

13 April 2015

THE MERCHANTS TRUST PLC

Final Results for the year ended 31 January 2015

The following comprises extracts from the company's Annual Report for the year ended 31 January 2015. The full Annual Report is being made available to be viewed on or downloaded from the company's website at www.merchantstrust.co.uk. Copies will be posted to shareholders shortly.

MANAGEMENT REPORT

Chairman's Statement

I am happy to present you with this year's results and to let you know about The Merchants Trust's unbroken 33 year record of dividend growth.

Results

Our Net Asset Value (NAV) per share with debt at par was up by 5.8% for the year to 31 January on a total return basis. You will see from the summary on page 8 of the Annual Report that the NAV per share with debt at market increased by 4.7%, including net dividends. This was around 2% behind our benchmark, the FTSE 100 Index. As you can see from the analysis, also on page 8, this under-performance was primarily due to the movement in the market value and the underlying cost of our debt. Our stock-picking was marginally behind the index but the fact that we were geared into a rising market had a positive impact on performance.

Over the longer term, it is pleasing to note that the NAV with debt at market (capital only, i.e., excluding dividends) has outperformed the FTSE 100 Index by 14.8% over the past three years and by 11.0% over the past five years.

Although the company's share price fell slightly by 1.5% from 491.5p to 484.0p over the year, on a total return basis (which includes net dividends) the value of the shares increased by 3.3%. As at 9 April 2015, the trust's ordinary shares yielded 4.9% compared with the 3.4% yield on the FTSE 100 Index.

There is more detail on the major contributors to the performance of the portfolio in the Investment Manager's Review starting on page 16 of the annual report.

Net Revenue Return and Dividends

The strength of Sterling over the year means that our revenue has been slightly impacted as we receive some of our income in other currencies. However, the board is recommending a final dividend of 6.0p, which will make this our 33rd consecutive year of dividend growth. This requires a small contribution from the revenue reserves that we have built up over the years.

The final dividend of 6.0p will be paid on 22 May 2015 to shareholders on the register on 24 April 2015. This payment will make our total dividend for the year 23.8p, an increase of 0.8%. As at 31 January 2015 and after providing for the final dividend payment, the trust's revenue reserves amounted to £11,513,458 (10.6p per share).

The Board

During the year we saw some changes to the board as a result of the retirement of Henry Staunton on 31 December 2014. Henry joined the board in May 2008 and was the Senior Independent Director (SID) since May 2010. We are very grateful to him for his invaluable contribution to the work of the board over the last seven years and wish him well for the future.

Before he retired, Henry was able to hand over responsibilities as SID to Mike McKeon and to work alongside our two new directors. We are very pleased to welcome both Mary Ann Sieghart and Sybella Stanley who both joined the board on 3 November 2014. Mary Ann and Sybella bring a wealth of different experiences and skills to the board and I am very confident that they will make a major contribution to the future of your company. Their biographies are set out on page 30.

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

Strategy and the Strategic Report

The Strategic Report starts on page 10.

At our annual strategy day last year we had our usual in-depth look at the matters we consider at each board meeting, including our long term performance in relation to our sector, peer group and benchmark, together with a number of other topics including the gearing structure and the future of our debentures. Going forward, our aim is to examine the macro environment in which we are operating in more detail and also to further explore the various possibilities we have to refinance the proportion of our debt that reaches its maturity in 2018.

Issue of new shares and the buy back of shares into treasury

For much of the year to 31 January 2015 we saw the company's share price continue to trade at a premium to the net asset value and during the year Merchants was therefore able to issue further new shares. Our policy is to issue shares at a premium to net asset value, cum income with debt at market value, at a price that is not dilutive to existing shareholders, to meet natural demand in the market. During the year we have issued 5,065,000 new shares, in total representing just over 48% of the 10,416,346 shares authorised for allotment for cash by shareholders at last year's annual general meeting.

The other side of the coin is that, when the company's share price trades consistently at a discount to net asset value, shares can be purchased by the company. Buying back shares helps to reduce the volatility of the discount and enhances the underlying NAV. In addition to seeking renewed authority to buy back shares at the annual general meeting, we will also be asking for approval to be able to hold these shares in treasury rather than cancelling them. More information is given in the Directors' Report on page 38, but any shares issued or sold from treasury will be at a premium to the NAV to ensure that existing shareholders benefit from the transaction.

Marketing Strategy

The Merchants Trust has a strong profile and is a popular choice for both professional and private investors. We attribute this to our consistent philosophy: to provide investors with year on year dividend growth and to deliver both capital and income growth over the medium to long term. We also understand the importance of sustaining ongoing demand for the company's shares. This is reflected in our commitment to promoting Merchants through active marketing and PR strategies to ensure the company remains a 'front of mind' choice for investors. The success of this strategy is reflected in the positive press comments Merchants has received throughout the past year, a selection of which can be found overleaf. Of particular note are the endorsements of the company by professional investors in the national press.

The company's website is the cornerstone of our investor communications, providing regular updates on company performance, views from our fund managers, dividend information and regulatory market announcements. This is especially important as the continued increase in share purchases via direct investor platforms reflects the popularity of Merchants with self-directed investors (source: RD:IR). A monthly email update, which includes the fund manager's latest views and relevant information, is now available to subscribers who would like to receive more frequent updates on the company. Merchants also supports the AIC's 'Freedom in Pensions' campaign which looks at how investment companies can be used to help build a long term pension portfolio. Further details can be found on the home page of our website.

AIFMD

The EU's Alternative Investment Fund Managers Directive came into effect during 2014. Under this legislation the company is designated as an Alternative Investment Fund (AIF) and we appointed our existing manager, Allianz Global Investors (AllianzGI), as our Alternative Investment Fund Manager (AIFM). A new AIFM agreement was entered into with AllianzGI, on substantially the same terms as the management agreement already in place. In addition, HSBC Bank plc, the existing custodian of the company's assets, was appointed as Depositary to provide oversight of the operations carried out for the company and to ensure that appropriate standards are maintained. Some further details of the new arrangements are on pages 34 and 76 of the annual report.

Gearing

The company continues to have long term debt amounting to £111 million. This is all deployed in the market for investment purposes. Our gearing averaged 21.3% throughout the year, compared to 21.7% last year.

Derivatives

We have continued our policy of selectively writing call options on a limited number of the trust's holdings. Writing options has provided a small amount of additional income. There are more details in the Investment Manager's Review on pages 20 and 21.

Annual General Meeting

The annual general meeting of the company will be held on Wednesday 20 May 2015 at 12.00 noon at Old School Building, 60 Victoria Embankment, London EC4Y 0JP, and we look forward to seeing as many shareholders then as are able to attend.

Outlook

The FTSE 100 Index has recently passed the previous all-time high set in 1999 but valuations in aggregate remain reasonable and the UK economy is recovering gradually. In the short term, the general election may lead to a period of uncertainty although the long term effect of a change of government is not expected to be that significant, especially as the portfolio companies have significant overseas earnings. Our fund managers are finding attractive investments across a variety of sectors of the stock market although they also see areas of over-valuation, particularly amongst the more defensive industries. The company's strategy remains to invest in a diversified portfolio of high yielding UK listed companies to generate income and capital growth. We very much believe that this strategy is still appropriate for the future and that Merchants continues to be well placed to benefit from the rapidly changing UK savings market.

Simon Fraser
Chairman
13 April 2014

Risk

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>Investment Activity and Strategy, including Gearing and Market Volatility An inappropriate investment strategy, e.g., on asset allocation or the level of gearing, may lead to significant 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 and through its investment restrictions and guidelines which are monitored and on which the board receives reports. Allianz Global Investors GmbH, UK Branch (AllianzGI) 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>Corporate Governance, Shareholder Relations and Marketing If there is weak adherence to best practice in corporate governance, shareholder discontent could arise resulting in potential reputational damage to the company. Inadequate marketing and communication about the company could result in selling of the shares and a significant impact on the rating of 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. The board has continued to extend its marketing and public relations programme. 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/Merchants/Corporate_Governance_Statement.pdf.</p>
<p>Financial and Regulatory Failure to contain financial risks could result in losses to the company. Failure to comply with relevant regulations could damage the company and its ability to continue in business.</p>	<p>The financial risks associated with the company include market risk (price, yield, foreign currency and interest rate), liquidity risk and credit risk. The audit committee also considers these risks as part of its remit. Further analysis of these risks can be found in Note 17 on pages 68 to 73 of the Annual Report. The board is guided by its advisers both within AllianzGI and external to the manager on matters such as compliance with the Companies Act 2006, Accounting Standards, the Listing Rules, Disclosure and Transparency Rules and other applicable regulations, including AIFMD.</p>
<p>Operational The company is dependent on third parties for the provision of all systems and services and there are risks of control failures and gaps in these systems and services resulting in loss or damage to the company.</p>	<p>The board receives a matrix of internal controls reports and bridging letters at least twice each year from all major service providers and reviews the assurances provided by these third parties.</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 and how these risks are managed and mitigated is discussed and agreed for recording in the Risk Matrix. 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. 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/Merchants/Corporate_Governance_Statement.pdf.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 directors each have a duty to make themselves aware of any "relevant audit information" and ensure that the auditors have been made aware of that information. A disclosure stating that each director has complied with that duty is given in the Directors' Report.

The directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

The financial statements are published on www.merchantstrust.co.uk, which is a website maintained by the company's investment manager, AllianzGI. The directors are responsible for the maintenance and integrity of the company's website. The work undertaken by the auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of 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, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company;

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Final Results for the year ended 31 January 2015

- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

For and on behalf of the board

Simon Fraser
Chairman
13 April 2015

For further information contact:

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LISTED EQUITY HOLDINGS as at 31 January

Name	Value (£)	% of holdings	Principal Activities
Royal Dutch Shell 'B'	53,208,073	8.0	Oil & Gas Producers
HSBC	41,950,636	6.3	Banks
GlaxoSmithKline	39,007,530	5.8	Pharmaceuticals & Biotechnology
BP	33,941,250	5.1	Oil & Gas Producers
British American Tobacco	30,589,681	4.6	Tobacco
UBM	29,836,356	4.5	Media
SSE	24,054,550	3.6	Electricity
Inmarsat	21,398,004	3.2	Mobile Telecommunications
Standard Life	20,547,900	3.1	Life Insurance
BAE Systems	20,533,186	3.1	Aerospace & Defence
Top Ten Holdings	315,067,166	47.3	
Friends Life	17,731,752	2.7	Life Insurance
Centrica	17,143,230	2.6	Gas, Water & Multiutilities
BHP Billiton	16,907,386	2.5	Mining
Carnival	16,075,787	2.4	Travel & Leisure
National Grid	15,519,945	2.3	Gas, Water & Multiutilities
Marks & Spencer	15,013,300	2.3	General Retailers
CRH	14,738,400	2.2	Construction & Materials
Amec Foster Wheeler	12,982,950	1.9	Oil Equipment, Services & Distribution
Diageo	12,608,000	1.9	Beverages
Pennon	12,432,000	1.9	Gas, Water & Multiutilities
ICAP	12,351,551	1.9	Financial Services
Greene King	11,970,000	1.8	Travel & Leisure
William Hill	11,947,816	1.8	Travel & Leisure
Hansteen	11,856,731	1.8	Real Estate Investment Trusts
SThree	11,050,553	1.7	Support Services
Britvic	10,529,302	1.6	Beverages
Unilever	10,401,500	1.6	Food Producers
Tate & Lyle	10,162,500	1.5	Food Producers
Balfour Beatty	9,715,209	1.5	Construction & Materials
Sainsbury (J)	9,488,110	1.4	Food & Drug Retailers
Cineworld	8,912,522	1.3	Travel & Leisure
IG Group	7,984,509	1.2	Financial Services
Ladbrokes	7,604,550	1.1	Travel & Leisure
Smiths Group	7,375,300	1.1	General Industrials
Ashmore Group	7,013,813	1.1	Financial Services
Segro	7,009,100	1.0	Real Estate Investment Trusts
Legal & General	6,962,800	1.0	Life Insurance
Kier Group	5,970,506	0.9	Construction & Materials
Premier Farnell	5,961,360	0.9	Support Services
Man Group	5,911,270	0.9	Financial Services

Name	Value (£)	% of holdings	Principal Activities
Mothercare	5,713,680	0.9	General Retailers
FirstGroup	4,930,200	0.7	Travel & Leisure
Hammerson	4,819,500	0.7	Real Estate Investment Trusts
Brammer	4,165,320	0.6	Support Services
Total Equities	666,027,618	100.0	

UNLISTED LISTED EQUITY HOLDINGS as at 31 January

Name	Value (£)	% of holdings	Principal Activities
First Debenture Finance	23,483	84.0	Financial Services
Fintrust Debenture	4,486	16.0	Financial Services
Total Unlisted Equities	27,969	100.0	

Written Call Options

As at 31 January 2015, the market value of the open option positions was £(310,200), resulting in an underlying exposure to 2.7% of the portfolio (valued at strike price).

INCOME STATEMENT
for the year ended 31 January 2015

	Revenue £	2015 Capital £	Total Return £
			(Note C)
Net gains on investments at fair value	-	15,606,644	15,606,644
Income	29,957,608	-	29,957,608
Investment management fee	(805,548)	(1,496,017)	(2,301,565)
Administration expenses	(879,807)	(3,537)	(883,344)
Net return before finance costs and taxation	28,272,253	14,107,090	42,379,343
Finance costs: interest payable and similar charges	(3,322,106)	(6,089,773)	(9,411,879)
Net return on ordinary activities before taxation	24,950,147	8,017,317	32,967,464
Taxation	-	-	-
Net return on ordinary activities attributable to ordinary shareholders	24,950,147	8,017,317	32,967,464
Net return per ordinary share (basic and diluted) (Note B)	23.56p	7.57p	31.13p

BALANCE SHEET
at 31 January 2015

	2015 £	2015 £
Fixed Assets		
Investments held at fair value through profit or loss		666,055,587
Current Assets		
Debtors	1,051,878	
Cash at bank	8,654,487	
	9,706,365	
Creditors – amounts falling due within one year	(2,970,328)	
Derivative financial instruments	(310,200)	
	(3,280,528)	
Net current assets		6,425,837
Total assets less current liabilities		672,481,424
Creditors – amounts falling due after more than one year		(110,472,481)
Net assets		562,008,943
Capital and Reserves		
Called up share capital		27,182,116
Share premium account		33,717,572
Capital redemption reserve		292,853
Capital reserve		476,255,528
Revenue reserve		24,560,874
Total shareholders' funds		562,008,943
Net asset value per ordinary share (basic and diluted)		516.9p

INCOME STATEMENT
for the year ended 31 January 2014

	Revenue £	2014 Capital £	Total Return £
			(Note C)
Net gains on investments at fair value	-	52,436,938	52,436,938
Income	29,826,684	-	29,826,684
Investment management fee	(778,416)	(1,445,631)	(2,224,047)
Administration expenses	(720,249)	(4,198)	(724,447)
Net return before finance costs and taxation	28,328,019	50,987,109	79,315,128
Finance costs: interest payable and similar charges	(3,315,171)	(6,076,873)	(9,392,044)
Net return on ordinary activities before taxation	25,012,848	44,910,236	69,923,084
Taxation	-	-	-
Net return on ordinary activities attributable to ordinary shareholders	25,012,848	44,910,236	69,923,084
Net return per ordinary share (basic and diluted) (Note B)	24.22p	43.48p	67.70p

BALANCE SHEET
at 31 January 2014

	2014 £	2014 £
Fixed Assets		
Investments held at fair value through profit or loss		631,256,415
Current Assets		
Debtors	3,742,966	
Cash at bank	8,083,385	
	11,826,351	
Creditors – amounts falling due within one year	(2,863,521)	
Derivative financial instruments	(75,000)	
	(2,938,521)	
Net current assets		8,887,830
Total assets less current liabilities		640,144,245
Creditors – amounts falling due after more than one year		(110,666,187)
Net assets		529,478,058
Capital and Reserves		
Called up share capital		25,915,866
Share premium account		10,653,450
Capital redemption reserve		292,853
Capital reserve		468,238,211
Revenue reserve		24,377,678
Total shareholders' funds		529,478,058
Net asset value per ordinary share (basic and diluted)		510.8p

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 2013	25,803,366	8,523,195	292,853	423,327,975	23,516,780	481,464,169
Revenue return	-	-	-	-	25,012,848	25,012,848
Dividends on ordinary shares	-	-	-	-	(24,151,950)	(24,151,950)
Capital return	-	-	-	44,910,236	-	44,910,236
Shares issued during the year	112,500	2,130,255	-	-	-	2,242,755
Net assets at 31 January 2014	25,915,866	10,653,450	292,853	468,238,211	24,377,678	529,478,058
Net assets at 1 February 2014	25,915,866	10,653,450	292,853	468,238,211	24,377,678	529,478,058
Revenue return	-	-	-	-	24,950,147	24,950,147
Dividends on ordinary shares	-	-	-	-	(24,766,951)	(24,766,951)
Capital return	-	-	-	8,017,317	-	8,017,317
Shares issued during the year	1,266,250	23,064,122	-	-	-	24,330,372
Net assets at 31 January 2015	27,182,116	33,717,572	292,853	476,255,528	24,560,874	562,008,943

CASH FLOW STATEMENT

For the year ended 31 January

	2015 £	2015 £	2014 £
Net cash inflow from operating activities		27,294,907	27,322,153
Returns on investment and servicing of finance			
Interest Paid	(9,556,695)		(9,537,920)
Dividends on cumulative preference stock	(64,496)		(42,997)
Net cash outflow from servicing of finance		(9,621,191)	(9,580,917)
Capital expenditure and financial investment			
Purchase of fixed asset investments	(160,831,485)		(176,561,838)
Sales of fixed asset investments	144,165,450		180,153,054
Net cash (outflow) inflow from capital expenditure and financial investment		(16,666,035)	3,591,216
Dividends paid on ordinary shares		(24,766,951)	(24,151,950)
Net cash outflow before financing		(23,759,270)	(2,819,498)
Financing			
Proceeds from issue of ordinary shares		24,379,130	2,247,250
Share issue costs		(48,758)	(4,495)
Net cash inflow from financing		24,330,372	2,242,755
Increase (decrease) in cash		571,102	(576,743)

Notes

Note A

The financial statements have been prepared under the historical cost basis, except for the measurement at fair value through profit or loss 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), the Companies Act 2006 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 (AIC).

Note B

The returns per ordinary share have been calculated using a weighted average number of shares in issue during the year of 105,879,424 (2014 – 103,286,752 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.

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 £904,464 (2014 – £1,050,202). Transaction costs on sales amounted to £119,480 (2014 – £152,904).

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 which the company commits to purchase or sell the assets.

After initial recognition unquoted stocks are valued by the board on an annual basis.

Note E

	2015	2014
	£	£
Dividends on ordinary shares of 25p:		
Third interim dividend 5.9p paid 26 February 2014 (2014– 5.8p)	6,110,244	5,986,381
Final dividend 5.9p paid 23 May 2014 (2014– 5.8p)	6,178,094	5,986,381
First interim dividend 5.9p paid 14 August 2014 (2014– 5.9p)	6,198,744	6,089,594
Second interim dividend 5.9p paid 11 November 2014 (2014– 5.9p)	<u>6,279,869</u>	<u>6,089,594</u>
	24,766,951	24,151,950

Dividends payable at the year end are not recognised as a liability under FRS 21 'Events After Balance Sheet Date' (see page 57 of the Annual Report – Statement of Accounting Policies). Details of these dividends are set out below.

	2015	2014
	£	£
Third interim dividend 6.0p paid 25 February 2015 (2014 – 5.9p)	6,523,708	6,110,244
Final proposed dividend 6.0p payable 22 May 2015 (2014 – 5.9p)	<u>6,523,708</u>	<u>6,116,144</u>
	13,047,416	12,226,388

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 share issues or share buybacks settled subsequent to the year end.

Note F

The financial information for the year ended 31 January 2015 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 Report has not yet been delivered to the Registrar of Companies.

The financial information for the year ended 31 January 2014 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 Report is available to be viewed on or downloaded from the company's website at 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.