

THE ESTABLISHMENT INVESTMENT TRUST PLC

Half-year financial report for the six months
ended 30 September 2017



Contents

Objective of the Company, Investment Policy and Financial Highlights	2
Performance Chart	3
Chairman's Statement	4
Investment Manager's Report	5
Interim Management Report	7
Directors' Responsibility Statement	7
Portfolio Holdings	8
Analysis of Investment Portfolio	9
Condensed Income Statement	10
Condensed Statement of Financial Position	12
Condensed Statement of Changes in Equity	13
Condensed Statement of Cash Flows	14
Notes to the Financial Statements	15
Company Information	20

Objective of the Company

The investment objective of the Company is to achieve long term capital growth from a managed international portfolio of securities. The preservation of capital is of primary importance to the investment objective.

The Company aims to achieve absolute returns and is not managed by reference to any equity or bond index or benchmark.

Investment Policy

- To invest primarily in equities issued by companies listed on regulated markets. With the prior approval of the Board, the Company may invest in unlisted securities.
- Up to 30% of net assets may be invested in investment products managed by the Company's Investment Manager. The Company may also hold positions in investment products managed by third parties.
- Up to a maximum of 15% of net assets (at cost at the date of investment) may be invested in any one security.
- The Company may borrow up to a maximum of 50% of net assets.

Financial Highlights

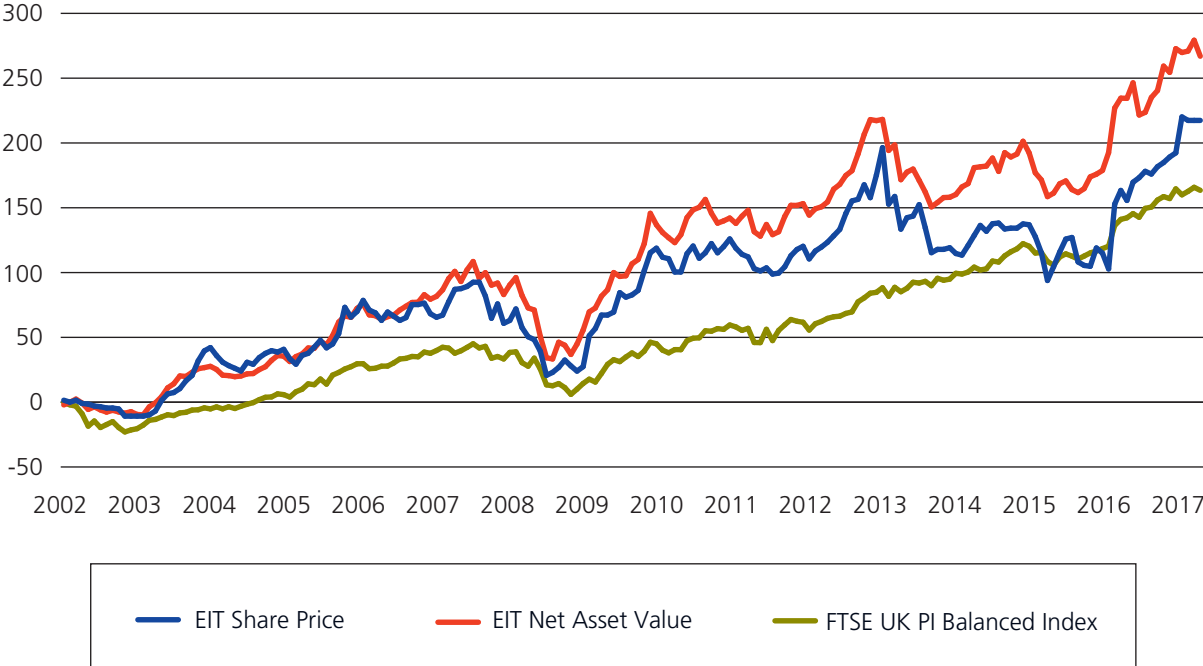
Performance for the six months ended 30 September 2017

	At 30 September 2017	Total return
Share price	215.75p	+11.5%
Net asset value per Ordinary Share	261.38p	+2.2%
FTSE UK Private Investor Balanced Index*		+1.9%
MSCI UK Equity*		+2.6%
MSCI AC World Equity*		+2.7%
MSCI AC Asia ex Japan Equity*		+8.1%

*The above percentages are total returns in sterling

Financial Highlights continued

Share Price performance relative to the Net Asset Value and FTSE UK Private Investor Balanced Index since inception on 18 March 2002 to 30 September 2017 (total return)



Data in sterling with net dividends reinvested
Share price and net asset value total returns above include dividends paid.

Chairman's Statement

During the first half of the Company's financial year, the share price rose 7.7% while the Net Asset Value (NAV) slipped 0.7%. Including the final and special dividends paid in July 2017, the total returns were 11.5% and 2.2% respectively. The majority of the Company's assets continue to be invested throughout Asia while multinationals listed in London represent approximately a sixth of the portfolio. Although Asian markets continued to perform well, a recovery in sterling adversely affected our base currency performance over the period.

At long last and after a decade of aggressive monetary expansion through the co-ordinated action of Central Banks, we appear to be seeing a synchronised global economic recovery. From February 2018, the US Federal Reserve will be led by Jerome Powell, believed likely to follow the "dovish" policies set by the present Governor, Janet Yellen. Powell may now contemplate trimming the Fed's balance sheet and moving to raise interest rates gradually. However, inflation appears to be contained for the time being, although important supply side reforms executed by China have seen cuts in industrial capacity and a rebound in commodity prices, which could start to unwind the exporting of deflation to Western economies. There is a risk that a pickup in inflation could accelerate tightening of policy and hence, liquidity. Nevertheless, our manager is confident that the outlook for Asian economies remains bright. The rise in disposable incomes in the region is creating secular domestic demand while infrastructure programmes and inter regional trade are all pointing to sustained future growth. Asian corporate earnings are forecast to grow in the current year and the next. Regional valuations are still undemanding, particularly when compared to the US stock market.

The revenue account continues to improve increasing by some 40% compared to the first half of the previous financial year. The Board has declared an interim dividend of 3.0p representing a 20% increase over last year's interim payment. The shares will be quoted ex-dividend on 30th November 2017 and the dividend will be paid on 22nd December 2017 to shareholders on the register at the close of business on 1st December 2017.

The advent of MiFID II and PRIIPs in January 2018 are largely unwelcome pieces of legislation to which the Company will need to comply with.

It is encouraging to see that the share price discount to NAV has narrowed significantly from 23.9% to 17.5% responding to the improved performance and the payment of an increased full year dividend, including a special dividend repeated for the second year in a row, together with the appointment of Stockdale Securities as corporate brokers. The Board have no authority to buy back shares. It is the Board's view that the shares are undervalued and represent an opportunity to buy into a strategy that has compounded total return at a growth rate of 8.7% per annum since the Company listed in 2002, while the progressive dividend policy has delivered income.

Harry Wells

Chairman

22 November 2017

Investment Manager's Report

During the first half of the Company's financial year the share price rose 7.7% while the Net Asset Value slipped 0.7%. Including the final and special dividends paid in July 2017, the total returns were 11.5% and 2.2% respectively. For comparative purposes, the MSCI AC Asia ex Japan Index rose 8.1%, the MSCI AC World Index advanced 2.7% and the FTSE UK Private Investor Balanced Index gained 1.9%.

The discount of the share price to the net asset value narrowed from 23.9% to 17.5% during the period under review.

Performance and Portfolio Review

In the UK equity portfolio, both the tobacco holdings (BATS (-10.8%) and Imperial Brands (-16.4%)) underperformed significantly. GlaxoSmithKline (-8.1%) and National Grid (-6.6%) also had a barren period with only Unilever (+11.3%) performing strongly, thanks to interest from Mr Buffett *et alia*. Four of these five holdings are multinational corporations with significant overseas earnings so the recent recovery of sterling has proved something of a headwind.

The 6% average absolute decline of these UK equity holdings (which account for approximately one sixth of the portfolio) has been a drag on overall performance. These are large blue chip companies with strong long term records and, after the recent setback, yield an average of almost 5%. We remain more suspicious of sterling's outlook than the longer term future of these companies.

In Asia, there have been two standout performers over the past six months. By country, MSCI China (+18.7%) and by sector, MSCI Information Technology (+20.4%) have outperformed significantly. They also happen to be the biggest country and sector constituents in the regional index. While the Company has retained decent exposure to both Chinese equities and Information Technology stocks (circa 20% and 10% respectively over the period), this has simply not been enough in a relative sense.

Bright spots in the portfolio included Tencent (+40.9%), Voltronics (+30.6%), Minth (+24.3%), Ayala Land (+22.3%) and Johnson Electric (+21.3%). The more disappointing performers in Asia have been almost all exclusively consumer-orientated companies; an area where the Company retains significant exposure.

Economic and Market Outlook

In America, the good news is that the tried and tested checks and balances enshrined in the American constitution are working. Simply put, President Trump has been unable to deliver on the vast majority of his isolationist economic policies and so the global economy led by China rolls on.

Over the past five years, General Secretary Xi Jinping has reversed or eliminated the majority of the disastrous economic policies of his predecessor. Specific supply side reforms and tighter control of the capital account have both been actioned very efficiently while Xi's new slogan "Beautiful China" suggests further substantial efforts to curb pollution. Economic growth has slowed but the quality of this growth, driven more by rising consumption levels than investment, has improved significantly. More importantly, Xi has restored the credibility of the Communist Party in the eyes of the Chinese people with his five year long anti-corruption agenda and is set to stay in power for a considerable period. Markets love certainty. A stable Chinese economy lies at the heart of Asia's future.

The Establishment Investment Trust plc

Meanwhile, in India, Prime Minister Modi continues to impress. Demonetisation and the recent introduction of a nationwide General Sales Tax have presented corporate India with significant challenges over the past year. Despite these severe disruptions, the economy has continued to expand, driven primarily by rising consumption, itself supported by India's outstanding demographic profile. The lack of a recovery in the investment cycle has worried many observers, including ourselves. The availability of credit in recent years has been compromised by the poor financial health of the public sector banks which, collectively, account for roughly two thirds of the banking sector. The recent announcement, therefore, by the Modi administration of a US\$32bn recapitalisation of the public sector banks is significant. A recapitalised banking system will, in time, fund a new investment cycle which will power India's growth for years to come.

While the solid performance of regional markets over the past eighteen months means that valuations are no longer at bargain basement levels, your Investment Manager continues to strive to identify excellent investments and remains optimistic of further solid long term gains.

Blackfriars Asset Management Limited

Investment Manager

22 November 2017

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure Guidance and Transparency Rules. They consider that the Chairman's Statement and the Investment Manager's Report on pages 4 to 6 of this Report, the following statement on related party transactions and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 September 2017.

The principal risks to the Company are in respect of foreign currency, interest rates, market prices, liquidity and credit risks. A detailed explanation of these risks and uncertainties can be found in the Company's Annual Report for the year ended 31 March 2017. The risks and uncertainties facing the Company remain unchanged from those disclosed in the Annual Report.

The Directors confirm that no related party transactions were undertaken by the Company in the first six months of the current financial year other than as disclosed in note 10 of this Half-yearly financial report. There have been no significant changes to the related party transactions described in the Annual Report of the Company for the year ended 31 March 2017.

Directors' Responsibility Statement

Each of the Directors confirms that, to the best of the knowledge of that Director:

- a) the condensed set of Financial Statements contained within the Half-yearly financial report has been prepared in accordance with FRS 104 Interim Financial Reporting;
- b) the Interim Management Report includes a fair review; as required by Disclosure Guidance and Transparency Rule 4.2.7 R; of important events that have occurred during the first six months of the financial year, their impact on the condensed set of Financial Statements and a description of the principal risks and perceived uncertainties for the remaining six months of the financial year; and
- c) the Interim Management Report includes a fair review of the information concerning related parties transactions as required by Disclosure Guidance and Transparency Rule 4.2.8 R.

The half-year financial report for the six months ended 30 September 2017 and the above Directors' Responsibility Statement were approved by the Board on 22 November 2017.

Harry Wells
Chairman

Portfolio Holdings at 30 September 2017

(All Equity Shares unless otherwise stated)

Holding	Company	Fair value £'000	% of net assets	% of net assets (portfolio look through basis)
390,000	Blackfriars Oriental Focus Fund 'B'*	7,628	14.6	–
53,500	British American Tobacco	2,500	4.8	4.8
1,252	Samsung Electronics	2,092	4.0	4.7
8,750,000	Land & Houses	1,942	3.7	4.0
250,000	China Mobile	1,891	3.6	3.6
42,000	Unilever	1,814	3.5	3.5
297,933	Zee Entertainment	1,770	3.4	4.1
55,000	Imperial Brands	1,751	3.3	3.3
86,426	Housing Development Finance Corporation	1,705	3.3	4.0
2,537,700	Ayala Land	1,617	3.1	3.8
492,700	Samsonite International	1,575	3.0	3.7
294,000	Taiwan Semiconductor Manufacturing	1,566	3.0	3.7
233,217	Siam City Cement	1,474	2.8	3.4
501,000	Johnson Electric Holdings	1,427	2.7	3.4
352,000	Minth Group	1,376	2.6	3.4
92,000	GlaxoSmithKline	1,369	2.6	2.6
431,263	ITC	1,272	2.4	2.9
813,596	Uni-President Enterprise	1,267	2.4	3.1
134,750	National Grid	1,245	2.4	2.4
304,800	Sands China	1,184	2.3	2.8
2,010,000	Industrial & Commercial Bank of China	1,112	2.1	2.6
1,546,000	Sun Art Retail Group	1,070	2.1	2.6
73,070	Ayala Corporation	1,040	2.0	2.5
2,300,000	Astra International	1,007	1.9	2.4
1,026,000	China Communications	956	1.8	2.2
5,750	SK Telecom	956	1.8	2.4
28,911	Shinhan Financial	946	1.8	2.4
1,613,000	IJM Corporation	938	1.8	2.2
14,185,637	Silver Heritage	830	1.6	1.8
3,420,000	Singer Sri Lanka	769	1.5	1.8
5,700	Alibaba Group	735	1.5	1.8
6,700	Hanssem	659	1.3	1.5
19,600	Tencent Holdings	630	1.2	1.5
40,000	Voltronic Power Technology Corporation	534	1.0	1.3
810	LG Household & Healthcare	494	0.9	1.2
–	Other investments**	–	–	0.1
	Total investments	51,141	97.8	97.5
	Net current assets	1,135	2.2	2.5
	Net assets	52,276	100.0	100.0

* Blackfriars Asset Management Irish domiciled and listed fund

** 'Other investments' are investments held by Blackfriars Oriental Focus Fund 'B' which are not held by the Company

Analysis of Investment Portfolio at 30 September 2017

Sector Analysis	Fair value £'000	% of net assets	% of net assets (look through basis)
Consumer Staples	10,168	19.4	21.4
Consumer Discretionary	9,170	17.6	21.5
Financials	8,362	16.0	19.4
Investment Companies	7,628	14.6	–
Industrials	5,100	9.7	11.5
Information Technology	5,023	9.7	11.7
Telecommunication Services	2,847	5.4	6.0
Materials	1,474	2.8	3.4
Health Care	1,369	2.6	2.6
Total investments	51,141	97.8	97.5
Net current assets	1,135	2.2	2.5
Net assets	52,276	100.0	100.0

Geographical Analysis (based on listing or domicile)	Fair value £'000	% of net assets	% of net assets (portfolio look through basis)
United Kingdom	8,679	16.6	16.6
Ireland*	7,628	14.6	–
Hong Kong	7,262	13.9	17.4
Korea	5,147	9.8	12.2
India	4,747	9.1	11.0
China	4,694	9.0	10.2
Thailand	3,416	6.5	7.4
Taiwan	3,367	6.4	8.1
Philippines	2,657	5.1	6.3
Indonesia	1,007	1.9	2.4
Malaysia	938	1.8	2.2
Australia	830	1.6	1.8
Sri Lanka	769	1.5	1.8
Vietnam	–	–	0.1
Total investments	51,141	97.8	97.5
Net current assets	1,135	2.2	2.5
Net assets	52,276	100.0	100.0

Classification of Assets	Fair value £'000	% of net assets	% of net assets (portfolio look through basis)
Equities	51,141	97.8	97.5
Net current assets	1,135	2.2	2.5
Net assets	52,276	100.0	100.0

* Blackfriars Asset Management Irish domiciled and listed fund. This represents the investment in Blackfriars Oriental Focus Fund 'B' which is invested in Asia (ex Japan) equities.

Condensed Income Statement

		Six months ended 30 September 2017 (unaudited)		
	Notes	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	474	474
Exchange (losses) / gains on currency balances		–	(117)	(117)
Income	5	1,185	–	1,185
Investment management fees		(37)	(147)	(184)
Other expenses		(125)	–	(125)
Return before tax		1,023	210	1,233
Tax on return for the period	7	(89)	–	(89)
Return for the financial period		934	210	1,144
Return per Ordinary Share	8	4.67p	1.05p	5.72p

All revenue and capital items in the above statement derive from continuing operations.

The total columns in this statement represent the Income Statement of the Company. The revenue and capital columns are supplementary to this and are prepared under the guidance published by the Association of Investment Companies.

As all the gains and losses of the Company have been reflected in the above statement, the return for the financial period is also the total comprehensive income for the period.

The Establishment Investment Trust plc

Six months ended 30 September 2016 (unaudited)			Year ended 31 March 2017 (audited)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	7,128	7,128	–	10,358	10,358
–	469	469	–	595	595
889	–	889	1,442	–	1,442
(28)	(111)	(139)	(60)	(242)	(302)
(159)	–	(159)	(282)	–	(282)
702	7,486	8,188	1,100	10,711	11,811
(38)	–	(38)	(50)	–	(50)
664	7,486	8,150	1,050	10,711	11,761
3.32p	37.43p	40.75p	5.25p	53.56p	58.81p

Condensed Statement of Financial Position

	30 September 2017 (unaudited) £'000	30 September 2016 (unaudited) £'000	31 March 2017 (audited) £'000
Note			
Fixed assets			
Investments held at fair value through profit or loss	51,141	46,857	50,077
Current assets			
Debtors	30	38	813
Cash at bank	1,136	2,704	3,183
	1,166	2,742	3,996
Payables: amounts falling due within one year	(31)	(78)	(1,441)
Net current assets	1,135	2,664	2,555
Net assets	52,276	49,521	52,632
Capital and reserves			
Called up share capital	5,000	5,000	5,000
Share premium	14,701	14,701	14,701
	19,701	19,701	19,701
Capital reserve	31,377	28,802	32,027
Revenue reserve	1,198	1,018	904
Equity shareholders' funds	52,276	49,521	52,632
Net asset value per Ordinary Share	6	261.38p	247.61p
			263.16p

The financial statements were approved by the Board and signed on its behalf by:

Harry Wells

Director

22 November 2017

Registered in England No. 4355437

Condensed Statement of Changes in Equity

For the six months ended 30 September 2017 (unaudited)

	Called up share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2017	5,000	14,701	32,027	904	52,632
Return for the financial period	–	–	210	934	1,144
Dividends paid	–	–	(860)	(640)	(1,500)
At 30 September 2017	5,000	14,701	31,377	1,198	52,276

For the six months ended 30 September 2016 (unaudited)

	Called up share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2016	5,000	14,701	22,096	994	42,791
Return for the financial period	–	–	7,486	664	8,150
Dividends paid	–	–	(780)	(640)	(1,420)
At 30 September 2016	5,000	14,701	28,802	1,018	49,521

For the year ended 31 March 2017 (audited)

	Called up share capital £'000	Share premium £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2016	5,000	14,701	22,096	994	42,791
Return for the financial year	–	–	10,711	1,050	11,761
Dividends paid	–	–	(780)	(1,140)	(1,920)
At 31 March 2017	5,000	14,701	32,027	904	52,632

Condensed Statement of Cash Flows

	Six months ended 30 September 2017 (unaudited) £'000	Six months ended 30 September 2016 (unaudited) £'000	Year ended 31 March 2017 (audited) £'000
Cash flows from operating activities			
Return for the financial period	1,144	8,150	11,761
Adjustments for:			
Taxation	89	38	50
Gains on investments held at fair value	(474)	(7,128)	(10,358)
Losses / (gains) on exchange movements	117	(469)	(595)
Decrease in trade debtors	149	176	36
(Decrease) / increase in trade creditors	(63)	(9)	11
Cash from operations	962	758	905
Taxation	(89)	(38)	(50)
Net cash generated from operating activities	873	720	855
Cash flows from investing activities			
Purchase of investments	(15,928)	(10,252)	(17,263)
Sale of investments	14,625	11,261	18,992
Net cash (used for) / generated from investing activities	(1,303)	1,009	1,729
Cash flows from financing activities			
Equity dividends paid	(1,500)	(1,420)	(1,920)
Net cash used for financing activities	(1,500)	(1,420)	(1,920)
Net (decrease) / increase in cash and cash equivalents			
	(1,930)	309	664
Foreign exchange movements	(117)	471	595
Cash and cash equivalents at beginning of period	3,183	1,924	1,924
Cash and cash equivalents at end of period	1,136	2,704	3,183

Notes to the Financial Statements

1. The half-yearly financial report for the six months ended 30 September 2017 (the "Report") has been prepared in accordance with FRS 104 Interim Financial Reporting and the Statement of Recommended Practice "Financial statements of investment trust companies" issued by the Association of Investment Companies in November 2014 and updated in January 2017 with consequential amendments.

The Report is unaudited and does not include all of the information required for full annual financial statements. The Report should be read in conjunction with the annual report and financial statements of the Company for the year ended 31 March 2017. The accounting policies and presentation in the Report are consistent with those applied in the Annual Report for the year ending 31 March 2017.

The Company conducts its affairs in a manner intended to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010.

These financial statements have been prepared in accordance with the requirements of section 838 of the Companies Act 2006 and constitute the Company's interim accounts for the purpose of justifying the payment of an interim dividend for the year ending 31 March 2018.

2. Status of the Report

The Report does not represent the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. The Report will be sent to shareholders and copies will be made available to the public at the registered office of the Company and will be available on the investment manager's website (www.blackfriarsam.com).

The financial information for the year ended 31 March 2017 included in the Report has been extracted from the Company's audited annual accounts for the year to 31 March 2017, which contained an unqualified audit report and did not include statements under Sections 498(2) or 498(3) of the Companies Act 2006. Those accounts have been filed with the Registrar of Companies.

3. Going concern

These financial statements have been prepared on a going concern basis. The following is a summary of the Directors' assessment of the going concern status of the Company.

The majority of the net assets of the Company are securities which are traded on recognised stock exchanges. After considering the Company's current financial resources, the Directors are satisfied that its resources are adequate for continuing in business for the foreseeable future.

4. Valuation of investments

The Company's investments have been designated at fair value through profit or loss, and are recognised on the trade date and are initially measured at cost being the fair value. Investments are measured at subsequent reporting dates at fair value, and changes in fair value are included in the Condensed Income Statement as a capital item. For listed investments, fair value is deemed to be either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Unquoted investments would also be valued by the Directors at fair value. The Company held no unquoted investments at the period end.

Notes to the Financial Statements continued

5. Income

	Six months ended 30 September 2017 (unaudited) £'000	Six months ended 30 September 2016 (unaudited) £'000	Year ended 31 March 2017 (audited) £'000
Income from investments			
Overseas dividends	1,026	711	1,055
UK dividends	159	178	387
	1,185	889	1,442

6. Net asset value per Ordinary Share

	Six months ended 30 September 2017 (unaudited)	Six months ended 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Net assets attributable	£52,276,000	£49,521,000	£52,632,000
Ordinary Shares in issue	20,000,000	20,000,000	20,000,000
Net asset value per Ordinary Share	261.38p	247.61p	263.16p

7. Taxation

The tax charge relates to overseas withholding tax incurred on income received/receivable.

8. Return per Ordinary Share

	Six months ended 30 September 2017 (unaudited)	Six months ended 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Total return per Ordinary Share			
Total return	£1,144,000	£8,150,000	£11,761,000
Weighted average number of Ordinary Shares in issue during the period	20,000,000	20,000,000	20,000,000
Total return per Ordinary Share	5.72p	40.75p	58.81p

The total return per Ordinary Share detailed above can be further analysed between revenue and capital, as below:

	Six months ended 30 September 2017 (unaudited)	Six months ended 30 September 2016 (unaudited)	Year ended 31 March 2017 (audited)
Revenue return per Ordinary Share			
Revenue return	£934,000	£664,000	£1,050,000
Weighted average number of Ordinary Shares in issue during the period	20,000,000	20,000,000	20,000,000
Revenue return per Ordinary Share	4.67p	3.32p	5.25p
Capital return per Ordinary Share			
Capital return	£210,000	£7,486,000	£10,711,000
Weighted average number of Ordinary Shares in issue during the period	20,000,000	20,000,000	20,000,000
Capital return per Ordinary Share	1.05p	37.43p	53.56p

9. Interim dividend

The Directors have declared an interim dividend of 3.0p per Ordinary Share in respect of the year ending 31 March 2018. The shares will be quoted ex-dividend on 30th November 2017 and the dividend will be paid on 22nd December 2017 to Shareholders on the register at the close of business on 1st December 2017.

10. Related party transactions

Fees payable to the Company's investment manager, Blackfriars Asset Management Limited ("Blackfriars") are shown in the Condensed Income Statement. At 30 September 2017, the fee accrual outstanding to Blackfriars was £30,029 (30 September 2016: £25,413).

Up to 30% of net assets may be invested in investment products managed by the Company's investment manager. At 30 September 2017, the aggregate amount invested in investment products managed by Blackfriars represented 14.6% of the Company's net assets. Blackfriars rebates management fees in respect of amounts invested in Blackfriars' investment products back to the Company.

Fees payable to the Directors for the six months ended 30 September 2017 were £37,000 (six months ended 30 September 2016: £33,750). Fees are payable at an annual rate of £22,000 to the Chairman, £19,250 to the Chairman of the Audit and Risk Committee and £16,500 to the other Directors. Tom Waring has waived his Director's fee since the appointment of Blackfriars as investment manager to the Company.

Notes to the Financial Statements continued

10. Related party transactions continued

The interests of the Directors in the Ordinary Shares of the Company on the dates shown were as follows:

	Ordinary Shares of 25p each		
	Six months ended 30 September 2017 (unaudited) £'000	Six months ended 30 September 2016 (unaudited) £'000	Year ended 31 March 2017 (audited) £'000
Harry Wells ^(b)	30,000	26,000	30,000
Harry Wells ^(c)	–	4,000	–
Jim Ryall	–	–	–
Gregory Shenkman	3,415	3,415	3,415
Susan Thornton ^(a)	1,744,728	1,744,728	1,744,728
Tom Waring ^(b)	3,891	–	–

(a) As a Trustee of The Thornton Foundation

(b) Held in SIPP

(c) As a Trustee of The Pauline Lamb Grandchildren's Trust

Susan Thornton also has an interest as a beneficiary of The Estate of Richard Thornton, which at the date of this report held 3,611,083 Ordinary Shares in the Company.

No changes in the above interests have been notified to the Company between 30 September 2017 and the date of this Report.

11. Classification of financial instruments

FRS 102, as amended for fair value hierarchy disclosures (March 2016), sets out three fair value levels. These are:

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The classification of the Company's investments held at fair value is detailed in the table below:

	Six months ended 30 September 2017 (unaudited) £'000	Six months ended 30 September 2016 (unaudited) £'000	Year ended 31 March 2017 (audited) £'000
Level 1	51,141	46,857	48,806
Level 2	–	–	836
Level 3	–	–	435
Total	51,141	46,857	50,077

12. Distributable reserves

The Company's distributable reserves consist of the capital reserve and revenue reserve. Dividends may be paid from either of these reserves.

Company Information

Directors

Harry Wells (Chairman)
Jim Ryall
Gregory Shenkman
Susan Thornton
Tom Waring

Corporate Secretary and Registered Office

PraxisIFM Fund Services (UK) Limited
Mermaid House
2 Puddle Dock
London EC4V 3DB

Registrars

Link Asset Services
(formerly trading as Capita Registrars)
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Broker

Stockdale Securities
Beaufort House
15 St Botolph Street
London EC3A 7BB

Investment Manager

Blackfriars Asset Management Limited
9 Cloak Lane
London EC4R 2RU
Tel: 020 7332 2270
www.blackfriarsam.com

Solicitors

Stephenson Harwood
1 Finsbury Circus
London EC2M 7SH

Registered Auditor

BDO LLP
55 Baker Street
London W1U 7EU

Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

The Company's web pages can be accessed on the Investment Manager's website at www.blackfriarsam.com.

Individual Savings Account ('ISA')

The Company's shares are eligible to be held in an ISA account subject to HM Revenue & Customs' limits.

Registered in England No. 4355437

