



**Registered office:**

Exchange House, Primrose Street  
London EC2A 2NY  
Tel: 020 7628 8000 Fax: 020 7628 8188  
[www.fandccit.com](http://www.fandccit.com)  
[info@fandc.com](mailto:info@fandc.com)

**Registrars:**

Computershare Investor Services PLC  
The Pavilions, Bridgwater Road,  
Bristol BS99 6ZZ  
Tel: 0870 889 4094 Fax: 0870 703 6142  
[www.computershare.com](http://www.computershare.com)  
[web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)



**F&C Capital and Income  
Investment Trust PLC**

Report and accounts

for the half-year ended **31 March 2014**

## Objective

Our objective at F&C Capital and Income Investment Trust PLC is to secure long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies.

### 2014 calendar

Second interim dividend payable	30 June 2014
Third interim dividend payable	30 September 2014
Final results for 2013/2014 announced	27 November 2014*
Fourth dividend payable	31 December 2014

\*Expected date

Visit the website at [www.fandccit.com](http://www.fandccit.com)

Registered in England with company registration number 2732011

## Summary of Unaudited Results

Attributable to shareholders	31 March 2014	30 September 2013	% Change
	Net assets	£232.1m	£224.7m
Net asset value per share	255.9p	251.4p	1.8
Share price	262.0p	252.5p	3.8
	<b>Half-year ended 31 March 2014</b>	<b>Half-year ended 31 March 2013</b>	<b>% Change</b>
Revenue return per share	5.37p	5.36p	0.2
Net asset value total return	3.9%	14.5%	n/a
Share price total return	5.4%	13.1%	n/a
FTSE All-Share Index total return	4.8%	14.5%	n/a
	<b>Half-year ended 31 March 2014</b>	<b>Half-year ended 31 March 2013</b>	<b>% Change</b>
Dividends per ordinary share			
First interim dividend in respect of year to 30 September 2014	2.25p <sup>1</sup>	–	
30 September 2013	–	2.15p	
Second interim dividend in respect of year to 30 September 2014	2.25p <sup>2</sup>	–	
30 September 2013	–	2.15p	
Total interim dividends relating to the period	4.50p	4.30p	+4.7

1 Paid on 31 March 2014.

2 Payable on 30 June 2014 to shareholders registered on 6 June 2014.

# Chairman's Statement

## Dear Shareholder

Stock markets have had to deal with a lot over the last six months. We have seen the beginning of the normalisation of monetary policy in the US, a reasonably robust performance from the UK economy and the emergence of significant geo-political risk in the shape of the crisis in Ukraine. In these circumstances, while returns for investors have hardly raised the roof, at least they have been positive.

## Capital Performance

The news in the UK has indeed been relatively benign, both in contrast with recent history and compared to elsewhere in the developed world. It looks as if the course of austerity has reached the point at which there is enough tension in the spring to allow the economy to bounce a little. Consumer inflation remains subdued, housing markets have injected a dose of optimism into the mix, and the news on employment has been broadly positive. As often turns out to be the case, of course, stock markets had foreseen a lot of this and had risen

in anticipation, most particularly in the first half of 2013. When the good news actually arrives, the response is often a bit of a damp squib, and that was the case here.

For the six months, our net asset value (NAV) rose by 1.8% in capital terms and by 3.9% in total return. This compares with rises in the FTSE All-Share of 3.2% (capital only) and 4.8% (total return). The share price total return over the same period was 5.4% ahead of the benchmark and NAV as the shares traded at a larger premium.

The shortfall against the index was largely due to a single event in a single stock. Our holding in Partnership Assurance fell by two thirds over the period, contributing 0.8 percentage points of the 0.9 point shortfall. This company was a victim of the Chancellor's unexpected changes to the rules on retirement, removing the compulsion on retirees to purchase an annuity. Other holdings in life insurance were affected by leaked news of a regulatory review, leading to a poor performance by the sector as a whole. By

contrast, the largest positive contribution by sector came from Non-Life Insurance.

Positive stock contributions came from Beazley, which was re-rated on strong results, and Barclays, where we benefited from not owning the shares as poor results and difficult investment banking conditions hit hard.

While the last six months' returns have lagged the index modestly, over the last three years your Company's NAV total return was 31.4% compared to a total return on the FTSE All-Share index of 28.5%. In the long term, over the last 15 years, the NAV is up by 121.7% compared to 99.6% for the index. It is these medium and long term returns which attest to the capabilities of your manager, rather than the much noisier short term data which can be distorted by individual events of the sort which derailed Partnership Assurance.

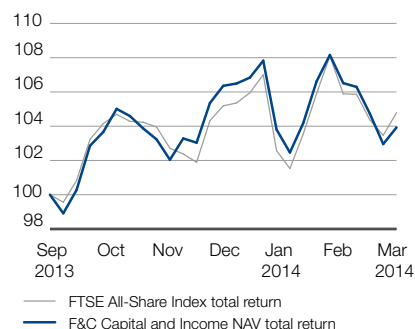
## Revenue and Dividend

On an underlying basis, corporate earnings in the UK fell by 3.5% in calendar 2013 following a decline of 6.9% in 2012. Dividends, however,

made headway, rising by 7.2%, reflecting robust balance sheets and the importance attached by shareholders to income in an environment where cash savings attract no reward. Our income has grown by 4.6%, benefitting from several factors. As last year, the overall portfolio size has grown as a result of share issuance, and the use of debt has helped a little in a modestly rising market. However, the underlying growth was partially offset by changes to some of the stocks selected in the portfolio as we looked to reinvest in companies with greater growth potential.

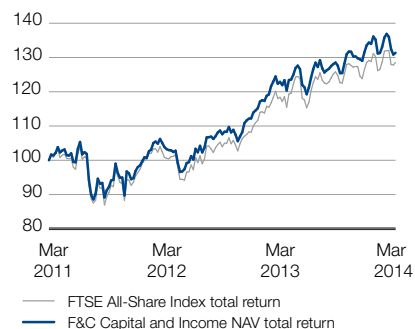
On a per share basis, the increase has been diluted, leading to a broadly unchanged revenue return per share of 5.37 pence. This comfortably covers the two dividends declared during the period, each of 2.25 pence, an increase of 4.7% over last year. The second of these payments is being declared with these results and will be paid on 30 June. For reference, the rate of Consumer Price Inflation was 1.6% for the year ending 31 March.

**NAV total return over six months**  
(rebased to 100 at September 2013)



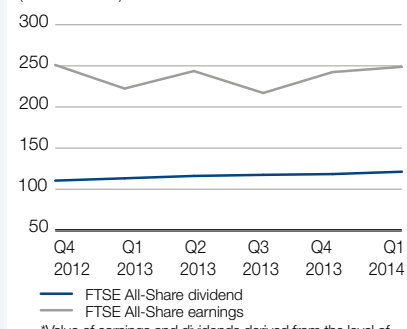
Source: Thomson Reuters Datastream

**NAV total return over three years**  
(rebased to 100 at 31 March 2011)



Source: Thomson Reuters Datastream

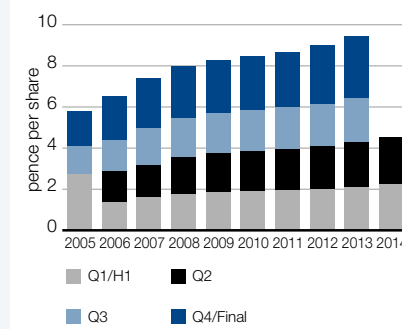
**Earnings and dividends from the FTSE All-Share Index\***  
(since Q4 2012)



\*Value of earnings and dividends derived from the level of the Index, quoted price/earnings multiples and dividend yields

Source: Thomson Reuters Datastream

**Dividend progression**  
(since 2005)



Source: F&C Management Limited

## Chairman's Statement (continued)

### Loan Facility, Gearing & Derivatives

We have two borrowing facilities available to us. The first is for a fixed term £20 million loan which remained drawn and mostly invested during the period. The second is a flexible £15 million facility which has as yet not been utilised. While the interest rates on these loans are attractive, we take a conservative view of gearing and recognise that its use will not always lead to higher returns. Nevertheless, with interest rates as low as they are, the income available on sound shares generally exceeds the cost of borrowing and, as long as market prospects remain reasonable, your Board believes that some judicious use of these facilities is in shareholders' interests. We will draw down the second facility if and when we and the manager believe that investment opportunities are sufficiently attractive.

Your investment manager has continued with the policy of writing options when the premia are attractive and where he is comfortable that having the option exercised against us is consistent with his investment view on the relevant company. During the period the Company wrote three options, all on Barclays, generating total premium income of £250,000. Two of these have been exercised against us, equivalent to our buying shares in Barclays at prices the manager considers attractive.

### Rating of the Shares & New Share Issuance

The shares have traded at a premium to NAV throughout the period, which does allow the issuance of shares and the application of our

expenses over a larger capital base. Although there are many possible reasons why the shares trade at this premium, your Board will respond to market demand, either by issuing new shares, or by buying shares back should a material discount emerge.

There have been seven share issues during the half year, issuing a total of 1,325,000 shares, equivalent to about 1.5% of outstanding share capital. A further 700,000 shares have been issued since 31 March. These shares are issued at a price which ensures that there is no possibility of dilution for existing shareholders.

### The Investment Manager

The acquisition of F&C by the Bank of Montreal completed earlier this month bringing an end to any uncertainty over the future ownership of the investment manager. Corporate activity of this nature is always unsettling for those employed in the business and I would like to record our gratitude to the steady calm shown by your manager, as well as to the team which works behind the scenes to ensure your Company is professionally administered and governed. While it is early days, we do not expect any significant changes to the way your Company is managed or administered as a result of the change in ownership of the investment manager.

### Outlook

The UK economy remains fairly well set ahead of the Scottish referendum in the Autumn and the General Election next year. Inflation is subdued and interest rates seem unlikely to rise in the

near future. The deflationary trend is a surprise to some as it is counter-intuitive in an era of very loose monetary policy, but the inflation in the economy as a whole is visible in asset prices rather than in consumer goods. Low interest rates are also necessary because the underlying fiscal dynamics of the economy haven't changed much since the Global Financial Crisis, and the capacity to withstand a contraction is limited. These factors lie behind what remains a reasonable equity market story, with valuations attractive particularly in contrast to cash and bonds. Most of the market rise in recent years has been on the back of increasing valuation, rather than earnings growth and so it is fortunate that the earnings outlook is somewhat better on the back of an improving economy. We are moderately optimistic about the prospects of further progress in equity markets.

Steven Bates  
22 May 2014

#### Forward-looking statements

This interim report may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward looking statements are based on the Directors' current view and on information known to them at the date of this report. Nothing should be construed as a profit forecast.

## Statement of Principal Risks and Uncertainties

The Company's assets consist mainly of UK listed securities and its principal risks are therefore market related.

The Company can invest in overseas companies and so is exposed to currency risk in respect of these investments.

Other key risks faced by the Company relate to investment strategy, investment management resources, regulatory issues, operational and financial controls and counterparty (including the custodian) failure. These risks, and the way in which they are managed, are described in

more detail under the heading "Principal risks and uncertainties and risk management" within the Strategic Report contained within the Company's annual report for the year ended 30 September 2013. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

## Directors' Statement of Responsibilities in Respect of the Financial Statements

In accordance with Chapter 4 of the Disclosure and Transparency Rules the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards and gives a true and fair view of the assets, liabilities, financial position and return of the Company;
- the half-yearly report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Statement of Principal Risks and Uncertainties shown on the facing page is a fair review of the principal risks and uncertainties for the remainder of the financial year; and
- the half-yearly report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.
- In light of the controls and monitoring processes that are in place, the Company has adequate resources and arrangements to continue operating within its stated objective policy for the foreseeable future. Accordingly, the accounts continue to be drawn up on the basis that the Company is a going concern.

On behalf of the Board  
Steven Bates  
Chairman  
22 May 2014

## Twenty Largest Holdings at 31 March 2014

31 Mar 2014	30 Sep 2013	Company Company description	% of total investments	Value £'000s
1	2	<b>Royal Dutch Shell</b> Leading international oil exploration, production and marketing group. It has a new chief executive who is increasing focus on returns. The stock has an attractive dividend yield.	6.1	14,856
2	1	<b>HSBC</b> One of the world's leading banks, HSBC has a very strong and liquid balance sheet. With a renewed focus on efficiency it is further strengthening its own finances and paying an attractive dividend.	5.6	13,341
3	3	<b>GlaxoSmithKline</b> One of the world's leading pharmaceutical companies with valuable healthcare and vaccines businesses. The valuation and dividend yield are still attractive.	4.5	10,591
4	5	<b>BP</b> Still recovering from the impact of operational and strategic problems, greater capital discipline should help returns to improve.	4.2	9,178
5	7	<b>Rio Tinto</b> One of the world's foremost mining companies. It has a diversified portfolio of assets, but the group's most significant interests are in iron ore. It is our principal exposure to the mining sector.	3.5	9,093
6	–	<b>Diageo</b> With international distribution and almost half of its sales outside North America and Western Europe, this is the world's largest producer of spirits and a major producer of wine and beer.	2.8	7,700
7	10	<b>AstraZeneca</b> A major international pharmaceutical company, where new management is trying to reinvigorate the company as its immediate future is dominated by drugs moving off patent. It has just rejected a bid by Pfizer, but this has helped to highlight the underlying value in the business.	2.7	7,558
8	6	<b>British American Tobacco</b> A leading international manufacturer and distributor of cigarettes. It has been a very consistent performer and in a mature industry is able to pay an attractive dividend.	2.5	5,924
9	9	<b>BAE Systems</b> A leading developer and manufacturer of advanced defence and aerospace systems. Government defence spending has been under pressure, but this is offset by its geographic diversification and low valuation.	2.2	5,771
10	–	<b>Essar Energy 4¼% 2016</b> The yield and pricing on this convertible bond were attractive at the time of purchase, and as a consequence of the company being taken over, the bonds will be redeemed at par value.	2.2	5,393

31 Mar 2014	30 Sep 2013	Company Company description	% of total investments	Value £'000s
11	11	<b>Total</b> This investment was made in addition to holding larger investments in the two main UK oil majors. The company has been well rewarded for its capital discipline.	2.1	4,660
12	4	<b>Vodafone</b> Having disposed of its joint venture operations in the US, it remains one of the world's largest mobile telephone service providers. It has a strong international presence and still attractive dividend.	2.1	4,146
13	8	<b>Standard Chartered</b> The slowdown in the Far East has had a very negative impact on the share price of this Asian-centric bank, but long-term prospects should still be better than in developed markets.	2.1	3,860
14	–	<b>WPP</b> This is one of the largest marketing communications businesses, which owns many of the leading advertising agencies in the world. It should benefit from improving rates of economic growth.	2.0	3,825
15	–	<b>Lloyds Banking</b> The bank has made good progress in returning to normal, at which point we expect it to generate good returns and pay an attractive dividend.	1.9	3,746
16	12	<b>Unilever</b> A leading manufacturer of branded consumer goods, with more than half of its sales in faster growing emerging markets.	1.8	3,720
17	–	<b>Beazley</b> A specialist insurer with a diverse underwriting portfolio that has generated strong, consistent returns. Management has taken an active approach to managing capital.	1.8	3,683
18	17	<b>Prudential</b> International life insurer seeing rapid growth in the Far East, together with attractive returns in the US and UK.	1.7	3,668
19	–	<b>Londonmetric Property</b> Run by an entrepreneurial management team, this UK real estate investment trust (REIT) has an attractive yield and a growing focus on retail distribution assets.	1.6	3,458
20	20	<b>Glanbia</b> International dairy, consumer foods and nutritional products company, experiencing good growth with its sports nutrition brands.	1.6	3,441

The value of the twenty largest holdings represents 55.0% (30 September 2013: 54.8%) of the Company's total investments.

## Unaudited Condensed Income Statement

Notes	Half-year ended 31 March 2014			Half-year ended 31 March 2013			Year ended 30 September 2013		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
	–	4,246	4,246	–	24,014	24,014	–	25,281	25,281
	3	(24)	(21)	50	(584)	(534)	(9)	(483)	(492)
<b>2</b>	<b>5,554</b>	<b>–</b>	<b>5,554</b>	<b>5,311</b>	<b>–</b>	<b>5,311</b>	<b>11,191</b>	<b>–</b>	<b>11,191</b>
	(253)	(253)	(506)	(223)	(223)	(446)	(463)	(463)	(926)
	(249)	(5)	(254)	(353)	(3)	(356)	(534)	(10)	(544)
	<b>5,055</b>	<b>3,964</b>	<b>9,019</b>	<b>4,785</b>	<b>23,204</b>	<b>27,989</b>	<b>10,185</b>	<b>24,325</b>	<b>34,510</b>
	(136)	(136)	(272)	(53)	(53)	(106)	(199)	(199)	(398)
	<b>4,919</b>	<b>3,828</b>	<b>8,747</b>	<b>4,732</b>	<b>23,151</b>	<b>27,883</b>	<b>9,986</b>	<b>24,126</b>	<b>34,112</b>
	(91)	–	(91)	(12)	–	(12)	(45)	–	(45)
	<b>4,828</b>	<b>3,828</b>	<b>8,656</b>	<b>4,720</b>	<b>23,151</b>	<b>27,871</b>	<b>9,941</b>	<b>24,126</b>	<b>34,067</b>
<b>3</b>	<b>5.37</b>	<b>4.26</b>	<b>9.63</b>	<b>5.36</b>	<b>26.30</b>	<b>31.66</b>	<b>11.26</b>	<b>27.32</b>	<b>38.58</b>

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

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

A statement of total recognised gains and losses is not required as all gains and losses of the Company have been reflected in the above statement.

## Unaudited Condensed Reconciliation of Movements in Shareholders' Funds

Notes	Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Special reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
<b>Half-year ended 31 March 2014</b>							
	22,346	95,614	4,146	4,434	88,915	9,253	224,708
<b>Movements during the half-year ended 31 March 2014</b>							
4	–	–	–	–	–	(4,717)	(4,717)
8	331	3,166	–	–	–	–	3,497
	–	–	–	–	3,828	4,828	8,656
<b>Balance at 31 March 2014</b>	<b>22,677</b>	<b>98,780</b>	<b>4,146</b>	<b>4,434</b>	<b>92,743</b>	<b>9,364</b>	<b>232,144</b>
<b>Half-year ended 31 March 2013</b>							
	21,971	92,250	4,146	4,434	64,789	7,522	195,112
<b>Movements during the half-year ended 31 March 2013</b>							
4	–	–	–	–	–	(4,401)	(4,401)
	75	630	–	–	–	–	705
	–	–	–	–	23,151	4,720	27,871
<b>Balance at 31 March 2013</b>	<b>22,046</b>	<b>92,880</b>	<b>4,146</b>	<b>4,434</b>	<b>87,940</b>	<b>7,841</b>	<b>219,287</b>
<b>Year ended 30 September 2013</b>							
	21,971	92,250	4,146	4,434	64,789	7,522	195,112
<b>Movements during the year ended 30 September 2013</b>							
4	–	–	–	–	–	(8,210)	(8,210)
	375	3,364	–	–	–	–	3,739
	–	–	–	–	24,126	9,941	34,067
<b>Balance at 30 September 2013</b>	<b>22,346</b>	<b>95,614</b>	<b>4,146</b>	<b>4,434</b>	<b>88,915</b>	<b>9,253</b>	<b>224,708</b>



## Unaudited Condensed Balance Sheet

Notes	31 March 2014 £'000s	31 March 2013 £'000s	30 September 2013 £'000s
<b>Fixed assets</b>			
Investments	240,861	232,501	232,570
<b>Current assets</b>			
5 Debtors	2,032	2,306	4,472
Cash at bank and short-term deposits	9,859	5,306	8,183
	11,891	7,612	12,655
<b>Creditors: amounts falling due within one year</b>			
Derivatives	(148)	–	–
6 Other creditors	(460)	(826)	(517)
	(608)	(826)	(517)
<b>Net current assets/(liabilities)</b>	11,283	6,786	12,138
<b>Total assets less current liabilities</b>	252,144	239,287	244,708
<b>Creditors: amounts falling due after more than one year</b>			
7 Fixed term loan	(20,000)	(20,000)	(20,000)
<b>Net assets</b>	232,144	219,287	224,708
<b>Capital and reserves</b>			
8 Share capital	22,677	22,046	22,346
Share premium account	98,780	92,880	95,614
Capital redemption reserve	4,146	4,146	4,146
Special reserve	4,434	4,434	4,434
Capital reserves	92,743	87,940	88,915
Revenue reserve	9,364	7,841	9,253
<b>Total shareholders' funds</b>	232,144	219,287	224,708
9 <b>Net asset value per ordinary share – pence</b>	255.92	248.67	251.40

## Unaudited Condensed Summary Cash Flow Statement

Notes	Half-year ended 31 March 2014 £'000s	Half-year ended 31 March 2013 £'000s	Year ended 30 September 2013 £'000s
10 Net cash inflow from operating activities	4,248	3,378	9,274
Interest paid	(272)	(108)	(404)
4 Equity dividends paid	(4,717)	(4,401)	(8,210)
Net cash outflow from purchases and sales of investments and derivatives	(2,071)	(11,304)	(12,078)
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>	(2,812)	(12,435)	(11,418)
(Increase)/decrease in short-term deposits	(1,290)	5,460	(2,650)
Net cash inflow from financing	4,512	12,282	14,041
<b>Increase/(decrease) in cash</b>	410	5,307	(27)
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase/(decrease) in cash	410	5,307	(27)
Increase/(decrease) in short-term deposits	1,290	(5,460)	2,650
Increase in loans	–	(11,577)	(11,577)
Exchange movement	(24)	(584)	(483)
<b>Movement in net debt</b>	1,676	(12,314)	(9,437)
Net debt at the beginning of the period	(11,817)	(2,380)	(2,380)
<b>Net debt at the end of the period</b>	(10,141)	(14,694)	(11,817)
<b>Represented by:</b>			
Cash at bank	459	5,306	73
Short-term deposits	9,400	–	8,110
Loans	(20,000)	(20,000)	(20,000)
	(10,141)	(14,694)	(11,817)

# Unaudited Notes on the Condensed Accounts

## 1 Accounting policies

These financial statements have been prepared on the basis of the accounting policies set out in the Company's financial statements at 30 September 2013. These accounting policies are expected to be followed throughout the year ending 30 September 2014.

## 2 Income

	Half-year ended 31 March 2014 £'000s	Half-year ended 31 March 2013 £'000s	Year ended 30 September 2013 £'000s
Income from investments			
UK dividends	4,894	4,936	10,189
Bond interest	196	178	334
Overseas dividends	200	68	362
Interest on cash and short-term deposits	12	9	26
Underwriting commission	2	–	19
Derivative income	250	120	261
	<b>5,554</b>	5,311	11,191

## 3 Return per ordinary share

Return per ordinary share attributable to ordinary shareholders reflects the overall performance of the Company in the period. Net revenue recognised in the first six months is not necessarily indicative of the total likely to be received in the full accounting year.

	Half-year ended 31 March 2014 £'000s	Half-year ended 31 March 2013 £'000s	Year ended 30 September 2013 £'000s
Revenue return	4,828	4,720	9,941
Capital return	3,828	23,151	24,126
Total return	<b>8,656</b>	27,871	34,067
	<b>Number</b>	Number	Number
Weighted average ordinary shares in issue	<b>89,859,955</b>	88,030,935	88,294,679

## 4 Dividends

	Half-year ended 31 March 2014 £'000s	Half-year ended 31 March 2013 £'000s	Year ended 30 September 2013 £'000s
Dividends paid on ordinary shares			
Fourth of four interims for the year ended 30 September 2012 of 2.85p per share	–	2,505	2,505
First of four interims for the year ended 30 September 2013 of 2.15p per share	–	1,896	1,896
Second of four interims for the year ended 30 September 2013 of 2.15p per share	–	–	1,898
Third of four interims for the year ended 30 September 2013 of 2.15p per share	–	–	1,911
Fourth of four interims for the year ended 30 September 2013 of 3.00p per share	2,686	–	–
First of four interims for the year ending 30 September 2014 of 2.25p per share	2,031	–	–
	<b>4,717</b>	4,401	8,210

The second interim dividend in respect of the year ending 30 September 2014 of 2.25p will be paid on 30 June 2014 to shareholders registered on 6 June 2014. The total cost of this dividend, based on 91,409,268 shares in issue and entitled to dividend on 21 May 2014 is £2,057,000.

## 5 Debtors

	31 March 2014 £'000s	31 March 2013 £'000s	30 September 2013 £'000s
Prepayments and accrued income	1,456	1,785	962
Share issue pending settlement	261	–	1,275
Investment debtors	287	515	2,220
Overseas taxation recoverable	28	6	15
	<b>2,032</b>	2,306	4,472

## Unaudited Notes on the Condensed Accounts (continued)

### 6 Creditors: amounts falling due within one year

	<b>31 March 2014</b>	31 March 2013	30 September 2013
	<b>£'000s</b>	£'000s	£'000s
Other creditors			
Investment creditors	<b>129</b>	322	245
Management fee	<b>252</b>	239	140
Accruals	<b>79</b>	265	132
	<b>460</b>	826	517

### 7 Creditors: amounts falling due after more than one year

	<b>31 March 2014</b>	31 March 2013	30 September 2013
	<b>£'000s</b>	£'000s	£'000s
Fixed term loan	<b>20,000</b>	20,000	20,000

The Company has a credit facility available until March 2018. The facility has two elements: a £20 million fixed rate facility which is fully drawn and an undrawn £15 million floating rate facility.

### 8 Share capital

	Issued and fully paid	
	number	£'000s
Ordinary shares of 25p each		
Balance at 30 September 2013	89,384,268	22,346
Ordinary shares issued	1,325,000	331
<b>Balance at 31 March 2014</b>	<b>90,709,268</b>	<b>22,677</b>

Since the period end a further 700,000 shares have been issued for a consideration of £1,832,000.

### 9 Net asset value per ordinary share

	<b>Half-year ended 31 March 2014</b>	Half-year ended 31 March 2013	Year ended 30 September 2013
Net asset value per share	<b>255.92p</b>	248.67p	251.40p
Net assets attributable at end of period	<b>£232.14m</b>	£219.29m	£224.71m
Ordinary shares of 25p each in issue at end of period	<b>90,709,268</b>	88,184,268	89,384,268

### 10 Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

	<b>Half-year ended 31 March 2014</b>	Half-year ended 31 March 2013	Year ended 30 September 2013
	<b>£'000s</b>	£'000s	£'000s
Net return before finance costs and taxation	<b>9,019</b>	27,989	34,510
Adjust for returns from non-operating activities:			
– Gains on investments	<b>(4,246)</b>	(24,014)	(25,281)
– Foreign exchange losses of a capital nature	<b>24</b>	584	483
– Non-operating expenses of a capital nature	<b>5</b>	3	10
Return from operating activities	<b>4,802</b>	4,562	9,722
Adjust for non-cash flow items:			
– Foreign exchange (gains)/losses of a revenue nature	<b>(3)</b>	(50)	9
– Decrease in debtors	<b>(408)</b>	(1,229)	(412)
– (Decrease)/increase in other creditors	<b>(52)</b>	107	–
– Overseas taxation	<b>(91)</b>	(12)	(45)
<b>Net cash inflow from operating activities</b>	<b>4,248</b>	3,378	9,274

## 11 Results

The results for the half-year ended 31 March 2014 and 31 March 2013, which are unaudited, constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 30 September 2013; the report of the independent auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The abridged financial statements shown above for the year ended 30 September 2013 are an extract from those accounts.

By order of the Board  
F&C Management Limited, Secretary  
Exchange House  
Primrose Street  
London EC2A 2NY  
22 May 2014

## How to invest

One of the most convenient ways to invest in F&C Capital and Income Investment Trust PLC is through one of the savings plans run by F&C Management Limited ("F&C").

### F&C Private Investor Plan ("PIP")

A flexible way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250.

### F&C Investment Trust ISA

Use your ISA allowance to make an annual tax-efficient investment of up to £11,880 for the 2014/15 tax year (due to increase to £15,000 from 1st July 2014) with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

### F&C Child Trust Fund ("CTF")

CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Additional contributions can be made from as little as £25 per month or £100 lump sum – up to a maximum of £3,840 for birthdays in the 2014/15 tax year (due to increase to £4,000 from 1st July 2014).

### F&C Children's Investment Plan ("CIP")

A flexible way to save for a child. With no maximum contributions, the plan can easily be written under trust to help reduce inheritance tax liability or kept in your name if you may need access to the funds before the child is 18. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

### Junior ISA ("JISA")

This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £3,840 for the 2014/15 tax year (due to increase to £4,000 from 1st July 2014) with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child's name. Money cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

### Annual account charge

ISA: £60+VAT

PIP: £40+VAT

JISA/CIP/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits)

### Dealing charge per holding

ISA: 0.2%

PIP/CIP/JISA: postal instructions £12, online instruction £8

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable). There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

F&C Management Limited is authorised and regulated by the Financial Conduct Authority FRN: 119230 and is a member of the F&C Group. The ultimate parent company of the F&C Group is the Bank of Montreal.

## How to invest (continued)

### How to Invest

You can invest in all our savings plans online.

#### New Customers:

Contact our Investor Services Team

Call: **0800 136 420\***

Email: **info@fandc.com**

Investing online: **www.fandc.com**

\*8:30am – 5:30pm, weekdays

Calls may be recorded.

#### Existing Plan Holders:

Contact our Investor Services Team

Call: **0845 600 3030\*\***

Email: **investor.enquiries@fandc.com**

By post: F&C Plan Administration Centre

PO Box 11114

Chelmsford

CM99 2DG

\*\*9:00am – 5:00pm, weekdays.

Calls may be recorded.

### Availability of report and accounts

The Company's report and accounts are available on the internet at [www.fandccit.com](http://www.fandccit.com). Printed copies may be obtained from the Company's registered office, Exchange House, Primrose Street, London EC2A 2NY

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0845 600 3030\*\*.

**BMO**  A part of BMO Financial Group



F&C Management Limited is authorised and regulated by the Financial Conduct Authority FRN: 119230 and is a member of the F&C Group. The ultimate parent company of the F&C Group is the Bank of Montreal.