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CIT/INT/16

F&C Investments

F&C Capital and Income Investment Trust PLC

Report and accounts
for the half-year ended **31 March 2016**

Objective

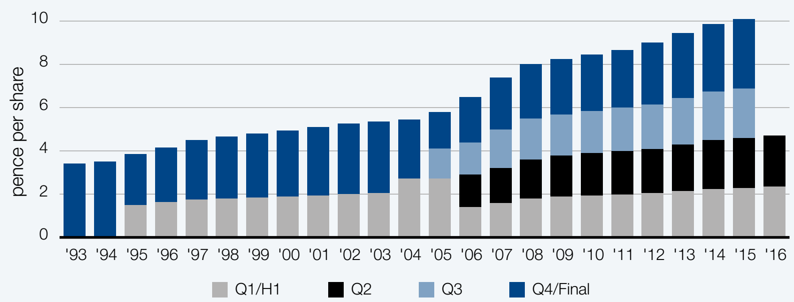
Our objective at F&C Capital and Income Investment Trust PLC is to secure long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies.

So we:

- Target long-term capital and income growth
- Hold a diversified portfolio focusing on well-established UK companies
- Make quarterly dividend payments

Our dividends per share have increased annually since launch (with growth significantly faster than inflation)

1993 to 30 June 2016



Source: F&C Investment Business Limited

Potential investors are reminded that the value of investments and income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Visit the website at **www.fandccit.com**
Registered in England and Wales with company registration number 2732011

Summary of Results

Attributable to equity shareholders	31 March 2016	30 September 2015	% Change
Net assets	**£ 245.4m**	£ 236.9m	+3.6
Net asset value per share	**256.9p**	250.5p	+2.6
Share price	**260.0p**	256.0p	+1.6

	Half-year ended 31 March 2016	Half-year ended 31 March 2015	% Change
Revenue return per share	**5.36p**	4.98p	+7.6
Net asset value total return	**4.8%**	5.9%	n/a
Share price total return	**3.8%**	6.0%	n/a
FTSE All-Share Index total return	**3.5%**	5.3%	n/a

Dividends per ordinary share	Half-year ended 31 March 2016	Half-year ended 31 March 2015	% Change
First interim dividend in respect of year to			
30 September 2016	**2.35p***	–	
30 September 2015	**–**	2.30p	
Second interim dividend in respect of year to			
30 September 2016	**2.35p****	–	
30 September 2015	**–**	2.30p	
Total interim dividends relating to the period	**4.70p**	4.60p	+2.2

*Paid on 31 March 2016.

**Payable on 30 June 2016 to shareholders registered on 3 June 2016.

Chairman's Statement

Dear Shareholder

If you only looked at the stock market at the beginning and end of the half year, you would have saved yourself a lot of anguish. Over this period on a total return basis, the Company's Net Asset Value per share (NAV) rose by 4.8% against the FTSE All-Share return of 3.5%, a perfectly respectable result. On the same basis, the share price of the Company rose 3.8% as the premium to NAV fell from 2.2% to 1.2%. What lies behind the headlines, however, is that the share price peaked on 2nd December at 270 pence before dropping nearly 15% by 20th January to a low for the period of 234 pence. The subsequent recovery was swift and decisive; the reasons for what happened will be examined in the next section of this report.

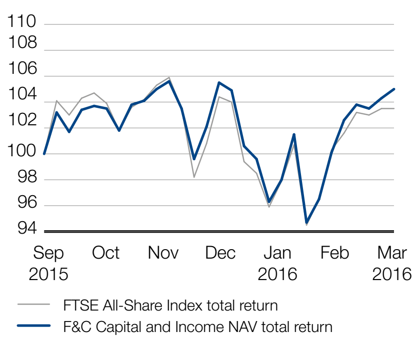
Not only are the results for the half year ahead of the Company's benchmark, but longer term total returns also show good relative performance (source: Thomson Reuters Datastream): over 1 year, the NAV is up by 2.2%, while the benchmark is down by 3.9%; over three years, numbers are +15.7% for NAV and +11.4% for benchmark; and over five years +42.7% against +31.9%. In an era when active management is routinely discredited, these results are a useful riposte and a credit to Julian Cane, your fund manager.

Investment Background

It is now eight years since the start of the Global Financial Crisis. At that time, there were some things which seemed likely to flow from what has shaped up to be the most significant financial crisis of our lifetimes. The first was that there would be a long period of adjustment which was needed to correct the excesses of debt that had built up in the financial system. In turn, this would nurture an environment of low growth and very subdued inflation.

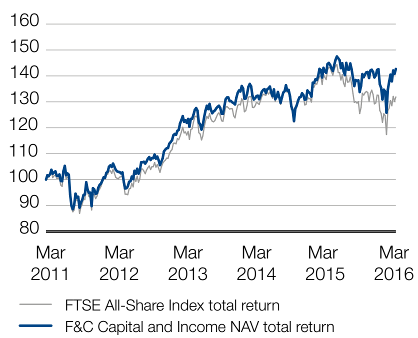
Eight years on, are we any closer to a return to normality? Most investors think that current policies represent normality. Unfortunately they don't. The unorthodox monetary policy which has generally been referred to as Quantitative Easing (QE) is itself evidence that things aren't normal.

NAV total return over six months
(rebased to 100 at September 2015)



Source: Thomson Reuters Datastream

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



Source: Thomson Reuters Datastream

The first half of your Company's financial year gave us a rather unpleasant preview of what might happen if and when monetary policy does begin to return to normal. At the end of 2015, the Federal Reserve in the US, which had been signalling a rise in interest rates for many months, acted to tighten monetary policy. At the start of 2016, weakness in the Chinese economy together with a strong dollar and very weak commodity prices combined to set off a significant tumble in the markets. Global financial conditions are not robust enough to deal with an economic slowdown, and various actions were taken to remove the negative influences. By the end of March, the ship had stabilised and things were back to 'normal', if that is the right word for a world of low growth, deflation and negative interest rates.

In the UK, economic activity has been reasonably good in a cyclical sense, with fiscal consolidation (or austerity) an important factor in boosting investor confidence. In the short run, this is being unsettled by BREXIT considerations, which have affected currency markets and economic activity. This represents an increase in the risk premium demanded by investors for holding assets in the UK and is likely to persist until after the referendum or until markets become convinced as to the outcome.

In the meantime, some companies are struggling to maintain sales and earnings. There have been significant downgrades in what were typically over-optimistic expectations. Global growth is not strong enough to see volume increases and pricing remains difficult given that consumers, while employed, are not seeing the level of income growth which would normally characterise a typical economic expansion of the duration we are experiencing. As a result of this, dividends in certain sectors (for example, oil, mining, banks) are under pressure and the manager keeps a wary eye on the implications for our income account of this concern. The current weakness of Sterling is a possible offset to the pressure on earnings and could both support dividends and provide a short-term boost to inflation. Over the longer term, the level of the currency will depend, amongst other things, on the BREXIT vote.

It seems likely that, in the absence of a macro-economic shock such as BREXIT, monetary policy in the UK is set to be very relaxed for the foreseeable future as the Government continues to attempt to reduce the size of the State. This is a reasonably benign environment for equity markets.

Portfolio

In the context of a good relative return, one or two sectors stand out: an underweight position in banks helped as the sector fell; an underweight position in mining stocks was painful as the sector experienced a rollercoaster ride which saw Glencore, not held by your Company, rise by over 70%. More important than sector movements, though, were individual stock returns. In particular, Informa (a publishing and events business), Glanbia (an Irish food business), WPP (advertising and media) and Intermediate Capital (a specialist asset manager) were the biggest contributors over the period, while in addition to Glencore, BG which was taken over and not held, hurt the portfolio.

Julian continues to seek companies

Chairman's Statement (continued)

which can deliver capital growth and growth in income. As explained, though, many companies are struggling to grow earnings in the current climate and it is difficult to identify a large number of opportunities which meet his demanding criteria. During the last 6 months he has taken advantage of the volatility of share prices to add to a number of existing holdings where the valuation and prospects look attractive. He also added a small number of new holdings to the portfolio, the largest of which was Secure Income REIT. This is the owner of a mixture of hospitals and leisure assets which are leased to strong tenants on attractive terms and should provide a good and growing income stream. The additions were funded by drawing down a further £5m from our loan facility, together with sales of existing holdings where either prospects have diminished or the valuation no longer looks sufficiently attractive.

Operational Matters

Despite my comments on dividends at the underlying portfolio holdings, we have paid a first interim dividend of 2.35 pence per share during the period of the current year, which represents an increase of 2.2% over last year. While this may not sound dramatic, it is still ahead of inflation. We are declaring, in conjunction with these results, a second payment of 2.35 pence per share, which will be paid on 30 June. Encouragingly, our own revenue return per share increased by 7.6% to 5.36 pence per share, but this rate of growth should not be extrapolated into the future as it includes the impact on a larger portfolio of increased borrowing and a number of special dividends, which by their nature may not recur.

During the half year, we issued 1 million shares in two tranches at the customary premium to NAV. This brings our overall market capitalisation to £248 million and reflects issuance over the last 12 years of 21 million shares. Your Company benefits from greater size both through an increase in stock market liquidity and because those management expenses which are fixed are applied across a larger base.

Gearing has helped the returns and income account somewhat during the period and at the end of March, it stood at £25 million, which translates into a gearing ratio of 11.5%. While we think that some gearing has a role in your Company, we continue to deploy it quite conservatively and do not expect to increase its level simply to offset any shortfall in the income account – its deployment reflects rather the balance of opportunity and expected return, which takes into account the level of valuation, inter alia.

Outlook

Some investors will no doubt remember the 'Goldilocks' markets of the 1990's – a golden era when the economy was not too hot, not too cold, but just right. This fostered high returns in equity markets which we can only view with nostalgia. Today's reality is that the adjustment to the global economy which began after the Global Financial Crisis still has many more years to run. The corollary of this is that growth will remain sub-par, as will inflation and interest rates. Profits at companies may be subdued, but equity markets are not down and out in this climate. Instead, low or even negative interest rates encourage investors to take risks and there are few assets of any sort which offer prospective real returns in the way that dividend paying equities can.

There remain problems in the financial system and of course in geo-politics with any number of possible hotspots, including our very own contribution to the genre in the shape of a potential BREXIT. Nevertheless, the capacity and desire of both governments and central banks to avoid a meltdown is a signal that, for now, we remain on an even keel, even if absolute returns are unlikely to be especially generous.

Steven Bates
23 May 2016

Forward–looking statements
This half-yearly 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 2015. 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.

On behalf of the Board
Steven Bates
Chairman
23 May 2016

Twenty Largest Holdings at 31 March 2016

31 Mar 2016	*30 Sep 2015*	Company Company description	% of total investments	Value £'000s
1	*2*	**GlaxoSmithKline** One of the world's leading pharmaceutical companies with valuable healthcare and vaccines businesses, and scope to address costs and company structure. Management has confirmed its commitment to the dividend.	4.3	11,711
2	*3*	**Royal Dutch Shell** A leading international oil exploration, production and marketing group. The acquisition of BG should lead to synergy and diversification benefits, while the sharp fall in energy prices is intensifying the focus on improving returns.	3.4	9,350
3	*1*	**HSBC** One of the world's leading banks by size, its returns have recently been lacklustre. Many of the group's individual operations are attractive, but costs and lower returning operations need to be addressed.	3.4	9,307
4	*4*	**Diageo** The largest producer of premium branded spirits in the world and also a major producer of beer. The returns and growth potential from a combination of the brands and exposure to faster growing markets should be attractive.	3.2	8,653
5	*5*	**Unilever** A leading manufacturer of branded fast moving consumer goods with more than half of its sales in faster growing emerging markets.	3.1	8,512
6	*9*	**WPP** One of the largest marketing communications businesses in the world. It owns many of the leading advertising agencies in the world and is seeing attractive rates of growth.	2.7	7,480
7	*8*	**British American Tobacco** A leading international manufacturer and distributor of cigarettes. It has proven to be a very consistent performer and in a mature industry is able to pay an attractive dividend.	2.7	7,362
8	-	**Lloyds Banking** The bank still faces some costs for past misconduct, but these should now be diminishing. Underlying operations have continued to generate good returns, which together with a robust capital position should allow attractive dividends to be paid.	2.6	7,073
9	*6*	**AstraZeneca** A major international pharmaceutical company. The pipeline of new drugs is disappointing in the very short-term but shows more potential further out.	2.4	6,545
10	*14*	**BAE Systems** A leading international developer and manufacturer of advanced defence and aerospace systems. Government spending on defence is under pressure in developed economies, but this is partly offset by its geographic diversification.	2.4	6,464
11	*11*	**BP** A leading international oil exploration, production and marketing group. Costs are being brought down allowing the business to achieve cash neutrality at around $55 per barrel.	2.3	6,303
12	*13*	**Beazley** A specialist insurer with a diverse underwriting portfolio that has generated strong, consistent returns. Management has taken an active approach to managing capital.	2.3	6,207
13	*7*	**Prudential** International life assurer seeing rapid growth in the Far East, together with attractive returns from its operations in the UK and US.	2.3	6,180
14	*16*	**Glanbia** International dairy, consumer foods and nutritional company, experiencing strong growth with its sports nutrition brands.	2.2	6,064
15	*20*	**Informa** A worldwide provider of information to a variety of end users (businesses, academics, individuals) across a range of sectors through a number of media (books and journals, internet, exhibitions and events).	2.1	5,652
16	*10*	**OneSavings Bank** This challenger bank is experiencing rapid growth in niche mortgage lending away from the competition of the High Street banks at carefully controlled risk levels and generating very attractive returns.	1.9	5,291
17	*15*	**Rio Tinto** One of the world's foremost mining companies. It has a diversified asset base, but its most significant interests are in low cost, high quality iron ore. It is our principal exposure to the mining sector.	1.8	4,888
18	-	**Secure Income REIT** The highly successful Prestbury property management team has brought together a group of assets (hospitals and leisure parks) let to strong tenants with leases that should provide a steadily rising stream of income.	1.8	4,770
19	*17*	**LondonMetric Property** The management team has an entrepreneurial approach to investing in property, both from active property selection and property management. This UK real estate investment trust (REIT) has a particular focus on generating an attractive yield.	1.7	4,755
20	*18*	**Howden Joinery** This is the leading supplier of fitted kitchens in the UK, designing and manufacturing the kitchens and selling them through its own network. The company is growing fast and generates strong returns.	1.7	4,684

The value of the twenty largest holdings represents 50.3% (30 September 2015: 50.7%) of the Company's total investments.

Condensed Income Statement

Notes		Half-year ended 31 March 2016 (Unaudited) Revenue £'000s	Capital £'000s	Total £'000s	Half-year ended 31 March 2015 (Unaudited) Revenue £'000s	Capital £'000s	Total £'000s	Year ended 30 September 2015 (Audited) Revenue £'000s	Capital £'000s	Total £'000s
	Gains/(losses) on investments	–	6,643	6,643	–	9,602	9,602	–	(586)	(586)
	Foreign exchange (losses)/gains	(2)	(9)	(11)	5	(39)	(34)	(4)	(48)	(52)
2	Income	5,832	–	5,832	5,316	–	5,316	10,848	–	10,848
	Management fee	(270)	(270)	(540)	(259)	(259)	(518)	(520)	(520)	(1,040)
	Other expenses	(298)	(3)	(301)	(278)	(6)	(284)	(576)	(12)	(588)
	Net return before finance costs and taxation	5,262	6,361	11,623	4,784	9,298	14,082	9,748	(1,166)	8,582
	Finance costs	(161)	(161)	(322)	(136)	(136)	(272)	(272)	(272)	(544)
	Net return on ordinary activities before taxation	5,101	6,200	11,301	4,648	9,162	13,810	9,476	(1,438)	8,038
	Taxation on ordinary activities	–	–	–	(9)	–	(9)	(1)	–	(1)
	Net return attributable to shareholders	5,101	6,200	11,301	4,639	9,162	13,801	9,475	(1,438)	8,037
3	**Return per share – pence**	5.36	6.51	11.87	4.98	9.84	14.82	10.10p	(1.53)	8.57

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 Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

Condensed Statement of Changes in Equity

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
	Half-year ended 31 March 2016 (Unaudited)							
	Balance at 30 September 2015	23,640	107,785	4,146	4,434	86,791	10,080	236,876
	Movements during the half-year ended 31 March 2016							
4	Dividends paid	–	–	–	–	–	(5,282)	(5,282)
8	Ordinary shares issued	250	2,302	–	–	–	–	2,552
	Net return attributable to equity shareholders	–	–	–	–	6,200	5,101	11,301
	Balance at 31 March 2016	**23,890**	**110,087**	**4,146**	**4,434**	**92,991**	**9,899**	**245,447**
	Half-year ended 31 March 2015 (Unaudited)							
	Balance at 30 September 2014	22,977	101,615	4,146	4,434	88,229	9,986	231,387
	Movements during the half-year ended 31 March 2015							
4	Dividends paid	–	–	–	–	–	(5,031)	(5,031)
	Ordinary shares issued	513	4,735	–	–	–	–	5,248
	Net return attributable to equity shareholders	–	–	–	–	9,162	4,639	13,801
	Balance at 31 March 2015	23,490	106,350	4,146	4,434	97,391	9,594	245,405
	Year ended 30 September 2015 (Audited)							
	Balance at 30 September 2014	22,977	101,615	4,146	4,434	88,229	9,986	231,387
	Movements during the year ended 30 September 2015							
4	Dividends paid	–	–	–	–	–	(9,381)	(9,381)
	Ordinary shares issued	663	6,170	–	–	–	–	6,833
	Net return attributable to equity shareholders	–	–	–	–	(1,438)	9,475	8,037
	Balance at 30 September 2015	23,640	107,785	4,146	4,434	86,791	10,080	236,876

Condensed Balance Sheet

Notes		31 March 2016 (Unaudited) £'000s	31 March 2015 (Unaudited) £'000s	30 September 2015 (Audited) £'000s
	Fixed assets			
	Investments	**272,116**	263,570	260,898
	Current assets			
5	Debtors	**2,192**	2,065	1,704
	Cash at bank and short-term deposits	**-**	2,289	-
		2,192	4,354	1,704
6	**Creditors: amounts falling due within one year**	**(3,861)**	(2,519)	(5,726)
	Net current (liabilities)/assets	**(1,669)**	1,835	(4,022)
	Total assets less current liabilities	**270,447**	265,405	256,876
	Creditors: amounts falling due after more than one year			
7	Loans	**(25,000)**	(20,000)	(20,000)
	Net assets	**245,447**	245,405	236,876
	Capital and reserves			
8	Share capital	**23,890**	23,490	23,640
	Share premium account	**110,087**	106,350	107,785
	Capital redemption reserve	**4,146**	4,146	4,146
	Special reserve	**4,434**	4,434	4,434
	Capital reserves	**92,991**	97,391	86,791
	Revenue reserve	**9,899**	9,594	10,080
	Total shareholders' funds	**245,447**	245,405	236,876
9	**Net asset value per ordinary share – pence**	**256.85**	261.18	250.51

Condensed Statement of Cash Flows

Notes		Half-year ended 31 March 2016 (Unaudited) £'000s	Half-year ended 31 March 2015 (Unaudited)* £'000s	Year ended 30 September 2015 (Unaudited)* £'000s
10	Net cash inflow from operating activities	**4,046**	3,582	9,283
	Investing activities			
	Purchase of investments	**(33,155)**	(35,169)	(51,052)
	Sales of investments	**27,232**	25,275	32,958
	Other capital charges	**(1)**	(7)	(17)
	Cash flows from investing activities	**(5,924)**	(9,901)	(18,111)
	Cash flows before financing activities	**(1,878)**	(6,319)	(8,828)
	Financing activities			
4	Equity dividends paid	**(5,282)**	(5,031)	(9,381)
	Net proceeds from issuance of new shares	**2,552**	5,248	6,833
	Interest paid	**(458)**	(136)	(409)
7	Increase in loan	**5,000**	-	-
	Cash flows from financing activities	**1,812**	81	(2,957)
	Net movement in cash and cash equivalents	**(66)**	(6,238)	(11,785)
	Cash and cash equivalents at the beginning of the period	**(3,276)**	8,561	8,561
	Effect of movement in foreign exchange	**(11)**	(34)	(52)
	Cash and cash equivalents at the end of the period	**(3,353)**	2,289	(3,276)
	Represented by:			
	Cash at bank / (overdraft)	**(3,353)**	2,289	(3,276)

*See note 1.

Notes on the Condensed Accounts

1 Accounting policies

For the period ended 31 March 2016 (and the year ending 30 September 2016), the Company is applying, for the first time, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, which forms part of the revised Generally Accepted Accounting Practice ("New UK GAAP") issued by the Financial Reporting Council ("FRC") in 2012 and 2013.

These condensed financial statements, which are unaudited, have been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, FRS 102, FRS 104 Interim Financial Reporting issued by the FRC in March 2015 and the revised Statement of Recommended Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in November 2014.

As a result of the first time adoption of New UK GAAP and the revised SORP, presentation formats have been amended where required. The net return attributable to shareholders and total shareholders' funds remain unchanged from under old UK GAAP basis, as reported in the preceding annual and interim reports. The Statement of Cash Flows has been amended to reflect presentational changes required under FRS 102 and does not include any other material changes.

The accounting policies applied in the condensed set of financial statements are set out in the Company's annual report for the year ended 30 September 2015. However, the references to prior individual FRSs should now be taken to reference FRS 102.

2 Income

Income from investments	**Half-year ended 31 March 2016 £'000s**	Half-year ended 31 March 2015 £'000s	Year ended 30 September 2015 £'000s
UK dividends	**5,335**	5,084	10,593
Overseas dividends	**465**	217	236
Interest on cash and short-term deposits	**2**	15	19
Underwriting commission	**30**	–	–
	5,832	5,316	10,848

3 Return per ordinary share

Return per ordinary share attributable to 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 2016 £'000s	Half-year ended 31 March 2015 £'000s	Year ended 30 September 2015 £'000s
Revenue return	**5,101**	4,639	9,475
Capital return	**6,200**	9,162	(1,438)
Total return	**11,301**	13,801	8,037
	Number	Number	Number
Weighted average ordinary shares in issue	**95,227,028**	93,078,499	93,820,364

4 Dividends

Dividends paid on ordinary shares	Payment date	**Half-year ended 31 March 2016 £'000s**	Half-year ended 31 March 2015 £'000s	Year ended 30 September 2015 £'000s
Fourth of four interims for the year ended 30 September 2015 of 3.2p per share	31-Dec-15	**3,038**	–	–
First of four interims for the year ending 30 September 2016 of 2.35p per share	31-Mar-16	**2,244**	–	–
Fourth of four interims for the year ended 30 September 2014 of 3.10p per share	31-Dec-14	**–**	2,872	2,872
First of four interims for the year ending 30 September 2015 of 2.30p per share	31-Mar-15	**–**	2,159	2,159
Second of four interims for the year ended 30 September 2015 of 2.30p per share	30-Jun-15	**–**	–	2,175
Third of four interims for the year ended 30 September 2015 of 2.30p per share	30-Sep-15	**–**	–	2,175
		5,282	5,031	9,381

The second interim dividend in respect of the year ending 30 September 2016 of 2.35p per share will be paid on 30 June 2016 to shareholders registered on 3 June 2016. The total cost of this dividend, based on 96,209,268 shares in issue and entitled to the dividend on 23 May 2016 is £2,261,000.

5 Debtors

	31 March 2016 £'000s	31 March 2015 £'000s	30 September 2015 £'000s
Prepayments and accrued income	**1,965**	1,775	811
Investment debtors	**172**	189	785
Overseas taxation recoverable	**55**	101	108
	2,192	2,065	1,704

6 Creditors: amounts falling due within one year

	31 March 2016 £'000s	31 March 2015 £'000s	30 September 2015 £'000s
Investment creditors	**12**	2,031	1,952
Management fee	**270**	265	257
Bank overdraft	**3,353**	–	3,276
Accruals	**226**	223	241
	3,861	2,519	5,726

7 Creditors: amounts falling due after more than one year

	31 March 2016 £'000s	31 March 2015 £'000s	30 September 2015 £'000s
Sterling loan	**25,000**	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 a £15 million floating rate facility of which £5 million has been drawn. The interest rates are at commercial rates.

8 Share capital

	Issued and fully paid	
Equity share capital	number	£'000s
Ordinary shares of 25p each		
Balance at 30 September 2015	94,559,268	23,640
Ordinary shares issued	1,000,000	250
Balance at 31 March 2016	**95,559,268**	**23,890**

Since 31 March 2016 a further 650,000 ordinary shares have been issued for total proceeds of £1,683,000.

9 Net asset value per ordinary share

	31 March 2016	31 March 2015	30 September 2015
Net asset value per share	**256.85p**	261.18p	250.51p
Net assets attributable at end of period	**£245.45m**	£245.41m	£236.88m
Ordinary shares of 25p each in issue at end of period	**95,559,268**	93,959,268	94,559,268

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

	Half-year ended 31 March 2016 £'000s	Half-year ended 31 March 2015 £'000s	Year ended 30 September 2015 £'000s
Net return before finance costs and taxation	**11,623**	14,082	8,582
Adjust for returns from non-operating activities:			
– (Gains)/losses on investments	**(6,643)**	(9,602)	586
– Exchange losses	**11**	34	52
– Non-operating expenses of a capital nature	**3**	6	12
Return from operating activities	**4,994**	4,520	9,232
Adjust for non-cash flow items:			
– (Increase)/decrease in debtors	**(1,140)**	(930)	32
– Increase/(decrease) in creditors	**133**	(9)	6
– Overseas taxation	**59**	1	13
Net cash inflow from operating activities	**4,046**	3,582	9,283

11 Going concern

The Company's investment objective, strategy and policy are subject to a process of regular Board monitoring and are designed to ensure that the Company is invested mainly in readily realisable, listed securities and that the level of borrowings is restricted. The Company retains title to all assets held by the Custodian and an agreement covers its borrowing facility. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

The Directors believe that: the Company's objective and policy continue to be relevant to investors; the Company operates within a robust regulatory environment; and the Company has sufficient resources and arrangements to continue operating within its stated policy for the 12 month period commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern.

12 Results

The results for the half-year ended 31 March 2016 and 31 March 2015, 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 2015; 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 2015 are an extract from those accounts.

By order of the Board
F&C Investment Business Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
23 May 2016

Availability of report and accounts

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

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 Investments.

F&C Investment Trust ISA
Use your ISA allowance to make an annual tax-efficient investment of up to £15,240 for 2016/17 tax year 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.

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 £4,080 for 2016/17 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both. CTF holders can now transfer a CTF to a JISA.

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. The Registered Contact on a CTF can now transfer a CTF to a Junior ISA. Additional contributions can be made to the shares account version of the CTF from as little as £25 per month or £100 lump sum – up to a maximum of £4,080 for 2015/16 tax year.

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 Children's Investment Plan ("CIP")
A flexible way to save for a child. With no maximum contributions, the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) to help reduce inheritance tax liability or kept in your name if you wish to retain control over the investment. 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.

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 for the PIP/CIP/JISA 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 two 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
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/apply**

*8:30am – 5:30pm, weekdays
Calls may be recorded.

Existing Plan Holders:
Contact our Investor Services Team
Call: **0345 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.

2016 calendar

Second interim dividend payable	30 June 2016
Third interim dividend payable	30 September 2016
Final results for 2015/2016 announced	24 November 2016*
Fourth interim dividend payable	30 December 2016

*Expected date

BMO A part of BMO Financial Group

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