Schroder UK Mid Cap Fund plc

Half Year Report and Accounts for the six months ended 31 March 2016

Contents, Investment objective and Policy

Contents

Investment objective

The Company's investment objective is to invest in Mid Cap equities with the aim of providing a total return in excess of the FTSE 250 (ex-Investment Companies) Index.

Strategy/investment policy

The strategy is to invest principally in the investment universe associated with the benchmark index, but with an element of leeway in investment remit to allow for a conviction-driven approach and an emphasis on specific companies and targeted themes. The Company may also invest in other collective investment vehicles where desirable, for example to provide exposure to specialist areas within the universe. The Company may hold up to 20% of its portfolio in equities and collective investment vehicles outside the benchmark index.

The Manager has adopted a unique and consistent investment process, taking a stock specific approach with an emphasis on growth companies. Sector weightings play a secondary role, resulting naturally from stock selection. Fundamental research forms the basis of each investment decision taken by the Manager, which carries out its own research with numerous company contacts. When analysing stocks, the Manager looks for companies with strong management teams with a proven record, good future prospects and a strong business franchise within their markets.

Key reasons to invest

- A decade of outperformance
- Mid caps offer good growth opportunities
- Proven stock picking skills

Financial Highlights

Total returns (including an adjustment for dividends reinvested)	For the six months ended 31 March 2016
Net asset value ("NAV") per share[1]	**3.0%**
Share price[1]	**(6.2)%**
Benchmark[2]	**2.2%**

Other financial information	31 March 2016	30 September 2015	% change
Shareholders' funds (£'000)	**187,407**	184,260	+1.7
Shares in issue	**36,143,690**	36,143,690	
NAV per share	**518.51p**	509.80p	+1.7
Share price	**428.00p**	462.50p	(7.5)
Share price discount to NAV per share	**17.5%**	9.3%	

[1] Source: Morningstar.
[2] Source: Thomson Reuters. The Company's benchmark is the FTSE 250 (ex-Investment Companies) Index.

Ten Largest Investments

As at 31 March 2016

Company	Principal activity	Market value of holding £'000	% of total equity shareholders' funds
Dechra Pharmaceuticals	Manufacturer of pharmaceutical products and equipment for the veterinary industry	6,015	3.2
Rightmove	Operator of the UK's largest residential property online portal	5,681	3.0
Kennedy Wilson Europe Real Estate	Investment property manager	5,558	3.0
Micro Focus International	Multinational software and technology services provider	5,366	2.9
Grainger	Purchases, lets, manages and refurbishes tenanted property	5,067	2.7
Redrow	House builder	4,811	2.6
IG	Provider of financial spread betting and CFDs	4,797	2.6
Supergroup	Distinctive branded fashion retailer	4,754	2.5
Halma	Manufacturer of safety products	4,737	2.5
Victrex	Manufacturer of speciality plastics	4,532	2.4
Total		**51,318**	**27.4**

At 30 September 2015, the ten largest investments represented 27.4% of total equity shareholders' funds.

Interim Management Report – Chairman's Statement

Investment and share price performance

During the six months ended 31 March 2016, the Company's net asset value produced a total return of 3.0%, compared to a total return of 2.2% for the Company's benchmark, the FTSE 250 (ex Investment Companies) Index.

However the performance of the Company's share price disappointed during the period, producing a negative total return of 6.2% as the share price discount to underlying net asset value widened from 9.3% to 17.5%, an unusually high level. Discounts in general in the investment trust sector widened during the period. This performance was against an uncertain background as markets reacted to the impending EU referendum and also the uncertain prospects for global growth. Since the period end, the net asset value has risen by 0.5% while the discount to net asset value has narrowed to 15.6% at the date of this Report.

Full details of investment performance, as well as portfolio activity, policy and outlook, may be found in the Manager's Review.

Interim dividend

Revenue per share has risen by 16.2% compared to the first half of the 2015 financial year, reflecting a 13.1% rise in dividend income received from investments. In light of this, the Board has declared the payment of an increased interim dividend of 2.75 pence per share (2015: 2.50 pence per share), for the year ending 30 September 2016. The dividend will be paid on 30 June 2016 to shareholders on the register on 10 June 2016. A final dividend for the year ending 30 September 2016 will be proposed at the next Annual General Meeting, as in previous years.

Gearing facility

The Company continues to maintain a £15 million unsecured revolving credit facility, which remained undrawn during the period under review. Net cash, being borrowings used for investment purposes less cash, as a percentage of net assets, stood at 6.1% at the beginning of the period and had decreased to 4.9% by 31 March 2016. This cash position reflects our Manager's caution arising from the uncertain background referred to above. Net cash and the use of gearing continue to be monitored closely by the Board.

Share purchases and discount management

The Board and Manager continue to monitor the discount at which the Company's shares trade both in absolute terms and relative to the peer group.

Notwithstanding the widening discount, the Company did not purchase any shares for cancellation or holding in Treasury during the period. The Directors remain of the view that, whilst buy backs are one method of addressing discount levels, their effectiveness depends on the size and nature of the share register and that the most sustainable way to close the share price discount is to increase demand for the Company's shares by effective marketing over the longer term and continuation of the Company's strong long-term performance track record, each of which is regularly reviewed by the Board.

Lead portfolio manager

Andy Brough, who has co-managed the portfolio since Schroders was appointed Manager in May 2003, took over as lead portfolio manager on 31 March 2016 following Rosemary Banyard's departure from Schroders. This is not expected to result in a material change to the Manager's investment approach.

Management and performance fee

Following discussions with the Manager during the period, the Board has concluded that shareholders would benefit from a simplification of the management fee arrangements, and in particular the removal of the performance fee element. As a result we have agreed with our Manager that, with effect from 1 April 2016, the current management fee of 0.8% per annum on assets up to and including £75 million, and 0.6% per annum on the excess over £75 million, plus a performance fee, will be replaced by a single management fee of 0.7% per annum with no performance element. This will continue to be paid quarterly in arrears on total assets less current liabilities other than short term borrowings, provided that if there are any short term borrowings, the value of cash up to the level of such borrowings is deducted from the calculation of assets. The secretarial fee paid to Schroders is unaffected by this change.

Additionally, following a review of the notice period under the Alternative Investment Fund Manager Agreement against current market norms, it has been reduced from 12 months to six months, also with effect from 1 April 2016.

Board refreshment

As part of the Board's planned refreshment policy and as reported at the 2015 year end, Rachel Beagles retired as a Director on 10 February 2016. Rachel served on the Board for over nine years, and I reiterate my appreciation of her considerable contribution over that time. Andrew Page succeeded Rachel as Chairman of the Audit Committee with effect from the same date.

I am pleased to report that Robert Talbut joined the Board as a non-executive Director on 10 February 2016.

Mr Talbut, 55, was until December 2014 the Chief Investment Officer of Royal London Asset Management and has over 30 years of financial services experience. He has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. He has also been a member of the Audit & Assurance Council of the Financial Reporting Council and the Financial Conduct Authority's Listing Authority Advisory Panel.

Mr Talbut is currently a non-executive director of investment trust Shires Income plc and EFG Asset Management (UK) Limited.

A resolution to elect Mr Talbut as a Director of the Company will be proposed at the Annual General Meeting to be held in early 2017.

Outlook

There are a number of uncertainties facing UK companies at the moment, be it from the low-growth environment worldwide or domestic issues such as the EU referendum and implementation of the new National Living Wage.

The Company is not wholly immune from these challenges, one direct consequence of which has been the volatility during the period in both the net asset value per share and the discount at which the share price has traded relative to its net asset value. However, we want our Manager to continue to focus on the mid cap opportunities that have delivered substantial gains in the net asset value over the last decade. The UK's quoted mid cap sector offers a wide range of diverse and often unique businesses and many are at a size that provide good opportunities for rapid growth, unlike some of their larger competition. The challenge for our Manager is finding these opportunities in order to continue the Company's long-term record of outperformance.

While uncertainty and volatility may remain a feature of the short and medium term outlook for financial markets and economies, the Board remains confident that attractive opportunities exist for growth and that the Manager will identify these.

Eric Sanderson
Chairman

31 May 2016

Interim Management Report – Manager's Review

Market Background

As noted in the Chairman's Statement, the Company's net asset value produced a total return of 3.0% for the six months ended 31 March 2016, compared to a total return of 2.2% for the benchmark index, the FTSE 250 (ex-Investment Companies) Index. Despite this outperformance, the Company's share price fell 6.2% over the period, and its discount widened from 9.3% to 17.5% (source: Morningstar).

The performance of the benchmark index can be seen in the context of returns produced by large caps (FTSE 100 Index total return of 3.8%) and small caps (FTSE Small Cap (ex-Investment Companies) total return of 2.1%). All three returns disguised pronounced volatility over the period. Mid cap stocks rose 4.8% in the last quarter of 2015 but fell 2.5% in the first quarter of 2016, compared to rises of 3.7% and 0.1% respectively in the large cap stocks, all on a total return basis (source: Morningstar).

Having initially staged a strong recovery at the start of the period, UK equities began to slide as 2015 drew to a close, amid uncertainty around the likely consequences and timing of a US interest rate hike. The anticipated 0.25% increase on 16 December marked the first time the Federal Reserve had raised interest rates in nearly a decade. The dollar resumed its upward trajectory and emerging markets and commodity prices continued to decline as fears about the global growth outlook dominated sentiment at the start of 2016. The first quarter of 2016, however, saw a swing in sentiment, with marked weakness in commodity stocks, to which the FTSE 100 Index is more exposed, giving way to strength in mid-February as commodity prices began to rally. This explains some of the divergence in performance between the mid and large cap indices over the latter half of the six month period.

Risk appetite returned towards the end of the period as markets welcomed new stimulus from some of the world's major central banks. Both the People's Bank of China and the European Central Bank eased monetary policy further, while forecasts for additional increases in US interest rates were deferred. Mid cap stocks' performance was more muted however, amid uncertainty ahead of June's referendum on UK membership of the European Union. This was particularly true of more domestically exposed stocks, for example General Retailers and Housebuilders. Across the board, Financials performed poorly as the market began to anticipate a lower-for-longer global interest rate environment.

Portfolio performance

The portfolio's outperformance came from its stock selection, offset partly by the sector allocation.

Performance Attribution	Impact (%)
FTSE 250 ex ICs Index TR	+2.2
Stock selection	+1.6
Sector allocation	-0.3
Costs	-0.5
Gearing	0.0
NAV total return	**+3.0**

Source: Schroders estimates, as at 31 March 2016

The strongest positive contribution came from Dechra, an international veterinary drugs group whose business is less cyclical and which is achieving good growth in the US. During the period, the company announced the acquisition of Putney, a leading developer of generic companion animal pharmaceuticals in the US. The deal will provide Dechra with access to Putney's product portfolio and development pipeline whilst bolstering its US operations and infrastructure.

Our holding in software and IT business Micro Focus performed well after the company published positive interim results and the market came to better appreciate the potential value of the SUSE open source operating system business, acquired as part of the Attachmate Group in 2014. This was despite the fact that Wizard, former private equity owners of Attachmate, sold down some of their stake in February. In late March, Micro Focus announced its intention to acquire mature software solutions company Serena, a deal which is in line with stated strategy and which, management expect, will increase earnings in the first half of 2017.

The top detractor, in terms of stocks held, was multi-utility supplier Telecom Plus, as weakness in energy prices continued to put pressure on its ability to compete with the big six. A reassuring trading statement in April has helped to alleviate some of this pressure.

Additionally, our holding in house builder Redrow was a negative performer. Its significant domestic exposure meant it was under pressure from uncertainty surrounding June's referendum on UK membership of the European Union, despite delivering a strong set of interim results and raising its dividend by 67%. Furthermore, our position in property investment company CLS Holdings detracted from performance due to a sector rotation out of UK real estate, and at odds with a solid set of full year results.

Stocks held – significant positive and negative contributions versus the FTSE 250 (ex-Investment Companies) Index

Positive contributor	Portfolio (%)	Active weight (%)	Absolute return (%)	Impact (%)
Dechra Pharmaceuticals	2.8	2.5	+30.6	+0.6
Micro Focus	2.8	2.0	+31.4	+0.5
James Fisher and Sons	1.1	1.1	+42.9	+0.4
Halma	2.3	1.2	+27.1	+0.3
DCC	1.2	0.5	+10.9	+0.3
Total				**+2.1**

Negative contributor	Portfolio (%)	Active weight (%)	Absolute return (%)	Impact (%)
Telecom Plus	2.2	2.0	-16.0	-0.4
Redrow	3.1	2.8	-11.0	-0.4
CLS Holdings	1.5	1.4	-19.6	-0.3
PayPoint	1.0	0.8	-25.7	-0.3
MITIE Group	1.5	1.1	-14.3	-0.2
Total				**-1.6**

Source: Schroders estimates, Factset, 6 months to 31 March 2016. Active weight shows the average over the 6 month period.

The performance relative to the Index was also influenced by the stocks in the Index that the Company did not hold over the period. There were positive contributions from not owning Oil Services company Amec Foster Wheeler, London-exposed real estate company Capital & Counties and highly-geared Cobham. Finally, not owning supermarket group WM Morrison negatively affected relative performance, whilst a bid was made for Rexam.

Interim Management Report – Manager's Review

Stocks not held – significant positive and negative contributions versus the FTSE 250 (ex-Investment Companies) Index

Positive contributor	Portfolio (%)	Active weight (%)	Absolute return (%)	Impact (%)
Amec Foster Wheeler	0.0	-0.7	-35.0	+0.4
Capital & Counties Properties	0.0	-1.0	-24.1	+0.3
Cobham	0.0	-1.0	-23.2	+0.3
Restaurant Group	0.0	-0.4	-41.8	+0.2
Derwent London	0.0	-1.2	-13.4	+0.2
Total				**+1.3**

Negative contributor	Portfolio (%)	Active weight (%)	Absolute return (%)	Impact (%)
Wm Morrison Supermarkets	0.0	-0.7	+37.2	-0.4
Rexam	0.0	-1.0	+13.5	-0.3
Informa	0.0	-1.3	+22.0	-0.3
Spirax-Sarco	0.0	-0.8	+30.9	-0.2
Rentokil Initial	0.0	-1.0	+20.2	-0.2
Total				**-1.3**

Source: Schroders estimates, Factset, 6 months to 31 March 2016. Active weight shows the average over the 6 month period. Discrepancies in totals are due to roundings.

Portfolio activity

We initiated a new holding in online car classifieds business Auto Trader in November. As the market leader in its segment, the company is well positioned to monetise data and drive up average revenue per retailer.

We bought self storage provider Safestore in November and have added to our position throughout the first quarter of 2016. We believe that Safestore has considerable growth potential in both the UK and France (Paris) where occupancy levels and pricing can be driven up.

In January we established a new holding in specialist buy-to-let (BTL) lender Paragon, where changes to the BTL market, including stamp duty increases on the purchase of second homes, a planned removal of higher-rate tax relief on mortgage interest payments and new Bank of England rules controlling BTL lending, have weighed heavily on the share price. We believe the ensuing share price weakness more than compensates for these risks; the BTL market is expected to continue to see double digit growth despite the taxation and regulatory changes, and may well be supported by changes to pensions taxation announced over the past year.

In November we exited our position in defence technology company QinetiQ due to concerns over margin pressure as a result of regulatory change regarding its single source defence contracts. These contracts, which make the company the single defence supplier, are, from 1 April 2016, subject to a new, significantly lower profit rate. We sold our shares in support services group DCC on its promotion to the FTSE 100 Index towards the end of last year. Finally, we exited Cable & Wireless Communications in January following a recommended offer for the company from European cable group Liberty Global.

Interim Management Report – Manager's Review

Outlook

Uncertainty ahead of June's EU referendum may well weigh further on UK consumer sentiment over the coming quarter. There may be additional pressure on already depressed domestic-focused stocks, which could introduce interesting buying opportunities. We are more positive for the outlook of the British consumer since the introduction in April of the national living wage (NLW) may act as an additional support. We recognise however that the NLW poses a risk to UK corporate earnings, particularly for elements of the leisure sector such as the pubs and restaurants groups, where the positive of rising disposable incomes may be more than offset by the higher costs of serving customers.

Mid cap profits have witnessed more downgrades than upgrades over the past 6 months. However, March saw a welcome improvement in the earnings revision ratio of the FTSE 250 (ex-Investment Companies) Index.

FTSE 250 (ex-Investment Companies) Index earnings per share revisions ratio

Source: Peel Hunt, 1 January 2009 to 20 April 2016. Upgrades relative to downgrades: Below the dotted line indicates more downgrades than upgrades. The recent upward trajectory of the blue line indicates the number of upgrades relative to downgrades is increasing.

The valuations of mid caps overall are presently only slightly below their long-run average, leaving little room for error. It is also discouraging us from using the Company's gearing facility.

Last year there was a trend for highly rated stocks to become more highly rated. Our opportunity lies in the companies with above-average growth potential that have been left behind, on the view that investors are likely to switch towards them, especially if corporate activity accelerates. We think that the portfolio is well positioned to take advantage of this backdrop, since it is not overly exposed to very highly-rated businesses which may be more vulnerable to de-rating following a slightly disappointing trading statement for example.

Interim Management Report – Manager's Review

Ten most overweight positions	Portfolio %	Index %	Difference %
Dechra Pharmaceuticals	3.2	0.4	2.8
Kennedy Wilson Real Estate	3.0	0.5	2.5
Grainger	2.7	0.3	2.4
SuperGroup	2.5	0.2	2.4
Redrow	2.6	0.3	2.3
Northgate	2.1	0.2	2.0
Victrex	2.4	0.5	2.0
HomeServe	2.3	0.4	1.9
Computacenter	2.1	0.2	1.9
SSP Group	2.3	0.5	1.8

Source: Schroders estimates, as at 31 March 2016.

Companies are using the low interest rate environment and, in the case of foreign acquirers, weaker sterling, to make acquisitions to supplement organic growth. This is being well received by the market and it is a trend we would expect to carry on. We continue to seek out organic growth and pricing power where possible and avoid companies with too much debt because, in a deflationary environment, the latter can reduce the value of equity very quickly.

Over the period a change has been made to the investment team, with the departure of Rosemary Banyard at the end of March 2016. As previously announced, Andy Brough has assumed lead portfolio manager responsibilities. The team has also been strengthened by the addition of Jean Roche, who joined Schroders in January. The team's investment approach will continue as before, with, we anticipate, nuanced rather than wholesale changes to the portfolio.

Schroder Investment Management Limited

31 May 2016

Securities shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Interim Management Report – Manager's Review

Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: strategy and competitiveness risk; investment management risk; financial and currency risk; accounting, legal and regulatory risk; custodian and depositary risk; and service provider risk. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 16 to 18 of the Company's published Annual Report and Accounts for the year ended 30 September 2015. These risks and uncertainties have not materially changed during the six months ended 31 March 2016.

Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on pages 18 and 19 of the published Annual Report and Accounts for the year ended 30 September 2015, the Directors consider it appropriate to adopt the going concern basis in preparing the accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 March 2016.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in November 2014 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

Income Statement

for the six months ended 31 March 2016 (unaudited)

	(Unaudited) for the six months ended 31 March 2016			(Unaudited) for the six months ended 31 March 2015			(Audited) for the year ended 30 September 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	4,387	4,387	–	8,670	8,670	–	10,652	10,652
Income from investments	2,087	–	2,087	1,846	–	1,846	4,397	674	5,071
Other interest receivable and similar income	–	–	–	2	–	2	3	–	3
Gross return	2,087	4,387	6,474	1,848	8,670	10,518	4,400	11,326	15,726
Investment management fee	(193)	(451)	(644)	(180)	(421)	(601)	(372)	(869)	(1,241)
Administrative expenses	(261)	–	(261)	(253)	–	(253)	(485)	–	(485)
Net return on ordinary activities before taxation	1,633	3,936	5,569	1,415	8,249	9,664	3,543	10,457	14,000
Taxation (note 3)	–	–	–	(10)	–	(10)	6	–	6
Net return on ordinary activities after taxation	1,633	3,936	5,569	1,405	8,249	9,654	3,549	10,457	14,006
Return per share (note 4)	4.52p	10.89p	15.41p	3.89p	22.82p	26.71p	9.82p	28.93p	38.75p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no recognised gains and losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Statement of Changes in Equity

for the six months ended 31 March 2016 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2015	9,036	13,971	220	2,184	15,477	138,304	5,068	184,260
Net return on ordinary activities after taxation	–	–	–	–	–	3,936	1,633	5,569
Dividend paid in the period	–	–	–	–	–	–	(2,422)	(2,422)
At 31 March 2016	**9,036**	**13,971**	**220**	**2,184**	**15,477**	**142,240**	**4,279**	**187,407**

for the six months ended 31 March 2015 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2014	9,036	13,971	220	2,184	15,477	127,847	4,592	173,327
Net return on ordinary activities after taxation	–	–	–	–	–	8,249	1,405	9,654
Dividend paid in the period	–	–	–	–	–	–	(2,169)	(2,169)
At 31 March 2015	9,036	13,971	220	2,184	15,477	136,096	3,828	180,812

for the year ended 30 September 2015 (audited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2014	9,036	13,971	220	2,184	15,477	127,847	4,592	173,327
Net return on ordinary activities after taxation	–	–	–	–	–	10,457	3,549	14,006
Dividends paid in the year	–	–	–	–	–	–	(3,073)	(3,073)
At 30 September 2015	9,036	13,971	220	2,184	15,477	138,304	5,068	184,260

Statement of Financial Position

at 31 March 2016 (unaudited)

	(Unaudited) 31 March 2016 £'000	(Unaudited) 31 March 2015 £'000	(Audited) 30 September 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	**178,729**	171,032	173,171
Current assets			
Debtors	**456**	577	490
Cash at bank and in hand	**9,167**	9,699	11,180
	9,623	10,276	11,670
Current liabilities			
Creditors: amounts falling due within one year	**(945)**	(496)	(581)
Net current assets	**8,678**	9,780	11,089
Net assets	**187,407**	180,812	184,260
Capital and reserves			
Called-up share capital (note 6)	**9,036**	9,036	9,036
Share premium	**13,971**	13,971	13,971
Capital redemption reserve	**220**	220	220
Merger reserve	**2,184**	2,184	2,184
Share purchase reserve	**15,477**	15,477	15,477
Capital reserves	**142,240**	136,096	138,304
Revenue reserve	**4,279**	3,828	5,068
Total equity shareholders' funds	**187,407**	180,812	184,260
Net asset value per share (note 7)	**518.51p**	500.26p	509.80p

Registered in Scotland

Company Registration number: SC82551

Notes to the Accounts

1. Financial statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 30 September 2015 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the independent auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommend Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in November 2014 and which superseded the SORP issued in January 2009.

All of the Company's operations are of a continuing nature.

The Company has adopted Financial Reporting Standard ("FRS") 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 104 "Interim Financial Reporting" and the amended SORP, all of which became effective for periods beginning on or after 1 January 2015. Some presentational changes are required, following the adoption of these new standards, however there has been no change to the way the Company measures the numbers in the accounts.

The changes to these accounts required by FRS 102, FRS 104 and the amended SORP may be summarised briefly as follows:

- the reconciliation of movements in shareholders' funds has been renamed "Statement of changes in equity";
- the balance sheet has been renamed "Statement of financial position";
- the Company no longer presents a statement of cash flows or the related note, as it is no longer required for an investment company which meets certain specified conditions; and
- new notes have been included entitled "Called-up share capital", "Financial instruments measured at fair value" and "Events after the interim period that have not been reflected in the financial statements for the interim period".

Other than these changes, the accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2015.

3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income.

4. Return per share

	(Unaudited) Six months ended 31 March 2016	(Unaudited) Six months ended 31 March 2015	(Audited) Year ended 30 September 2015
Revenue return £'000	**1,633**	1,405	3,549
Capital return £'000	**3,936**	8,249	10,457
Total return £'000	**5,569**	9,654	14,006
Weighted average number of Ordinary shares in issue during the period	**36,143,690**	36,143,690	36,143,690
Revenue return per share	**4.52p**	3.89p	9.82p
Capital return per share	**10.89p**	22.82p	28.93p
Total return per share	**15.41p**	26.71p	38.75p

5. Dividends

	(Unaudited) Six months ended 31 March 2016 £'000	(Unaudited) Six months ended 31 March 2015 £'000	(Audited) Year ended 30 September 2015 £'000
2015 final dividend paid of 6.70p (2014: 6.00p)	**2,422**	2,169	2,169
Interim dividend of 2.50p	**–**	–	904
	2,422	2,169	3,073

An interim dividend of 2.75p (2015: 2.50p) per share, amounting to £994,000 (2015: £904,000), has been declared payable in respect of the six months ended 31 March 2016.

6. Called-up share capital

	(Unaudited) Six months ended 31 March 2016 £'000	(Unaudited) Six months ended 31 March 2015 £'000	(Audited) Year ended 30 September 2015 £'000
Ordinary shares allotted, called up and fully paid: 36,143,690 (31 March 2015 and 30 September 2015: same) shares of 25p each	**9,036**	9,036	9,036

7. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31 March 2016 of 36,143,690 (31 March 2015 and 30 September 2015: same).

8. Financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio. At 31 March 2016, all investments in the Company's portfolio were categorised as level (a) in accordance with paragraph 11.27 of FRS 102. That is, they are valued using quoted bid prices in active markets (31 March 2015 and 30 September 2015: same).

9. Events after the interim period that have not been reflected in the financial statements for the interim period

The Directors have evaluated the period since the interim date and have not noted any significant events which have not been reflected in the financial statements.

www.schroderukmidcapfund.com

Directors

Eric Sanderson (Chairman)
Clare Dobie
Andrew Page
Robert Rickman
Robert Talbut

Advisers

Alternative Investment Fund Manager ("Manager")

Schroder Unit Trusts Limited
31 Gresham Street
London EC2V 7QA

Investment Manager and Company Secretary

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
Telephone: 020 7658 6501

Registered Office

1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Lending Bank

Scotiabank Europe PLC
201 Bishopsgate
London EC2M 3NS

Corporate Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Legal Advisers

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Shareholder Helpline: 0800 032 0641*
Website: www.shareview.co.uk
*Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Independent Auditor

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

Certain pre-sale, regular and periodic disclosures required by the Alternative Investment Fund Managers ("AIFM") Directive may be found on the website www.schroders.co.uk/its.

The Company's leverage policy and details of limits on leverage required under the AIFM Directive are published on the website www.schroders.co.uk/its.

Dealing Codes

ISIN:	GB0006108418
SEDOL Code:	0610841
Ticker:	SCP

Global Intermediary Identification Number (GIIN)

9GN3DU.99999.SL.826

Schroders

MIX
Paper from responsible sources
FSC® C005244