BRITISH EMPIRE TRUST

INVESTING IN UNDERVALUED ASSETS

AVI

Half Year Report 2016

BRITISH EMPIRE TRUST PLC

Established in 1889, the Company's investment objective is to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

British Empire Trust plc is managed by Asset Value Investors Limited ('AVI').

AVI aims to deliver superior returns while managing risks and specialises in securities that, for a number of reasons, may be selling on anomalous valuations.

Your Company continues to seek (and find) investment opportunities with real value and excellent prospects for good medium to long-term capital appreciation.

COMPANY SUMMARY

British Empire Trust plc ('British Empire' or the 'Company')

The Company is an investment trust and its shares are premium listed on the London Stock Exchange. It is a member of the Association of Investment Companies.

The Company's net asset value as at 31 March 2016 was £711.67 million and the market capitalisation was £611.98 million.

Objective

The investment objective of the Company is to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

Investment Manager

Asset Value Investors Limited
(Customer Services: 0845 850 0181)*

ISA Status

The Company's shares are eligible for Stocks & Shares ISAs.

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ('IFAs') in the UK to ordinary retail investors in accordance with the Financial Conduct Authority ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an authorised investment trust.

The Company is an Alternative Investment Fund ('AIF') under the European Union's Alternative Investment Fund Managers' Directive ('AIFMD'). Its Alternative Investment Fund Manager ('AIFM') is Asset Value Investors. Further disclosures required under the AIFMD can be found on the Company's website: www.british-empire.co.uk.

* Call charges may apply.

FINANCIAL HIGHLIGHTS

- Net asset value ('NAV') per share on a total return basis increased by 5.6%
- Share price total return 4.6%
- Benchmark index[2] increased by 8.6%
- Interim dividend maintained at 2.0p

PERFORMANCE SUMMARY

Net asset value per share (total return) for six months to 31 March 2016[1]			**5.6%**
Share price total return for six months to 31 March 2016			**4.6%**
	31 March 2016	30 September 2015	% change
Indices			
MSCI All Country World ex-US Index (£ adjusted total return)[2]	**328.64**	302.67	**8.6**
MSCI All Country World ex-US Value Index (£ adjusted total return)	**192.99**	180.95	**6.7**
Morningstar Investment Trust Global Growth Index[3]	**163.15**	150.38	**8.5**
MSCI All Country World Index (£ adjusted total return)	**526.28**	473.10	**11.2**
Discount			
(difference between share price and net asset value)[4]	**12.7%**	11.6%	
	Six months to 31 March 2016	Six months to 31 March 2015	
Earnings and Dividends			
Investment income	**£7.07m**	£6.54m	
Revenue earnings per share	**3.91p**	3.25p	
Capital earnings per share	**28.04p**	35.47p	
Total earnings per share	**31.95p**	38.72p	
Ordinary dividends per share	**2.00p**	2.00p	
Ongoing Charges Ratio (annualised)			
Management, marketing and other expenses (as percentage of average shareholders' funds)	**0.91%**	0.86%	
Period Highs/Lows	High	Low	
Net asset value per share	**551.04**	**477.24**	
Net asset value per share (debt at fair value)	**547.80**	**470.96**	
Share price (mid market)	**478.00**	**412.00**	

[1] As per guidelines issued by the Association of Investment Companies ('AIC'), performance is calculated using net asset values per share inclusive of accrued income and debt marked to fair value.

[2] The lead benchmark is the MSCI All Country World ex-US Index.

[3] The Morningstar Investment Trust Global Growth Index (total return basis), formerly known as Fundamental Data Global Growth Investment Trust Index, is subject to revision and the figures are as at 14 April 2016.

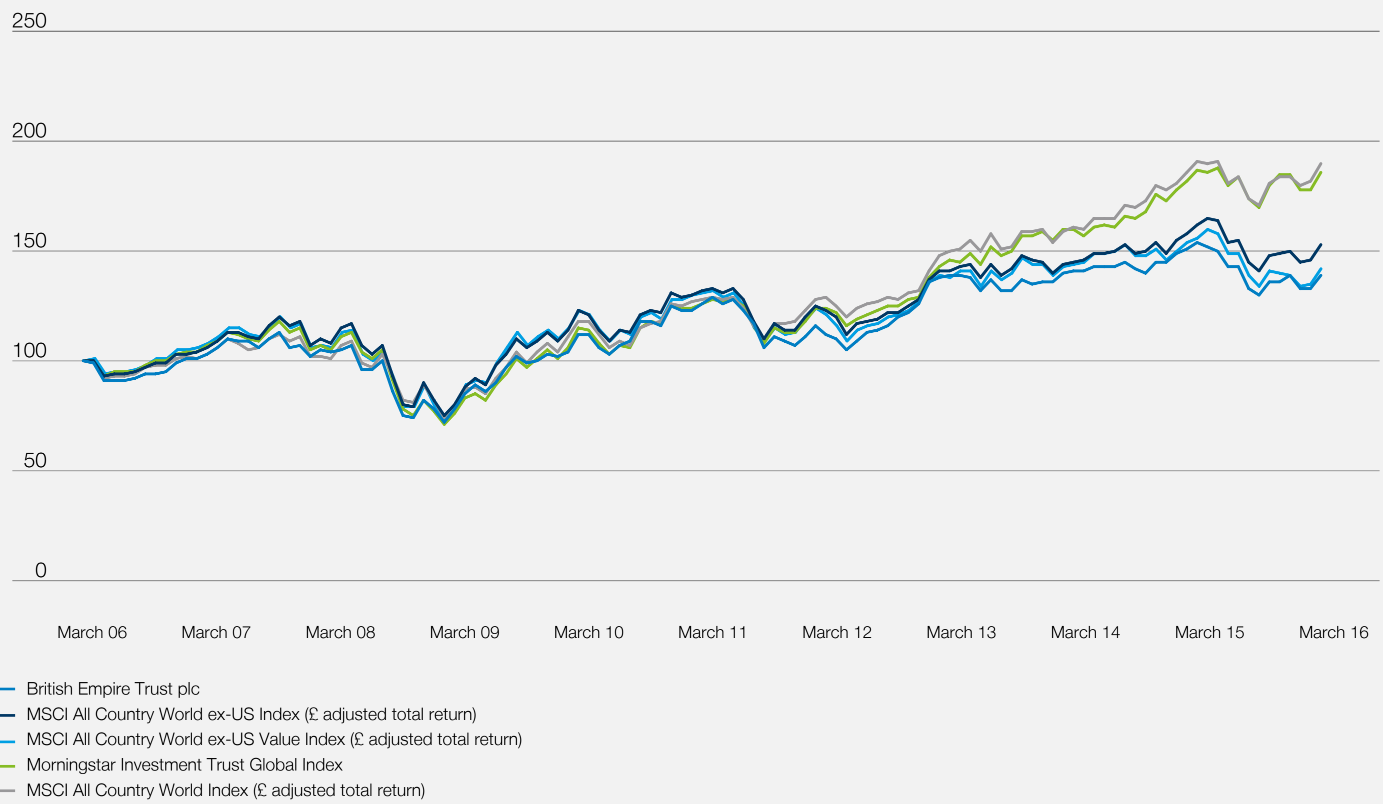
[4] As per guidelines issued by the AIC, the discount is calculated using the net asset value per share inclusive of accrued income and with the debt at fair value.

Buy-backs

During the period, the Company purchased 3,357,685 Ordinary Shares, all of which have been placed into treasury.

NET ASSET VALUE

The Company's net asset value relative to the MSCI All Country World ex-US Index (£ adjusted total return), **MSCI All Country World ex-US Value Index** (£ adjusted total return), **the Morningstar Investment Trust Global Growth Index and the MSCI All Country World Index** (£ adjusted total return)



CAPITAL STRUCTURE

as at 31 March 2016

The Company's capital structure comprises Ordinary Shares, Debenture Stock and Unsecured Loan Notes.

		Mid market price/ fair value	Market capitalisation million	Fair value million
130,905,526*	Ordinary Shares	467.50p	£611.98	–
£15,000,000	8¹/₈% Debenture Stock 2023	128.25p	£19.24	–
£30,000,000	4.184% Series A Sterling Unsecured Loan 2036	107.50p**	–	£32.25
€30,000,000	3.249% Series B Euro Unsecured Loan 2036	118.06c**	–	€35.42

* Excluding 29,108,563 shares held in treasury.
** Unlisted unsecured loan notes valued at fair value determined by reference to prevailing market interest and exchange values.

CHAIRMAN'S STATEMENT

Joe Bauernfreund became the lead portfolio manager on 1 October 2015. He continues to employ a value investment style, investing in companies which are typically valued at a discount to net asset value, often researched by few analysts in the belief that, over the long term, their true value will be recognised by the market. In his first six months as lead portfolio manager, Joe has adjusted the investment portfolio, in particular by reducing the number of holdings to focus on those stocks in which he and his colleagues have the highest conviction.

There are encouraging signs of the benefits which the Board foresaw from a strategic partnership between AVI and Goodhart Partners, as was announced in September last year.

The report from AVI which follows this statement gives more detail on the principal factors affecting performance during the first half of this financial year, and highlights some of the changes in emphasis within the portfolio.

For the first three months of the half year under review, markets were reasonably benign and your Company's NAV on a total return basis increased by 5.2%. However, in the first three months of 2016, markets were much more volatile and a chart of returns over the quarter shows a "V" shape – with a decline to the nadir on 11 February, followed by a sharp recovery. A small net positive return in this quarter led to an overall return of 5.6% for the half year under review. The NAV total return was behind our benchmark, the MSCI All Country World ex-US Index, which returned some 8.6%. It was, however, closer to the return of the MSCI All Country World ex-US Value Index, showing that the "value" investment style has once again underperformed growth.

Your Board remains of the view that the primary focus of AVI should be on seeking total return and that the Investment Manager should not be constrained by the setting of any particular income target. The interim dividend for the half year to 31 March 2016 (well covered by earnings) will be unchanged at 2.0 pence per share, and will be paid on 30 June 2016.

The Board announced on 18 December 2015 that it had agreed to issue 20-year unsecured private placement notes ('Notes') to obtain fixed-rate, long-dated Sterling and Euro denominated financing at a price that the Board and AVI consider attractive.

The Notes were issued on 15 January 2016 in two tranches:

- The first tranche was £30 million, denominated in Pounds Sterling.
- The second tranche was €30 million (equivalent to approximately £22.6 million at the exchange rate on 15 January).

The blended annualised cost of the new debt is 3.79%.

The Notes are due to be repaid on 15 January 2036. The interest payment dates will be 15 January and 15 July each year.

The Notes are unsecured. There has been no change in the Company's formal policy on gearing, as set out on page 34 of the 2015 Annual Report. Total fixed-rate borrowing, including the Notes, increased from £15 million to £66.8 million following completion of this transaction.

Having renewed its authorities at the AGM to buy back and issue shares, the Board has continued its share buyback programme with the aim of reducing volatility in the discount. During the half year under review, 3,357,685 shares were bought back at an average discount of 13.3%. Buying back shares at a discount resulted in the NAV per share being enhanced for continuing shareholders by 0.3%. The discount at 31 March 2016 was 12.7% (11.6% at 30 September 2015).

On 5 November 2015, the Company's name was simplified to British Empire Trust plc, as indicated in the Chairman's Statement in the 2015 Annual Report.

All resolutions at the Company's AGM on 17 December 2015 were passed with over 97% voting in favour of all resolutions put to the meeting. Your Board would like to thank shareholders for their strong support.

Predictions about the short-term outlook for markets and currencies are unusually difficult – given the uncertainty of the outcome, and the importance, of the referendum on Britain's relationship with the European Union and the outcome of the US presidential election. In addition, the level of economic activity remains patchy in many countries, and the effect of the possible unwinding of the Quantitative Easing ('QE') experiment remains unknown. That said, AVI has increased its exposure to those particular companies which it has thoroughly researched and are the hallmark of its value investing style. The Board shares AVI's confidence that there is real value in the portfolio and that British Empire Trust should make good progress despite the volatility which may lie ahead.

Strone Macpherson
Chairman
23 May 2016

INVESTMENT MANAGER'S REPORT

Performance Summary

The past six months have been a period marked by extreme market volatility. The first quarter of 2016 saw a rollercoaster ride as stockmarkets fell by 10.4% in the first six weeks, only to recoup the decline in a 13.9% run up to the end of March.

During the period, your Company took advantage of low market rates and issued 20-year long-term debt at an average cost of 3.79%. Your Board and Investment Manager believe this offered a compelling opportunity to enhance returns over the long term. The bulk of the proceeds of the issue were invested in early 2016 following sizeable falls in markets and widening discounts and, with markets having risen by 5.6% since the end of January, the timing of these purchases proved fortuitous.

During the period, your Company's NAV returned 5.6%. Comparable returns from broad market indices were as follows:

- MSCI All Country World ex-US Index 8.6%
- MSCI All Country World ex-US Value Index 6.7%
- Morningstar Investment Trust Global Growth Index 8.5%
- MSCI All Country World Index 11.2%

The underperformance relative to the formal benchmark can be explained by a limited number of factors. Firstly, the accounting effect of marking to market the debt reduced NAV by 1%. Secondly, during 2015 we entered into a Japanese Yen hedge. The hedge position was closed in January 2016 and crystallised a notional loss equivalent to 0.5% of NAV. Since then, the Yen has appreciated further against Sterling by 5% and this has been a benefit to your Company given the c.11% exposure to Japanese listed companies. Finally, two investments detracted a total of 1.2% from our NAV. These were Dolphin Capital Investors and Dundee Corporation. There were no other substantial detractors from performance during the period.

Our investment philosophy defines us firmly as value investors, a style which has been out of favour for an extended period of time. By some metrics, the trend of weak returns for the value investment style has lasted for eight years and is the longest such period of underperformance since 1976. In addition to facing this stylistic hurdle, the past few years have presented us with other headwinds – notably the outperformance of the US (where we have little direct exposure) and the strength of Sterling.

Of these three headwinds, it is the reversal of the trend of Sterling strength that has been the most pronounced in this period. On a trade weighted basis, the Pound has fallen by 6.6% since 30 September 2015. With 91% of our portfolio companies listed in and conducting business in currencies other than Sterling, this has provided a welcome boost to returns over the period.

Contributors and Detractors

	Contribution	% of total assets less current liabilities at 31 March 2016
Contributors		
Symphony International Holdings	1.1%	4.5%
Jardine Matheson Holdings	0.9%	0.0%*
Hudson's Bay	0.8%	3.5%
Investor AB 'A'	0.7%	5.7%
Pargesa	0.6%	4.8%
Detractors		
Bollore	-0.1%	2.6%
Rallye	-0.1%	0.0%*
Sacyr	-0.3%	0.0%*
Dundee Corporation	-0.5%	0.0%*
Dolphin Capital Investors	-0.7%	0.7%

* Sold prior to 31 March 2016. Source Asset Value Investors.

As for the other two headwinds, whilst the US has continued to be a robust performer, there are tentative signs of "value" starting to recover some lost ground. Growth stocks, which have been the star performers in recent years, have undergone a reversal of fortunes thus far in 2016, with the tech-heavy NASDAQ Index underperforming the S&P 500 Index by a wide margin.

Far more important in identifying the potential for future returns is the combination of low valuations and catalysts to unlock value that we see within both our investment universe and our portfolio. There is much to be optimistic about in this regard. In terms of valuations, one of the key measures which we use is the level of discount to NAV. As markets fell by 20% from their highs in April 2015 to their recent low point in mid-February 2016, the weighted average discount on our portfolio widened from 24% to 33%. This widening has been a substantial obstacle to generating good relative performance. However, the level is now close to that reached at the depths of the market sell offs in 2009 and 2011, where it reflected an inflection point in valuations. In this respect, we are looking forward to the positive effects of discount contraction from these levels. Indeed, in March, as markets recovered somewhat, the weighted average discount narrowed from these very wide levels and supported a month of solid outperformance.

The second encouraging aspect that we are seeing within our portfolio is the potential for corporate events, which we believe will lead to a substantial narrowing of discounts in some key holdings. The type of catalyst explained in the commentary below has been less prominent in recent years and its reappearance is, we believe, likely to be supportive of strong absolute returns.

Given the foregoing, we have made a number of adjustments to portfolio construction. As explained above, the first has been to introduce further structural gearing in the form of 20-year private placement notes that were issued in December 2015. These amounted to £30 million and €30 million and carry a blended fixed coupon of 3.79% over their life. As markets fell sharply during January and February, much of the proceeds were invested into existing holdings. As at the end of March, your Company was fully invested and had a gearing level of 8.6% of NAV.

In addition to wanting to become fully invested given the attractive valuations which we are finding, we have also sought to reflect our conviction in the portfolio by reducing the number of holdings and so increasing the degree of concentration. As at 31 March 2016, the Top 30 made up 96% of the portfolio in contrast to 88% six months ago. This ensures that we have meaningful exposure to those companies where we have the greatest conviction that a catalyst will offer significant upside.

These adjustments to the portfolio have led to an increase in turnover over the period. We expect this to be temporary in nature. In the first six months of the year, our turnover increased to 68% on an annualised basis. Importantly, after the sharp falls in January and February when much of our new capital was invested, the level of turnover tapered off sharply to 13.5% on an annualised basis during March. We expect lower levels of turnover in future now the portfolio re-alignment has largely been completed.

In the sections below we provide further information about the various contributors and detractors to performance over the period, as well as some of the catalysts which we expect to occur in the coming months.

Portfolio Review

European Holding Companies

In addition to general market volatility, this period also saw substantial swings in the level of discounts amongst this group of portfolio companies. With large parts of underlying portfolios being in listed assets, the NAVs of European Holding Companies will to an extent reflect broader market moves. Over the long term, we expect that the combination of quality assets, proactive management and the ability to create value from unlisted assets will drive superior performance. Over shorter periods of time, we can add value by seeking to exploit discount levels.

Wendel's discount, for example, reached a low of 25% in December only to widen to 42% in February. Similarly, Kinnevik's discount widened from a low of 11% to 27% in February (both have historically traded at substantially narrower discounts and on occasion at premia). As market conditions in March improved, the discounts on both of these companies started to narrow to 38% and 18% respectively. At these levels, both remain attractive. In this kind of volatile environment we are able to add to potential future returns by exploiting discount anomalies. A substantial part of the debt proceeds were used to add to several European Holding Companies.

Investor AB was the largest positive contributor to performance over the period, as its discount narrowed slightly along with a strong currency improvement. Aker also contributed positively with a discount narrowing of 3.5 percentage points despite a fall in the oil price over the period, to which around half of its companies are exposed. The largest detractor over the period was Spanish holding company Sacyr, whose large exposure to Repsol weighed down its NAV.

An encouraging aspect of European Holding Companies is their commitment to dividends. During the period, the three largest European Holding Companies in the portfolio announced annual dividend increases of an average of 8.5%.

In addition to the potential to benefit from discount narrowing, we see opportunities for several of these companies to generate positive NAV surprises from their unlisted assets, whose valuations are often understated and less well understood by the market.

INVESTMENT MANAGER'S REPORT

Asian Holding Companies
Asian markets recovered over the period with the MSCI Asia Pacific Index up by 11%. This follows a fall of 23% in Sterling terms from the highs reached in April 2015.

The largest positive contributor over the period was Jardine Matheson, whose share price rose by 21% in local currency (27% in Sterling). Whilst the NAV increased by 9%, the share price return was greater than this as the discount narrowed from 22% to 13% over the period. This left the discount well below historical average levels and also substantially narrower than "sister" company Jardine Strategic, whose discount remained above 30% over the period. Much of the discount narrowing was driven by the inclusion of Jardine Matheson in the MSCI indices which encouraged position building by the passive index trackers. This gave us an opportunity to exploit a pricing anomaly. We sold the position in Jardine Matheson on a discount of 11.5% and this locked in an IRR of +20% over our ten year holding period. The proceeds have been reinvested into Jardine Strategic on a wider than average discount of 34% and we thus retain exposure to broadly the same high-quality underlying assets, but on a more favourable valuation.

First Pacific was our second largest contributor, which benefited from discount narrowing. Negative contributors were negligible, with Hitachi posting the largest loss. Japan appears relatively attractively valued but concerns over the weak economic environment and a strengthening Yen have fuelled an exodus of foreign investors and this has weighed on the market.

We initiated a new position in Swire Pacific during the period after the sharp sell-off in Asian markets during August 2015. The majority of its assets are invested in Swire Properties, a listed Hong Kong developer that controls a portfolio of high-quality Hong Kong commercial assets. Swire Pacific also owns a stake in Cathay Pacific and an attractive beverages business. Like many Asian companies, its share price had performed poorly and it currently trades at a 50% discount to its NAV. The B shares in which we have invested currently yield 5.2%. There is a strong alignment of interests between the controlling family and minority shareholders.

Closed-end Funds
Closed-end Funds were our top performing category over the period. Symphony International, the Asian-consumer focused fund, was the largest contributor to performance over the period. Our holding recorded a 27% gain in Sterling (21% in its traded currency of USD), boosted by a distribution in March that equated to a near 9% yield on the undisturbed share price prior to the announcement. This is the third year in a row that Symphony has paid a substantial distribution, and should help counter the perception that management are oblivious to the very wide discount to NAV at which the company's shares trade (39% at period-end). We had increased our shareholding in Symphony over the period by almost a third to reflect our high level of conviction in the compelling level of valuation.

Our activist campaign in DWS Vietnam saw notable success over the period with the announcement in January that our two nominated candidates would be joining the board. This marks the nearing of the end of an 18-month engagement by AVI which has seen the management employees voted off the board, the cancellation of treasury shares and resumption of share buybacks, and the board and manager announcing that open-ending proposals will be put forward to shareholders before the end of the year. At the end of the period, the shares traded on a 21% discount to NAV, the prospective narrowing of which represents significant upside potential.

We remain excited by the number of near-term catalysts for discount reduction/elimination amongst our Closed-end Fund holdings, and have raised weightings accordingly. Over the next 12 months, we expect the IPO of Athene Insurance (the sole asset in AP Alternative Assets' portfolio), the sale of Gardner Aerospace (80% of Better Capital's NAV) and the open-ending or liquidation of DWS Vietnam as described above. We added to all three of these positions over the period and their combined weight now accounts for 12% of our NAV.

Elsewhere, J.P. Morgan Private Equity (26% discount) will begin returning capital to shareholders in the near term, while a vote will be held on the future of Ecofin Water & Power Opportunities (19% discount) in the coming months. Although the timeframe is tight, it is possible that late 2016 will see the IPO of Hidroelectrica, which accounts for 23% of Fondul Proprietatea's NAV. These three positions represent another 9% of our NAV.

The increased weightings in selected Closed-end Fund positions were funded in part by exits from holdings that, while still attractive on a stand-alone basis, had less visible prospects for discount contraction and/or NAV growth. We completed an exit from Harbourvest Global Private Equity in February. Over our three-year holding period, the position registered a +18% IRR with the returns split 80/20 between NAV growth and discount contraction. SVG Capital was also sold, realising a return of +22% over the 17-month holding period (+15% from NAV growth; +7% from discount contraction) to fund some of the other holdings described earlier where we see greater potential for upside.

Property

Directly-held listed real estate companies added substantially to returns during the period. NAVs increased as valuers caught up with transactions, but share prices failed to keep pace as discounts across our real estate exposure widened over the six-month period. Once again real estate share prices were driven in the main by the timing and path of interest rate increases in the US. Credit concerns spread across markets in the opening weeks of the calendar year, irrespective of company or sector, with particular attention to companies with higher levels of gearing.

One such company that we own is Adler, a German residential owner managing 50,000 units. With gearing higher than its peer group, the stock fell 24% in Sterling in the opening six weeks of the calendar year. However, the company is continuing to manage its asset base effectively and is pursuing operational efficiencies aimed at reducing gearing. We are confident that the company will re-rate in line with peers.

More positively, Conwert, an Austrian-listed German residential owner in which Adler has a 22% stake, was our second best performing real estate stock during the six months as the share price increased 25% in Sterling. The company is in the process of selling off non-core assets outside Germany while making impressive strides in reducing operational and financial costs. Adler has a representative on the board and is working hard behind the scenes to further drive these improvements for the benefit of all shareholders.

We have also invested again into Hudson's Bay, the Canadian-listed retailer. This followed a fall in the share price to levels 30% below where we previously sold last year, and the price has risen sharply from that level. This was the best performing company amongst our property investments. Hudson's Bay owns the vast majority of the real estate from which their retail banners (Hudson's Bay, Saks 5th, Lord & Taylor, Off 5th, Kaufman) operate and they have a clear strategy to realise the value of their real estate through selling assets into a series of joint ventures. We estimate the real estate to be worth substantially more than the current share price.

Outlook

The portfolio is well placed to deliver strong future returns. We have used the recent market volatility to build a high conviction portfolio of attractively valued companies. Following a difficult environment for investors, your Company's portfolio trades at a weighted average discount of 33%. In addition, a number of corporate events should crystalise substantial value in several holdings.

On a broader level, the market environment remains challenging. Economic growth has not been as strong as hoped. The ability of QE to kick-start economic growth is being called into question and its effect on stockmarkets seems to be fading. The US Federal Reserve has started tentatively to raise interest rates, whilst central banks in Europe and Japan remain on an easing path given weak economic growth in these regions. There is a great deal of tension in markets and this has been visible in the degree of volatility across all asset classes which we have seen thus far in 2016. It may well continue for a while. For us, however, it is important to remain focused on our objective – to invest in high quality assets through vehicles trading on a discount where we see potential for both growth in valuations and narrowing of discounts. The current environment is throwing up opportunities on both these fronts. After a multi-year period of underperformance from our universe, we are more convinced than ever of the potential upside in this portfolio.

Joe Bauernfreund
Asset Value Investors Limited
23 May 2016

INVESTMENT PORTFOLIO

INVESTMENTS AT 31 MARCH 2016

Company	Nature of business	% of investee company	Cost £'000	Valuation £'000	% of total assets less current liabilities
Investor AB 'A'	Investment Holding Company	0.59	21,507	44,464	5.70
Investment AB Kinnevik 'B'	Investment Holding Company	0.84	39,257	38,994	5.00
Wendel	Investment Holding Company	1.04	37,959	37,906	4.85
Pargesa	Investment Holding Company	1.08	36,203	37,097	4.75
Symphony International Holdings	Investment Company	12.67	27,979	34,691	4.45
NB Private Equity Partners	Investment Company	9.68	28,401	34,340	4.40
J.P. Morgan Private Equity	Investment Company	15.12	27,940	32,611	4.18
AP Alternative Assets	Investment Company	1.98	17,587	32,147	4.12
Aker ASA	Investment Holding Company	3.12	36,443	30,162	3.87
DWS Vietnam Fund	Investment Company	16.34	21,678	29,319	3.76
Top ten investments			**294,954**	**351,731**	**45.08**
Hudson's Bay	Retail Holding Company	1.45	21,822	27,146	3.48
Conwert Immobilien	Real Estate Investment Company	2.56	23,148	26,928	3.45
Swire Pacific	Investment Holding Company	0.66	26,856	26,897	3.45
Mitsui Fudosan	Real Estate Investment Company	0.15	27,203	26,016	3.33
Better Capital (2009)	Investment Company	15.47	24,109	25,911	3.32
Toyota Industries	Investment Holding Company	0.24	28,250	24,876	3.19
Jardine Strategic	Investment Holding Company	0.10	21,745	23,386	3.00
Hitachi	Conglomerate	0.15	31,607	23,193	2.97
Bollore	Investment Holding Company	0.26	21,315	20,525	2.63
DIC Asset	Real Estate Investment Company	4.41	19,716	19,709	2.53
Top twenty investments			**540,725**	**596,318**	**76.43**
Adler Real Estate	Real Estate Investment Company	4.63	26,102	19,358	2.48
First Pacific	Investment Holding Company	0.82	24,476	18,087	2.32
Empiric Student Property	Real Estate Investment Company	3.21	17,185	17,626	2.26
Ecofin Water & Power Opportunities	Investment Company	7.21	22,737	17,129	2.20
Brookfield Canada Office Properties	Real Estate Investment Company	3.97	17,391	16,366	2.10
Riverstone Energy	Investment Company	1.95	12,916	13,340	1.71
SC Fondul Proprietatea – USD	Investment Company	0.02	14,850	13,067	1.67
BlackRock World Mining Trust	Investment Company	3.33	18,483	12,845	1.65
GP Investments	Investment Company	11.47	11,432	12,699	1.63
Pantheon International – Redeemable Shares	Investment Company	2.77	7,905	10,171	1.30
Top thirty investments			**714,202**	**747,006**	**95.75**

Company	Nature of business	% of investee company	Cost £'000	Valuation £'000	% of total assets less current liabilities
LMS Capital	Investment Company	12.73	9,331	8,569	1.10
Dragon Capital Vietnam Property Fund	Real Estate Investment Company	15.40	4,729	5,280	0.67
Dolphin Capital Investors	Real Estate Investment Company	7.19	21,352	5,203	0.67
Digital Garage	Investment Holding Company	0.57	3,570	3,444	0.44
Ashmore Global Opportunities - GBP	Investment Company	13.3*	2,611	2,708	0.35
SC Fondul Proprietatea – RON	Investment Company	0.07	1,065	1,103	0.14
Total equity investments			**756,860**	**773,313**	**99.12**
Total investments			**756,860**	**773,313**	**99.12**
Net current assets				**6,855**	**0.88**
Total assets less current liabilities				**780,168**	**100.00**

* Represents % of the total voting rights of the company.

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2016

		For the six months to 31 March 2016 (unaudited)		
	Notes	Revenue return £'000	Capital return £'000	Total £'000
Income				
Investment income	2	**7,071**	**–**	**7,071**
Gains/(losses) on investments held at fair value		**–**	**42,507**	**42,507**
Foreign exchange forward contract[1]		**–**	**(3,558)**	**(3,558)**
Exchange losses on currency balances		**–**	**(16)**	**(16)**
Exchange losses on loan revaluation		**–**	**(824)**	**(824)**
		7,071	**38,109**	**45,180**
Expenses				
Investment management fee		**(740)**	**(1,727)**	**(2,467)**
Other expenses (including irrecoverable VAT)		**(738)**	**–**	**(738)**
Profit/(loss) before finance costs and tax		**5,593**	**36,382**	**41,975**
Finance costs		**(313)**	**(748)**	**(1,061)**
Profit/(loss) before taxation		**5,280**	**35,634**	**40,914**
Taxation		**(91)**	**1,580**	**1,489**
Profit/(loss) for the period		**5,189**	**37,214**	**42,403**
Basic and diluted earnings per Ordinary Share	3	**3.91p**	**28.04p**	**31.95p**

[1] (Loss)/gain on forward exchange contracts held at fair value.

The total column of this statement is the profit and loss account of the Company. The revenue return and capital return columns are supplementary and are prepared under the guidance published by the AIC.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of British Empire Trust plc. There are no minority interests.

There were no items of other comprehensive income in the period and therefore the profit/(loss) for the period is also the total comprehensive income/(loss) for the period.

For the six months to 31 March 2015 (unaudited)			For the year to 30 September 2015 (audited)		
Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
6,541	–	6,541	20,934	–	20,934
–	51,708	51,708	–	(76,232)	(76,232)
–	613	613	–	(27)	(27)
–	(66)	(66)	–	(294)	(294)
–	–	–	–	–	–
6,541	52,255	58,796	20,934	(76,553)	(55,619)
(858)	(2,003)	(2,861)	(1,707)	(3,983)	(5,690)
(674)	–	(674)	(1,366)	–	(1,366)
5,009	50,252	55,261	17,861	(80,536)	(62,675)
(187)	(440)	(627)	(375)	(883)	(1,258)
4,822	49,812	54,634	17,486	(81,419)	(63,933)
(262)	–	(262)	(1,218)	(1,560)	(2,778)
4,560	49,812	54,372	16,268	(82,979)	(66,711)
3.25p	35.47p	38.72p	11.75p	(59.95p)	(48.20p)

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2016

	Ordinary share capital £'000	Capital redemption reserve £'000	Share premium £'000	Capital reserve £'000	Merger reserve £'000	Revenue reserve £'000	Total £'000
For the six months to 31 March 2015 (unaudited)							
Balance as at 30 September 2014	16,001	2,934	28,078	704,809	41,406	33,756	826,984
Ordinary Shares bought back							
and held in treasury (see note 5)	–	–	–	(30,522)	–	–	(30,522)
Total comprehensive income for the period	–	–	–	49,812	–	4,560	54,372
Ordinary dividends paid	–	–	–	–	–	(12,015)	(12,015)
Balance as at 31 March 2015	16,001	2,934	28,078	724,099	41,406	26,301	838,819
For the year ended 30 September 2015 (audited)							
Balance as at 30 September 2014	16,001	2,934	28,078	704,809	41,406	33,756	826,984
Ordinary Shares bought back							
and held in treasury (see note 5)	–	–	–	(47,968)	–	–	(47,968)
Total comprehensive income for the year	–	–	–	(82,979)	–	16,268	(66,711)
Ordinary dividends paid (see note 6)	–	–	–	–	–	(14,763)	(14,763)
Balance as at 30 September 2015	16,001	2,934	28,078	573,862	41,406	35,261	697,542
For the six months to 31 March 2016 (unaudited)							
Balance as at 30 September 2015	**16,001**	**2,934**	**28,078**	**573,862**	**41,406**	**35,261**	**697,542**
Ordinary Shares bought back							
and held in treasury (see note 5)	**–**	**–**	**–**	**(15,363)**	**–**	**–**	**(15,363)**
Total comprehensive income for the period	**–**	**–**	**–**	**37,214**	**–**	**5,189**	**42,403**
Ordinary dividends paid (see note 6)	**–**	**–**	**–**	**–**	**–**	**(12,914)**	**(12,914)**
Balance as at 31 March 2016	**16,001**	**2,934**	**28,078**	**595,713**	**41,406**	**27,536**	**711,668**

BALANCE SHEET

as at 31 March 2016

	Notes	At 31 March 2016 (unaudited) £'000	At 31 March 2015 (unaudited) £'000	At 30 September 2015 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		**773,313**	826,758	707,047
		773,313	826,758	707,047
Current assets				
Sales for future settlement		**1,407**	1,807	–
Other receivables		**6,529**	5,167	4,121
Cash and cash equivalents		**2,446**	22,335	6,649
		10,382	29,309	10,770
Total assets		**783,695**	856,067	717,817
Current liabilities				
Purchases for future settlement		**(1,123)**	(916)	–
Foreign exchange forward contracts held at fair value through profit or loss		**–**	(121)	(3,181)
Other payables		**(2,404)**	(1,253)	(2,151)
		(3,527)	(2,290)	(5,332)
Total assets less current liabilities		**780,168**	853,777	712,485
Non-current liabilities				
8 1/8% Debenture Stock 2023		**(14,947)**	(14,939)	(14,943)
4.184% Series A Sterling Unsecured Loan 2036		**(29,868)**	–	–
3.249% Series B Euro Unsecured Loan 2036		**(23,685)**	–	–
Provision for deferred tax		**–**	(19)	–
Net assets		**711,668**	838,819	697,542
Equity attributable to equity shareholders				
Ordinary share capital		**16,001**	16,001	16,001
Capital redemption reserve		**2,934**	2,934	2,934
Share premium		**28,078**	28,078	28,078
Capital reserve		**595,713**	724,099	573,862
Merger reserve		**41,406**	41,406	41,406
Revenue reserve		**27,536**	26,301	35,261
Total equity		**711,668**	838,819	697,542
Net asset value per Ordinary Share – basic and diluted	4	**543.65p**	609.08p	519.53p
Number of shares in issue excluding Treasury		**130,905,526**	137,718,734	134,263,211

Registered in England & Wales No. 28203

CASH FLOW STATEMENT

for the six months ended 31 March 2016

	Six months to 31 March 2016 (unaudited) £'000	Six months to 31 March 2015 (unaudited) £'000	Year to 30 September 2015 (audited) £'000
Reconciliation of profit/(loss) before taxation to net cash inflow from operating activities			
Profit/(loss) before taxation	**40,914**	54,634	(63,933)
Realised exchange losses on currency balances	**4,398**	66	325
(Gains)/losses on investments held at fair value through profit or loss	**(42,507)**	(51,708)	76,232
Purchases of investments	**(309,677)**	(424,971)	(454,845)
Sales of investments	**285,963**	484,988	508,265
Return of capital from subsidiary	**–**	–	250
Loss on foreign exchange forward contracts	**(6,739)**	–	–
Increase in other receivables	**(3,929)**	(2,772)	(40)
(Decrease)/increase in creditors	**(56)**	(125)	2,729
Taxation	**3,010**	567	(3,634)
Amortisation of debenture issue expenses	**6**	4	7
Net cash (outflow)/inflow from operating activities	**(28,617)**	60,683	65,356
Financing activities			
Dividends paid	**(12,914)**	(12,015)	(14,763)
Payments for Ordinary Shares bought back and held in treasury	**(15,382)**	(32,393)	(49,613)
Unsecured loan notes	**52,726**	–	–
Cash inflow/(outflow) from financing activities	**24,430**	(44,408)	(64,376)
(Decrease)/increase in cash and cash equivalents	**(4,187)**	16,275	980
Exchange movements	**(16)**	66	(325)
Change in cash and cash equivalents	**(4,203)**	16,341	655
Cash and cash equivalents at beginning of period	**6,649**	5,994	5,994
Cash and cash equivalents at end of period	**2,446**	22,335	6,649
Cash and cash equivalents received/(paid) during the period includes:			
- dividends received	**6,969**	3,933	20,883
- interest received	**26**	6	22
- interest paid	**(1,043)**	(627)	(1,251)

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2016

1. Significant accounting policies

The condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies and methods of computation followed in these half-year financial statements are consistent with the most recent annual financial statements for the year ended 30 September 2015, except for the adoption of new standards effective 1 January 2016.

The following standards were adopted in the Annual Report for the year ended 30 September 2015. The comparatives for the period ended 31 March 2015 were not impacted by the adoption of the standards.

IFRS 10 Consolidated Financial Statements

IFRS 10 sets out the principles for the presentation and preparation of consolidated financial statements and establishes a single control model that applies to all entities including special purpose entities. In addition, IFRS 10 includes an exception from consolidation for entities which meet the definition of an investment entity, and requires such entities to recognise substantially all investments at fair value through profit or loss. The Company has made the significant accounting judgement that it does meet the criteria of an investment entity. Accordingly, the Company is no longer required to prepare consolidated financial statements and so has prepared individual company accounts, with only individual company comparatives as required by International Accounting Standard ('IAS') 1.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements. The standard did not have a significant impact on the financial statements of the Company. The Company's one subsidiary, BEST Securities Limited, has not been consolidated.

Going concern

The Directors have carefully reviewed the Company's current financial resources and the projected expenses of the Company for the next 12 months. On the basis of that review and as the majority of net assets are securities which are traded on recognised stock exchanges, the Directors are satisfied that the Company's resources are adequate for continuing in business for the foreseeable future (being a period of at least 12 months from the date this Half Year Report is approved) and that it is appropriate to prepare the Company's financial statements on a going concern basis.

The half-year financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These financial statements are presented in Sterling as this is the currency of the primary economic environment in which the Company operates.

Comparative information

The financial information contained in this Half Year Report does not constitute statutory accounts as defined in Section 435(1) of the Companies Act 2006. The financial information for the half-year periods ended 31 March 2015 and 31 March 2016 has not been audited but has been reviewed by the Company's Auditor and their report can be found on page 20. The figures and financial information for the year ended 30 September 2015 are an extract from the latest published audited financial statements and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the report of the Auditor, which was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

2. Income

	Six months to 31 March 2016 (unaudited) £'000	Six months to 31 March 2015 (unaudited) £'000	Year to 30 September 2015 £'000
Income from investments			
Dividends received from listed investments	**6,969**	6,534	20,883
Other income			
Deposit interest	**25**	7	22
Other income	**77**	–	29
	102	7	51
Total income	**7,071**	6,541	20,934

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2016

3. Earnings per Ordinary Share

	Six months to 31 March 2016 (unaudited)	Six months to 31 March 2015 (unaudited)	Year to 30 September 2015
Total earnings per Ordinary Share			
Total profit	**£42,403,000**	£54,372,000	(£66,711,000)
Weighted average number of Ordinary Shares in issue during the period	**132,729,324**	140,416,254	138,417,127
Total earnings per Ordinary Share	**31.95p**	38.72p	(48.20p)
Revenue earnings per Ordinary Share			
Revenue profit	**£5,189,000**	£4,560,000	£16,268,000
Weighted average number of Ordinary Shares in issue during the period	**132,729,324**	140,416,254	138,417,127
Revenue earnings per Ordinary Share	**3.91p**	3.25p	11.75p
Capital earnings per Ordinary Share			
Capital profit	**£37,214,000**	£49,812,000	(£82,979,000)
Weighted average number of Ordinary Shares in issue during the period	**132,729,324**	140,416,254	138,417,127
Capital earnings per Ordinary Share	**28.04p**	35.47p	(59.95p)

4. Net asset value per Ordinary Share

The net asset value per Ordinary Share is based on net assets of £711,668,000 (31 March 2015: £838,819,000; 30 September 2015: £697,542,000) and on 130,905,526 (31 March 2015: 137,718,734; 30 September 2015: 134,263,211) Ordinary Shares, being the number of Ordinary Shares in issue excluding shares held in treasury at the period ends.

5. Share capital

During the period, 3,357,685 (six months to 31 March 2015: 5,876,138; year ended 30 September 2015: 9,331,661) Ordinary Shares were bought back and placed in treasury for an aggregate consideration of £15,363,000 (six months to 31 March 2015: £30,522,000; year ended 30 September 2015: £47,968,000). No Ordinary Shares were bought back and cancelled in the period (six months to 31 March 2015: nil; year ended 30 September 2015: nil).

6. Dividends

During the period, the Company paid a final dividend of 9.7p per Ordinary Share for the year ended 30 September 2015 on 6 January 2016 to ordinary shareholders on the register at 4 December 2015 (ex-dividend 3 December 2015).

An interim dividend of 2.0p per Ordinary Share for the period ended 31 March 2016 has been declared and will be paid on 30 June 2016 to ordinary shareholders on the register at the close of business on 10 June 2016 (ex-dividend 9 June 2016).

7. Principal risks

The principal risks which the Company faces include, but are not limited to, exposure to:

– Investment risk
– Market price risk
– Foreign currency risk
– Interest rate risk
– Liquidity risk
– Credit risk

Details of the Company's management of these risks and exposure to them is set out in the Company's Annual Report for the year ended 30 September 2015. The Company has issued fixed-rate unsecured loan notes, as set out in the Chairman's Statement and note 8. Apart from the issue of the unsecured loan notes, there have been no changes to the management of, or exposure to these risks since that date.

8. Fair values and amortised values of financial assets and financial liabilities

The Company's 8¹/₈% Debenture Stock 2023 and unsecured loan notes are measured at amortised cost, the other financial assets and financial liabilities of the Company are carried in the Balance Sheet at an approximate to their fair value. The fair value is the amount at which the asset could be sold or the liability transferred in an orderly transaction between market participants, at the measurement date, other than a forced or liquidation sale.

	At 31 March 2016 Book value £'000	At 31 March 2016 Fair value £'000	At 31 March 2015 Book value £'000	At 31 March 2015 Fair value £'000	At 30 September 2015 Book value £'000	At 30 September 2015 Fair value £'000
8¹/₈% Debenture Stock 2023	**(14,947)**	**(19,238)**	(14,939)	(19,275)	(14,943)	(19,275)
4.184% Series A Sterling Unsecured Loan 2036	**(29,868)**	**(32,251)**	–	–	–	–
3.249% Series B Euro Unsecured Loan 2036	**(23,685)**	**(28,082)**	–	–	–	–
	(68,500)	**(79,571)**	(14,939)	(19,275)	(14,943)	(19,275)

Quoted market prices have been used to determine the fair value of the Company's Debenture Stock and therefore it would be categorised as level 1 under the fair value hierarchy. As there is no publicly available price for the Company's unsecured loan notes, their fair market value has been derived by calculating the relative premium (or discount) of the loan notes versus the publicly available market price of the reference market instrument and exchange rates. As this price is derived by model, it would be categorised as level 3 under the fair value hierarchy.

Fair value hierarchy

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

- Level 1 – valued using quoted prices, unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The tables below set out fair value measurements of financial instruments as at the period end, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	**768,033**	**5,280**	**–**	**773,313**
	768,033	**5,280**	**–**	**773,313**

There have been no transfers during the period between levels 1 and 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

Financial assets at fair value through profit or loss at 31 March 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	808,144	–	427	808,571
Fixed interest bearing securities	18,187	–	–	18,187
	826,331	–	427	826,758

Financial assets at fair value through profit or loss at 30 September 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	687,750	4,319	–	692,069
Fixed interest bearing securities	14,978	–	–	14,978
	702,728	4,319	–	707,047

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 March 2016

Financial liabilities at amortised cost at 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Debenture stock	**(14,947)**	**–**	**–**	**(14,947)**
Unsecured loan notes	**–**	**–**	**(53,553)**	**(53,553)**
	(14,947)	**–**	**(53,553)**	**(68,500)**

Financial liabilities at 31 March 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Debenture stock recognised at amortised cost	(14,939)	–	–	(14,939)
Foreign exchange forward contracts recognised at fair value through profit or loss	–	(121)	–	(121)
	(14,939)	(121)	–	(15,060)

Financial liabilities at 30 September 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Debenture stock recognised at amortised cost	(14,943)	–	–	(14,943)
Foreign exchange forward contracts recognised at fair value through profit or loss	–	(3,181)	–	(3,181)
	(14,943)	(3,181)	–	(18,124)

The following table summarises the Company's level 3 investments that were accounted for at fair value in the six months to 31 March 2016.

	At 31 March 2016 Level 3 £'000	At 31 March 2015 Level 3 £'000	At 30 September 2015 Level 3 £'000
Opening fair value of investments	**–**	2,616	2,616
Transfer from level 1 to level 3 investment	**–**	–	–
Purchase at cost	**–**	–	–
Sales proceeds	**–**	–	(137)
Total gains or losses included in gains on investments in the Statement of Comprehensive Income			
– on sold assets	**–**	–	(5,032)
– on assets held at the period end	**–**	–	–
Movement in investment holding gains			
– reversal of unrealised	**–**	–	2,553
– movement in unrealised	**–**	(2,189)	–
Closing fair value of investments	**–**	427	–

If the inputs used to measure fair value are categorised into different levels of the hierarchy, the investment is categorised entirely according to the lowest priority level that is significant to the fair value measurement of the relevant asset or liability. The Company's unquoted investments are categorised as level 3 and their fair values are determined in accordance with the International Private Equity and Venture Capital Valuation guidelines.

9. Related parties and transactions with the Investment Manager

The Company paid management fees to Asset Value Investors Limited during the period amounting to £2,467,000 (six months to 31 March 2015: £2,861,000; year ended 30 September 2015: £5,690,000).

Fees paid to Directors for the six months ended 31 March 2016 amounted to £67,000 (six months to 31 March 2015: £67,000; year ended 30 September 2015: £135,000).

At the half-year end, the following amounts were outstanding in respect of management fees: £nil (31 March 2015: £471,000; 30 September 2015: £454,000).

Strone Macpherson is chairman of Close Brothers Group plc, the ultimate parent of Winterflood Securities Limited. Winterflood acts as the Company's Corporate Broker and is paid a retainer of £25,000 per annum by the Company.

INTERIM MANAGEMENT REPORT

There have been no changes to the related party disclosures set out in the Annual Report for the year ended 30 September 2015, except as set out in note 9 to the financial statements.

The Directors consider that the Chairman's Statement on page 3 of this Report, the Investment Manager's Report on pages 4 to 7, the statement on related party disclosures and the Directors' Responsibility Statement below, together constitute the Interim Management Report of the Company for the half year to 31 March 2016 and satisfy the requirements of the FCA's Disclosure and Transparency Rules ('DTR') 4.2.3 to 4.2.11.

DIRECTORS' RESPONSIBILITY STATEMENT

The non-executive Directors listed on page 21 confirm that to the best of their knowledge:

a) the condensed set of financial statements, which has been prepared in accordance with IAS 34, gives a true and fair view of the assets, liabilities, financial position and profit of the Company for the period ended 31 March 2016;
b) the Interim Management Report includes a fair review, under DTR 4.2.7R, of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and 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 party transactions as required by DTR 4.2.8R.

Strone Macpherson
Chairman
23 May 2016

INDEPENDENT REVIEW REPORT TO BRITISH EMPIRE TRUST PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-year financial report for the six months ended 31 March 2016, which comprises the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and the related notes 1 to 9. We have read the other information contained in the half-year 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 guidance contained in the 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-year financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-year 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 Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-year financial report have 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-year financial report based on our review.

Scope of Review

We conducted our review in accordance with 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 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 condensed set of financial statements in the half-year financial report for the six months ended 31 March 2016 are 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
23 May 2016

SHAREHOLDER INFORMATION

Dividends
Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandate forms may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request or downloaded from Equiniti's website www.shareview.com. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly into shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Share Prices
The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Trusts'. Prices are given daily in The Financial Times, The Times, The Daily Telegraph, The Scotsman and The Evening Standard.

Change of Address
Communications with shareholders are mailed to the last address held on the share register. Any change or amendment should be notified to Equiniti Limited at the address given above, under the signature of the registered holder.

Daily Net Asset Value
The net asset value of the Company's shares can be obtained by contacting Customer Services on 0845 850 0181 or via the website: www.british-empire.co.uk.

AVI ISA
The AVI Stocks and Shares Individual Savings Account ('ISA') is a savings account that allows you to invest in stocks and shares in line with HM Revenue & Customs limitations.

AVI Share Plan
The AVI Share Plan is a savings plan which aims to provide a simple and low cost way for private investors to purchase shares in British Empire Trust plc. Lump sum payments or regular monthly deposits can be made to the Share Plan.

For further information contact Customer Services
on 0845 850 0181
Call charges may apply

COMPANY INFORMATION

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Steven Bates
Andrew Robson
Susan Noble
Nigel Rich

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Registrar's Shareholder Helpline
Tel. 0371 384 2490
Lines are open 8.30am to 5.30pm, Monday to Friday.

Registrar's Broker Helpline
Tel. 0906 559 6025
Calls to this number cost £1 per minute from a BT landline, other providers' costs may vary. Lines are open 8.30am to 5.30pm, Monday to Friday.

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