



Manchester & London Investment Trust plc

INTERIM REPORT
FOR THE SIX MONTHS ENDED
31 JANUARY 2015

Contents

Trust Performance	3
Chairman's Statement	4
Investment Manager's Report	5
Investment Portfolio	8
Shareholder Benefits	9
Investment Objective.....	9
Investment Policy.....	9
Consolidated Statement of Comprehensive Income.....	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Financial Position.....	13
Consolidated Statement of Cash Flows	14
Notes to the Group Results.....	15
Independent Review Report to Manchester & London Investment Trust plc	18
Corporate Information.....	19

Trust Performance

	At 31 January 2015	At 31 July 2014	Percentage Change
Net assets attributable to Equity Shareholders (£'000)	61,753	64,361	(4.1)
Net asset value per ordinary share (p)	285.5	293.2	(2.6)
Dow Jones UK Total Stock Market Index	2,973.10	2,953.45	0.7
Interim dividend declared per ordinary share (p)	1.50	5.50	(72.7)
Second special dividend per ordinary share (p)	0.25	-	100.0
Ex-dividend date	9 April 2015		
Record date	10 April 2015		
Payment date	30 April 2015		

The price and net asset value is published in the Investment Companies Sector of The Financial Times.

ISA and Savings Schemes - cost efficient ways to invest in the Company.

The shares of Manchester & London Investment Trust plc ("MLIT" or the "Company") are listed on the Official List and traded on the London Stock Exchange. Private investors can buy or sell shares by placing an order either directly with a stockbroker or through an Independent Financial Adviser. Alternatively, investments can be made through the Company's Share Savings Plan or the MLIT Individual Savings Account ("ISA").

1. The MLIT Investment Plan

MLIT operates a zero-charge Savings Plan and all cash (whether from subscriptions or dividends) is reinvested in the Company's shares on the earliest dealing day. Investors have the option of making a lump sum payment to the Plan or regular payments on a monthly or quarterly basis, whichever is preferred. The Plan can be held jointly or set up for the benefit of children and there is no upper limit on the amount which can be invested.

2. The MLIT ISA

Like the Savings Plan, the MLIT zero-charge ISA consists solely of MLIT shares and all cash (whether from subscriptions or dividends) is reinvested in the Company's shares on the earliest dealing day. There are no commissions or annual administration charges on the ISA. Subscriptions may be made either by lump sum or by monthly payments. The current lump sum minimum payment is £2,000 with a maximum subscription per year of £15,000.

3. The transfer of other ISAs into the MLIT ISA

Equity ISAs and cash ISAs which are currently held by other managers may be transferred into an MLIT ISA free of charge. The costs of selling the existing holdings and purchasing the MLIT shares will also be free of charge.

Disposal of other shareholdings

MLIT offers a facility whereby holders may sell any of their existing shares without incurring any stockbroking costs as long as the full proceeds are reinvested into MLIT shares. The purchases will also be undertaken free of commission.

Please contact Midas on **0161 228 1709** should you require further details on these savings plans and for the full terms and conditions.

Chairman's Statement

Results for the half year ended 31 January 2015

The trust's net asset value per share dropped 2.6 per cent over the period, against a 0.7 per cent increase in the benchmark. This represents an underperformance of 3.3 per cent.

The key contributors to this were poor positioning ahead of November's oil slump and an under exposure to UK centric and smaller capitalisation stocks, which have generally outperformed the rest of the benchmark.

Whilst the Investment Manager's underlying model of buying quality global blue chip stocks is unchanged, additional emphasis has been put on buying business models that are aligned with key forward looking trends.

NAV performance, since the period end, has been better with an improvement in the NAV to 296.4p per share which means the fund is now up 1.1 per cent for the financial year to date.

Dividends

As explained last year, we have split our dividend payments to better reflect the sources of that income. Recurring income from dividends on our underlying holdings has been paid out as ordinary dividends, whilst non-recurring trading income has been paid out as special dividends.

We also explained that the exposure constraints created by AIFMD may limit our ability to generate trading income, we have so far managed to pay 2.3p in special dividends in respect of this year. With these results we have announced a further special dividend per share of 0.25p and an ordinary dividend of 1.50p.

These are in addition to the final ordinary dividend of 1.98p and special dividends of 5.00p and 1.27p already paid in the period in respect of the 2014 financial year.

Outlook

Performance does appear to be improving since the period end. We hope that this continues through to the year end.

Mr P H A Stanley.
Chairman
March 2015.

Investment Manager's Report

Investment Manager's Review

Performance

Our underperformance over the first half of the year was driven by our sector exposure to Oil and Gas (contributing a material 4.4 per cent relative underperformance), our remaining Mining exposure (contributing a 0.8 per cent relative underperformance) and yet another dismal performance from PZ Cussons (contributing 2.0 per cent relative underperformance).

We do not see a quick recovery in the Oil & Gas and Mining sectors and we do not believe they are favourably exposed to key technological trends in the long run - such as energy efficiency, improving electric vehicles and increasing political weight put behind renewables. Nor do these sectors traditionally perform well in a low inflationary environment. We were drawn to these sectors by their seemingly appealing valuation metrics but we now see these as a value trap. As a result, we do not currently have a single holding in these two sectors and we are now significantly underweight.

Overview

We believe that two key challenges have significantly altered the traditional equity valuation framework. Firstly, technology has rapidly disrupted many business models, turning what were once classic value plays into value traps.

Secondly, a global disinflationary environment has squeezed yields to the point where some high quality corporate debt issues have even gone into negative yield territory. This has a bullish read across for the equity of these "bond proxy" equities even though they may not appear inexpensive against traditional valuation metrics.

Both these factors have caused large valuation differentials, which may deepen further. However, for now, we are no longer tempted by these value plays.

We have repositioned in the opposite direction - moving overweight Technology, Healthcare and Consumer stocks (with bond proxy like cash flows).

We expect to be close to fully invested for the near future, though we remain highly vigilant for market volatility.

Asset Allocation Review

Consumer

PZ Cussons has had a challenging 6 months, with FX headwinds and continued troubles in Nigeria. We remain attracted by the stock's long term growth potential and relative valuation to the sector, but the company's reliance on Nigeria and the daunting challenges this country still faces clouds the investment case. Therefore we have significantly reduced our exposure to PZ Cussons and may continue to do so in H2. In short, with the Oil and Mining exportation model disrupted, we struggle to see how Africa will progress into the new global manufacturing hub when power cuts last for a material part of each day.

Our other consumer stocks have generally performed well. We have tried to position in high quality consumer brands, with stable cash flows, that could also be bid targets. With bonds on these types of stocks hitting historic lows, the equity could have further to run. Stocks of this type include Beiersdorf, Heineken, Pernod Ricard and SCA. Diageo and Unilever have continued to make relatively good progress, however we may trim exposure to these names in favour of more probable M&A targets.

Investment Manager's Report (Continued)

Technology

We have been increasing exposure to the sector. Two of our highest conviction stocks in this sector are Google and Apple, which we view as technology conglomerates with exposure to key themes likely to play out over the next 10 years, such as the Internet of Things, Wearable Devices, Driverless Cars and AI. We believe both companies trade at substantial discounts to their sum of parts. Other stocks that we see as favourably positioned for the future include eBay, ARM Holdings and Baidu.

We have 3 fund holdings in the sector - which gives us a broader exposure to key technological trends such as Robotics and Automation, where picking individual winners is more challenging.

We remain bullish on Agri-Science and, aside from a CHF revaluation shift, Syngenta has generally performed well. However, 2015 could be challenging for Syngenta and we may trim exposure at the right price. KWS remains a top 15 position for us in the sector and we continue to view this as a prime M&A target for a larger player looking to increase its Seeds portfolio.

We have also taken a small position on 3D Printing, which we view as a key technology over the next 10 years. However, the sector is too young and volatile for us to hold a lot of exposure in the area.

Healthcare

Smith and Nephew has performed well as takeover rumours have persisted. We continue to see strong logic for an acquisition by Stryker or J&J.

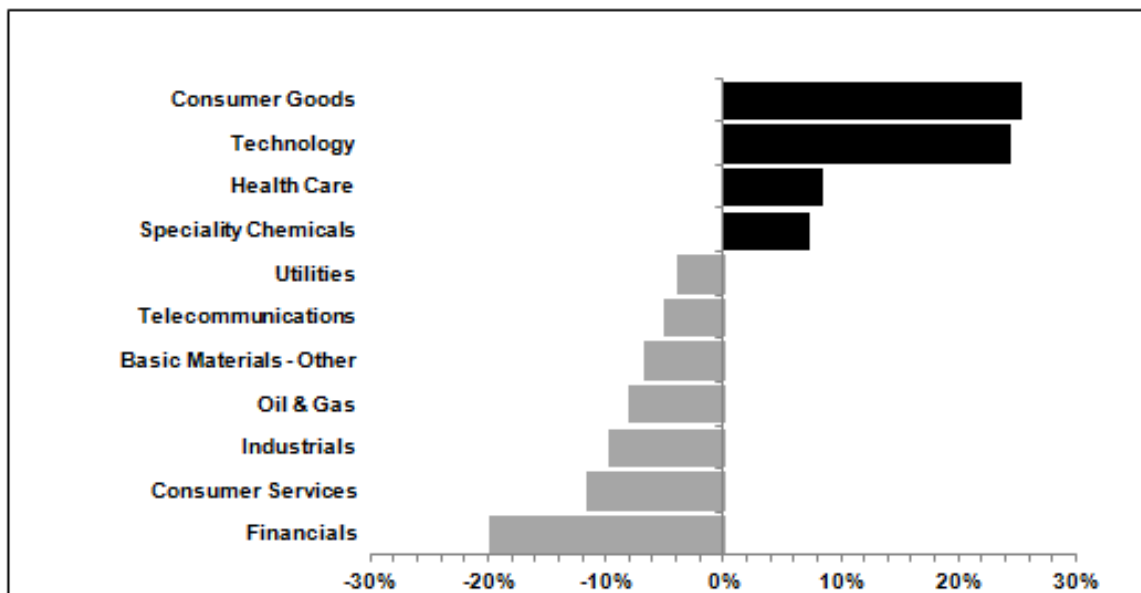
Shire has also performed well. Although their takeover by Abbvie fell through, we continue to see this as an attractive M&A target and the stock looks undervalued against the rest of the sector.

AstraZeneca was an underperformer. The company is currently going through a lower growth period until their pipeline is expected to reinvigorate between 2017 and 2023. In the meantime the relative valuation looks attractive, the yield is good and there is a small chance that M&A could come back onto the table.

GlaxoSmithKline is a current Top 15 holding which we believe trades at a discount to its sum of parts whilst offering an attractive yield. We believe there is a small probability of a break up into the three parts of pharmaceuticals, vaccines and over-the-counter medicines to release value.

Investment Manager's Report (Continued)

Portfolio sector weightings vs benchmark



Source: Digital Look, Manchester & London Investment Trust plc

Investment Portfolio

As at 31 January 2015

Company	Sector	Value £'000	% of Net Assets
PZ Cussons plc	Consumer Goods	7,668	12.4
Smith & Nephew plc	Health Care	4,430	7.2
Damille Investments II Ltd	Financials	3,707	6.0
AstraZeneca plc	Health Care	3,557	5.8
Diageo plc	Consumer Goods	3,014	4.9
Shire plc	Health Care	3,009	4.9
Heineken N.V.	Consumer Goods	2,966	4.8
Unilever plc	Consumer Goods	2,930	4.8
Syngenta AG	Speciality Chemicals	2,707	4.4
Beiersdorf AG	Consumer Goods	2,640	4.3
BG Group plc	Oil & Gas	2,612	4.2
Pernod Ricard SA	Consumer Goods	2,594	4.2
Apple Inc.	Technology	2,544	4.1
Google Inc.	Technology	2,458	4.0
KWS SAAT AG	Speciality Chemicals	2,022	3.3
Davide Campari-Milano S.p.A.	Consumer Goods	1,800	2.9
Tsingtao Brewery Co., Ltd.	Consumer Goods	1,694	2.7
Svenska Cellulosa Aktiebolaget SCA	Consumer Goods	1,544	2.5
Polar Capital Technology Trust plc	Technology	1,498	2.4
ROBO-STOX Global Robotics and Automation GO UCITS ETF	Technology	1,484	2.4
Scottish Mortgage Investment Trust plc	Technology	1,441	2.3
Baidu, Inc.	Technology	1,290	2.1
eBay Inc.	Technology	1,051	1.7
ARM Holdings plc	Technology	937	1.5
Stratasys Inc.	Technology	771	1.2
Barry Callebaut AG	Consumer Goods	743	1.2
3-D Systems Corporation	Technology	676	1.1
TOD'S S.p.A.	Consumer Goods	621	1.0
Other listed investments (under 1.0%)	Various	1,677	2.7
Listed Investments		66,085	107.0
Other Investments		183	0.3
Cash and Net Current Assets		(4,515)	(7.3)
Net Assets		61,753	100.0

Shareholder Benefits

All shareholders with 2,500 shares (excluding the officers of the Company) are qualified to participate in a draw undertaken by the Directors before the Annual General Meeting in respect of The All England Lawn Tennis Ground plc Debentures listed below. Once a party's holding exceeds 2,500 shares, the probability of success in this draw will increase for every additional share held. The investment policy of the Company may result in some, or all, of the Debentures being sold in which event the benefit would cease.

Centre Court

The Company owns two Debentures entitling it to two Centre Court seats (together with two badges admitting entry to the Debenture Holders' Lounge) for the thirteen days play of the Championships. There will be thirteen draws, each draw entitling the successful shareholder to one pair of adjacent seats for one day's play.

Investment Objective

The investment objective of the Company is to achieve capital appreciation together with a reasonable level of income.

Investment Policy

Asset allocation

The Company's investment objective is sought to be achieved through a policy of actively investing in a diversified portfolio, comprising UK and overseas equities and fixed interest securities. The Company seeks to invest in companies whose shares are admitted to trading on a regulated market. However, it may invest in a small number of equities and fixed interest securities of companies whose capital is not admitted to trading on a regulated market. Investment in overseas equities is utilised by the Company to increase the risk diversification of the Company's portfolio and to reduce dependence on the UK economy in addressing the growth and income elements of the Company's investment objective.

The Company may invest in derivatives, money market instruments, currency instruments, contracts for differences ("CFDs"), futures, forwards and options for the purposes of (i) holding investments and (ii) hedging positions against movements in, for example, equity markets, currencies and interest rates.

There are no maximum exposure limits to any one particular classification of equity or fixed interest security. The Company's investments are not limited to any one industry sector and its current investment portfolio is spread across a range of sectors. The Company has no specific criteria regarding market capitalisation or credit ratings in respect of investee companies.

Risk diversification

The Company intends to maintain a relatively focused portfolio, seeking capital growth by investing in approximately 20 to 40 securities. The Company will not invest more than 15 per cent of the gross assets of the Company at the time of investment in any one security. However, the Company may invest up to 50 per cent of the gross assets of the Company at the time of investment in an investment company subsidiary, subject always to other restrictions set out in this investment policy and the Listing Rules.

The Company intends to be fully invested whenever possible. However, during periods in which changes in economic conditions or other factors so warrant, the Investment Manager may reduce the Company's exposure to one or more asset classes and increase the Company's position in cash and/or money market instruments.

Investment Policy (Continued)

Gearing

The Company may borrow to gear the Company's returns when the Investment Manager believes it is in shareholders' interests to do so. The Company's investment policy and the Articles permit the Company to incur borrowing up to a sum equal to two times the adjusted total of capital and reserves. Any change to the Company's borrowing policy will only be made with the approval of shareholders by special resolution.

The effect of gearing may be achieved without borrowing by investing in a range of different types of investments including derivatives. The Company will not enter into any investments which have the effect of increasing the Company's net gearing beyond the above limit.

General

In addition to the above, the Company will observe the investment restrictions imposed from time to time by the Listing Rules which are applicable to investment companies with shares listed on the Official List of the UKLA under Chapter 15.

In accordance with the Listing Rules, the Company will manage and invest its assets in accordance with the Company's investment policy. Any material changes in the principal investment policies and restrictions (as set out above) of the Company will only be made with the approval of shareholders by ordinary resolution.

In the event of any breach of the investment restrictions applicable to the Company, shareholders will be informed of the remedial actions to be taken by the Board and the Investment Manager by an announcement issued through a Regulatory Information Service approved by the FCA.

Benchmark Index

Performance is measured against the Dow Jones UK Total Stock Market Index. The Company sources index and price data from FactSet Research Systems Inc.

Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2015

	(Unaudited) Six months ended 31 January 2015			(Unaudited) Six months ended 31 January 2014			(Audited) Year ended 31 July 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments at fair value	-	14	14	-	(7,569)	(7,569)	-	(9,052)	(9,052)
Trading income	433	-	433	1,050	-	1,050	1,377	-	1,377
Investment income	610	-	610	1,216	-	1,216	2,431	-	2,431
Gross return	1,043	14	1,057	2,266	(7,569)	(5,303)	3,808	(9,052)	(5,244)
Expenses									
Management fee	(158)	-	(158)	(185)	-	(185)	(348)	-	(348)
Transaction costs	(178)	-	(178)	(39)	-	(39)	(170)	-	(170)
Other expenses	(87)	-	(87)	(127)	-	(127)	(234)	-	(234)
Total expenses	(423)	-	(423)	(351)	-	(351)	(752)	-	(752)
Finance costs	(32)	(119)	(151)	-	(183)	(183)	(1)	(298)	(299)
Profit/(loss) before tax	588	(105)	483	1,915	(7,752)	(5,837)	3,055	(9,350)	(6,295)
Taxation	-	-	-	-	-	-	-	-	-
Profit/(loss) attributable to equity shareholders	588	(105)	483	1,915	(7,752)	(5,837)	3,055	(9,350)	(6,295)
Earnings/(loss) per share (p)	2.70	(0.48)	2.22	8.53	(34.52)	(25.99)	13.63	(41.71)	(28.08)

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All items in the above statement are derived from continuing operations.

Consolidated Statement of Changes in Equity

For the six months ended 31 January 2015

	Unaudited Six months ended 31 January 2015							
	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	Other Reserves £'000	Capital Reserve Unrealised £'000	Capital Reserve Realised £'000	Retained Earnings £'000	Total £'000
Balance at 1 August 2014	5,614	35,132	(1,306)	(79)	15,239	5,906	3,855	64,361
Total comprehensive profit	-	-	-	-	-	-	483	483
Buybacks of ordinary shares	-	-	(786)	-	-	-	-	(786)
Transfer of capital losses	-	-	-	-	(4,791)	4,686	105	-
Total dividends paid	-	-	-	-	-	-	(2,305)	(2,305)
	5,614	35,132	(2,092)	(79)	10,448	10,592	2,138	61,753

	Unaudited Six months ended 31 January 2014							
	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	Other Reserves £'000	Capital Reserve Unrealised £'000	Capital Reserve Realised £'000	Retained Earnings £'000	Total £'000
Balance at 1 August 2013	5,614	35,132	-	(79)	5,596	24,899	3,888	75,050
Total comprehensive loss	-	-	-	-	-	-	(5,837)	(5,837)
Transfer of profit realised on previous transfers	-	-	-	-	3,165	(3,165)	-	-
Transfer of capital losses	-	-	-	-	(3,240)	(4,512)	7,752	-
Ordinary dividend paid	-	-	-	-	-	-	(1,853)	(1,853)
	5,614	35,132	-	(79)	5,521	17,222	3,950	67,360

	Audited Year ended 31 July 2014							
	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	Other Reserves £'000	Capital Reserve Unrealised £'000	Capital Reserve Realised £'000	Retained Earnings £'000	Total £'000
Balance at 1 August 2013	5,614	35,132	-	(79)	5,596	24,899	3,888	75,050
Total comprehensive loss	-	-	-	-	-	-	(6,295)	(6,295)
Buybacks of ordinary shares	-	-	(1,306)	-	-	-	-	(1,306)
Transfer of capital losses	-	-	-	-	9,643	(18,993)	9,350	-
Ordinary dividend paid	-	-	-	-	-	-	(3,088)	(3,088)
	5,614	35,132	(1,306)	(79)	15,239	5,906	3,855	64,361

Consolidated Statement of Financial Position

As at 31 January 2015

	(Unaudited) 31 January 2015 £'000	Restated (Unaudited) 31 January 2014 £'000	(Audited) 31 July 2014 £'000
Non-current assets			
Investments held at fair value through profit and loss	28,313	68,736	45,664
	28,313	68,736	45,664
Current assets			
Unrealised derivative financial assets	2,669	2,110	291
Trade and other receivables	23	10	100
Cash and cash equivalents	33,454	14,617	19,625
	36,146	16,737	20,016
Gross assets	64,459	85,473	65,680
Current liabilities			
Unrealised derivative financial liabilities	(2,569)	(9,731)	(1,185)
Borrowings	-	(8,220)	-
Trade and other payables	(137)	(162)	(134)
	(2,706)	(18,113)	(1,319)
Net assets	61,753	67,360	64,361
Equity attributable to equity holders			
Ordinary share capital	5,614	5,614	5,614
Shares held in treasury	(2,092)	-	(1,306)
Share premium	35,132	35,132	35,132
Capital reserves	21,040	22,743	21,145
Goodwill reserve	(79)	(79)	(79)
Retained earnings	2,138	3,950	3,855
Total equity shareholders' funds	61,753	67,360	64,361
Net asset value per share (p)	285.5	299.9	293.2

Consolidated Statement of Cash Flows

For the six months ended 31 January 2015

	(Unaudited) 31 January 2015 £'000	(Unaudited) 31 January 2014 £'000	(Audited) 31 July 2014 £'000
Cash flow from operating activities			
Profit/(loss) after tax	483	(5,837)	(6,295)
Interest paid	151	183	299
Losses on investments	3,298	2,231	2,208
Decrease in receivables	77	180	90
Increase/(decrease) in payables	3	(1,214)	(49)
Increase in derivative financial instruments	(994)	(2,667)	(10,587)
Net cash generated from/(used in) operating activities	3,018	(7,124)	(14,334)
Cash flow from investing activities			
Purchase of investments	(25,564)	(12,457)	(35,015)
Sale of investments	39,617	17,179	62,832
Net cash generated from investing activities	14,053	4,722	27,817
Cash flow from financing activities			
Equity dividends paid	(2,305)	(1,853)	(3,088)
Buybacks of ordinary shares	(786)	-	(1,306)
Repaid to loan facility	-	(2,747)	(10,967)
Interest paid	(151)	(183)	(299)
Net cash used in financing activities	(3,242)	(4,783)	(15,660)
Net increase/(decrease) in cash and cash equivalents			
	13,829	(7,185)	(2,177)
Cash and cash equivalents at the beginning of the period	19,625	21,802	21,802
Cash and cash equivalents at the end of the period	33,454	14,617	19,625

Notes to the Group Results

1. Accounting policies

The interim report and condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 July 2014. The accounting policies are consistent with the preceding annual accounts.

The results are based on unaudited Group consolidated accounts prepared under the historical cost basis except where International Financial Reporting Standards (“IFRS”) require an alternative treatment.

2. Comparative information

The financial information contained in this interim report does not constitute statutory accounts and, in addition, those relating to the six month periods to 31 January 2014 and 31 January 2015 have not been audited. In 2014 the Group amended its presentation of derivatives to improve reporting alignment to industry standards.

The financial information for the year ended 31 July 2014 has been extracted from the latest published audited accounts which have been filed with the Registrar of Companies and prepared under IFRS. The report of the auditors on those accounts contained no qualification or statement under the provisions of the Companies Act 2006.

3. Significant accounting policies

Investments held at fair value through profit or loss are initially recognised at fair value. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends, or increases in fair value, listed equities and fixed income securities are designated as at fair value through profit or loss on initial recognition. The entity 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.

After initial recognition, investments which are classified as fair value through profit and loss are measured at fair value. Gains or losses on investments designated as fair value through profit or loss are included in net profit or loss as a capital item, and material transaction costs on acquisition and disposal of investments are expensed and included in the revenue column of the income statement. For investments that are actively traded in organised financial markets, fair value is determined by reference to the Stock Exchange quoted market bid prices or last traded prices, depending upon the convention of the exchange on which the investment is quoted, at the close of business at the end of the reporting period.

In respect of unquoted investments, or where the market for a financial investment is not active, fair value is established by using an appropriate valuation technique. Where a reliable fair value cannot be estimated for such unquoted equity instruments, they are carried at cost, subject to any provision for impairment. All purchases and sales of investments are recognised on the trade date i.e. the date that the Group commits to purchase or sell an asset.

Notes to the Group Results (Continued)

Significant accounting policies (continued)

Dividend income from investments is recognised as income when the shareholders' rights to receive payment has been established, normally the ex-dividend date. When special dividends are received, the underlying circumstances are reviewed on a case by case basis in determining whether the amount is capital, or income, or a mixture of both, in nature. Amounts recognised as income will form part of the Company's distribution.

4. Principal risks and uncertainties

The principal risks and uncertainties associated with the Company's business fall into the following categories: financial risk; strategic risk; and accounting, legal and regulatory risk. A detailed explanation of the risks and uncertainties in each of these categories can be found in the Company's published Annual Report and Accounts for the year ended 31 July 2014.

5. Directors' responsibilities

The Directors (P H A Stanley, D Harris and B Miller, all of whom are non-executive) are of the opinion that it is appropriate to continue to adopt the going concern basis in accordance with the FRCs "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" in the preparation of the accounts as the assets of the Company consist predominantly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting".

Where presentational guidance, set out in the Statement of Recommended Practice ("SORP") for investment trusts revised by the Association of Investment Companies ("AIC"), is inconsistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Interim Management Report, in the form of the Chairman's Statement and Investment Manager's Review, includes a fair review of the information required by DTR 4.2.7 and 4.2.8 of the FCA's Disclosure and Transparency Rules.

6. Related party

Midas Investment Management Limited ('Midas'), a company controlled by Mr. M. Sheppard, acts as Investment Manager to the Company. Details of the fee arrangements are given in note 7. Mr. M. Sheppard is also a director of the parent company of Manchester and London Investment Trust plc.

7. Related party transactions

The management fee charged by Midas is payable quarterly in arrears and is equal to 0.5 per cent of the Net Asset Value of the Group on an annualised basis.

Investment management fees are charged to revenue.

Notes to the Group Results (Continued)

Related party transactions (continued)

Additional fees charged by Midas include a monthly financial advisory fee and commissions on the purchase and sale of investments.

Monthly company secretarial and office administration costs incurred by the parent company, M&M Investment Company plc, on behalf of the Company were also recharged to the Company in the period.

There are no other related party transactions.

In accordance with DTR 4.2.9(2) of the UK Disclosure and Transparency Rules (DTRs), it is confirmed that this publication has not been audited by auditors pursuant to the Auditing Practices Board (APB) guidance on Review of Interim Financial Information, but has been reviewed by the auditors pursuant to the APB's guidance on Review of Interim Financial Information.

Responsibility Statement

We confirm that to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- b) the interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) the interim report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

Mr D Harris
Chairman of Audit Committee

This Half Yearly Report was approved by the Board on 30 March 2015.

Copies of the Half-Yearly Financial Report for the six months ended 31 January 2015 will be available from the Company's registered office at 2nd Floor, Arthur House, Chorlton Street, Manchester, M1 3FH, as well as on the Company's website at www.manchesterandlondon.co.uk.

Independent Review Report to Manchester & London Investment Trust plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related condensed notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK & Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK & Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

CLB Coopers, Statutory Auditors and Chartered Accountants, Manchester.
30 March 2015

Corporate Information

Directors

P H A Stanley (Chairman)
D Harris
B Miller

Registered Office

2nd Floor
Arthur House
Chorlton Street
Manchester
M1 3FH
Tel: 0161 228 1709
Fax: 0161 228 2510

Registered in England & Wales

Company Number 01009550

Investment Manager

Midas Investment Management Limited
2nd Floor
Arthur House
Chorlton Street
Manchester
M1 3FH
Tel: 0161 228 1709
Fax: 0161 228 2510

Secretary

M K Camp
2nd Floor
Arthur House
Chorlton Street
Manchester
M1 3FH

Registrar

Computershare Investor Services plc
The Pavillions
Bridgwater Road
Bristol
BS13 8AE

Bankers

National Westminster Bank plc
11 Spring Gardens
Manchester
M60 2DB

Independent Auditors

CLB Coopers
Ship Canal House
98 King Street
Manchester
M2 4WU

Website and Price Information

The Company has a dedicated website which may be found at www.manchesterandlondon.co.uk. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders and contains copies of the Report and Accounts, other documents published by the Company and announcements made by the Company to the market.

The Company releases its Net Asset Value to the market on a weekly basis. Share price information may also be found in the Financial Times.

Shareholders Notes