acts as Secretary to each Committee. Copies of the terms of reference for the Board Committees are available from the Company Secretary and are on the Company's website, www.mithrasinvestmenttrust.com. A schedule of the Directors attendance at Board and Board Committee meetings can be found on page 24.

Directors' Report

CONTINUED

Meeting Attendance

	Scheduled Board Meetings	Audit Committee Meetings	Nomination Committee Meeting	Management Engagement Committee Meeting
Total	4	3	1	1
W J Maltby	4	3	1	1
P L F French‡	4	3	1	1
M Greenwood	4	3	1	1
J Mackie	4	3	1	1
D J B Shearer	4	3	1	1

‡ With effect from 20 December 2013, Mr French retired as a Director of the Company.

During the year under review, one additional ad hoc Board meeting was held.

Audit Committee

The Audit Committee convened three meetings during the year ended 31 December 2013. Mr Shearer is Chairman of the Audit Committee. The other members comprise all the Directors, namely Miss Greenwood and Messrs Mackie and Maltby. All members of the Committee have relevant financial and investment experience as a result of their current or recent employment in the financial services and other industries. As the Chairman of the Committee, Mr Shearer has relevant and recent financial experience in financial services and as audit chair across a range of listed and unlisted companies as well as being a Chartered Accountant. Messrs Mackie and Maltby are also Chartered Accountants.

The Audit Committee operates within clearly defined terms of reference, which are reviewed annually and provides a forum through which the Company's external Auditors report to the Board.

During the year ended 31 December 2013, the Audit Committee considered the following significant issues:

Issue considered	How the issue was addressed
Accuracy and integrity of the Financial Statements	Consideration of draft annual financial report, letters of representation and the audit plan, together with a review of the appropriateness of accounting policies and regulatory developments during the year.
Review of internal control systems and risks	Review of a summary risk map and regular risk climate updates, policies and procedures in place.
Valuation of underlying funds	Review of individual funds and the valuation methodology applied.

Effectiveness of the External Audit Process

The Committee annually reviews the performance of PricewaterhouseCoopers LLP, the Company's external Auditors. In doing so the Committee considers a range of factors including the quality of service, the Auditors' specialist expertise, the length of tenure of the current Audit firm and when a tender process was last conducted. The provision of non-audit services and the level of audit fee are also considered.

The Committee remains satisfied with their effectiveness and therefore has not considered it necessary, to date, to require the external Auditors to tender for the audit work. During the year the Audit Committee undertook a more robust review of the Auditors to evaluate whether a tender process was necessary. Having reviewed the calibre and reputation, size and resources of the audit firm, as well as the scope of the audit partner's involvement in the audit process, the Audit Committee recommended to the Board that a tender process for the audit was not necessary, particularly given the realisation strategy being followed and the limited life expectancy of the Company.

The external Auditors are required to rotate the audit partner every five years and accordingly, a new audit partner, Mr Craig Hughes, was appointed in July 2013.

There are no contractual obligations restricting the choice of external Auditors. As the Company has no employees, there is no dedicated resource to the Audit Committee. However, representatives from Capita Asset Services, who produced the financial information for the Company for the year ended 31 December 2013, are invited to attend and present on issues as required. In addition, representatives of PricewaterhouseCoopers LLP, the Company's Auditors, attend the Audit Committee meeting at which the draft Annual Financial Report is reviewed and are given the opportunity, should they so wish, to speak to the Audit Committee members without the presence of MCP.

Provision of Non-Audit Services

The Audit Committee regularly monitors the non-audit services provided to the Group by its external Auditors, and has developed a formal policy on auditor independence to ensure that such services do not impair the independence or objectivity of the Auditors.

The non-audit services provided during the year were tax compliance services and review of the Interim Financial Report. In order to safeguard auditor independence, non-audit services are carefully monitored, in particular the level of non-audit fees to ensure this does not become excessive when compared to the level of the audit fee.

Details of the amounts paid to the external Auditors during the financial year, for audit and other services, are set out in note 7 to the Financial Statements on page 54.

Nomination Committee

The Nomination Committee has defined terms of reference and comprises all members of the Board. The Committee is chaired by Mr Maltby and on occasions when the Committee is reviewing the performance of the Chairman, the Senior Independent Director chairs the Meeting. The Committee meets at least annually and, having regard to the realisation strategy which the Company is following, considers succession planning, the balance of skills and experience on the Board. Directors' independence and diversity of the Board (including gender) is also considered.

Directors' Report

CONTINUED

The Board recognises the objectives of the Davies Report, "Women on Boards", aimed at improving the performance of corporate boards by encouraging the appointment of the best qualified people who come from a range of differing perspectives and backgrounds. As the Company is currently following the realisation strategy, approved by shareholders, it is envisaged that the Directors' currently serving will remain in place for the life of the Company. Therefore, the Board sees limited merit in adopting a policy or target for diversity.

Management Engagement Committee

The Management Engagement Committee was established to review the performance of MCP and third party service providers, as well as to review their terms of engagement and to ensure the management contract is competitive and reasonable for the shareholders. The Committee meets annually and is chaired by Mr Maltby. As the Board is considered small for the purposes of the AIC Code, the Committee consists of all the Directors of the Company.

Communication with Shareholders

The Board aims to ensure that shareholders are kept informed of developments in the Company's business through its published Annual and Interim Financial Reports. This information is supplemented by the publication of Interim Management Statements during the six months between the Annual and Interim Financial Report periods and these are announced to the London Stock Exchange, as well as being available on the Company's website.

The Directors are always available to enter into dialogue with shareholders and the Company places a great deal of importance upon such communications. MCP together with the Chairman if requested, is available to meet with the Company's shareholders to discuss matters of the Group's investment strategy, performance and governance. Discussions with shareholders are reported to the Board. It is the intention of the Board that the Annual Financial Report for the year ended 31 December 2013 and Notice of the AGM be issued to shareholders so as to provide at least twenty working days notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the Registered Office address given on page 73.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and Financial Statements are set out on pages 28 and 29. The Independent Auditors' Report appears on pages 35 to 39.

Internal Controls and Management of Risk

The Directors conduct an ongoing review and monitor the effectiveness of the Group's systems of internal controls and report to shareholders that they have done so. This process has been in place for the year under review and up to the date of approval of this Report. It is subject to regular review by the Board and accords with the Turnbull Guidance 2005 and the AIC Code.

Directors' Report
CONTINUED

This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management. Internal controls systems are designed to meet the particular needs of the Group and the risks to which it is exposed. They are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their very nature provide reasonable but not absolute assurance against material misstatement or loss. The principal risks faced by the Group and how they are managed are set out on pages 14 and 15. The Board confirms that it has reviewed the effectiveness of the Group's system of internal controls for the year under review, taking into account all matters leading up to the date of the approval of the Financial Statements.

MCP, the Fund Administrator and the Company Secretary have established internal control frameworks to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of their clients. MCP reports to the Board on the operation of its internal controls and risk management, insofar as it impacts on the Group. In addition, it reports on compliance within the terms of its delegated authority under the Investment Management Agreement on a quarterly basis. The Company Secretary also reports any breaches of law and regulation as and when they arise. This enables the Board to address any issues of concern regarding the management of the Group promptly.

The Company does not have an internal audit function as it employs no staff and delegates most of its operations to MCP and third parties. The Audit Committee reviews at least annually whether an internal audit function is required.

The Company does not have a whistleblowing policy in place. The Company delegates its main functions to MCP and third party providers who have such policies in place and the Audit Committee is happy to accept that these policies meet industry standards.

During the course of its review of the system of internal controls, the Board has not identified nor been advised of any significant failings or weaknesses.

On behalf of the Board
Mithras Investment Trust plc
Company Number: 2478424
William Maltby
Chairman
5 March 2014

Management Report and Statement of Directors' Responsibilities

Listed companies are required by the FCA's Rules to include a management report in their Annual Financial Statements. The information required to be in the management report for the purposes of the FCA's Rules is included in the Strategic Report on pages 2 to 15 inclusive (together with the sections of the Annual Financial Report incorporated by reference) and the Directors' Report on pages 17 to 27. Therefore, a separate management report has not been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Report on Remuneration and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under company law the Directors have prepared the Group and Company Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"). 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable IFRSs as adopted by the EU 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 disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements and the Directors' Report on Remuneration comply with the Act and, as regards the Group Financial Statements, Article 4 of the International Accounting Standards ("IAS") Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual Financial Report is published on the Company's website www.mithrasinvestmenttrust.com, which is a website managed by the Investment Manager. The Directors and Investment Manager are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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 Annual Financial Report since they were initially presented on the website.

The Directors consider that the Annual Financial Report, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess the Company's performance, business model and strategy.

Management Report and Statement of Directors' Responsibilities

CONTINUED

Each of the Directors, whose names and functions are listed on page 16 confirm that, to the best of their knowledge and belief:

- the Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company; and
- the Strategic Report as contained within the Annual Financial Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
William Maltby
Chairman
5 March 2014

Directors' Report on Remuneration

Introduction

The Directors present their Report on remuneration for the year ended 31 December 2013, in accordance with Section 420 to 422 of the Act. This Report also meets the relevant FCA Rules and describes how the Board has applied the principles relating to Directors' remuneration.

The Company's Auditors are required to report on certain information within this Report. Where information set out below has been audited, it is indicated as such. The Auditors' opinion is included within the Independent Auditors' Report on pages 35 to 39.

Directors' Remuneration Policy

The Board is comprised entirely of independent, non-executive Directors and as a whole considers the remuneration of Directors. Accordingly, it has not appointed a separate Remuneration Committee.

The Company's Articles of Association limit the aggregate fees payable to Directors to £200,000 per annum. This was increased at the 2013 AGM from £150,000 per annum, following shareholder approval, to provide the Company with flexibility should one or more Directors be required to spend additional time delivering the Company's realisation strategy. The Company's policy is that fees payable to the Directors should reflect the time spent on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to motivate and retain candidates of a high calibre to deliver the realisation strategy and the Company's investment objectives as set out on page 13.

The component parts of the Directors' Remuneration are set out in the table below.

The Board considers any comments received from shareholders on the remuneration policy on an ongoing basis and if appropriate, takes these into consideration when reviewing remuneration.

Component Parts of the Directors' Remuneration

	Year ended 31 December 2013	Year ended 31 December 2012
Chairman base fee	**£35,000**	£35,000
Non-executive Director base fee	**£25,000**	£25,000
Additional fee for the Chairman of the Audit Committee	**£5,000**	£5,000
Additional fee for the Senior Independent Director	**£2,500**	£2,500

[1] The Company's policy is for the Chairman of the Board, the Chairman of the Audit Committee and the Senior Independent Director to be paid higher fees than the other Directors, to reflect their more onerous roles.

[2] Directors' fees are paid up to the date of termination of their appointment, with no exit payments or compensation for loss of office payments applicable.

[3] As the Company has no employees, there are no comparisons to be made between this Directors' Remuneration Policy and a policy on the remuneration of employees.

[4] Directors' are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company.

[5] Fees are paid quarterly in arrears.

Directors' Report on Remuneration

CONTINUED

In line with the Company's objective to manage it's costs, the Board composition was reviewed during 2013 and the number of Directors was reduced from five to four with effect from 20 December 2013. As the Company is currently following the realisation strategy, approved by shareholders, it is envisaged that the Directors' currently serving will remain in place for the life of the Company.

No Director has a contract of service with the Company. The terms and conditions of the appointment of the Directors are set out in the Letters of Appointment which are available for inspection at the Company's Registered Office during normal business hours and at the location of the AGM during the Meeting. A Director may resign by providing notice in writing to the Board at any time; there is no fixed notice period.

Directors' Annual Remuneration Report

This Report sets out how the Directors' Remuneration Policy was implemented during the year ended 31 December 2013.

The Board as a whole has reviewed the level of fees paid to Directors and has no immediate intention of increasing the current levels of remuneration payable to Directors.

The amounts, set out in the table below, were paid by the Company to the Directors for services as Directors in respect of the year ended 31 December 2013 and the previous financial year.

Single Total Figure of Remuneration for each Director (Audited)

The Directors who served during 2013 and 2012 received the following emoluments:

	Total Fees[3]	
Director	**2013**	**2012**
W J Maltby	**35,000**	32,336[1]
P L F French	**24,260**[2]	25,000
M Greenwood	**25,000**	16,667
J Mackie	**27,500**	17,036
D J B Shearer	**30,000**	30,000
M Wooderson	**–**	12,572[1]
	141,760	133,611

[1] With effect from 9 May 2012, Mr Wooderson resigned as Chairman and a Director of the Company and Mr Maltby was appointed as Chairman and receives a fee of £35,000 per annum.

[2] With effect from 20 December 2013, Mr French retired as a Director of the Company.

[3] No aspect of the Directors' remuneration, past or present, is performance-related in light of the Directors' non-executive status. As a result, no Director is entitled to any bonuses, benefit in kind, share options, long-term incentives, pension or other retirement benefit.

Directors' Report on Remuneration
CONTINUED

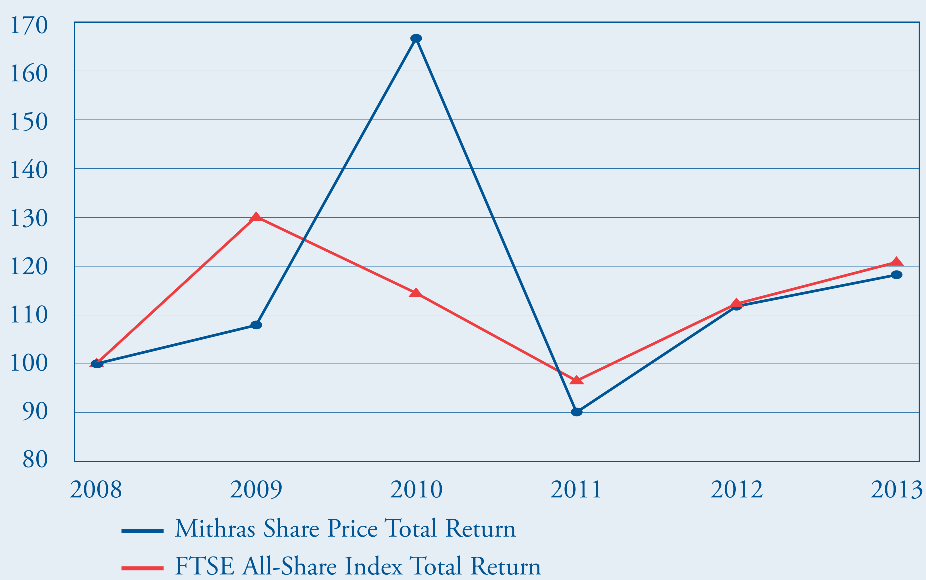
Consideration of Matters relating to Directors' Remuneration

The Board reviewed the level of fees paid to Directors during the year. No external advice was sought in considering the level of Directors' fees. However the Company Secretary provided an analysis of fees payable to other investment trust companies with comparable investment objectives which was taken into consideration. The Board as a whole has reviewed the level of fees paid to Directors and has no immediate intention of increasing the current levels of remuneration payable to Directors.

Performance Graph

The performance graph below charts the cumulative share price total return (assuming that all dividends are reinvested) to shareholders since 31 December 2008. This return is compared to the cumulative total shareholder return on a notional investment in the FTSE All-Share Index, which is the portfolio benchmark against which the Company's performance is measured. The data has been rebased to 100 as at 31 December 2008.

Mithras Performance against the FTSE All-Share Index



Directors' Report on Remuneration

CONTINUED

Expenditure by the Company on Directors' Remuneration compared with Distributions to Shareholders

The table below compares the remuneration paid to Directors to distributions to shareholders, during the year under review and the prior financial year, by way of dividends and tender offers. In considering these figures, shareholders should take into account the realisation strategy approved by shareholders.

Directors' Beneficial and Family Interests in Shares

The interests of the Directors and their connected persons in the shares of the Company is shown below.

Statement of Implementation of Directors' Remuneration Policy

The Board does not envisage that there will be any significant changes to the implementation of the Directors' Remuneration Policy during the current financial year compared to how it was implemented during the year ended 31 December 2013.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013, I confirm that the above Directors' Report on Remuneration summarises, as applicable, for the year ended 31 December 2013:-

Directors' Remuneration compared with Distributions to Shareholders

	2013	2012	% change compared to previous year
Aggregate spend on Directors' fees*	**141,760**	133,611	6.1
Distribution to shareholders:			
(a) dividends	**363,000**	726,000	(50.0)
(b) tender offers	**12,743,000**	–	–
Aggregate distribution	**13,106,000**	726,000	1,705.2

*As the Company has no employees the total spend on remuneration comprises solely of Directors' fees.

Directors' Beneficial and Family Interests (audited)

	At 31 December 2013 Ordinary shares		At 31 December 2012 Ordinary shares	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
W J Maltby	**72,319**	**19,032**	95,000	25,000
J D Mackie	**19,032**	–	25,000	–
D J B Shearer	**19,032**	–	25,000	–
M Greenwood	**18,669**	–	25,000	–
P L F French*	–	–	32,500	–

There have been no changes to the above holdings between 31 December 2013 and the date of this Report. No Director, nor any persons connected with them, had a material interest in any of the Group's transactions, arrangements or agreements during the year ended 31 December 2013.

* With effect from 20 December 2013, Mr French retired as a Director of the Company.

DIRECTORS' REPORT ON REMUNERATION
CONTINUED

a) the major decisions on Directors' remuneration;

b) any substantial changes relating to Directors' remuneration made during the year; and

c) the context in which those changes occurred and decisions taken.

Shareholder Approval

Shareholders will be asked to approve the Directors' Report on Remuneration annually, as previously, by an advisory vote and an ordinary resolution to approve the Report will be put to shareholders at the forthcoming AGM.

At the AGM held on 8 May 2013, votes cast (including the votes cast at the Chairman's discretion) in respect of the Directors' Remuneration Report were 25,803,895 (99.97%) in favour, 5,000 (0.02%) against, and 2,498 (0.01%) votes were withheld.

In addition shareholders will be asked to approve the Directors' Remuneration Policy on a three-yearly basis. Accordingly, an ordinary resolution will be put to shareholders at the forthcoming AGM, following which, the full policy provisions will continue to apply until the AGM held in 2017. The Directors' Remuneration Policy is subject to a binding shareholder vote and any changes to this policy would also require shareholder approval.

Recommendation

The Board considers the resolutions to be proposed at the forthcoming AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions, as they intend to do so in respect of their own beneficial holdings.

On behalf of the Board
William Maltby
Chairman
5 March 2014

Independent Auditors' Report to the Members of Mithras Investment Trust plc

Report on the financial statements

Our opinion

In our opinion:

- the financial statements, defined below, give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2013 and of the Group's profit and of the Group's and Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by Mithras Investment Trust plc, comprise:

- the Consolidated and Company balance sheets as at 31 December 2013;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated and Company statements of changes in equity and cash flow statements for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and IFRSs as adopted by the European Union and, as regards the Company, as applied in accordance with the provisions of the Companies Act 2006.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Financial Report (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £776,000, 1.75% of year end net assets.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £39,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Group comprises the Company and Investment Trust, 'Mithras Investment Trust plc', and subsidiaries Mithras Capital Holdings Limited, Mithras Investments Limited, Mithras Capital Partners LLP, which acts as the investment manager, and Mithras Capital Partners GP Limited. The Group financial statements are a consolidation of the Company and four subsidiaries.

The Company is structured as an investment company, and has a commitment to Mithras Capital Fund LP, which is invested in European and United States based limited partnership buyout funds.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us as the group engagement team and as subsidiary auditors, to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

We audited the material financial information of the four subsidiaries and the Company and this, together with the procedures we performed at the Group level, including procedures over the consolidation, gave us the evidence we needed as a basis for our opinion on the Group financial statements as a whole.

Areas of particular audit focus

In preparing the financial statements, the Directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through substantive procedures.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on page 24.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

Area of focus	How the scope of our audit addressed the area of focus
Valuation of investments	
We focused on this area because investments represent a material balance in the financial statements and deriving their fair value requires estimates and significant judgements to be applied by the Manager.	We obtained an understanding of, and evaluated, the valuation methodology applied.
The investment portfolio comprises of investments in private equity funds, via an investment in Mithras Capital Fund LP.	We read management's Valuation Paper, and challenged the Manager and the Directors on the appropriateness of the methodology and key inputs used with reference to the International Private Equity and Venture Capital Valuation guidelines and our knowledge of the investee entity and underlying funds. We tested the techniques and inputs used by the Manager in determining the fair value of the fund of funds investment, including consideration of past historical accuracy of estimates. This included agreeing inputs to the valuation calculation to external evidence received from underlying third party fund managers, and understanding and challenging the rationale for adjustments made by the directors.
Risk of management override of internal controls	
ISAs (UK & Ireland) require that we consider this.	We examined the significant accounting estimates and judgements particularly in relation to the valuation of unquoted investments for evidence of bias by the Directors that may represent a risk of material misstatement due to fraud. We built an element of "unpredictability" into our audit by testing items which would have ordinarily been out of the scope of our work.

Going Concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 19, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the directors have concluded that it is appropriate to prepare the Group's and Company's financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Corporate Governance Statement set out on pages 21 to 27 in the Annual Report with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Corporate Governance Statement

Under the Companies Act 2006, we are required to report to you if, in our opinion a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

On pages 28 and 29 of the Annual Report, as required by the Code Provision C.1.1, the directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy. On page 24, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the Directors is materially inconsistent with our knowledge of the Group and Company acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Mithras Investment Trust plc

CONTINUED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, the Directors are responsible for the preparation of the Group and Company 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 Group and Company financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Craig Hughes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 March 2014

Notes:

(a) The maintenance and integrity of the Mithras Investment Trust plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MITHRAS
Investment Trust plc

Consolidated Statement of Comprehensive Income for the year ended 31 December 2013

	Notes	2013 Revenue return £'000	2013 Capital return £'000	2013 Total return £'000	2012 Revenue return £'000	2012 Capital return £'000	2012 Total return £'000
Income							
Net gains/(losses) on investments	4	–	**5,520**	**5,520**	–	(460)	(460)
Investment income	5	**795**	–	**795**	822	–	822
Other income	6	**475**	–	**475**	488	–	488
		1,270	**5,520**	**6,790**	1,310	(460)	850
Expenses							
Other operating expenses	7	**(770)**	–	**(770)**	(824)	–	(824)
Profit/(loss) before finance costs and tax		**500**	**5,520**	**6,020**	486	(460)	26
Finance costs	8	–	–	–	(17)	–	(17)
Profit/(loss) before tax		**500**	**5,520**	**6,020**	469	(460)	9
Taxation	9	**(233)**	**8**	**(225)**	29	–	29
Profit/(loss) and total comprehensive income/(loss) for the year		**267**	**5,528**	**5,795**	498	(460)	38
Attributable to:							
Owners of the Company		**232**	**5,528**	**5,760**	475	(460)	15
Non-controlling interests		**35**	–	**35**	23	–	23
Basic and diluted earnings/(loss) per Ordinary share (pence)	11	**0.7**	**16.4**	**17.1**	1.3	(1.3)	0.0

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under the guidance published by the AIC.

The Company has elected to take the exemption in Section 408 of the Act, to not present the Company's Income Statement and Statement of Comprehensive Income.

The notes on pages 47 to 65 form an integral part of these Financial Statements.

MITHRAS
Investment Trust plc

Consolidated Statement of Changes In Equity for the year ended 31 December 2013

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Capital reserve on investments sold £'000	Capital reserve on investments held £'000	Revenue reserve £'000	Non-controlling interest £'000	Total £'000
2012										
At 1 January		726	8,598	–	109	47,388	(9,311)	5,140	15	52,665
Profit before compensation to key management personnel		–	–	–	–	–	–	475	195	670
Dividends paid	10	–	–	–	–	–	–	(726)	–	(726)
Compensation to key management personnel	7	–	–	–	–	–	–	–	(172)	(172)
Profit share paid to members in a subsidiary	20	–	–	–	–	–	–	–	(23)	(23)
Change in holding of MCP LLP		–	–	–	–	(4)	–	–	4	–
Gains on disposal of investments	12	–	–	–	–	1,726	–	–	–	1,726
Fair value movements	12	–	–	–	–	–	(2,186)	–	–	(2,186)
At 31 December		726	8,598	–	109	49,110	(11,497)	4,889	19	51,954
2013										
Profit before compensation to key management personnel		**–**	**–**	**–**	**–**	**8**	**–**	**232**	**176**	**416**
Dividends paid	10	**–**	**–**	**–**	**–**	**–**	**–**	**(363)**	**–**	**(363)**
Compensation to key management personnel	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(142)**	**(142)**
Gains on disposal of investments	12	**–**	**–**	**–**	**–**	**1,808**	**–**	**–**	**–**	**1,808**
Fair value movements	12	**–**	**–**	**–**	**–**	**–**	**3,712**	**–**	**–**	**3,712**
Movement for MCP GP creditor		**–**	**–**	**–**	**–**	**–**	**8**	**–**	**–**	**8**
Profit share paid to members in a subsidiary	20	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(32)**	**(32)**
Cancellation of share premium account		**–**	**(8,598)**	**8,598**	**–**	**–**	**–**	**–**	**–**	**–**
Share premium cancellation expenses		**–**	**–**	**(24)**	**–**	**–**	**–**	**–**	**–**	**(24)**
Cost of shares cancellation under tender offer agreement		**(174)**	**–**	**(8,574)**	**174**	**(4,425)**	**–**	**–**	**–**	**(12,999)**
At 31 December		**552**	**–**	**–**	**283**	**46,501**	**(7,777)**	**4,758**	**21**	**44,338**

The notes on pages 47 to 65 form an integral part of these Financial Statements.

MITHRAS
Investment Trust plc

Company Statement of Changes In Equity for the year ended 31 December 2013

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Capital reserve on investments sold £'000	Capital reserve on investments held £'000	Revenue reserve £'000	Total £'000
2012									
At 1 January		726	8,598	–	109	64,043	(21,845)	1,025	52,656
Profit and total comprehensive income for the year		–	–	–	–	–	–	437	437
Dividends paid	10	–	–	–	–	–	–	(726)	(726)
Gains on disposal of investments	12	–	–	–	–	1,726	–	–	1,726
50% investment management fee	20	–	–	–	–	(32)	–	–	(32)
Fair value movements	12	–	–	–	–	–	(2,118)	–	(2,118)
At 31 December		726	8,598	–	109	65,737	(23,963)	736	51,943
2013									
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**8**	**–**	**110**	**118**
Dividends paid	10	**–**	**–**	**–**	**–**	**–**	**–**	**(363)**	**(363)**
Gains on disposal of investments	12	**–**	**–**	**–**	**–**	**1,808**	**–**	**–**	**1,808**
Fair value movements	12	**–**	**–**	**–**	**–**	**–**	**3,866**	**–**	**3,866**
50% investment management fee	20	**–**	**–**	**–**	**–**	**(32)**	**–**	**–**	**(32)**
Cancellation of share premium account		**–**	**(8,598)**	**8,598**	**–**	**–**	**–**	**–**	**–**
Share premium cancellation expenses		**–**	**–**	**(24)**	**–**	**–**	**–**	**–**	**(24)**
Cost of shares purchased for cancellation under tender offer agreement		**(174)**	**–**	**(8,574)**	**174**	**(4,425)**	**–**	**–**	**(12,999)**
At 31 December		**552**	**–**	**–**	**283**	**63,096**	**(20,097)**	**483**	**44,317**

The notes on pages 47 to 65 form an integral part of these Financial Statements.

MITHRAS
Investment Trust plc

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Non-current assets			
Investments	12	**36,971**	39,594
Current assets			
Receivables	13	**22**	20
Cash and cash equivalents	14	**7,651**	12,548
		7,673	12,568
Total assets		**44,644**	52,162
Current liabilities			
Payables	15	**(226)**	(193)
Current tax liability		**(80)**	(15)
		(306)	(208)
Net assets		**44,338**	51,954
Equity attributable to owners of the Company			
Share capital	16	**552**	726
Share premium account		**–**	8,598
Capital redemption reserve		**283**	109
Capital reserve		**38,724**	37,613
Revenue reserve		**4,758**	4,889
Equity attributable to owners of the Company		**44,317**	51,935
Non-controlling interest		**21**	19
Total equity		**44,338**	51,954
Net assets per Ordinary share (pence) – basic and diluted	17	**160.4**	143.1

The Financial Statements on pages 40 to 65 were approved by the Board of Directors and authorised for issue on 5 March 2014.

The notes on pages 47 to 65 form an integral part of these Financial Statements.

They were signed on the Board's behalf by:

William Maltby
Chairman
Mithras Investment Trust plc
Company Number: 2478424

David Shearer
Chairman of the Audit Committee

Company Balance Sheet as at 31 December 2013

	Notes	2013 £'000	2012 £'000
Non-current assets			
Investments	12	**37,436**	39,905
Current assets			
Receivables	13	**14**	7
Cash and cash equivalents	14	**7,093**	12,201
		7,107	12,208
Total assets		**44,543**	52,113
Current liabilities			
Payables	15	**(214)**	(170)
Current tax liability		**(12)**	–
		(226)	(170)
Net assets		**44,317**	51,943
Equity attributable to owners of the Company			
Share capital	16	**552**	726
Share premium account		**–**	8,598
Capital redemption reserve		**283**	109
Capital reserve		**42,999**	41,774
Revenue reserve		**483**	736
Total equity		**44,317**	51,943

The Financial Statements on pages 40 to 65 were approved by the Board of Directors and authorised for issue on 5 March 2014.

The notes on pages 47 to 65 form an integral part of these Financial Statements.

They were signed on the Board's behalf by:

William Maltby
Chairman
Mithras Investment Trust plc
Company Number: 2478424

David Shearer
Chairman of the Audit Committee

MITHRAS
Investment Trust plc

Consolidated Cash Flow Statement for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Cash flows from operating activities			
Investment income received		**795**	822
Interest income received		**36**	49
Investment management fees received		**440**	440
Other operating expenses		**(655)**	(643)
Compensation to key management personnel		**(142)**	(172)
Taxation paid		**(160)**	(163)
Purchase of non-current investments	12	**(2,511)**	(3,994)
Sale of non-current investments	12	**10,654**	7,114
Net cash flow from operating activities		**8,457**	3,453
Cash flows from financing activities			
Equity dividends paid	10	**(363)**	(726)
Profit share distributed to non-controlling interest		**(32)**	(23)
Share premium cancellation expenses		**(24)**	–
Tender offer proceeds		**(12,935)**	–
Net cash flow from financing activities		**(13,354)**	(749)
Net decrease in cash and cash equivalents		**(4,897)**	(2,704)
Cash and cash equivalents at beginning of year	14	**12,548**	9,844
Cash and cash equivalents at end of year	14	**7,651**	12,548

The notes on pages 47 to 65 form an integral part of these Financial Statements.

Company Cash Flow Statement
for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Cash flows from operating activities			
Investment income received		**795**	942
Interest income received		**35**	49
Investment management fees paid		**(64)**	(64)
Other operating expenses		**(512)**	(476)
Taxation paid		**(183)**	(157)
Purchase of non-current investments	12	**(2,511)**	(3,994)
Sale of non-current investments	12	**10,654**	7,114
Net cash flows from operating activities		**8,214**	3,414
Cash flows from financing activities			
Equity dividends paid	10	**(363)**	(726)
Share premium cancellation expenses		**(24)**	–
Tender offer proceeds		**(12,935)**	–
Net cash flow from financing activities		**(13,322)**	(726)
Net (decrease)/increase in cash and cash equivalents		**(5,108)**	2,688
Cash and cash equivalents at beginning of year	14	**12,201**	9,513
Cash and cash equivalents at end of year	14	**7,093**	12,201

The notes on pages 47 to 65 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General Information

Mithras Investment Trust plc (the "Company") is a company incorporated and domiciled in the United Kingdom. The Consolidated Financial Statements of the Group for the year ended 31 December 2013 comprise the Company and its subsidiaries, Mithras Investments Limited ("MIL"), Mithras Capital Holdings Limited ("MCH"), Mithras Capital Partners LLP ("MCP") and Mithras Capital Partners GP Limited ("MCGP"), together referred to as the "Group". The nature of the Group's operations and its principal activities are set out in note 3 Segment Reporting and in the Strategic Report on pages 13 to 15. The Group's organisational structure is disclosed in note 18 on pages 60 and 61.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in preparing these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Consolidated Financial Statements of the Group and the Company have been prepared in accordance with IFRS as adopted by the EU, International Financial Reporting Interpretations Committee ("IFRIC") interpretations and the Act applicable to companies reporting under IFRS, and have been prepared on a going concern basis.

The Consolidated Financial Statements have been prepared on the historic cost basis, except for the revaluation of financial assets at fair value through profit or loss. Investments are held at fair value with unrealised gains and losses on investments and impairment of investments recognised in the Consolidated Statement of Comprehensive Income and allocated to capital. Gains and losses on investments sold are calculated as the difference between sale proceeds and cost and allocated to capital. All other assets and liabilities are held at carrying amounts, which approximate to their fair values unless otherwise stated.

In determining the analysis of total income and expenses as between capital return and revenue return, the Directors have followed the guidance contained in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the AIC as revised in 2009, to the extent that this is not inconsistent with the requirements of IFRS.

To reflect the activities of an investment trust company, supplementary information which analyses the Consolidated Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under Section 833 of the Act, net capital returns may not be distributed by way of dividend.

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The valuation of unquoted investments is the area where a higher degree of judgement or complexity arises or where assumptions and estimates are significant to the Consolidated Financial Statements.

The estimates and associated assumptions are based on historical experience and other factors including cost, other comparable transactions, earning multiples, discounts, market conditions, operating results and other qualitative and quantitative factors. A number of these factors also include forecast information and therefore are subject to judgements made by various parties. Because of the inherent uncertainty of valuations as well as the discounts applied, the estimated fair values of investments in privately held companies may differ significantly from the values that would have been used had a ready market for the securities existed. The valuations of publicly traded securities held by these funds are also affected by discounts, estimated for any legal or contractual restrictions on sale.

The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant techniques for estimation are described in the accounting policies overleaf and in note 2.2 (g) Investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

2.2 Significant Accounting Policies

(a) New Standards, Amendments or Interpretations to Existing Standards relevant to the Group's Operations.

At the date of authorisation of these Financial Statements, the IASB and the IFRIC have issued the following standards, amendments and interpretations to be applied to Financial Statements with periods commencing on or after the following dates:

- IFRS 13 Fair value measurement (effective for annual periods beginning on or after 1 January 2013).

  This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across all IFRSs.

- IFRS 12 Disclosures of interests in other entities includes the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, structured entities and other off balance sheet vehicles (effective for annual periods beginning on or after 1 January 2014).

- IFRS 10 Consolidated financial statements (effective for annual periods beginning on or after 1 January 2014, subject to EU endorsement).

  This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the Consolidated Financial Statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.

- IFRS 9 Financial instruments: Classification and measurement (effective for annual periods beginning on or after 1 January 2017, subject to EU endorsement).

  This standard will replace IAS 39 and clarifies and simplifies the classification and measurement of financial instruments.

None of the standards, amendments and interpretations are expected to have a significant effect on the Consolidated Financial Statements of the Group.

(b) Basis of Consolidation
The Consolidated Financial Statements incorporate the results, assets and liabilities, and cash flows of the Company and its subsidiaries, MIL, MCH, MCP and MCGP.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Financial Statements of the Company, investments in subsidiaries are recognised at fair value.

Notes to the Financial Statements
continued

2. Summary of Significant Accounting Policies *continued*

2.2 Significant Accounting Policies *continued*

(c) Non-controlling Interests

The interest of the non-controlling member is stated as the non-controlling member's proportion of the fair values of the assets and liabilities recognised. Subsequently, the non-controlling interests represents the proportion of profit or loss for the year and net assets not held by the Group and are presented separately in the Consolidated Statement of Comprehensive Income and within Total Equity in the Consolidated Balance Sheet, separately from shareholders' equity.

(d) Foreign Currency Translation/Transactions

The Company's functional and presentation currency is Sterling since that is the currency of the primary economic environment in which the Company operates.

Transactions in currencies other than Sterling are translated at the rates of exchange prevailing on the dates of the transactions. At each Balance Sheet date, financial assets and liabilities denominated in foreign currencies are translated at the rates prevailing.

Gains and losses arising on translation are included in the Consolidated Statement of Comprehensive Income and presented as revenue or capital as appropriate.

(e) Recognition of Income

Investment income includes dividends and interest on investments, while interest income on cash and cash equivalents is shown as a component of other income in the revenue return column of the Consolidated Statement of Comprehensive Income.

Income from limited partnership funds is recognised when the income is distributed and received. The limited partnership funds allocate income once a year, after the general partners' priority profit share has been allocated in the partnerships' annual tax returns.

Investment management fee income is accrued over the period for which the service is provided. Interest income is recognised on a time proportion basis using the effective interest method.

(f) Expenses

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

(i) Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

(ii) Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. Accordingly, the investment management fee has been allocated 50% to revenue and 50% to capital. Tax relief attributable to the investment management fees charged to capital is credited to the capital return. The Directors consider this apportionment to be appropriate, having regard to the expected split of the long-term investment returns as between revenue and capital.

(iii) Transaction costs are disclosed within the net gains and losses on investments.

Notes to the Financial Statements
CONTINUED

2. Summary of Significant Accounting Policies *continued*

2.2 Significant Accounting Policies *continued*

(g) Investments

Purchases and sales of investments are accounted for at settlement date for unquoted investments. On initial recognition, the Group and the Company have designated all investments, including investments in the subsidiaries, as held at fair value through profit or loss, with all gains and losses reflected in the Consolidated Statement of Comprehensive Income, including foreign currency gains and losses on translation of investments at the Balance Sheet date.

The Group manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy and information about the Group is provided internally on this basis to the entity's key management personnel.

The Group invests in unquoted limited partnerships through MCF. These investments are stated at Directors' valuation with reference to IPEVC Guidelines which is in accordance with the valuations provided by the managers of those funds. Valuations of the funds are reported to the Company quarterly and are incorporated in the Company's Financial Statements when received. The valuation methodology used by these funds is that the underlying investments are valued at fair value determined in accordance with the relevant limited partnership agreements.

Investments made via MCF are valued at the manager's valuation where this is consistent with the requirement to use fair value. The Board and MCP perform a review of the valuations provided by MCP. The valuations are based on the latest available information provided by the underlying managers of the private equity funds, to which MCF is committed and these valuations may not be co-terminus with the year end of the Company. Valuations are adjusted where more up-to-date indications of fair value become available.

(h) Receivables

Other receivables are short-term in nature and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for estimated irrecoverable amounts.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(j) Payables

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Notes to the Financial Statements
continued

2. Summary of Significant Accounting Policies *continued*

2.2 Significant Accounting Policies *continued*

(k) Taxation

Tax recognised in the Consolidated Statement of Comprehensive Income represents the sum of current tax and deferred tax charged or credited in the year. In line with the recommendations of the SORP, the tax effect of different items of expense is allocated between revenue and capital on the same basis as the particular item to which it relates, using the marginal method.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 of the CTA are not liable for taxation on capital gains.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset is realised or the liability settled based on tax rates that have been enacted or substantively enacted by the Balance Sheet date.

(l) Dividend Distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

(m) Share Capital and Reserves

Share capital represents the nominal value of equity shares.

The cost of tender offers of Ordinary shares including related stamp duty and transaction costs is charged to special distributable reserve or capital reserves. This charge is then dealt with in the Statement of Changes in Equity. Tender offer share repurchase transactions are accounted for on a trade date basis. The nominal value of Ordinary share capital repurchased is transferred out of called up share capital and into the capital redemption reserve.

The capital return component of total income is taken to the non-distributable capital reserves within the Statement of Changes in Equity.

MITHRAS
Investment Trust plc

Notes to the Financial Statements
CONTINUED

3. Segment Reporting

	Year ended 31 December 2013			Year ended 31 December 2012		
	Investing activities £'000	**Private equity fund-of-funds management £'000**	**Consolidated £'000**	Investing activities £'000	Private equity fund-of-funds management £'000	Consolidated £'000
Net gains/(losses) on investments	**5,520**	**–**	**5,520**	(460)	–	(460)
Investment income	**795**	**–**	**795**	822	–	822
Interest income	**35**	**–**	**35**	47	–	47
Other income	**–**	**440**	**440**	(50)	491	441
Other operating expenses	**(505)**	**(265)**	**(770)**	(510)	(314)	(824)
Profit/(loss) before finance costs and tax	**5,845**	**175**	**6,020**	(151)	177	26
Finance costs	**–**	**–**	**–**	(17)	–	(17)
Taxation	**(225)**	**–**	**(225)**	29	–	29
Profit/(loss) for the year	**5,620**	**175**	**5,795**	(139)	177	38
Segment assets	**44,486**	**158**	**44,644**	52,013	149	52,162
Segment liabilities	**(286)**	**(20)**	**(306)**	(185)	(23)	(208)
Net segment assets	**44,200**	**138**	**44,338**	51,828	126	51,954

The Group makes investments into various geographical areas and the information about the total gains and losses and income on investments and their fair value, analysed by geographical location, is presented in notes 4, 5 and 12 to the Financial Statements.

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Board considers the operating segments to be between the investment activities and private equity fund-of-funds management. The Board assesses the performance of the Group based upon the KPI's as stated in the Strategic Report on pages 13 and 14.

Investing activities represent the Group and Company's operations and commitment to MCF. Comprehensive income for this segment is derived from gains and losses on investments, income from investments, interest income and other income. The private equity fund-of-funds management business is undertaken by MCP. Revenue for this segment is primarily derived from management services provided to MCF.

Notes to the Financial Statements

CONTINUED

4. Net Gains/(Losses) on Investments

	Group Year ended 31 December 2013 Total £'000	Group Year ended 31 December 2012 Total £'000
Realised gains on disposal based on carrying values at previous Balance Sheet date	**1,808**	1,726
Unrealised gains/(losses) on investments held at fair value through profit and loss	**3,712**	(2,186)
	5,520	(460)
Segmental Analysis		
Continental Europe	**2,909**	(2,365)
North America	**2,296**	1,767
United Kingdom	**315**	138
	5,520	(460)

The total fair value movement estimated using a valuation technique was an increase of £3,712,000 (2012: £2,186,000 decrease).

Transaction costs on investments represent such costs incurred on both the purchase and disposal of those assets.

5. Investment Income

	Group Year ended 31 December 2013 Total £'000	Group Year ended 31 December 2012 Total £'000
Interest income on unquoted investments	**765**	562
Dividend income on unquoted investments	**30**	260
	795	822
Segmental Analysis		
Continental Europe	**735**	562
North America	**60**	260
United Kingdom	**–**	–

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

6. OTHER INCOME

	Group Year ended 31 December 2013			Group Year ended 31 December 2012		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Investment management fee income*	**440**	**–**	**440**	440	–	440
Deposit interest	**34**	**–**	**34**	47	–	47
Other operating income	**1**	**–**	**1**	1†	–	1
	475	**–**	**475**	488	–	488

* Investment management fee income is derived from priority profit share paid by MCF to MCGP.

† Other operating income includes £nil (2012: £1,000) of interest received from HMRC.

7. OTHER OPERATING EXPENSES

	Group Year ended 31 December 2013 £'000	Group Year ended 31 December 2012 £'000
Auditors' remuneration – audit of the Consolidated and Company Financial Statements	**39**	39
Auditors' remuneration – audit of the Company's subsidiaries	**29**	29
Auditors' remuneration – audit related assurance services	**19**	19
Auditors' remuneration – tax compliance services	**7**	7
Directors' emoluments	**142**	134
Compensation to key management personnel (note 20)	**142**	172
Other administrative expenses	**392**	424
	770	824

All expenses include VAT where applicable.

Auditors' remuneration for other assurance services relate to the interim review of £17,000 (2012: £17,000), and fees relating to regulatory reporting of £2,000 (2012: £2,000). There were no other non-audit services provided by the auditors.

Other administrative expenditure includes: administration fees, legal and professional fees, general office costs and other miscellaneous expenses.

The split of expenses incurred by the Company and MCP is disclosed in note 3 on page 52.

8. FINANCE COSTS

Finance costs for the year ended 31 December 2013 related to amortisation of loan arrangement fees of £nil (2012: £17,000). This facility expired in September 2012.

Notes to the Financial Statements

CONTINUED

9. Taxation

	Group Year ended 31 December 2013			Group Year ended 31 December 2012		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
UK Corporation Tax:						
Current tax for the year	**89**	**(8)**	**81**	70	–	70
Withholding tax	**183**	**–**	**183**	91	–	91
Adjustments for prior periods	**(39)**	**–**	**(39)**	(190)	–	(190)
Tax expense/(credit) on ordinary activities	**233**	**(8)**	**225**	(29)	–	(29)

Factors affecting the current tax charge for the year:

The effective current tax rate for the year is higher (2012: lower) than the standard rate of Corporation Tax of 23.25% (2012: 24.50%). The differences are explained below:

	Group Year ended 31 December 2013			Group Year ended 31 December 2012		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Profit/(loss) on ordinary activities before taxation	**500**	**5,520**	**6,020**	469	(460)	9
UK Corporation Tax:	**116**	**1,283**	**1,399**	115	(113)	2
Effects of:						
Adjustments to tax charge in respect of prior periods	**(39)**	**–**	**(39)**	(190)	–	(190)
Expenses not allowable for tax	**3**	**–**	**3**	4	–	4
Income not taxable	**(7)**	**–**	**(7)**	(63)	–	(63)
Utilisation of tax losses	**(49)**	**–**	**(49)**	(22)	–	(22)
Difference between taxable and accounting gains and losses	**26**	**(1,291)**	**(1,265)**	36	113	149
Withholding tax	**183**	**–**	**183**	91	–	91
Tax expense/(credit) on ordinary activities	**233**	**(8)**	**225**	(29)	–	(29)

9. Taxation *continued*

During the year, as a result of the changes in the UK Corporation Tax rate to 23% from 1 April 2013 and to 21% from 1 April 2014 the relevant deferred tax balances have been re-assessed.

The Group has net unrelieved realised and unrealised losses and expenses carried forward of £21,467,000 (2012: £21,621,000). No deferred tax asset has been recognised in respect of these losses or expenses as at 31 December 2013 or 31 December 2012, as it is considered unlikely that there will be any suitable profits emerging in future periods against which to relieve them.

The potential deferred tax asset unrecognised as at 31 December 2013 is £4,991,000 (2012: £4,973,000).

In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, to the extent that taxable income is capable of being offset by expenses arising in the revenue account, no tax relief is taken in the form of expenses charged to the capital account.

10. Dividends

The final dividend of 1.0 pence per Ordinary share, for the year ended 31 December 2012, was paid on 24 May 2013 on 36,287,312 shares.

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Final dividend paid during the year: 1.0 pence (2012: 2.0 pence) per Ordinary share	**363**	726

The following dividends are proposed by the Company and are subject to approval by shareholders at the forthcoming AGM. These proposed dividends, which form the basis of Section 1158 of the CTA, have not been included as liabilities in these Financial Statements.

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Proposed final dividend: 1.0 pence (2012: 1.0 pence) per Ordinary share	**276**	363

Notes to the Financial Statements
CONTINUED

11. Earnings per Ordinary Share

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

	Year ended 31 December 2013			Year ended 31 December 2012		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Earnings for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to owners	**232**	**5,528**	**5,760**	475	(460)	15
Basic and diluted earnings per Ordinary share (pence)	**0.7**	**16.4**	**17.1**	1.3	(1.3)	0.0

The weighted average number of Ordinary shares for the purpose of calculating the basic and diluted earnings per share were 33,740,738 (2012: 36,287,312).

12. Movements in Investments

Group	**Group Year ended 31 December 2013 Total £'000**	Group Year ended 31 December 2012 Total £'000
Fair value at 1 January	**39,594**	43,174
Movements in the year:		
Purchases at cost	**2,511**	3,994
Sales – proceeds	**(10,654)**	(7,114)
– gains on disposal (note 4)	**1,808**	1,726
Fair value movements (note 4)	**3,712**	(2,186)
Fair value at 31 December	**36,971**	39,594
Opening cost	**37,693**	39,087
Closing cost	**31,358**	37,693
Segmental Analysis		
Continental Europe	**29,206**	28,420
North America	**7,100**	10,082
United Kingdom	**665**	1,092
Fair value at 31 December	**36,971**	39,594

Notes to the Financial Statements

CONTINUED

12. Movements in Investments *continued*

	Company Year ended 31 December 2013			Company Year ended 31 December 2012		
	Limited partnerships £'000	**Equity £'000**	**Total £'000**	Limited partnerships £'000	Equity £'000	Total £'000
Fair value at 1 January	**39,637**	**268**	**39,905**	43,125	292	43,417
Movements in the year:						
Purchases at cost	**2,511**	**–**	**2,511**	3,994	–	3,994
Sales – proceeds	**(10,654)**	**–**	**(10,654)**	(7,114)	–	(7,114)
– gains on disposal	**1,808**	**–**	**1,808**	1,726	–	1,726
Fair value movements	**3,669**	**197**	**3,866**	(2,094)	(24)	(2,118)
Fair value at 31 December	**36,971**	**465**	**37,436**	39,637	268	39,905
Opening cost	**37,693**	**13,970**	**51,663**	39,087	13,970	53,057
Closing cost	**31,358**	**13,970**	**45,328**	37,693	13,970	51,663

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level of the fair value hierarchy, within which the fair value measurement is categorised, is determined on the basis of the lowest level input that is significant to the fair value of the investment.

All investments of the Group and Company are classified within level 3 for 2013 and 2012.

Investments classified within level 3 have significant unobservable inputs. Level 3 instruments include private equity. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

There were no transfers between levels for the year ended 31 December 2013, nor for the year ended 31 December 2012.

Notes to the Financial Statements

CONTINUED

13. Receivables

	Group		Company	
	31 December 2013 £'000	31 December 2012 £'000	**31 December 2013 £'000**	31 December 2012 £'000
Current:				
Prepayments and accrued income	**22**	20	**14**	21
Loan to subsidiary	**–**	–	**12,247**	12,247
Less provisions for liabilities of subsidiary	**–**	–	**(12,247)**	(12,261)
	22	20	**14**	7

14. Cash and Cash Equivalents

	Group		Company	
	31 December 2013 £'000	31 December 2012 £'000	**31 December 2013 £'000**	31 December 2012 £'000
Cash at bank and in hand	**651**	1,548	**93**	1,201
Institutional liquidity funds	**7,000**	11,000	**7,000**	11,000
	7,651	12,548	**7,093**	12,201

15. Payables

	Group		Company	
	31 December 2013 £'000	31 December 2012 £'000	**31 December 2013 £'000**	31 December 2012 £'000
Current:				
Accruals	**161**	193	**127**	170
Tender offer	**65**	–	**65**	–
Other payables	**–**	–	**22**	–
	226	193	**214**	170

16. Share Capital

	Group and Company 31 December 2013		Group and Company 31 December 2012	
	Number	**£'000**	Number	£'000
Issued and fully paid: Ordinary shares of 2 pence				
Balance at beginning of year	**36,287,312**	**726**	36,287,312	726
Cancellation of shares	**(8,663,593)**	**(174)**	–	–
Balance at end of year	**27,623,719**	**552**	36,287,312	726

During the year ended 31 December 2013, 8,663,593 shares were purchased under the tender offer scheme at a cost of £12,999,000. Further details can be found in the Investment Manager's Review and Directors' Report on pages 5 and 17.

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

On 22 May 2013, the share premium account was cancelled by an Order of Court following the approval of a special resolution. The credit arising has been applied to the special distributable reserve, which was utilised during the year in respect of the tender offers.

Notes to the Financial Statements

CONTINUED

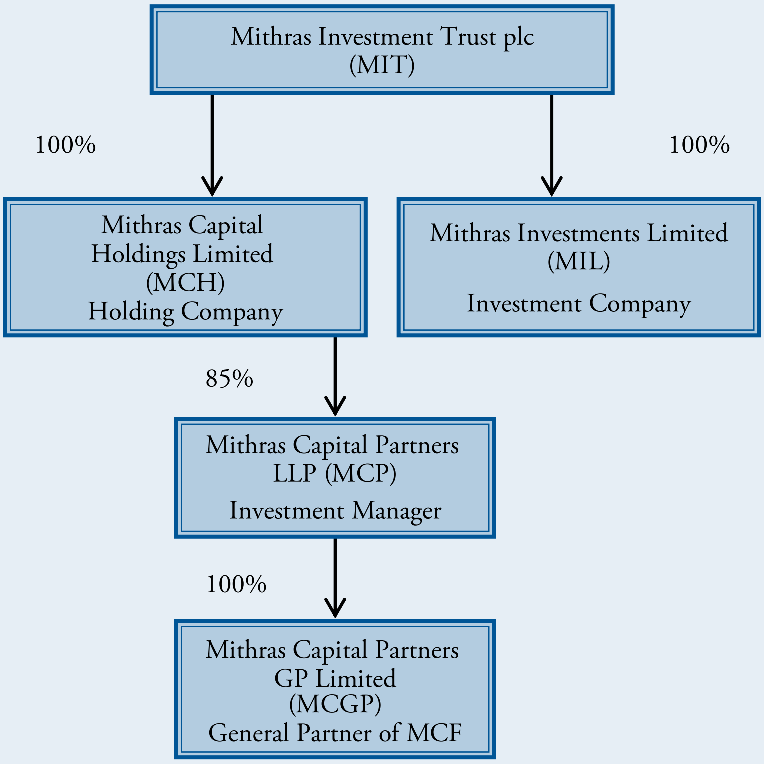
17. Net Assets per Ordinary Share

The basic total net assets per Ordinary share is based on the net assets attributable to owners shown in the Consolidated Balance Sheet at 31 December 2013 and on 27,623,719 (2012: 36,287,312) Ordinary shares, being the number of Ordinary shares in issue at 31 December 2013.

There is no dilution effect and therefore no difference between the diluted total net assets per Ordinary share and the basic total net assets per Ordinary share stated on page 43.

18. Group Structure and Subsidiary Undertakings

The Group Structure at 31 December 2013 was as follows:



NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

18. GROUP STRUCTURE AND SUBSIDIARY UNDERTAKINGS *CONTINUED*

The following were subsidiary undertakings of the Company at 31 December 2013:

	Country of operation, registration and incorporation	Holdings and voting rights %
MIL[1]	England	100
MCH[2]	England	100
MCP[3]	England	85
MCGP[4]	Scotland	85

[1] A subsidiary of the Company, incorporated on 19 January 1990, to carry on business as an investment company.

[2] A subsidiary of the Company, incorporated on 6 February 2007, to carry on the business of a holding company.

[3] A subsidiary of MCH, acquired on 30 March 2007, to carry on the business of providing investment management services. MCH has an entitlement to 85% of the profits and voting rights of MCP from 1 July 2012 following Mr Boylan's increased capital contribution of £3,500. Prior to this MCH had an entitlement to 90% of the profits and 85% of the voting rights.

[4] A subsidiary of MCP, incorporated on 9 June 2006, to carry on the business of providing investment management services.

During the year the Company received a dividend of £nil (2012: £120,000) from MCH.

No dividends were paid by the other subsidiaries during the year (2012: £nil).

The Company holds ordinary equity in each of its subsidiaries.

19. GUARANTEES AND COMMITMENTS

(a) Guarantees

The Company has agreed to provide such financial support to MIL as it may require to continue trading as a going concern.

(b) Commitments

The Company had a maximum outstanding commitment of £6.2 million to MCF at 31 December 2013 (2012: £8.4 million).

Notes to the Financial Statements

CONTINUED

20. Related Party Transactions and Disclosures

The following note provides details of the Group and Company's related party disclosures and related party transactions during the year:

(a) Under the Investment Management Agreement dated 27 March 2009, the Company paid fees of £64,000 (2012: £64,000) to MCP, of which £16,000 (2012: £16,000) was outstanding at 31 December 2013. There are no other incentive schemes for MCP. Details of the Investment Management Agreement are provided in the Directors' Report on pages 18.

(b) LGAS held 34.0% (2012: 34.7%) of the Ordinary share capital of the Company as at 31 December 2013.

(c) Mr Boylan, the Managing Partner and Designated Member of MCP, in his personal capacity held 0.2% (2012: 0.2%) of the Ordinary share capital of the Company as at 31 December 2013. Mr Boylan is a member of MCP and has a profit entitlement of 15% of the profits of MCP (2012: 15%).

(d) The compensation payable to key management personnel (which includes members of MCP but excludes Directors of the Company) amounts to £142,000 (2012: £172,000) paid as guaranteed drawings. Profit share distributed to the non-controlling interests (members of MCP) amounted to £32,000 (2012: £23,000). Details of the compensation payable to the Directors is disclosed in the Directors' Remuneration Report on pages 30 to 34.

(e) The Company invests in MCF, which is managed by MCP. A carried interest scheme operates for the benefit of the founder partners of the scheme. The founder partners are Ms Gillian Brown, Mr Adrian Johnson and Mr Boylan. Carried interest of 10% of investment profits could become payable once MCF has returned all capital contributed by investors as well as exceeding the preferred return or net IRR of 8% per annum. As at 31 December 2013, MCF's net fund IRR was 7% and therefore no provision for carried interest has been made against the valuation of MCF. No carried interest payments were made during the year or since the inception of MCF.

21. Financial Instruments, Capital and Risk Management

The Group's financial instruments comprise investment commitments in private equity limited partnerships, cash balances and liquid resources including receivables and payables. All investments are designated financial assets at fair value through profit or loss upon initial recognition. The Group's current objective is to follow a realisation strategy approved by shareholders. Investments in limited partnerships have anticipated lives of up to ten years.

Financial Risk Management
The Group's investment activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The significant financial risks to which the Group is exposed are market price risk, currency risk, interest rate risk, credit and counterparty risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. MCP has overall responsibility for managing the financial risks and the framework for monitoring and coordinating these risks. This is monitored by the Board. The Group's financial risk management objectives and processes used to manage these risks have not changed from the previous period and the policies are set out below:

Market Price Risk
Market price risk is the risk that the value of a financial instrument will change as a result of changes to market prices and is one that is fundamental to the Group's objective. Some of this risk is mitigated by diversifying the portfolio across business sectors, asset classes and geographies. Details of the Company's investment portfolio at the Balance Sheet date are disclosed in the Consolidated Investment Portfolio on pages 8 and 9. The Group's portfolio is monitored by MCP on an on-going basis and by the Board quarterly.

21. Financial Instruments, Capital and Risk Management *continued*

All of the Group's investments are in unquoted limited partnership funds which are held at fair value, in accordance with the Group's valuation policy, the details of which are given in note 2.2 (g) Investments and are level 3 investments as detailed in note 12.

Market Price Risk Exposure and Sensitivity
Changes in market conditions that give rise to market price risk include changes in earnings multiples used in valuing unquoted equity investments, benchmark interest rates and foreign exchange rates. The analysis presented below shows the market price risk exposure and the sensitivity to market price risk based upon reasonable possible changes to market prices. The reasonable possible percentage changes in market prices below would have the following impact on the fair value of investments, capital return, total return and the shareholders' equity of the Group and Company:

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000	Reasonable possible change to market price %	**Impact for year ended 31 December 2013 £'000**	Impact for year ended 31 December 2012 £'000
Unquoted fund-of-funds	**36,971**	39,594	5	**1,849**	1,980

Currency Risk
The Group's portfolio comprises underlying fund commitments made through MCF all of which are denominated in currencies other than Sterling. Therefore, the value of the Group's portfolio is sensitive to movements in foreign exchange rates. MCP monitors the Group's exposure to foreign currencies and reports to the Board regularly. The Group's policy is not to hedge foreign currency risk.

Currency Risk Exposure and Sensitivity
The Group is sensitive to fluctuations in foreign exchange rates. The analysis below for the Group and Company shows the foreign currency risk exposure and the sensitivity based upon a percentage change in exchange rates, which have been determined based upon the market volatility of exchange rates over the last year.

Currency	**Foreign currency equity investments £'000**	**Net foreign currency assets £'000**
31 December 2013		
Euro	**29,206**	**29,206**
US Dollar	**7,100**	**7,100**
	36,306	**36,306**
31 December 2012		
Euro	28,420	28,420
US Dollar	10,082	10,082
	38,502	38,502

21. Financial Instruments, Capital and Risk Management *CONTINUED*

Currency	Change in exchange rates %	2013 Effects of exchange rate increase £'000	2013 Effects of exchange rate decrease £'000	2012 Effects of exchange rate increase £'000	2012 Effects of exchange rate decrease £'000
Euro	+/-10%	**(2,655)**	**3,245**	(2,584)	3,158
US Dollar	+/-5%	**(338)**	**373**	(480)	531
		(2,993)	**3,618**	(3,064)	3,689

Interest Rate Risk
Interest rate movements may affect the level of income receivable on cash deposits or institutional liquidity funds. MCP monitors the level of exposure to interest rate risk and reports to the Board regularly. The Group has no borrowings and its liabilities are therefore not affected by changes in interest rates. The Group's policy is not to hedge interest rate risk.

Interest Rate Risk Exposure and Sensitivity

Group	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000	Change in interest rates %	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Sterling floating rate assets	**7,651**	12,548	+/-0.25%	**19**	31
Company					
Sterling floating rate assets	**7,093**	12,201	+/-0.25%	**18**	31

Credit and Counterparty Risk
Credit and counterparty risk is the risk that one party to a financial instrument will cause a financial loss for the other party. Investments in private equity limited partnerships through the Group's commitment to MCF are subject to potential credit losses.

Investments in institutional liquidity funds are made in three Sterling "AAA" rated financial institutions and the credit rating of each institution is monitored by MCP. None of the Group's institutional liquidity funds or cash deposits were past their due date or impaired. Credit and counterparty risk is monitored by MCP which reports to the Board quarterly.

The Group's maximum credit risk exposure as at 31 December 2013 was £7,651,000 (2012: £12,548,000), and £7,093,000 (2012: £12,201,000) for the Company.

Notes to the Financial Statements
CONTINUED

21. Financial Instruments, Capital and Risk Management *CONTINUED*

Liquidity Risk

The Group has significant investment commitments in private equity limited partnerships which are inherently illiquid. The Group has an outstanding commitment to MCF, the majority of which is likely to be called over the next one to three years. The Group aims to manage its affairs to ensure sufficient cash is available to meet contractual commitments as and when they are called and also seeks to have cash available to meet short-term financial needs.

Cash and cash equivalents are available on demand. The Group's liquidity management policy involves projecting cash flows and considering the level of liquidity required to meet short and long-term financial needs. The Group has the power to seek new borrowing arrangements, both short and long-term, should it be deemed necessary.

As at 31 December 2013, the Group's financial liabilities amounted to £226,000 (2012: £193,000) which were due in less than one year. The Company's financial liabilities amounted to £214,000 (2012: £170,000) which were due in less than one year.

Capital Management

The Group is funded through shareholders' equity and cash reserves. The Group's equity is analysed into its various components in the Statement of Changes in Equity. Capital is managed so as to maximise the return to shareholders while maintaining an appropriate capital base to allow the Group to operate effectively in the marketplace and to sustain future development of the business. The Company pays such dividends as are required to maintain its investment trust status.

The Company's capital requirement is reviewed regularly by the Board.

MCP is regulated by the FCA and must meet stipulated capital requirements to operate. At 31 December 2013, MCP's capital was above the regulatory capital requirements by £138,000 (2012: £127,000).

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of Mithras Investment Trust plc will be held at the offices of BNP Paribas Fortis, 5 Aldermanbury Square, London, EC2V 7BP on Wednesday, 7 May 2014 at 12.00 noon. You will be asked to consider and, if thought fit, pass the following ordinary resolutions:

Ordinary business:

1. To receive the Annual Financial Report for the year ended 31 December 2013.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Report on Remuneration for the year ended 31 December 2013.
4. To declare that a final dividend of 1.0 pence per Ordinary share be paid for the year ended 31 December 2013.
5. To re-elect Miss Miriam Greenwood as a Director of the Company.
6. To re-elect Mr John Mackie as a Director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company, to hold office until conclusion of the next AGM at which Financial Statements are laid before the Company.
8. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP.

Special business:

To consider and, if thought fit, to pass the following resolutions as special resolutions.

9. 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 2 pence each in the capital of the Company provided that:
   (a) the maximum number of Ordinary shares hereby authorised to be purchased shall be 4,140,795 Ordinary shares, representing 14.99% of the issued Ordinary share capital immediately following the passing of this resolution;
   (b) the minimum price which may be paid for each Ordinary share shall be 2 pence;
   (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share, in respect of a share certified to be purchased on any day, shall be not more than 5% above the average of the middle market quotations for an Ordinary share as derived from the Daily Official List of the London Stock Exchange for the 5 business days immediately before the purchase is made; and
   (d) unless varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the AGM of the Company in 2015 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares under the authority conferred by this resolution which will or may be completed or executed wholly or partly after such expiry.
10. THAT, a general meeting, other than an AGM, may be called on not less than 14 clear days' notice.

Notice of Meeting

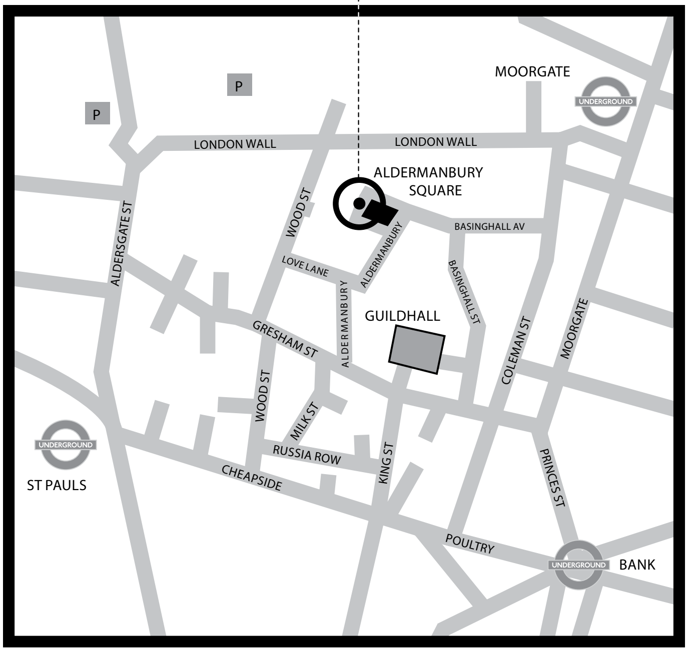
CONTINUED

Registered Office
55 Moorgate, London EC2R 6PA
Registered in England & Wales, No. 2478424

By order of the Board
BNP Paribas Secretarial Services Limited
5 March 2014

Annual General Meeting Location Map

BNP PARIBAS FORTIS, 5 ALDERMANBURY SQUARE, LONDON EC2V 7BP



Notes

1. In accordance with Regulation 41(i) of the Uncertified Securities Regulations 2001, only persons entered on the Register of Members of the Company by 6.00 pm on Monday, 5 May 2014 (the "Voting Record Date") or their duly appointed proxies, shall have the right to attend or vote at the aforementioned meeting. If the meeting is adjourned to a time not more than 48 hours after the specific time applicable to the original meeting, that time will also apply for the purpose of entitlement of Members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period of time, to be so entitled, Members must be entered on the Company's Register of Members at the time which is not later than 6.00 pm two days prior to the adjourned meeting or, if the Company gives notice of the adjourned meeting, at a time specified in the notice.

2. Pursuant to Section 324 of the Act, a Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in their place. A proxy need not also be a Member of the Company. To be valid, the forms of proxy should be completed and lodged with the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting. Lodgement of the form of proxy will not preclude a Member from attending and voting at the meeting. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Equiniti Limited on 0871 384 2498 (calls cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday) or the overseas helpline +44 121 415 7047 or you may copy the form of proxy.

3. Members (and any proxies or corporate representatives appointed) agree, by attending the meeting, that they are expressly requesting and are willing to receive any communications relating to the Company's securities made at the meeting.

Notice of Meeting

CONTINUED

4. Any person to whom this notice is sent who is a person nominated under Section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she, under any such agreement, has a right to give instructions to the shareholder as to the exercise of the voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in this note does not apply to Nominated Persons. The right prescribed in this note can only be exercised by shareholders of the Company.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on Wednesday, 7 May 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

   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 Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 RA19) by 12.00 noon on Monday, 5 May 2014. 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 Applications 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. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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(s), 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 service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

6. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

7. The following documents will be available for inspection at the Registered Office of the Company during usual business hours on any weekday (except Public Holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

   (a) a statement of all transactions of each Director and of their family interests in the share capital of the Company;

   (b) the Articles of Association; and

   (c) Letters of Appointment of non-executive Directors.

8. The biography of the Directors offering themselves for re-election are set out on page 16 of the Report.

9. As at 5 March 2014 the Company's issued share capital consisted of 27,623,719 Ordinary shares of 2 pence each. Accordingly, the total number of the voting rights of the Company as at 5 March 2014 was 27,623,719.

Notice of Meeting

CONTINUED

10. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests of the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any Member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the FCA.

11. The Annual Financial Report will be available on the Company's website www.mithrasinvestmenttrust.com, from the date of the announcement of the Company's Annual Financial Results to the market. The Annual Financial Report contains details of the total number of shares in the Company in which Members are entitled to exercise voting rights, along with the total number of votes that Members are entitled to exercise at the meeting in respect of each share class.

12. Shareholders are advised that they have the right to have questions answered at the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if:

    (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on the Company's website (www.mithrasinvestmenttrust.com) in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Board encourages shareholders to submit any questions they may wish to raise at the AGM in writing to the Company Secretary in advance of the meeting. The Company Secretary can be contacted by writing to: BNP Paribas Secretarial Services Limited, 55 Moorgate, London EC2R 6PA.

13. As soon as practicable following the AGM, the results of the proxy voting at the meeting and the number of proxy votes received for and against and the number of votes withheld, in respect of each resolution, as well as a result of any poll, will be announced via a Regulatory Information Service and placed on the Company's website.

14. Under Section 527 of the Act, Members meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (a) the audit of the Company's Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or

    (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which an Annual Financial Report was laid in accordance with Section 437 of the Act.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

15. A map of the location of the AGM venue is shown on page 67 and will assist shareholders who wish to attend the AGM. A proxy form will be sent to each registered shareholder with the Annual Financial Report and this Notice of Meeting, and instructions on how to vote will be contained thereon.

16. A copy of this notice, and other information required by Section 311A of the Act, can be viewed and/or downloaded at www.mithrasinvestmenttrust.com and, if applicable, any Members' statements, resolutions or matters of business received by the Company after the date of this notice will be available on the Company's website www.mithrasinvestmenttrust.com.

Notice of Meeting

CONTINUED

Explanatory Notes

You will find on pages 67 to 69 a Notice convening the AGM of the Company for Wednesday, 7 May 2014. This explanatory note gives further information on certain resolutions which will be proposed at the meeting set out in the Notice.

This resolution will be proposed as an ordinary resolution:

Resolution 2 – Directors' Remuneration Policy.

In accordance with Section 439A of the Act and Section 82(1) Enterprise and Regulatory Reform Act 2013, the Directors' Remuneration Policy is subject to a binding shareholder vote at the AGM held in the financial year beginning on or after 1 October 2013. As a result, the Board is proposing resolution 2 as an ordinary resolution at the AGM and if approved, the policy will apply with immediate effect. Once approved, all future remuneration payments to Directors will be consistent with the Directors' Remuneration Policy otherwise separate shareholder approval will be required prior to any payments.

This resolution will be proposed as a special resolution:-

Resolution 9 – General authority to make market purchases of the Company's Ordinary shares.

The Directors will seek a general authority from shareholders for the Company to make market purchases of up to 14.99% of the Ordinary shares then in issue, with the authority expiring at the conclusion of the Company's next AGM or, if earlier, 15 months after the passing of the relevant resolution. As required by the Listing Rules, the maximum price which may be paid by the Company to buy back a share pursuant to such authority is the higher of (i) 5% over the average of the middle market prices of the Ordinary shares according to the Daily Official List of the London Stock Exchange for the five business days immediately before the date on which the Company agrees to buy the Ordinary shares and (ii) the amount stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation 2003, (in each case exclusive of expenses).

The Board believes that the ability to make market purchases of the Company's Ordinary shares is a valuable mechanism which may be used to enhance shareholder value. However, following the realisation strategy approved by shareholders, it is unlikely that the authority to make market purchases of the Company's Ordinary shares would be utilised. Purchases of Ordinary shares will be made at the discretion of the Board. Any such Ordinary shares bought by the Company will be cancelled.

This resolution will be proposed as a special resolution:-

Resolution 10 – Notice of General Meetings

The Company is currently able to call general meetings (other than AGMs) on 14 clear days' notice. The Board is proposing resolution 10 as a special resolution at the AGM so that the Company can continue to be able to convene general meetings on 14 clear days' notice. The Board intends that this shorter notice period would not be used as a matter of routine, but would only be used where the flexibility was justified by the business of the meeting and if it was in the best interests of shareholders as a whole. If resolution 10 is passed, the authority to convene general meetings on 14 clear days' notice will remain effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The notice period for AGMs will remain 21 clear days.

Monitoring Your Holding

Shareholders wishing to monitor their shareholdings are able to do so via the internet, using Equiniti Registrar's Shareview Service.

The Shareview Service gives you:

- direct access to data held for you on the share register including recent share movements and dividend details; and

- the ability to change your address or dividend payment instructions online.

It is easy to sign up for the Shareview Service – you just need the 'shareholder reference' number printed on your dividend stationery. When you log on to the Shareview Service for the first time you will be sent a User ID and PIN.

The Shareview Service is:

- **Easy to use**

You just need your User ID and PIN to log on. Information about your shareholding is displayed clearly and conveniently and is updated regularly. Registration takes only a few minutes.

- **Secure**

Data transferred to your browser is encrypted and other internet users cannot gain access to your portfolio without your User ID and PIN.

- **Free**

As long as you have a PC and access to the Internet, this service is free.

For more details on the Shareview Service and practical help on transferring shares or updating your details, visit **www.shareview.co.uk**.

MITHRAS
Investment Trust plc

Financial Calendar

Announcement of Final Results for the year ended 31 December 2013

- **5 March 2014**

Annual General Meeting

- **7 May 2014**

Announcement of Interim Results for the half year ended 30 June 2014

- **July 2014**

Payment of Dividends on Ordinary Shares

Declared 2013:

- **Final dividend of 1.0 pence** — **Paid on 24 May 2013 to shareholders on the Register of Members on 15 March 2013.**

Proposed 2014:

- **Final dividend of 1.0 pence** — **Payable on 23 May 2014 to shareholders on the Register of Members on 14 March 2014.**

Shareholder Helpline

0871 384 2498
Calls cost 8 pence per minute plus network extras.

Lines are open from 8.30 am to 5.30 pm Monday to Friday.

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