

For immediate release
30 March 2016

THE MERCHANTS TRUST PLC

Final Results for the year ended 31 January 2016

The following comprises extracts from the company's Annual Report for the year ended 31 January 2016. 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 pleased to let you know that following our Annual General Meeting, The Merchants Trust will have an unbroken record of 34 years of dividend growth and that we are named in the 'dividend heroes' list promoted by the Association of Investment Companies. In addition to our aim of providing capital growth over time, we have seen recent interest in the 'income in retirement' page of our website.

Results

It has been a difficult year for equity markets, however we outperformed the benchmark. The NAV total return was -5.0% against a total return on our benchmark, the FTSE 100 Index, of -6.5% in the year to 31 January. As you can see from the performance attribution analysis on page 8 of the annual report, there were several factors leading to this outperformance. The main positives were strong relative performance from the equity portfolio and the benefit of the fall in the market value of debt, as it approaches maturity. The main negatives were the impact of gearing, in a period where market returns were negative, and the cost of finance.

Over the longer term, it is pleasing to note that the NAV with debt at market value (capital only, i.e., excluding dividends), has outperformed the FTSE 100 Index by 3.8% over the past three years and by 3.3% over the past five years.

The company's share price fell by 14.5% from 484.0p to 414.0p over the year, partly due to the discount to NAV on the shares widening. On a total return basis (which includes net dividends) the value of the shares fell 9.5%.

The board also monitors the company's yield relative to other investment trusts in the UK Equity Income sector. As at 31 January 2016, the company's yield of 5.8% ranked third in the sector.

As at 30 March 2016, the company's ordinary shares yielded 6.0% compared with the 4.1% 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

Our net earnings have increased by 2.1% this year. In an era of low interest rates we aim to provide our shareholders with high and growing income. The board is recommending a final dividend of 6.0p, which will make this our 34th consecutive year of dividend growth. This dividend is fully covered by earnings leaving a modest addition to revenue reserves. The final dividend of 6.0p will be paid on 26 May 2016 to shareholders on the register on 22 April 2016. This payment will make our total dividend for the year 24.0p, an increase of 0.8%. As at 31 January 2016 and after providing for the final dividend payment, the company's revenue reserves amounted to £11.6m (10.6p per share).

The Board

Biographies of the directors are set out on page 30 of the annual report. 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 of the annual report. 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 position relative to our peer group and benchmark, together with a number of other topics including the gearing structure and the future of our debentures. We will be looking in detail at our plans to refinance the proportion of our debt that reaches its maturity in 2018 and to continue to provide an attractive investment for shareholders' needs today.

In this year's report, on page 14, we also include our first Viability Statement, which looks at the company's ability to continue in operation and meet its liabilities in the next few years.

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

For much of the year to 31 January 2016 we saw the company's share price continue to trade at a discount to the net asset value but not at a consistently high level to suggest a buy back of shares was advisable.

Our policy continues to be 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 and conversely, to buyback shares either for cancellation or for holding in treasury if the shares are trading at a consistently high discount. Buying back shares helps to reduce the volatility of the discount and enhances the underlying NAV. 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 continues to be a popular choice with private and professional investors which is evidenced by the increasing number of shares held via investment platforms. We attribute this to:

- The company's consistent philosophy which aims to provide growth in capital and income over the medium to long-term;
- A 34 year track record of growing dividends;
- The company's status as a dividend hero as defined by the Association of Investment Companies;
- Stable portfolio management over many years; and
- Merchants is one of the highest yielding investment trusts in the sector.

We understand the importance of sustaining demand for the company's shares and this is reflected in our ongoing commitment to active marketing and communication strategies to promote Merchants to a wider audience. In September 2015 Merchants launched a new advertising campaign to highlight the benefits of the investment structure for those looking to save for retirement (see overleaf). Merchants 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.

The company's website continues to be the hub of our investor communications, now hosting video interviews with portfolio manager Simon Gergel on a regular basis. Our monthly shareholder communications have also been enhanced with a four page fact sheet that includes more in-depth commentary as well as more detailed performance and dividend information. Both of these communications are available to subscribers registering for updates on our website www.merchantstrust.co.uk.

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 21.8% throughout the year, compared to 21.3% last year.

The board has conducted a thorough review of gearing policy at our strategy meetings. In the past we have defined our gearing as being acceptable at levels of up to 35% in normal market conditions. Historically, Merchants has fully invested its debt into the equity market. Market volatility can alter the

company's gearing in the short term. We have decided to modify the policy to focus on the level of gearing at the time when debt is drawn down, as that is within the control of the board. The new policy is that the board will maintain gearing within a range of 10-25% at the time of debt drawdown.

Derivatives

We have continued our policy of selectively writing call options on a limited number of the company'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 of the annual report.

Annual General Meeting

The annual general meeting of the company will be held on Tuesday 24 May 2016 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 stock market has been volatile in recent months but the underlying economic outlook has changed little over the last year. A slow recovery from the global financial crisis is continuing, although there are specific risks, such as slowing growth in emerging markets and the "Brexit" referendum. Nonetheless, our fund managers are finding many opportunities to invest in promising businesses on favourable valuations. The company's strategy remains to invest in a diversified collection of high yielding UK companies. The board believes this strategy is entirely appropriate for the current environment and allows shareholders to benefit from the opportunities in the UK equity market, whilst receiving a high dividend yield. This makes Merchants well placed to appeal to investors in the rapidly changing pensions and savings market.

Simon Fraser
Chairman
30 March 2016

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. In line with the requirements of the UK Corporate Governance Code, the directors have carried out a robust assessment of the principal risks facing the company. Whilst the board gives continuous consideration to 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. 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 www.merchantstrust.co.uk in the literature/trust documents section.</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 16 on pages 70 to 76 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.

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 including FRS102 "The Financial Reporting Standard applicable in the UK & Republic of Ireland" (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; and
- 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 on page 36.

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 position and 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 Disclosure and Transparency Rule 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;
- 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 MERCHANTS TRUST PLC
Final Results for the year ended 31 January 2016

- 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
30 March 2016

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LISTED EQUITY HOLDINGS as at 31 January 2016

Name	Value (£)	% of listed holdings	Principal Activities
GlaxoSmithKline	45,458,010	7.5	Pharmaceutical & Biotechnology
Royal Dutch Shell 'B'	38,417,519	6.4	Oil & Gas Producers
HSBC	37,324,542	6.2	Banks
BP	30,022,491	5.0	Oil & Gas Producers
UBM	29,357,397	4.9	Media
Lloyds Banking Group	20,934,400	3.5	Banks
BAE Systems	20,897,680	3.4	Aerospace & Defence
Inmarsat	20,612,172	3.4	Mobile Telecommunications
National Grid	16,847,322	2.8	Gas, Water & Multiutilities
Tate & Lyle	16,250,000	2.7	Food Producers
Top Ten Holdings	276,121,533	45.8	
Pennon	15,930,000	2.6	Gas, Water & Multiutilities
SSE	15,482,900	2.6	Electricity
Centrica	14,612,480	2.4	Gas, Water & Multiutilities
British American Tobacco	14,422,795	2.4	Tobacco
Greene King	14,300,000	2.4	Travel & Leisure
CRH	14,275,800	2.4	Construction & Materials
Carnival	13,452,810	2.2	Travel & Leisure
Marks & Spencer	12,659,385	2.1	General Retailers
SThree	12,583,451	2.1	Support Services
Kier Group	12,555,086	2.1	Construction & Materials
Standard Life	12,438,190	2.1	Life Insurance
Sainsbury (J)	12,093,120	2.0	Food & Drug Retailers
Diageo	12,060,800	2.0	Beverages
William Hill	11,738,580	1.9	Travel & Leisure
ICAP	11,729,595	1.9	Financial Services
Hansteen	11,677,880	1.9	Real Estate Investment Trusts
Balfour Beatty	10,981,648	1.8	Construction & Materials
Aviva	9,602,754	1.6	Life Insurance
Legal & General	9,488,700	1.6	Life Insurance
IG Group	9,388,115	1.5	Financial Services
Prudential	8,882,250	1.5	Life Insurance
Ladbrokes	8,298,850	1.4	Travel & Leisure
Antofagasta	6,461,700	1.1	Mining
BHP Billiton	6,234,264	1.0	Mining
Equiniti	6,022,976	1.0	Support Services
Ashmore Group	5,972,273	1.0	Financial Services
Brammer	5,758,216	0.9	Support Services
Mothercare	5,367,390	0.9	General Retailers
Man Group	5,363,686	0.9	Financial Services
Barclays	4,650,000	0.8	Banks

Name	Value (£)	% of listed holdings	Principal Activities
FirstGroup	4,598,550	0.8	Travel & Leisure
Segro	4,389,000	0.7	Real Estate Investment Trusts
Hostelworld	3,746,627	0.6	Travel & Leisure
Total Listed Equities	603,341,404	100.0	

UNLISTED EQUITY HOLDINGS as at 31 January 2016

Name	Value (£)	% of unlisted 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	

* These companies are the lenders of the company's Stepped Rate Loan and Fixed Rate Interest Loan; more details are available in Note 9 on page 66 of the annual report.

Written Call Options

As at 31 January 2016, the market value of the open option positions was £(214,350), resulting in an underlying exposure to 4.4% of the portfolio (valued at strike price).

INCOME STATEMENT
for the year ended 31 January 2016

	Revenue £	2016 Capital £	Total Return £
			(Note C)
Net (losses) on investments at fair value	-	(56,416,352)	(56,416,352)
Income	30,984,794	-	30,984,794
Investment management fee	(795,370)	(1,477,115)	(2,272,485)
Administration expenses	(739,253)	(44)	(739,297)
Net profit (loss) before finance costs and taxation	29,450,171	(57,893,511)	(28,443,340)
Finance costs: interest payable and similar charges	(3,304,965)	(6,057,941)	(9,362,906)
Net profit (loss) before taxation	26,145,206	(63,951,452)	(37,806,246)
Taxation	-	-	-
Net profit (loss) after taxation	26,145,206	(63,951,452)	(37,806,246)
Net earnings (loss) per ordinary share (basic and diluted) (Note B)	24.05p	(58.82p)	(34.77p)

BALANCE SHEET
at 31 January 2016

	2016 £	2016 £
Fixed Assets		
Investments held at fair value through profit or loss		603,369,373
Current Assets		
Others receivables	946,814	
Cash and cash equivalents	6,457,992	
	7,404,806	
Current Liabilities		
Other payables	(2,189,728)	
Derivative financial instruments	(214,350)	
	(2,404,078)	
Net current assets		5,000,728
Total assets less current liabilities		608,370,101
Creditors: amounts falling due after more than one year		(110,262,236)
Net assets		498,107,865
Capital and Reserves		
Called up share capital		27,182,116
Share premium account		33,717,572
Capital redemption reserve		292,853
Capital reserve		412,304,076
Revenue reserve		24,611,248
Equity shareholders' funds		498,107,865
Net asset value per ordinary share (basic and diluted)		458.1p

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 profit 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 profit before taxation	24,950,147	8,017,317	32,967,464
Taxation	-	-	-
Net profit after taxation	24,950,147	8,017,317	32,967,464
Net earnings 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		
Other receivables	1,051,878	
Cash and cash equivalents	8,654,487	
	9,706,365	
Current Liabilities		
Other payables	(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
Equity shareholders' funds		562,008,943
Net asset value per ordinary share (basic and diluted)		516.9p

STATEMENT OF CHANGE IN EQUITY

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 2015	27,182,116	33,717,572	292,853	476,255,528	24,560,874	562,008,943
Revenue profit	-	-	-	-	26,145,206	26,145,206
Dividends paid	-	-	-	-	(26,094,832)	(26,094,832)
Capital loss	-	-	-	(63,951,452)	-	(63,951,452)
Net assets at 31 January 2016	27,182,116	33,717,572	292,853	412,304,076	24,611,248	498,107,865
Net assets at 1 February 2014	25,915,866	10,653,450	292,853	468,238,211	24,377,678	529,478,058
Revenue profit	-	-	-	-	24,950,147	24,950,147
Dividends paid	-	-	-	-	(24,766,951)	(24,766,951)
Capital profit	-	-	-	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

	2016 £	2015 £
Operating activities		
Net (loss) profit before finance costs and taxation*	(28,443,340)	42,379,343
Less: Net losses (gains) on investments at fair value	56,416,352	(15,606,644)
Purchase of fixed asset investments	(138,769,318)	(160,831,485)
Sales of fixed asset investments	144,260,526	144,165,450
Decrease in other receivables	105,064	1,082,599
Decrease in other payables	(80,030)	(560,391)
Net cash inflow from operating activities	33,489,254	10,628,872
Financing activities		
Interest paid	(9,547,920)	(9,556,695)
Dividends paid on cumulative preference stock	(42,997)	(64,496)
Dividends paid on ordinary shares	(26,094,832)	(24,766,951)
Proceeds from issue of ordinary shares	-	24,379,130
Share issue costs	-	(48,758)
Net cash outflow from financing activities	(35,685,749)	(10,057,770)
(Decrease) Increase in cash and cash equivalents	(2,196,495)	571,102
Cash and cash equivalents at the start of the year	8,654,487	8,083,385
Cash and cash equivalents at the end of the year	6,457,992	8,654,487
Comprised of:		
Cash and cash equivalents	6,457,992	8,654,487

* Cash inflow from dividends was £30,074,093 (2015 - £29,603,970) and cash inflow from interest was £99 (2015 - nil).

Notes

Note A

The financial statements have been prepared on the basis of the accounting policies set out below. The company is applying, for the first time, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), which forms part of the revised Generally Accepted Accounting Practice (New UK GAAP) issued by the Financial Reporting Council.

The financial statements have been prepared in accordance with The Companies Act 2006, FRS 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies (AIC) in November 2014.

As a result of the first time adoption of FRS 102 there were no adjustments to the company's income statement for the financial years ended 31 January 2015 or 31 January 2016. There were no adjustments to the company's balance sheets at 31 January 2015, 1 February 2015 or 31 January 2016.

The company's cash flow statement reflects the presentational requirements of FRS 102, which are different from those of FRS 1. In addition the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. In addition, certain disclosures have changed.

Note B

The returns per ordinary share have been calculated using a weighted average number of shares in issue during the year of 108,728,464 (2015 – 105,879,424 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 £779,462 (2015 – £904,464). Transaction costs on sales amounted to £119,929 (2015 – £119,480).

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 102 Section 11: 'Basic Financial Instruments', and Section 12: 'Other Financial Instruments'. 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.

Unlisted investments are valued by the directors based upon the latest dealing prices, stockbrokers' valuations, net asset values, earnings and other known accounting information in accordance with the principles set out by the International Private Equity and Venture Capital Valuation Guidelines issued in September 2009.

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

Note E

	2016	2015
	£	£
Dividends on ordinary shares of 25p:		
Third interim dividend 6.0p paid 25 February 2015 (2015– 5.9p)	6,523,708	6,110,244
Final dividend 6.0p paid 22 May 2015 (2015– 5.9p)	6,523,708	6,178,094
First interim dividend 6.0p paid 14 August 2015 (2015– 5.9p)	6,523,708	6,198,744
Second interim dividend 6.0p paid 12 November 2015 (2015– 5.9p)	6,523,708	6,279,869
	26,094,832	24,766,951

Dividends payable at the year end are not recognised as a liability under FRS 102 Section 32: 'Events After the End of the Reporting Period' (see page 59 of the Annual Report – Statement of Accounting Policies). Details of these dividends are set out below.

	2016	2015
	£	£
Third interim dividend 6.0p paid 24 February 2016 (2015 – 6.0p)	6,523,708	6,523,708
Final proposed dividend 6.0p payable 26 May 2016 (2015 – 6.0p)	6,523,708	6,523,708
	13,047,416	13,047,416

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.

All dividends disclosed in the tables above have been paid or are payable from the revenue reserves.

Note F

The financial information for the year ended 31 January 2016 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 2015 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.