

For immediate release

27 March 2013

THE MERCHANTS TRUST PLC

Final Results for the year ended 31 January 2013

The following comprises extracts from the company's Annual Financial Report for the year ended 31 January 2013. The full Annual Financial Report is being made available to be viewed on or downloaded from the company's website at [www.merchantstrust.co.uk](http://www.merchantstrust.co.uk). Copies will be posted to shareholders shortly.

## MANAGEMENT REPORT

### **Chairman's Statement**

We now have a thirty year history of increasing the dividend and a further modest increase is proposed for this year. With earnings growing faster than dividends, the proposed dividend is close to being covered and this leaves the revenue reserve almost untouched.

### **Market Background**

Economic growth was subdued in most of the developed world. However, the stock market had a strong year, particularly in the second half, in response to ECB commitment to defend the Euro and US actions to defer the "fiscal cliff" of spending cuts and tax rises. Within the UK stock market the strongest returns were seen in medium sized companies, outside the FTSE 100 Index, as investor risk appetite increased.

### **Results**

The investment portfolio produced a capital return of 14.8%, ahead of the 10.5% return on the FTSE 100 Index. Including income, the total return of the investment portfolio was 20.1% which was further ahead of the 14.8% total return on the FTSE 100 Index. The net asset value total per share rose by 16.0% to 466.5p. The net asset value total return per share, including dividends paid, was 21.8%.

The company has benefited from the "pull to par" as the company's debt has decreased in value and, using the market value of debt, the net asset value per share rose by 18.5% or by 24.9% including dividends. The full performance breakdown is shown on page 22 of the Annual Financial Report. Over the year, the company's share price rose by 13.7% from 363.0p to 412.7p. The total return on the company's shares including dividends was 20.1%. The fund has performed ahead of the FTSE 100 Index over the past three years. At 25 March 2013, the trust's ordinary shares yielded 5.4% compared with the yield on the FTSE 100 Index of 3.5%. There is more detail on the major contributors to our performance in our Investment Manager's Review starting on page 10 of the Annual Financial Report.

### **Net Revenue Return and Dividends**

Net Revenue Return per share rose by 4.1% to 22.9p. The board is recommending a final ordinary dividend of 5.8p per share, payable on 15 May 2013 to shareholders on the register on 12 April 2013. This payment would give a total of 23.2p for the year, an increase of 0.9% over the total for the previous year. In order to meet the payment it has been necessary to transfer £313,802 (0.3p per share) from our revenue reserves, compared to a transfer of £1,026,885 (1.0p per share) last year. As at 31 January 2013 and after providing for this transfer and the dividend payment, the trust's revenue reserves amounted to £11,544,018 (11.2p per share).

The outlook for dividend growth is reasonable, with many companies having rebuilt their balance sheets and dividend cover since the economic downturn. The recent decline in the value of sterling, if sustained, should be beneficial to future income prospects. The board and the manager continue to remain focused on providing long term steady income growth.

### **Investment Trust Tax Rules**

New legislation for investment trusts has recently been introduced and one of the changes has resulted in the removal of the prohibition on the distribution of capital profits by way of dividend. The board therefore intends to seek shareholder approval at the annual general meeting to amend the Articles of Association to permit the distribution of capital profits by way of a dividend. It should be noted that this does not in any way indicate that there will be a change in the company's dividend policy, or how profits for dividends are generated or calculated, nor that there is any current intention to utilise capital profits in this way. The board believes this change will provide greater flexibility for dividends in the future. Further information is set out in the Directors' Report on page 33.

### **Strategic Report**

This year on page 6 we include an introductory Strategic Report. Next year we will expand on this report which will replace the Business Review in the Directors' Report on pages 25 to 32.

### **Derivatives**

As set out in the previous report, we have continued our policy of selectively writing call options on a limited number of the trust's holdings. Writing options has provided helpful additional income in a period where revenues have been under pressure. At no point in the year did the exposure to derivatives exceed 15% of the portfolio. A more detailed explanation is set out in the Investment Manager's Review.

### **Retail Distribution Review**

In preparation for the changes to the way individuals can invest in funds brought about by the Retail Distribution Review the board has continued to boost the marketing of The Merchants Trust to generate interest in the company's shares. We have launched a dedicated website [www.merchantstrust.co.uk](http://www.merchantstrust.co.uk) and have increased online and press advertising and we are pleased to have seen this result in wider coverage in the investment press.

### **Operating Expenses**

During the year the Association of Investment Companies changed the recommended way of reporting the costs of running an investment company from the Total Expenses Ratio to Ongoing Charges. We report against both measures on page 3 and give details and an explanation on page 26.

### **AIFMD**

Another development to affect our industry is the Alternative Investment Fund Managers Directive. This will introduce additional regulatory oversight for investment trusts and other types of funds and comes into effect later this year. We will review its application during the coming year.

### **Gearing**

The company continues to have long term debt amounting to £111 million. This is all deployed in the market for investment purposes. At the end of the year our gearing level was 23.0% compared to 26.8% at the start of the year.

### **The Board**

The current board has four directors and although it is a small board, as you will see from our biographies on page 24, the directors have a range of professional and industrial backgrounds and experience. We meet annually specifically to consider strategy with our managers and advisers, covering a variety of topics relevant to the company and more details can be found in the Strategic Report on page 6.

We are each standing for re-election this year and will continue to do this annually.

### **Annual General Meeting**

The annual general meeting of the company will be held on Friday 10 May 2013 at 12.00 noon at Holborn Bars, 138-142 Holborn, London EC1N 2NQ and we look forward to seeing as many shareholders then as are able to attend.

### **Outlook**

The economic outlook remains uncertain with growth likely to be constrained in the medium term by high debt levels. Fortunately, there are many strong, UK-quoted businesses with operations around the world, which can progress in this environment. Our fund managers are still able to identify attractive, dividend paying companies trading on sensible valuations. Merchants remains focused on delivering long term dividend and capital growth.

Simon Fraser  
Chairman  
27 March 2013

### Principal Risks and Uncertainties

The principal risks identified by the board are set out in the table on this page, together with the actions taken to mitigate these risks. A more detailed version of this table, in the form of a Risk Matrix, is reviewed and updated by the board twice yearly. The principal risks and uncertainties faced by the company relate to the nature of its objectives and strategy as an investment company and the markets in which it operates.

Description	Mitigation
<p><b>Investment Activity and Strategy</b> An inappropriate investment strategy, e.g., asset allocation or the level of gearing, may lead to under-performance against the company's benchmark index and peer group companies, and may also result in the company's shares trading on a wider discount.</p>	<p>The board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the board receives reports. RCM (UK) Limited provides the directors with management information including performance data and reports and shareholder analyses. The board monitors the implementation and results of the investment process with the investment manager, who attends all board meetings, and reviews data which show risk factors and how they affect the portfolio. The board reviews investment strategy, including gearing, at each board meeting.</p>
<p><b>Corporate Governance and Shareholder Relations</b> Shareholder discontent could arise if there is weak adherence to best practice in corporate governance and which could result in potential reputational damage to the company.</p>	<p>The board receives reports on shareholder activity and on shareholder sentiment on a regular basis and contact is maintained with major shareholders. Details of the company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement which can be found on the company's website <a href="http://www.merchantstrust.co.uk/Tenants/AGITrusts/Content/Documents/Corporate/Corporate_Governance_Statement.pdf">http://www.merchantstrust.co.uk/Tenants/AGITrusts/Content/Documents/Corporate/Corporate_Governance_Statement.pdf</a>.</p>
<p><b>Regulatory</b></p>	<p>The board is guided by its advisers both within RCM (UK) and external to the manager on matters such as the implementation of AIFMD.</p>
<p><b>Financial</b></p>	<p>The financial risks associated with the company include market risk (price and yield), interest rate risk, liquidity risk and credit risk. Further analysis of these risks can be found in Note 17 on pages 58 to 63 of the Annual Financial Report.</p>

In addition to the specific principal risks identified in the table above, the company faces risks to the provision of services from third parties and more general risks relating to compliance with accounting, tax, legal and regulatory requirements, which could have an impact on reputation and market rating. These risks are formally reviewed by the board twice each year. Details of the company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement which can be found on the company's website [http://www.merchantstrust.co.uk/Tenants/AGITrusts/Content/Documents/Corporate/Corporate\\_Governance\\_Statement.pdf](http://www.merchantstrust.co.uk/Tenants/AGITrusts/Content/Documents/Corporate/Corporate_Governance_Statement.pdf).

The board's reviews of the risks faced by the company also include an assessment of the residual risks after mitigating action has been taken.

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Financial Report, the Directors' Remuneration Report 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 that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also requires that the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net return of the company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm that they have complied with the above requirements in preparing 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 enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on [www.merchantstrust.co.uk](http://www.merchantstrust.co.uk), which is a website maintained by the company's investment manager, RCM (UK) Limited. The directors are responsible for the maintenance and integrity of the company's website. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement under DTR 4.1.12**

The directors at the date of approval of this report, each confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the company; and
- the Annual Financial Report includes a fair review of the development and performance of the company and the position of the company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the board

Simon Fraser  
Chairman  
27 March 2013

For further information contact:

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**LISTED HOLDINGS as at 31 January**

**Equities**

<b>Name</b>	<b>Value (£)</b>	<b>% of Listed holdings</b>	<b>Principal Activities</b>
Royal Dutch Shell 'B'	53,525,902	9.1	Oil & Gas Producers
GlaxoSmithKline	44,796,045	7.6	Pharmaceuticals & Biotechnology
BP	39,895,302	6.8	Oil & Gas Producers
HSBC	37,131,819	6.3	Banks
Vodafone	30,234,958	5.2	Mobile Telecommunications
British American Tobacco	23,774,819	4.1	Tobacco
BAE Systems	20,709,290	3.5	Aerospace & Defence
SSE	20,007,900	3.4	Electricity
National Grid	17,868,360	3.0	Gas, Water & Multiutilities
Resolution	16,533,144	2.8	Life Insurance
<b>Top Ten Holdings</b>	<b>304,477,539</b>	<b>51.8</b>	
Reed Elsevier	15,798,637	2.7	Media
BHP Billiton	14,710,740	2.5	Mining
Centrica	13,776,435	2.4	Gas, Water & Multiutilities
Daily Mail & General Trust 'A'	13,118,100	2.2	Media
UBM	12,628,612	2.1	Media
Sainsbury (J)	12,463,620	2.1	Food & Drug Retailers
Unilever	11,423,150	1.9	Food Producers
Britvic	11,068,288	1.9	Beverages
Inmarsat	10,824,042	1.8	Mobile Telecommunications
Reckitt Benckiser	10,589,040	1.8	Household Goods & Home Construction
Carnival	9,472,000	1.6	Travel & Leisure
Tesco	9,156,910	1.6	Food & Drug Retailers
BT	9,066,442	1.5	Fixed Line Telecommunications
BBA Aviation	8,165,564	1.4	Industrial Transportation
Smiths Group	8,036,850	1.4	General Industrials
Premier Farnell	7,993,110	1.4	Support Services
ICAP	7,465,400	1.3	Financial Services
CRH	6,810,000	1.2	Construction & Materials
Imperial Tobacco	6,800,500	1.2	Tobacco
Balfour Beatty	6,319,823	1.1	Construction & Materials
IG Group	6,088,443	1.0	Financial Services
Marks & Spencer	6,075,200	1.0	General Retailers
Catlin Group	6,008,750	1.0	Non-life Insurance
Greene King	5,827,500	1.0	Travel & Leisure
Ashmore	5,811,072	1.0	Financial Services
Pennon	5,741,750	1.0	Gas, Water & Multiutilities
London Metric Property	5,435,397	0.9	Real Estate Investment Trust
Marston's	5,106,312	0.9	Travel & Leisure
Meggitt	4,950,677	0.8	Aerospace & Defence
Close Brothers	4,775,458	0.8	Financial Services

THE MERCHANTS TRUST PLC  
Final Results for the year ended 31 January 2013

<b>Name</b>	<b>Value (£)</b>	<b>% of Listed holdings</b>	<b>Principal Activities</b>
Hiscox	4,735,000	0.8	Non-life Insurance
Cobham	3,808,800	0.6	Aerospace & Defence
Cineworld	3,664,586	0.6	Travel & Leisure
Compass	3,435,750	0.6	Travel & Leisure
Mothercare	3,339,900	0.6	General Retailers
Man Strategic	2,916,051	0.5	Financial Services
<b>Total Equities</b>	<b>587,885,448</b>	<b>100.0</b>	

### Written Call Options

As at 31 January 2013, the market value of the open option positions was £(956,913), resulting in an underlying exposure to 8.8% of the portfolio (valued at strike price).

**INCOME STATEMENT**  
for the year ended 31 January 2013

	Revenue £	2013 Capital £	Total Return £
			<b>(Note C)</b>
Net gains on investments at fair value	-	73,990,109	73,990,109
Income	28,312,659	-	28,312,659
Investment management fee	(668,352)	(1,241,225)	(1,909,577)
Administration expenses	(683,940)	(2,943)	(686,883)
<b>Net return before finance costs and taxation</b>	<b>26,960,367</b>	<b>72,745,941</b>	<b>99,706,308</b>
Finance costs: interest payable and similar charges	(3,328,645)	(6,101,807)	(9,430,452)
<b>Net return on ordinary activities before taxation</b>	<b>23,631,722</b>	<b>66,644,134</b>	<b>90,275,856</b>
Taxation	-	-	-
<b>Net return on ordinary activities attributable to ordinary shareholders</b>	<b>23,631,722</b>	<b>66,644,134</b>	<b>90,275,856</b>
<b>Net return per ordinary share (basic and diluted) (Note B)</b>	<b>22.90p</b>	<b>64.57p</b>	<b>87.47p</b>

**BALANCE SHEET**  
at 31 January 2013

	2013 £	2013 £
<b>Fixed Assets</b>		
Investments held at fair value through profit or loss		587,913,417
<b>Current Assets</b>		
Debtors	1,951,529	
Cash at bank	8,660,128	
	<b>10,611,657</b>	
<b>Creditors – amounts falling due within one year</b>	<b>(5,249,381)</b>	
Derivative financial instruments	(956,913)	
	<b>(6,206,294)</b>	
<b>Net current assets</b>		<b>4,405,363</b>
<b>Total assets less current liabilities</b>		<b>592,318,780</b>
Creditors – amounts falling due after more than one year		(110,854,611)
<b>Net assets</b>		<b>481,464,169</b>
<b>Capital and Reserves</b>		
Called up share capital		25,803,366
Share premium account		8,523,195
Capital redemption reserve		292,853
Capital reserve		423,327,975
Revenue reserve		23,516,780
<b>Total shareholders' funds</b>		<b>481,464,169</b>
<b>Net asset value per ordinary share (basic and diluted)</b>		<b>466.5p</b>

**INCOME STATEMENT**  
for the year ended 31 January 2012

	Revenue £	2012 Capital £	Total Return £
			<b>(Note C)</b>
Net losses on investments at fair value	-	(17,682,904)	(17,682,904)
Income	27,305,462	-	27,305,462
Investment management fee	(657,637)	(1,221,325)	(1,878,962)
Administration expenses	(611,230)	(2,641)	(613,871)
<b>Net return before finance costs and taxation</b>	<b>26,036,595</b>	<b>(18,906,870)</b>	<b>7,129,725</b>
Finance costs: interest payable and similar charges	(3,324,384)	(6,093,985)	(9,418,369)
<b>Net return on ordinary activities before taxation</b>	<b>22,712,211</b>	<b>(25,000,855)</b>	<b>(2,288,644)</b>
Taxation	-	-	-
<b>Net return on ordinary activities attributable to ordinary shareholders</b>	<b>22,712,211</b>	<b>(25,000,855)</b>	<b>(2,288,644)</b>
<b>Net return per ordinary share (basic and diluted) (Note B)</b>	<b>22.00p</b>	<b>(24.22)p</b>	<b>(2.22)p</b>

**BALANCE SHEET**  
at 31 January 2012

	2012 £	2012 £
<b>Fixed Assets</b>		
Investments held at fair value through profit or loss		512,069,555
<b>Current Assets</b>		
Debtors	3,047,069	
Cash at bank	13,398,772	
	<b>16,445,841</b>	
<b>Creditors</b> – amounts falling due within one year	(2,178,088)	
Derivative financial instruments	(291,625)	
	<b>(2,469,713)</b>	
<b>Net current assets</b>		<b>13,976,128</b>
<b>Total assets less current liabilities</b>		<b>526,045,683</b>
Creditors – amounts falling due after more than one year		(111,020,979)
<b>Net assets</b>		<b>415,024,704</b>
<b>Capital and Reserves</b>		
Called up share capital		25,803,366
Share premium account		8,523,195
Capital redemption reserve		292,853
Capital reserve		356,683,841
Revenue reserve		23,721,449
<b>Total shareholders' funds</b>		<b>415,024,704</b>
<b>Net asset value per ordinary share (basic and diluted)</b>		<b>402.1p</b>

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 January

	Called up Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Capital Reserve £	Revenue Reserve £	Total £
Net Assets at 1 February 2011	25,803,366	8,523,195	292,853	381,684,696	24,541,906	440,846,016
Revenue return	-	-	-	-	22,712,211	22,712,211
Dividends on ordinary shares	-	-	-	-	(23,532,668)	(23,532,668)
Capital return	-	-	-	(25,000,855)	-	(25,000,855)
Net assets at 31 January 2012	<b>25,803,366</b>	<b>8,523,195</b>	<b>292,853</b>	<b>356,683,841</b>	<b>23,721,449</b>	<b>415,024,704</b>
Net assets at 1 February 2012	25,803,366	8,523,195	292,853	356,683,841	23,721,449	415,024,704
Revenue return	-	-	-	-	23,631,722	23,631,722
Dividends on ordinary shares	-	-	-	-	(23,945,524)	(23,945,524)
Unclaimed dividends over 12 years	-	-	-	-	109,133	109,133
Capital return	-	-	-	66,644,134	-	66,644,134
Net assets at 31 January 2013	<b>25,803,366</b>	<b>8,523,195</b>	<b>292,853</b>	<b>423,327,975</b>	<b>23,516,780</b>	<b>481,464,169</b>

**CASH FLOW STATEMENT**

For the year ended 31 January

	2013 £	2013 £	2012 £
<b>Net cash inflow from operating activities</b>		<b>26,870,216</b>	<b>23,792,303</b>
<b>Returns on investment and servicing of finance</b>			
Interest paid	(9,553,329)		(9,545,602)
Dividends on cumulative preference stock	(42,997)		(42,996)
<b>Net cash outflow from servicing of finance</b>		<b>(9,596,326)</b>	<b>(9,588,598)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of fixed asset investments	(145,822,903)		(114,624,382)
Sales of fixed asset investments	147,646,760		128,095,076
<b>Net cash inflow from capital expenditure and financial investment</b>		<b>1,823,857</b>	<b>13,470,694</b>
Dividends paid on ordinary shares		(23,945,524)	(23,532,668)
Unclaimed dividends over 12 years		109,133	-
<b>(Decrease) increase in cash</b>		<b>(4,738,644)</b>	<b>4,141,731</b>

Notes

Note A

The financial statements have been prepared under the historical cost basis, except for the measurement at fair value of investments and derivative financial instruments, and in accordance with applicable accounting standards, the United Kingdom Law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice – “Financial Statements of Investment Trust Companies’ and Venture Capital Trusts” (SORP) issued in January 2009 by the Association of Investment Companies.

Note B

The returns per ordinary share have been calculated using a weighted average number of shares in issue during the year of 103,213,464 (2012 – 103,213,464 shares).

Note C

The total return column of the Income Statement is the profit and loss account of the company. The supplementary revenue return and capital return columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items derive from continuing operations. No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses of the company have been reflected in the Income Statement.

Included in the cost of investments are transaction costs and stamp duty on purchases which amounted to £972,110 (2012 – £750,078). Transaction costs on sales amounted to £147,274 (2012 – £158,471).

Note D

Valuation – as the company’s business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 26 ‘Financial Instruments: Recognition and Measurement’. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the directors.

Investments held at fair value through profit or loss are initially recognised at fair value. After initial recognition, these continue to be measured at fair value, which for quoted investments is either the bid or last traded price depending on the convention of the exchange on which the investment is listed.

Gains or losses on investments are recognised in the capital column of the Income Statement. Purchases and sales of financial assets are recognised on the trade date, being the date on which the company commits to purchase or sell the assets.

Note E

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Dividends on ordinary shares of 25p:</b>		
Third interim dividend 5.8p paid 23 February 2012 (2011– 5.7p)	5,986,381	5,883,167
Final dividend 5.8p paid 14 May 2012 (2011– 5.7p)	5,986,381	5,883,167
First interim dividend 5.8p paid 15 August 2012 (2011– 5.7p)	5,986,381	5,883,167
Second interim dividend 5.8p paid 12 November 2012 (2011– 5.7p)	5,986,381	5,883,167
	<b>23,945,524</b>	<b>23,532,668</b>

Dividends payable at the year end are not recognised as a liability under FRS 21 ‘Events After Balance Sheet Date’ (see Annual Financial Report – Statement of Accounting Policies). Details of these dividends are set out below.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Third interim dividend 5.8p paid 27 February 2013 (2012 – 5.8p)	5,986,381	5,986,381
Final proposed dividend 5.8p payable 15 May 2013 (2012 – 5.8p)	5,986,381	5,986,381
	<b>11,972,762</b>	<b>11,972,762</b>

The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any purchases and cancellations of shares by the company settled subsequent to the year end.

Note F

The financial information for the year ended 31 January 2013 has been extracted from the statutory accounts for that year. The auditor's report on these accounts was unqualified and did not contain a statement under either Section 498(2) or (3) of the Companies Act 2006. The Annual Financial Report has not yet been delivered to the Registrar of Companies.

The financial information for the year ended 31 January 2012 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain a statement under either Section 498(2) or (3) of the Companies Act 2006.

The full Annual Financial Report is available to be viewed on or downloaded from the company's website at [www.merchantstrust.co.uk](http://www.merchantstrust.co.uk). Neither the contents of the company's website nor the contents of any website accessible from hyperlinks on the company's website (or any other website) is incorporated into, or forms part of this announcement.