NEW STAR INVESTMENT TRUST PLC

INTERIM REPORT

for the six months ended 31st December 2014

INVESTMENT OBJECTIVE

The Company's objective is
to achieve long-term capital growth.

REGISTERED OFFICE

1 Knightsbridge Green, London SW1X 7QA
Company Number 3969011

COMPANY INFORMATION

DIRECTORS
G Howard-Spink *(Chairman)*
J L Duffield *(Deputy Chairman)*
M J Gregson

INVESTMENT MANAGER
Brompton Asset Management LLP
1 Knightsbridge Green, London SW1X 7QA
(Authorised and Regulated by the Financial Conduct Authority)

SECRETARY AND ADMINISTRATOR
Phoenix Administration Services Limited
Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW
Telephone: 01245 398950 *Facsimile:* 01245 398951

SOLICITORS
Olswang LLP
90 High Holborn, London WC1V 6XX

AUDITORS
Ernst & Young LLP
1 More London Place, London SE1 2AF

CUSTODIAN
Brown Brothers Harriman & Co
Park House, 16-18 Finsbury Circus, London EC2M 7EB

REGISTRARS
Equiniti Limited
Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Telephone: 0871 384 2549
(calls cost 8p per minute plus network charges)
Website: www.shareview.co.uk

WEBSITE
www.nsitplc.com

The Company's shares are traded on the London Stock Exchange and their prices are shown in the Financial Times under "Investment Companies".

FINANCIAL HIGHLIGHTS

	31st December 2014	30th June 2014	% Change
PERFORMANCE			
Net assets (£'000)	77,355	76,227	1.5
Net asset value per Ordinary share	108.92p	107.33p	1.5
Mid-market price per Ordinary share	71.50p	71.50p	–
Discount (Premium) of price to net asset value	34.4%	33.4%	N/A
NAV performance	1.5%	4.0%	
IMA Mixed Investment 40%-85% Shares (total return)	3.4%	8.0%	
MSCI AC World Index (total return, sterling adjusted)	7.8%	9.6%	
MSCI UK Index (total return)	-1.3%	12.3%	

	Six months ended 31st December 2014	Six months ended 31st December 2013
REVENUE		
Return per Ordinary share	0.18p	0.25p
Dividend per Ordinary share	–	–
TOTAL RETURN		
Net assets	1.5%	3.1%

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

Performance

Your Company's net assets rose 1.5% over the six months to 31st December 2014, taking the net asset value (NAV) per ordinary share to 108.92p. By comparison, the Investment Association's Mixed Investment 40-85% Shares index gained 3.4%. The MSCI AC World Total Return Index posted a positive return of 7.8% while the MSCI UK Index fell by 1.3%. UK government bonds performed strongly, returning 10.3%. Further information is provided in the Investment Manager's report.

Your Company made a revenue profit for the six months of £128,000 (2013: £179,000).

Gearing and dividends

Your Company has no borrowings. It ended the period under review with cash representing 15.7% of its NAV and is likely to maintain a significant cash position. Your Company has small retained revenue reserves. Your directors do not recommend the payment of an interim dividend (2013: nil).

Discount

During the period under review, the Company's shares continued to trade at a significant discount to their NAV. Your Board has explored various possibilities with a view to reducing this discount but no satisfactory solution has been found. This position is, however, kept under continual review by your directors.

The alternative investment fund managers directive

The Alternative Investment Fund Managers Directive (AIFMD) is a European Union directive creating an EU-wide framework for the regulation of managers of Alternative Investment Funds (AIFs), including investment trusts. The directive requires all AIFs to nominate an Alternative Investment Fund Manager (AIFM), which can be the Company itself or a third party. Your Board has registered the Company as its own AIFM, with Brompton Asset Management providing support services. This approach minimises the cost to shareholders of implementing the directive without affecting the management of your Company.

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

continued

Outlook

The potential for negative surprises has increased as a result of falling inflation, sharp falls in commodity prices and heightened currency volatility.

Your company's investments in dollars, gold and gold securities, however, provide an important source of diversification and may prove defensive should the economic outlook worsen. The divergent monetary policies now being adopted by major central banks may lead to a further strengthening in the dollar. There may be further sterling weakness over the next few months given the uncertainties associated with the impending UK general election and the possible consequences for the UK's EU membership. Investments in gold and gold securities may benefit as investors seek safety in the light of the continued central bank monetary expansion and attendant fiat currency debasement.

Overall, however, your Investment Manager remains positive about the prospects for equities in 2015 as central banks continue to expand monetary support and lower energy costs prove supportive for global growth.

Net asset value

Your Company's unaudited NAV at 31st January 2015 was 112.50p.

Geoffrey Howard-Spink
Chairman
23rd February 2015

INTERIM MANAGEMENT REPORT

INVESTMENT MANAGER'S REPORT

Market review

In October, the Federal Reserve stuck to its script and stopped quantitative easing, the extraordinary policy of monetary expansion first adopted during the credit crisis in 2008. During the subsequent six years, successive programmes of quantitative easing eventually culminated in an "open-ended" commitment to continue money-printing until unemployment fell below target. US economic data ended 2014 sufficiently robust to justify the Federal Reserve making the first moves to normalise monetary policy. Unemployment fell to 5.7%, leading indicators remained strong and consumer confidence was high. At the period end, US interest rates were widely expected to start rising from the middle of 2015 although the pace of increase was predicted to be slow.

US equities rose 16.37% in sterling during the period, outperforming a 7.81% gain for global equities. The majority of the gains from US equities can be attributed to the rise in the dollar, which gained 9.66% relative to sterling. Dollar strength is a consequence of the divergent path of monetary policy adopted by the Federal Reserve compared to the course taken by other major central banks. In time, the currency's strength may prove a headwind for the US economy, a point confirmed by Janet Yellen, the Federal Reserve chairman, who indicated that a stronger currency, eurozone economic weakness and increased geopolitical risk were reasons for keeping monetary policy exceptionally accommodative for longer than some observers had expected.

Despite robust US economic data, bond markets outperformed equities during the period under review as weak global inflation compounded fears of a slowdown in global economic growth. Gilts and sterling corporate bonds returned 10.28% and 7.19% respectively. In the UK, inflation fell to 0.5% annualised in December, the lowest level since May 2000. The chancellor, George Osborne, celebrated this boost to real disposable incomes while warning that inflation could fall further and even turn negative in the months ahead. The prospect of a UK interest rate rise receded in consequence.

Eurozone prices fell 0.6% in January 2015. The weakness was a result of poor demand exacerbated by recent falls in energy and commodity prices. The oil price fell 42.92% in sterling during the second half of 2014. Falls of this magnitude have generally

INTERIM MANAGEMENT REPORT

INVESTMENT MANAGER'S REPORT

continued

been associated with falling global demand but, in this instance, it was the result of supply-side development. Saudi Arabia maintained supply in the face of increased production from US shale oil producers to defend its market share. The fall in energy prices is likely to be sustained because it will take some time to achieve a long-lasting reduction in supply. As long as economic recovery is robust enough to prevent the onset of deflation, cheaper oil should ultimately stimulate global economic growth.

UK equities fell 1.33% during the period because weakness among energy and other natural resources companies, which represent a significant proportion of the UK equity market, adversely impacted returns. The increase in the UK current account deficit was also a major concern and contributed to sterling weakness.

Immediately after the period end, the European Central Bank (ECB) took action to prevent short-term falling prices leading to long-term deflation, a state of affairs in which consumers defer purchases in the expectation of further falls in prices, thus causing economic activity to stall. The ECB finally adopted quantitative easing, saying it would purchase €60 billion of assets each month from March 2015 until September 2016 and possibly beyond that date if the inflation outlook had not improved. This will lead to an increase in the monetary base of at least €1.1 trillion, which should be sufficient to reverse the decline in the ECB balance sheet since 2012. The ECB is mandated to achieve price stability whereas the Federal Reserve has an obligation to achieve full employment. It has, however, adopted a similarly "open-ended" approach, implying that eurozone quantitative easing will continue until inflation nears its 2% target. Equities in Europe excluding the UK are potentially well-supported by quantitative easing, cheaper energy and a weaker euro.

The stronger dollar and weaker commodity prices significantly affected other assets including equities in Asia Pacific excluding Japan and emerging markets. These equity markets lagged global equities over the period, rising just 5.44% and 1.27% respectively in sterling. The equity markets of oil-exporting nations such as Russia were adversely affected. The Russian stock market fell 43.96% in sterling during the period, mainly as a result of the 37.76% decline in the rouble. By contrast oil importers such as India benefited. Indian equities rose 11.46% and the rupee appreciated 4.49% against sterling.

INTERIM MANAGEMENT REPORT

INVESTMENT MANAGER'S REPORT

continued

Portfolio review

The net asset value of the Company rose 1.5% during the period under review. Your Company ended the period with significant investments in cash, gold and gold securities while having the majority of its investments in global equities. By comparison, the Investment Association's Mixed Investment 40-85% Shares Index, which measures a peer group of funds with a multi-asset approach to investing and a typical investment in global equities in the 40-85% range, rose 3.4% during the period. The MSCI AC World Total Return Index gained 7.8% while the MSCI UK Total Return Index fell 1.3%.

The strong performance of US equities aided by a significant rise in the dollar was a major contributor to the returns from global equities. Your Company has a low allocation to US equities and this adversely affected returns during the period compared to the peer group. Fundsmith Equity and Polar Capital Global Technology, however, both have significant investments in US equities and this factor contributed to their gains of 18.53% and 12.33% respectively. In addition, the majority of the cash in New Star Investment Trust was invested in dollars, which benefited from their significant appreciation relative to sterling during the period. The extraordinary monetary policy of recent years has increased the importance of considering currency when making investment decisions.

The disparate performance of your Company's investments in developing economy equity markets was largely attributable to the impact of the stronger dollar and weaker commodity prices on their underlying economies. Geo-political events also played a significant role in determining investment market returns during the period. Neptune Russia and Greater Russia fell 38.39% as the impact of the armed conflict in the Ukraine and the weaker oil price led to a sharp fall in the rouble. Investec Africa fell 6.47% as the fall in the oil price resulted in major falls for the equity markets of Ghana and Nigeria, where a significant proportion of this fund is invested. By contrast, First State Indian Subcontinent and Wells Fargo China rose 25.87% and 21.35% respectively because both India and China are net importers of oil and should, therefore, benefit from cheaper energy costs.

The stronger dollar proved a headwind for the gold price, which fell 1.94% in sterling during the period. Blackrock Gold & General, which is invested in gold equities, fell 14.31%, whereas your Company's investment in the Gold Bullion Securities exchange-traded fund, which invests in the physical commodity, fell 0.20%.

INTERIM MANAGEMENT REPORT

INVESTMENT MANAGER'S REPORT

continued

Your Company ended the period under review with no investments in conventional gilts or longer-dated fixed income securities. These assets performed well in the period because falling inflation and the prospect of a major ECB programme of asset purchases pushed yields close to all-time lows. Central bank policies of quantitative easing had, however, materially inflated the valuation of this asset class by the period end to point where yields did not offer sufficient compensation for the risks of rising inflation and interest rates over the longer term.

INTERIM MANAGEMENT REPORT
DIRECTORS' REPORT

Performance
In the six months to 31st December 2014 the net asset value per Ordinary share increased by 1.5% to 108.92p, whilst the share price remained unchanged at 71.50p. This compares to an increase of 3.4% in the IA Mixed Investment 40-85% Shares Index.

Investment objective
The Company's investment objective is to achieve long-term capital growth.

Investment policy
The Company's investment policy is to allocate assets to global investment opportunities through investment in equity, bond, commodity, real estate, currency and other markets. The Company's assets may have significant weightings to any one asset class or market, including cash.

The Company will invest in pooled investment vehicles, exchange traded funds, futures, options, limited partnerships and direct investments in relevant markets. The Company may invest up to 15% of its net assets in direct investments in relevant markets.

The Company will not follow any index with reference to asset classes, countries, sectors or stocks. Aggregate asset class exposure to any one of the United States, the United Kingdom, Europe ex UK, Asia ex Japan, Japan or Emerging Markets and to any individual industry sector will be limited to 50% of the Company's net assets, such values being assessed at the time of investment and for funds by reference to their published investment policy or, where appropriate, their underlying investment exposure.

The Company may invest up to 20% of its net asset value in unlisted securities (excluding unquoted pooled investment vehicles) such values being assessed at the time of investment.

The Company will not invest more than 15% of its net assets in any single investment, such values being assessed at the time of investment.

INTERIM MANAGEMENT REPORT

DIRECTORS' REPORT

continued

Derivative instruments and forward foreign exchange contracts may be used for the purposes of efficient portfolio management and currency hedging. Derivatives may also be used outside of efficient portfolio management to meet the Company's investment objective. The Company may take outright short positions in relation to up to 30% of its net assets, with a limit on short sales of individual stocks of up to 5% of its net assets, such values being assessed at the time of investment. The Company may borrow up to 30% of net assets for short-term funding or long-term investment purposes. No more than 10%, in aggregate, of the value of the Company's total assets may be invested in other closed-ended investment funds except where such funds have themselves published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

Share capital

The Company's share capital comprises 305,000,000 Ordinary shares of 1p each, of which 71,023,695 (2013: 71,023,695) have been issued fully paid. No Ordinary shares are held in treasury, and none were bought back or issued during the six months to 31st December 2014.

Risk management

The principal risks associated with the Company that have been identified by the Board, together with the steps taken to mitigate them, are as follows:

Investment strategy: inappropriate long-term strategy, asset allocation and manager selection might lead to the underperformance of the Company. The Company's strategy is kept under regular review by the Board. Investment performance is discussed at every Board meeting and the Directors receive a monthly report which details the Company's asset allocation, portfolio changes and performance.

Business conditions and general economy: the Company's investment returns are influenced by general economic conditions in the UK and globally. Factors such as interest rates, inflation, investor sentiment and the availability and cost of credit could adversely affect investment returns. The Board regularly considers the economic environment in which the Company operates. The portfolio is managed with a view to mitigating risk by investing in a spread of different asset classes and geographic regions.

INTERIM MANAGEMENT REPORT

DIRECTORS' REPORT

continued

Portfolio risks – market price, foreign currency and interest rate risks: the downward valuation of investments contained in the portfolio would lead to a reduction in the Company's net asset value. A proportion of the Company's portfolio is invested in investments denominated in foreign currencies and movements in exchange rates can significantly affect their sterling value. It is the Board's policy to hold an appropriate spread of investments in order to reduce the risk arising from factors specific to a particular investment or sector. The Investment Manager takes account of foreign currency risk and interest rate risk when making investment decisions.

The Company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, although hedging techniques may be employed in appropriate circumstances.

Investment Manager: the quality of the management team employed by the Investment Manager is an important factor in delivering good performance and the loss by the Investment Manager of key staff could adversely affect investment returns. The Company's portfolio is managed by Gill Lakin. The Board receives a monthly financial report which includes information on performance, and a representative of the Investment Manager attends each Board meeting. The Board is kept informed of any personnel changes to the investment team employed by the Investment Manager.

Tax and regulatory risks: a breach of The Investment Trusts (Approved company) (Tax) Regulations 2011 (the Regulations) could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to United Kingdom capital gains tax. A breach of the UKLA Listing Rules could result in suspension of the Company's shares, while a breach of company law could lead to criminal proceedings, or financial or reputational damage. The Board employs Brompton Asset Management LLP as Investment Manager and Phoenix Administration Services Limited as Corporate Secretary and Administrator to help manage the Company's legal and regulatory obligations. The Board receives a monthly financial report which includes information on the Company's compliance with the Regulations.

INTERIM MANAGEMENT REPORT

DIRECTORS' REPORT

continued

Operational: disruption to, or failure of, the Investment Manager's or Administrator's accounting, dealing or payment systems or the Custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service.

Investment management arrangement and related party transactions

In common with most investment trusts the Company does not have any executive directors or employees. The day-to-day management and administration of the Company, including investment management, accounting and company secretarial matters, and custodian arrangements are delegated to specialist third party service providers.

Details of related party transactions are contained in the Annual Report. There have been no material transactions with related parties during the period which have had a significant impact on the performance of the Company.

Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the accounts as the assets of the Company consist mainly of securities that are readily realisable or cash and it has no significant liabilities. Accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Auditors

The half year financial report has been reviewed, but not audited, by Ernst & Young LLP pursuant to the Auditing Practices Board guidance on the Review of Interim Financial Information.

Responsibility statement

The Directors named on page 2 confirm that to the best of their knowledge:

- The financial statements contained within the half year financial report to 31st December 2014 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting';

INTERIM MANAGEMENT REPORT

DIRECTORS' REPORT

continued

- The Chairman's statement or the Investment Manager's report include a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- The Chairman's statement or the Investment Manager's report include a fair review of the potential risks and uncertainties for the remaining six months of the year;
- The Director's report includes a fair review of the information concerning transactions with the investment manager and changes since the last annual report.

By order of the Board

Phoenix Administration Services Limited
23rd February 2015

INDEPENDENT REVIEW REPORT TO NEW STAR INVESTMENT TRUST PLC

Introduction

We have been engaged by the Company to review the financial statements in the half-yearly financial report for the six months ended 31 December 2014 which comprises the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flow statement and related explanatory notes 1 to 8. 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 financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our 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.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The 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 financial statements in the half year financial report based on our review.

INDEPENDENT REVIEW REPORT TO NEW STAR INVESTMENT TRUST PLC

continued

Scope of review

We conducted our review 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 for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 and 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 financial statements in the half-yearly financial report for the six months ended 31 December 2014 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.

Ernst & Young LLP
London
23rd February 2015

SCHEDULE OF TOP TWENTY INVESTMENTS

at 31st December 2014

Holding	Activity	Bid-market value £'000	% of invested portfolio
Henderson Euro Special Situations Fund	Investment Fund	7,962	12.18
Fundsmith Equity Fund	Investment Fund	6,011	9.19
Artemis UK Special Situations Fund	Investment Fund	3,912	5.98
FP Brompton Global Conservative Fund	Investment Fund	3,409	5.21
Trojan Investment Fund	Investment Fund	3,167	4.84
Aberforth Geared Income Trust	Investment Company	3,162	4.84
BlackRock Gold & General Fund	Investment Fund	2,879	4.40
Aquilus Inflection Fund	Investment Fund	2,669	4.08
First State Indian Subcontinent Fund	Investment Fund	2,446	3.74
Polar Capital Global Technology Fund	Investment Fund	2,334	3.57
Investec Africa Fund	Investment Fund	2,214	3.39
Gold Bullion Securities ETF	Exchange Traded Fund	2,039	3.12
FP Brompton Global Opportunities Fund	Investment Fund	2,028	3.10
FP Brompton Global Growth Fund	Investment Fund	1,978	3.02
FP Brompton Global Income Fund	Investment Fund	1,938	2.96
PFS Brompton UK Recovery Unit Trust	Investment Fund	1,923	2.94
FP Brompton Global Equity Fund	Investment Fund	1,791	2.74
FP Brompton Global Balanced Fund	Investment Fund	1,694	2.59
Standard Life Investment European Income Fund	Investment Fund	1,687	2.58
Neptune Russia & Greater Russia Fund	Investment Fund	1,558	2.38
		56,801	86.85
Balance held in 15 investments		8,590	13.15
Total investments (excluding cash)		65,391	100.00

The investment portfolio can be further analysed as follows:

Equities (including investment companies)	6,184
Loan	–
Investment funds and ETFs	59,207
	65,391

All the Company's investments are either unlisted or are unit trust/OEIC funds with the exception of Aberforth Geared Income Trust, BH Global Limited, Miton Group, Gold Bullion Securities ETF, iShares FTSE 250, Immedia Broadcasting and Asia Resource Minerals.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2014

		Six months ended 31st December 2014 *(unaudited)*		
	Notes	Revenue Return £'000	Capital Return £'000	Total Return £'000
INCOME				
Investment income		488	–	488
Other operating income		3	–	3
Total income	2	491	–	491
GAINS AND LOSSES ON INVESTMENTS				
Gains on investments at fair value through profit or loss		–	196	196
Other exchange gains		–	798	798
Management fee rebates		–	6	6
		491	1,000	1,491
EXPENSES				
Management fees	3	(234)	–	(234)
Other expenses		(129)	–	(129)
		(363)	–	(363)
PROFIT BEFORE FINANCE COSTS AND TAX		128	1,000	1,128
Finance costs		–	–	–
PROFIT BEFORE TAX		128	1,000	1,128
Tax		–	–	–
PROFIT FOR THE PERIOD		128	1,000	1,128
EARNINGS PER SHARE				
Ordinary shares (pence)	4	0.18	1.41	1.59

The total column of this statement represents the Group's profit and loss account, prepared in accordance with IFRS. The supplementary Revenue Return and Capital Return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

All income is attributable to the equity holders of the parent company. There are no minority interests.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31st December 2013 and the year ended 30th June 2014

		Six months ended 31st December 2013 *(unaudited)*			Year ended 30th June 2014 *(audited)*		
	Notes	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
INCOME							
Investment income		559	–	559	778	–	778
Other operating income		5	–	5	8	–	8
Total income	2	564	–	564	786	–	786
GAINS AND LOSSES ON INVESTMENTS							
Gains on investments at fair value through profit or loss		–	2,591	2,591	–	3,545	3,545
Other exchange losses		–	(502)	(502)	–	(726)	(726)
Management fee rebates		–	7	7	–	11	11
		564	2,096	2,660	786	2,830	3,616
EXPENSES							
Management fees	3	(254)	–	(254)	(491)	–	(491)
Other expenses		(131)	–	(131)	(218)	–	(218)
		(385)	–	(385)	(709)	–	(709)
PROFIT BEFORE FINANCE COSTS AND TAX		179	2,096	2,275	77	2,830	2,907
Finance costs		–	–	–	–	–	–
PROFIT BEFORE TAX		179	2,096	2,275	77	2,830	2,907
Tax		–	–	–	–	–	–
PROFIT FOR THE PERIOD		179	2,096	2,275	77	2,830	2,907
EARNINGS PER SHARE							
Ordinary shares (pence)	4	0.25	2.95	3.20	0.11	3.98	4.09

The total column of this statement represents the Group's profit and loss account, prepared in accordance with IFRS. The supplementary Revenue Return and Capital Return columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the periods.

All income is attributable to the equity holders of the parent company. There are no minority interests.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2014
(unaudited)

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
AT 30TH JUNE 2014	710	21,573	56,908	(2,964)	76,227
Total comprehensive income for the period	–	–	–	1,128	1,128
AT 31ST DECEMBER 2014	710	21,573	56,908	(1,836)	77,355

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31st December 2013
(unaudited)

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
AT 30TH JUNE 2013	710	21,573	56,908	(5,871)	73,320
Total comprehensive income for the period	–	–	–	2,275	2,275
AT 31ST DECEMBER 2013	710	21,573	56,908	(3,596)	75,595

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30th June 2014
(audited)

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total £'000
AT 30TH JUNE 2013	710	21,573	56,908	(5,871)	73,320
Total comprehensive income for the year	–	–	–	2,907	2,907
AT 30TH JUNE 2014	710	21,573	56,908	(2,964)	76,227

CONSOLIDATED BALANCE SHEET

at 31st December 2014

	Notes	31st December 2014 (unaudited) £ '000	31st December 2013 (unaudited) £ '000	30th June 2014 (audited) £ '000
NON-CURRENT ASSETS				
Investments at fair value through profit or loss	5	65,391	58,475	64,890
CURRENT ASSETS				
Other receivables		9	154	361
Cash and cash equivalents		12,132	17,184	11,171
		12,141	17,338	11,532
TOTAL ASSETS		77,532	75,813	76,422
CURRENT LIABILITIES				
Other payables		(177)	(218)	(195)
TOTAL ASSETS LESS CURRENT LIABILITIES		77,355	75,595	76,227
NON-CURRENT LIABILITIES		–	–	–
NET ASSETS		77,355	75,595	76,227
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS				
Called-up share capital		710	710	710
Share premium		21,573	21,573	21,573
Special reserve		56,908	56,908	56,908
Retained earnings	6	(1,836)	(3,596)	(2,964)
TOTAL EQUITY		75,355	75,595	76,227
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	7	108.92	106.44	107.33

The half year report was approved and authorised for issue by the Board on 23rd February 2015.

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31st December 2014

	Six months ended 31st December 2014 *(unaudited)* £'000	Six months ended 31st December 2013 *(unaudited)* £'000	Year ended 30th June 2014 *(audited)* £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	155	246	88
INVESTING ACTIVITIES			
Purchase of investments	(443)	(2,371)	(10,363)
Sale of investments	451	4,842	7,203
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	8	2,471	(3,160)
EQUITY DIVIDENDS PAID	–	–	–
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	163	2,717	(3,072)
INCREASE/(DECREASE) IN CASH	163	2,717	(3,072)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash resulting from cash flows	163	2,717	(3,072)
Exchange movements	798	(502)	(726)
Movement in net funds	961	2,215	(3,798)
Net funds at start of period/year	11,171	14,969	14,969
NET FUNDS AT END OF PERIOD/YEAR	12,132	17,184	11,171
RECONCILIATION OF PROFIT BEFORE FINANCE COSTS AND TAXATION TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Profit before finance costs and taxation	1,128	2,275	2,907
Gains on investments	(196)	(2,591)	(3,545)
Exchange differences	(798)	502	726
Management fee rebates	(6)	(7)	(11)
Revenue profit before finance costs and taxation	128	179	77
Decrease in debtors	45	37	–
Decrease in creditors	(37)	(8)	(31)
Taxation	13	31	31
Management fee rebates	6	7	11
NET CASH INFLOW FROM OPERATING ACTIVITIES	155	246	88

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31st December 2014

1. Accounting policies

These consolidated half year financial statements comprise the unaudited results of the Company and its subsidiary, JIT Securities Limited, for the six months to 31st December 2014. The comparative information for the six months to 31st December 2013 and the year to 30th June 2014 do not constitute statutory accounts under the Companies Act 2006. Full statutory accounts for the year to 30th June 2014 included an unqualified audit report, did not contain any statements under section 498 of the Companies Act 2006, and have been filed with the Registrar of Companies.

The half year financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', and are presented in pounds sterling, as this is the Group's functional currency.

The same accounting policies have been followed in the interim financial statements as applied to the accounts for the year ended 30th June 2014, which are prepared in accordance with IFRSs as adopted by the European Union. The Company has adopted IFRS 10 Consolidated Financial Statements and the Amendment to IFRS 10 for Investment Entities. Under IFRS 10 the Board considers that the Company meets the criteria of an investment entity.

No segmental reporting is provided as the Group is engaged in a single segment.

2. Total income

	For the six months ended 31st December 2014 £'000	For the six months ended 31st December 2013 £'000	For the year ended 30th June 2014 £'000
Income from Investments			
UK net dividend income	451	536	737
UK unfranked investment income	34	23	41
Loan interest income	3	–	–
	488	559	778
Operating Income			
Bank interest receivable	3	5	8
	3	5	8

NOTES TO THE INTERIM FINANCIAL STATEMENTS

continued

2. Total income *continued*

	For the six months ended 31st December 2014 £'000	For the six months ended 31st December 2013 £'000	For the year ended 30th June 2014 £'000
Total income comprises			
Dividends	485	559	778
Other income	6	5	8
	491	564	786

3. Management fees

	For the six months ended 31st December 2014 £'000	For the six months ended 31st December 2013 £'000	For the year ended 30th June 2014 £'000
Investment management fee	234	254	491
Performance fee	–	–	–
	234	254	491

The management fee is payable in arrears and is calculated at a rate of 3/16% per quarter of the total assets of the Company and its subsidiary after the deduction of the value of any investments managed by the Investment Manager (as defined in the management agreement). The Investment Manager is also entitled to a performance fee of 15% of the growth in net assets over a hurdle of 3-month Sterling LIBOR plus 1% per annum, payable six monthly in arrears, subject to a high water mark. The aggregate of the Company's management fee and any performance fee are subject to a cap of 4.99% of net assets in any financial year (with any performance fee in excess of this cap capable of being earned in subsequent periods). The performance fee will be charged 100% to capital, in accordance with the Board's expectation of how any out-performance will be generated. No performance fee is payable for the period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

continued

4. Return per Ordinary share

	For the six months ended 31st December 2014 £'000	For the six months ended 31st December 2013 £'000	For the year ended 30th June 2014 £'000
Revenue return	128	179	77
Capital return	1,000	2,096	2,830
Total return	1,128	2,275	2,907
Weighted average number of Ordinary shares	71,023,695	71,023,695	71,023,695
Revenue return per Ordinary share	0.18p	0.25p	0.11p
Capital return per Ordinary share	1.41p	2.95p	3.98p
Total return per Ordinary share	1.59p	3.20p	4.09p

NOTES TO THE INTERIM FINANCIAL STATEMENTS

continued

5. Investments at fair value through profit or loss

	At 31st December 2014 £'000	At 31st December 2013 £'000	At 30th June 2014 £'000
GROUP AND COMPANY	65,391	58,475	64,890

ANALYSIS OF INVESTMENT PORTFOLIO – GROUP AND COMPANY

Six months ended 31st December 2014

	Listed* (Level 1) £'000	Unlisted** (Level 3) £'000	Total £'000
Opening book cost	53,101	4,454	57,555
Opening investment holding gains/(losses)	10,643	(3,308)	7,335
Opening valuation	63,744	1,146	64,890
Movement in period:			
Purchase at cost	273	189	462
Sales			
– Proceeds	–	(157)	(157)
– Realised gains on sales	–	(36)	(36)
Investment holding gains/(losses)	(78)	310	232
Closing valuation	63,939	1,452	65,391
Closing book cost	53,374	4,450	57,824
Unrealised investment holding gains/(losses)	10,565	(2,998)	7,567
Closing valuation	63,939	1,452	65,391

* Listed investments include unit trust and OEIC funds which are valued at quoted prices.

** The Unlisted investments, representing less than 2% of the Company's NAV, have been valued in accordance with IPEVC valuation guidelines. The largest unquoted investment amounting to £1,143,000 was valued at the latest transaction price.

There were no reclassifications of assets between Level 1 and Level 3.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

continued

5. Investments at fair value through profit or loss *continued*

	For the six months ended 31st December 2014 £'000	For the six months ended 31st December 2013 £'000	For the year ended 30th June 2014 £'000
ANALYSIS OF CAPITAL GAINS AND LOSSES			
Realised (losses)/gains on sales of investments	(36)	(5)	730
Increase in investment holding gains	232	2,596	2,815
	196	2,591	3,545

6. Retained earnings

	At 31st December 2014 £'000	At 31st December 2013 £'000	At 30th June 2014 £'000
Capital reserve – realised	(9,613)	(10,624)	(10,381)
Capital reserve – revaluation	7,567	6,844	7,335
Revenue reserve	210	184	82
	(1,836)	(3,596)	(2,964)

7. Net asset value per Ordinary share

	31st December 2014 £'000	31st December 2013 £'000	30th June 2014 £'000
Net assets attributable to Ordinary shareholders	77,355	75,595	76,227
Ordinary shares in issue at end of period	71,023,695	71,023,695	71,023,695
Net asset value per Ordinary share	108.92p	106.44p	107.33p

NOTES TO THE INTERIM FINANCIAL STATEMENTS

continued

8. Related party transactions

During the period there have been no new related party transactions that have affected the financial position or performance of the Group.

Since 1st January 2010 Brompton has acted as Investment Manager to the Company. This relationship is governed by an agreement dated 23rd December 2009.

Mr Duffield is the senior partner of Brompton Asset Management Group LLP the ultimate parent of Brompton.

The total investment management fee payable to Brompton for the half year ended 31st December 2014 was £234,000 (2013: £254,000) and at the half year end £117,000 (2013: £130,000) was accrued. No performance fee was payable in respect of the half year ended 31st December 2014 (2013: £nil).

The Group's investments include seven funds managed by Brompton or its associates totalling £14,761,000. No investment management fees were payable directly by the Company in respect of these investments.