

# CT UK Capital and Income Investment Trust PLC

Half-Year Report for the six months  
ended 31 March 2023

## Contact us

### Registered office:

- 📍 Exchange House, Primrose Street, London EC2A 2NY
- ☎ 0131 573 8300
- 🌐 [ctcapitalandincome.co.uk](https://ctcapitalandincome.co.uk)
- ✉ [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

### Registrars:

- 📍 Computershare Investor Services PLC  
The Pavilions, Bridgwater Road  
Bristol BS99 6ZZ
- ☎ 0370 889 4094
- 🌐 [computershare.com](https://computershare.com)
- ✉ [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)

To find out more visit  
[columbiathreadneedle.com](https://columbiathreadneedle.com)



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## Company Overview

Our objective is to secure long-term capital and income growth from a portfolio consisting mainly of FTSE All-Share companies.

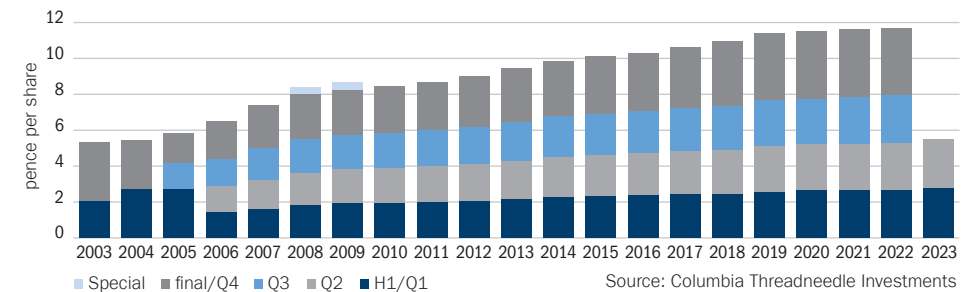
- Our well-diversified portfolio has been managed by Julian Cane for over 25 years and has outperformed its Benchmark over that period.
- A recognised "AIC Dividend Hero", our dividend has increased every year since launch in 1992 and grown at almost twice the average rate of inflation since then.
- Our Ongoing Charges\* of 0.59% represents very good value for Shareholders.

CT UK Capital and Income Investment Trust is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth over the longer term in capital and income, and who understand and are willing to accept the risks and rewards of exposure to equities.

\*See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 30 September 2022.

Visit our website at [ctcapitalandincome.co.uk](http://ctcapitalandincome.co.uk)

### Annual Dividend Progression for CT UK Capital and Income Investment Trust



The Company is registered in England and Wales with company registration number 02732011  
Legal Entity Identifier: 21380052ETTRKV2A6Y19



## Financial Highlights for the half-year ended 31 March 2023

5.50p

The dividend<sup>(1)</sup> for this half-year of 5.50p represents an increase of 3.8% in comparison to the six-months ended 31 March 2022 and provides Shareholders with an annual yield<sup>(2)</sup> of 4.1%.

8.1%

Share price total return<sup>(3)</sup> was 8.1%, with the price ending the period at 296p.

12.4%

Net Asset Value per share total return<sup>(3)</sup> of 12.4%, outperforming the benchmark FTSE All-Share Index which returned 12.3%.

-3.0%

The share price ended the period at a discount\* to Net Asset Value of 3.0% with the shares having traded at an average discount\* of 2.8% over the six-months to 31 March 2023.

(1) The first interim dividend of 2.75 pence per share was paid on 31 March 2023 and the second interim dividend of 2.75 pence per share is payable on 30 June 2023 to Shareholders registered on 9 June 2023.

(2) Calculated as the total of the four most recent quarterly dividends declared divided by the period end share price.

(3) Total Return – the return to Shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or Net Asset Value in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

\* See full details of the explanation and calculation of Alternative Performance Measures in the Report and Accounts as at 30 September 2022

## Chairman's Statement

Dear Shareholder,

In this interim report for the first half year ended 31 March 2023, I am pleased to announce a recovery in your share price and Net Asset Value (“NAV”) per share, as well as another increase in the dividend.

### Total Return Performance

Our current financial year started at close to the lowest point for the UK equity market since October 2020 following a period of unprecedented political turmoil, including the infamous September 2022 “Mini-budget” introduced by the short-lived Truss Administration. By contrast, the period since has been somewhat calmer politically and this has helped government bond yields to stabilise and equity markets to make some progress.

Your Company's NAV total return per share during the six months ended 31 March 2023 was 12.4%, outperforming the total return of the FTSE All-Share Index, our benchmark, of 12.3%.

Although the political situation in the UK may have stabilised with a new Prime Minister and Chancellor of the Exchequer, one of the key ongoing concerns has been the rate of inflation. There is more than a single factor causing the current inflationary surge, but to the extent that supply constraints previously caused by COVID-19 have eased and energy prices initially driven higher by Russia's war in Ukraine have decreased somewhat, many had hoped that the rate of inflation would

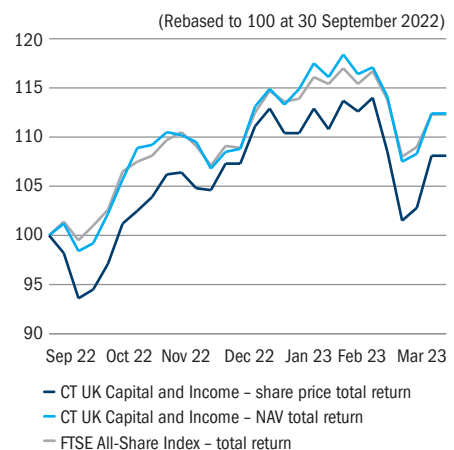
have started to decrease decisively. However, in the UK at least, inflation has been more persistent than anticipated, with the Consumer Price Index in the year to March 2023 rising by 10.1%. In addition, bond yields are still considerably above the levels that existed before the September 2022 ‘Mini-Budget’.

Nonetheless, this improvement in overall financial stability has provided a positive enough background for the UK equity market and our portfolio to record some useful gains. The strongest contribution to performance (a function of the size of the investment and the magnitude of its return) was from the bank and specialist mortgage lender OSB Group, with a total return of 22.8%. This though was far from the strongest percentage return over the period with total returns of 53.5% from Melrose, 44.2% from Burberry, 43.2% from CRH, 39.5% from Howden Joinery and 37.9% from Vistry. The amount of these companies' share price increases far exceeded any improvement in their underlying trading and was more a reflection of how severely their share prices had been depressed last September when fears for the UK economy were at their greatest.

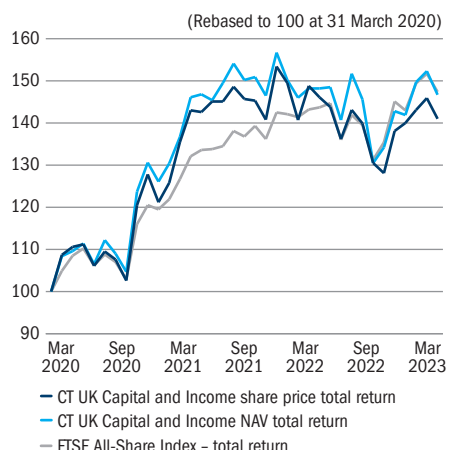
Although the share prices of the companies mentioned above have recovered well, the same does not apply to all of the portfolio: the shares of property company LXI REIT, down 18.5% over the six-month period, struggled as the market became concerned that higher interest rates may have an impact

## Chairman's Statement (continued)

### Performance over six months (%)



### Performance over three years (%)



on its property valuations. In addition, brick manufacturer Forterra shares were down 15.1% as housebuilders are expected to cut production, and hence demand for bricks, in response to uncertainties in the mortgage and housing markets. While understandable, these concerns are short-term in nature as LXI's assets and leases are of exceptional quality and Forterra has a very strong position in the brick market where there is considerable long-term demand due to the underlying shortage of housing in the UK.

Taking a longer, three-year view, the recent rebound in our NAV is positive, but not quite sufficient to outweigh the impact on our performance relative to the FTSE All-Share Index that occurred in the first calendar quarter of 2022, around the time of Russia's invasion of Ukraine, and the economic events of August/September 2022 referred to previously.

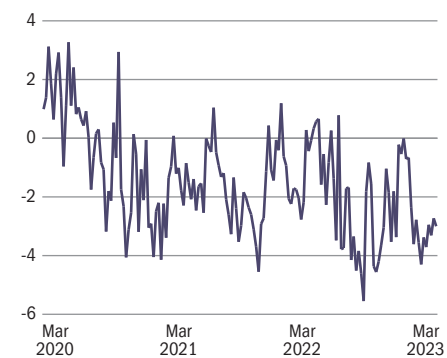
The strength in operating performance of many of our investments and the undemanding valuations appear to be at odds with each other, but we have confidence that, over the longer term, focusing on fundamental factors such as earnings and dividends drives positive results for investors. We are aware that in an actively managed fund there are inevitably periods when share price performance can diverge from targets at a time when fundamental factors are overridden by macro-market effects that impact valuations.

#### Share Price Premium/Discount

During the six months under review, the share price traded relative to NAV at an average discount of 2.8% and within a range of a premium of 0.03% to a discount of 5.05%.

The widening of the discount over the period meant the share price total return of 8.1% was rather less than that of the NAV.

### Share price premium/(discount) to NAV over 3 years (%)



#### Share Issuance and Buy-backs

As has been consistently stated over many years, we believe the share price should not vary significantly from the underlying NAV in normal market conditions and we are willing and able to buy or sell the Company's own shares to assist in that approach. In the first six months of this financial year, we bought 600,000 shares and sold 75,000. In line with our previous commitments, the shares were bought at a discount to their concurrent NAV and were sold at a premium. These purchases and sales help to add liquidity to the market, and add very marginally to NAV per share – to the benefit of ongoing Shareholders.

#### Revenue, Earnings and Dividends

Our income, which comprises the dividends we receive from our investments, has continued to grow at a healthy rate, increasing by 11.6% compared to the first six months of the previous financial year.

This increase reflects a number of factors when compared with the comparative period - which itself continued to suffer from the effects of the COVID-19 pandemic. Since then, many of our investee businesses have reported improved trading and, in addition, the Company received a special dividend from OSB Group which alone added £0.5 million to our income for the period.

The Company paid a dividend per share of 2.75 pence in respect of the first quarter of the financial year and I am pleased to say we will pay a further 2.75 pence in respect of the second quarter. This gives a total for the half year of 5.50 pence per share, an increase of 3.8% compared to the rate for the same period last year.

#### Dividend Cover and Revenue Reserve

The dividends for the first half year are more than covered by earnings of 5.96 pence per share, allowing us to add to the Revenue Reserve which proved so important in enabling us to maintain and grow the dividend to our Shareholders through the period of interruption in business and social activities caused by COVID-19.

We remain proud of our record of dividend growth, having increased the dividend every year since launch in 1992, and that we are recognised as a "Dividend Hero" by the Association of Investment Companies. We aim to extend our dividend record yet further.

#### Balance Sheet and Gearing

In March 2023 we renewed our loan facility with The Bank of Nova Scotia, London Branch. We started the financial year having borrowed £24 million and this was increased to £29 million during the six months, giving gearing as at 31 March 2023 of 8.7%.

## Chairman's Statement (continued)

### Directorate Change

As announced in our most recent Annual Report and Accounts, I shall be retiring from the Board on 1 July 2023. Upon my retirement Jane Lewis, who joined the Board in April 2015 will be appointed Chair. Jane holds a number of investment trust directorships and I am delighted that the Company and Shareholders will benefit from her extensive experience, knowledge and leadership.

It is announced that as part of the Board's succession planning, and following a thorough selection process, Dunke Afe has been appointed as a Director of the Company with effect from 1 June 2023. Dunke is an accomplished global marketing executive with extensive experience in raising brand and product awareness. She is employed by leading prestige beauty company Estee Lauder where she is Executive Director, Global Marketing and Regions - Joe Malone London.

As a further part of the Board's succession planning, it is anticipated that Tim Scholefield, the Company's Senior Independent Director, will retire from the Board at the conclusion of the 2024 Annual General Meeting. A new Director will be appointed to the Board in advance of this retirement.

### Outlook

It might be tempting to think that the opportunities for UK equities are lacklustre as the stock market has already shown some signs of recovery since the start of the financial year, yet the economy is apparently struggling to produce any meaningful growth. Furthermore, inflation is proving more persistent than

expected and interest rates are probably staying at higher levels for longer, which would normally be considered a headwind for businesses and share prices. We are also very aware of the emerging risk of instability in the US financial sector, but, as yet there appears very limited read across to the UK.

All these points of caution, however, ignore the actual experience of many of the companies in our portfolio where sales, profits, earnings and dividends are increasing and where valuations appear undemanding. As has already been stated, share prices can be impacted by macro-economic events but, across a longer-term timeframe, fundamental value should be reflected in improving individual share prices as companies deliver superior performance.

Your Board believes that the Company's investment strategy is sound, and it is supported and executed by an exceptionally experienced investment manager. Shareholders' overwhelming support in the continuation vote taken at the Company's AGM in March of this year was very encouraging and we are determined to continue a track record beneficial to Shareholders.

May I take this opportunity to thank all Shareholders for their support for the Company. I look forward to seeing you at future general meetings.

**On behalf of the Board**  
**Jonathan Cartwright**  
**Chairman**  
**31 May 2023**

## Directors' Statement of Principal Risks and Uncertainties

Most of the Company's principal risks and uncertainties are market related and no different from those of other investment trusts investing primarily in listed equities. They are described in more detail under the heading "Principal risks and future prospects" within the Strategic Report in the Company's Annual Report for the year ended 30 September 2022.

The principal risks identified in the Annual Report were:

- Macroeconomic and geopolitical risk including the possibility of a prolonged recession in the United Kingdom and the impact of the war in Ukraine.
- Unfavourable markets or asset allocation, sector and stock selection and use of gearing and derivatives are inappropriate giving rise to investment underperformance as well as impacting capacity to pay dividends;
- Errors, fraud or control failures at service providers, or loss of data through increasing cyber-threats or business continuity failure could damage reputation or investors interests or result in losses; and
- Inappropriate business or marketing strategy particularly in relation to investor needs or sentiment giving rise to a share price discount to NAV per share.

At present the global economy continues to suffer considerable disruption due to inflationary pressures, the war in Ukraine and the after-effects of the COVID-19 pandemic. The Directors continue to review the key risk register for the Company which identifies the risks that the Company is exposed to, including those that are considered to be emerging, the controls in place and the actions being taken to mitigate them.

The Board considers that the principal risks have not changed materially since 30 November 2022, the date of the Company's Annual Report. The Board has also considered these principal risks in relation to going concern, see page 23.

## Twenty Largest Holdings

31 Mar 2023	30 Sep 2022		31 Mar 2023 % of total investments	31 Mar 2023 Value £'000s	30 Sep 2022 Value £'000s
1	1	<b>OSB Group</b> (Financials) This specialist challenger bank continues to generate good returns and to grow well at carefully controlled risk levels. These factors, together with the synergies arising from its merger with Charter Court Financial Services, are helping it to perform strongly.	6.2	21,672	18,918
2	2	<b>AstraZeneca</b> (Health Care) A major international pharmaceutical company. Its pipeline of new drugs is proving successful and producing strong growth now with more potential further out.	5.8	20,218	17,892
3	3	<b>Diageo</b> (Consumer Staples) The largest producer of premium branded spirits in the world and also a major brewer. The strength of the brands and substantial exposure to markets with greater growth potential should lead to attractive returns.	4.5	15,719	16,517
4	18	<b>Vistry Group</b> (Consumer Discretionary) The company has completed its takeover of Countryside Partnerships, strengthening and diversifying its business further with a greater proportion of sales to housing associations and local authorities. With an enlarged business it should be able to extract greater synergies as well as being less vulnerable to the UK private housing market.	4.3	15,166	6,297
5	4	<b>Unilever</b> (Consumer Staples) A leading manufacturer of branded fast-moving consumer goods with more than half of its sales in emerging markets which have greater growth potential.	4.3	15,082	14,288
6	8	<b>RELX</b> (Consumer Discretionary) RELX is a global provider of information-based analytics and decision tools for professional and business customers across a range of industries. It also has a leading global events business. It generates high returns which we expect will improve further.	4.0	14,132	11,885
7	6	<b>Rio Tinto</b> (Basic Materials) 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 only current exposure to the mining sector.	3.9	13,692	12,240
8	9	<b>Legal and General</b> (Financials) A focus on generating a strong and growing cash flow allows this UK life insurer to pay an attractive and growing dividend. Concerns over its credit exposure and solvency appear overdone, just as they were during the Global Financial Crisis, leading to the valuation being attractive.	3.7	12,901	11,691

31 Mar 2023	30 Sep 2022		31 Mar 2023 % of total investments	31 Mar 2023 Value £'000s	30 Sep 2022 Value £'000s
9	11	<b>Intermediate Capital</b> (Financials) A specialist lender to private companies both on its own behalf and increasingly for third-party investors. It has been experiencing very strong demand and generating strong returns despite the difficult conditions. It has great potential to grow the business further.	3.5	12,403	10,023
10	5	<b>Beazley</b> (Financials) A specialist insurer with a diverse underwriting portfolio that has historically generated good returns and growth. It has become increasingly recognised for the strength of its cyber insurance operations, which complement its other underwriting activities.	3.4	11,950	12,408
11	10	<b>Compass</b> (Consumer Discretionary) Compass is the global leader in outsourced catering. A structural shift towards more outsourcing was disrupted by the pandemic, but good rates of growth are returning. It has unrivalled scale helping it to offer its clients great value.	3.3	11,385	10,108
12	12	<b>Shell</b> (Energy) A leading international oil exploration, production and marketing group. For a while the industry has struggled to generate good returns, but a higher oil price has caused profits and returns to increase sharply.	2.8	9,809	9,548
13	7	<b>LXi REIT</b> (Real Estate) This company invests in commercial property assets, mostly in the UK. These are let or pre-let on very long leases, 98% of which are inflation-linked or with fixed uplifts. Tenant covenants are strong and the assets are in sectors with attractive long-term prospects.	2.7	9,464	11,919
14	13	<b>Coca-Cola HBC</b> (Consumer Staples) This is the third largest independent bottler in the global Coca-Cola system, operating in 28 countries, particularly in Eastern Europe and Nigeria, where long-term growth prospects should be attractive. It generates good returns.	2.6	9,250	7,915
15	14	<b>GSK</b> (Health Care) After many years of lacklustre performance, current management is under significant pressure to reinvigorate the business. The demerger of the health care business (Haleon) focuses more attention on the revival of the pharmaceutical business.	2.5	8,574	7,835
16	17	<b>BP</b> (Energy) A leading international oil exploration, production and marketing group, returns are expected to improve with a higher oil price.	2.3	8,173	6,930

## Twenty Largest Holdings (continued)

31 Mar 2023	30 Sep 2022		31 Mar 2023 % of total investments	31 Mar 2023 Value £'000s	30 Sep 2022 Value £'000s
17	15	<b>Burford Capital</b> (Financials)* Burford is the leading international provider of litigation funding. It is a fast evolving and growing market with attractive returns for those able to navigate its complexities well. On the last day of the half year, a US Court decided Argentina owes Burford significant damages, with the quantum yet to be decided.	2.3	7,907	7,734
18	16	<b>Phoenix</b> (Financials) A UK domestic life assurer actively taking part in consolidation of the sector. Increased scale drives operational and capital efficiencies and diversification benefits that underpin an attractive dividend.	2.3	7,867	7,582
19	24	<b>CRH</b> (Industrials) Manufactures and supplies a wide range of building materials, used in public infrastructure projects down to residential homes. It operates in more than 30 countries, with the US accounting for over half of sales.	2.2	7,754	5,528
20	30	<b>Howden Joinery</b> (Consumer Discretionary) This business designs, manufactures and sells fitted kitchens, mostly in the UK. Its integrated value chain and efficiency make it a high returning business with the potential to grow and improve returns further.	2.0	6,840	4,949

The value of the twenty largest holdings represents 68.6% (30 September 2022: 67.1%) of the Company's total investments.

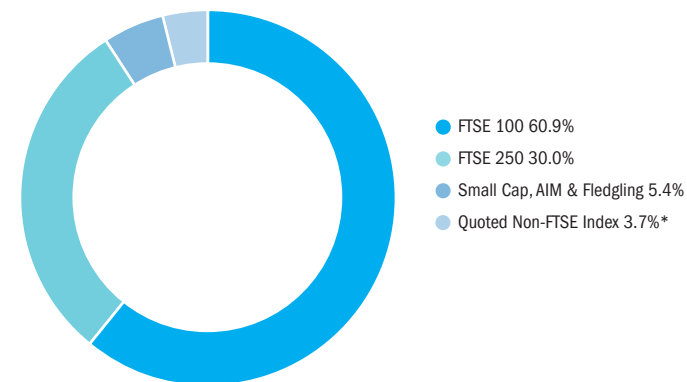
\* Quoted on the Alternative Investment Market in the UK.

### Forward-looking statements

This half-year 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.

## Portfolio Weightings

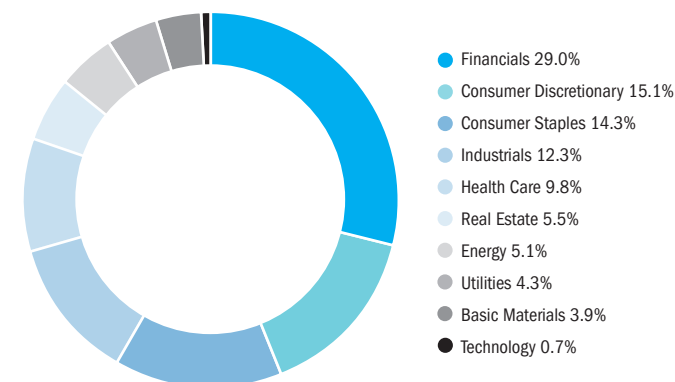
### FTSE Index categorisation as at 31 March 2023



Source: Columbia Threadneedle Investments

\*Includes Overseas and Specialist investments, and non-voting shares.

### Sector breakdown as at 31 March 2023



Source: Columbia Threadneedle Investments

## Condensed Income Statement

Notes	Half-year ended 31 March 2023 (Unaudited)			Half-year ended 31 March 2022 (Unaudited)			Year to 30 September 2022 (Audited)			
	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s	Revenue £'000s	Capital £'000s	Total* £'000s	
5										
	Gains/(losses) on investments	-	30,778	30,778	-	(10,402)	(10,402)	-	(57,259)	(57,259)
	Foreign exchange gains/(losses)	1	(59)	(58)	(2)	(59)	(61)	(1)	-	(1)
2	Income	7,317	-	7,317	6,536	-	6,536	14,495	-	14,495
	Management fee	(347)	(347)	(694)	(377)	(377)	(754)	(714)	(714)	(1,428)
	Other expenses	(321)	-	(321)	(356)	-	(356)	(680)	(1)	(681)
	<b>Net return before finance costs and taxation</b>	<b>6,650</b>	<b>30,372</b>	<b>37,022</b>	<b>5,801</b>	<b>(10,838)</b>	<b>(5,037)</b>	<b>13,100</b>	<b>(57,974)</b>	<b>(44,874)</b>
	Finance costs	(259)	(259)	(518)	(72)	(72)	(144)	(192)	(192)	(384)
	<b>Net return before taxation</b>	<b>6,391</b>	<b>30,113</b>	<b>36,504</b>	<b>5,729</b>	<b>(10,910)</b>	<b>(5,181)</b>	<b>12,908</b>	<b>(58,166)</b>	<b>(45,258)</b>
	Taxation	-	-	-	-	-	-	(18)	-	(18)
	<b>Net return attributable to Shareholders</b>	<b>6,391</b>	<b>30,113</b>	<b>36,504</b>	<b>5,729</b>	<b>(10,910)</b>	<b>(5,181)</b>	<b>12,890</b>	<b>(58,166)</b>	<b>(45,276)</b>
3	<b>Return per share - basic and diluted</b>	<b>5.96p</b>	<b>28.08p</b>	<b>34.04p</b>	<b>5.34p</b>	<b>(10.17p)</b>	<b>(4.83p)</b>	<b>12.03p</b>	<b>(54.29p)</b>	<b>(42.26p)</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 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 reserve £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
<b>Half-year ended 31 March 2023 (Unaudited)</b>							
	26,822	141,380	4,146	2,642	110,200	11,093	296,283
<b>Movements during the half-year ended 31 March 2023</b>							
4 Dividends paid	-	-	-	-	-	(7,036)	(7,036)
9 Ordinary shares issued from treasury	-	(17)	-	240	-	-	223
9 Ordinary shares bought back and held in treasury	-	-	-	(1,804)	-	-	(1,804)
Costs relating to broker	-	(8)	-	-	-	-	(8)
Net return attributable to Shareholders	-	-	-	-	30,113	6,391	36,504
<b>Balance at 31 March 2023</b>	<b>26,822</b>	<b>141,355</b>	<b>4,146</b>	<b>1,078</b>	<b>140,313</b>	<b>10,448</b>	<b>324,162</b>
<b>Half-year ended 31 March 2022 (Unaudited)</b>							
	26,822	141,374	4,146	4,432	168,366	10,735	355,875
<b>Movements during the half-year ended 31 March 2022:</b>							
4 Dividends paid	-	-	-	-	-	(6,860)	(6,860)
Ordinary shares issued from treasury	-	21	-	567	-	-	588
Ordinary shares bought back and held in treasury	-	-	-	(1,036)	-	-	(1,036)
Costs relating to broker	-	(8)	-	-	-	-	(8)
Net return attributable to Shareholders	-	-	-	-	(10,910)	5,729	(5,181)
<b>Balance at 31 March 2022</b>	<b>26,822</b>	<b>141,387</b>	<b>4,146</b>	<b>3,963</b>	<b>157,456</b>	<b>9,604</b>	<b>343,378</b>
<b>Year ended 30 September 2022 (Audited)</b>							
	26,822	141,374	4,146	4,432	168,366	10,735	355,875
<b>Movements during the year ended 30 September 2022:</b>							
4 Dividends paid	-	-	-	-	-	(12,532)	(12,532)
Ordinary shares issued from treasury	-	21	-	568	-	-	589
Ordinary shares bought back and held in treasury	-	-	-	(2,358)	-	-	(2,358)
Costs relating to broker	-	(15)	-	-	-	-	(15)
Net return attributable to Shareholders	-	-	-	-	(58,166)	12,890	(45,276)
<b>Balance at 30 September 2022</b>	<b>26,822</b>	<b>141,380</b>	<b>4,146</b>	<b>2,642</b>	<b>110,200</b>	<b>11,093</b>	<b>296,283</b>

## Condensed Balance Sheet

Notes	31 March 2023 (Unaudited) £'000s	31 March 2022 (Unaudited) £'000s	30 September 2022 (Audited) £'000s
	<b>Fixed assets</b>		
5	Investments	366,869	318,796
	<b>Current assets</b>		
6	Debtors	3,308	5,106
	Cash and cash equivalents	643	906
	<b>Total current assets</b>	3,951	6,012
	<b>Current liabilities</b>		
7	Creditors: amounts falling due within one year	(442)	(4,525)
8	Loan	(27,000)	(24,000)
	<b>Total current liabilities</b>	(27,442)	(28,525)
	<b>Net current liabilities</b>	(23,491)	(22,513)
	<b>Net assets</b>	343,378	296,283
	<b>Capital and reserves</b>		
9	Share capital	26,822	26,822
	Share premium account	141,387	141,380
	Capital redemption reserve	4,146	4,146
	Special reserve	3,963	2,642
	Capital reserve	157,456	110,200
	Revenue reserve	9,604	11,093
	<b>Total Shareholders' funds</b>	343,378	296,283
10	<b>Net Asset Value per ordinary share</b>	320.49p	277.66p

## Condensed Statement of Cash Flows

Notes	Half-year ended 31 March 2023 (Unaudited) £'000s	Half-year ended 31 March 2022 (Unaudited) £'000s	Year ended 30 September 2022 (Audited) £'000s	
11	<b>Cash flows from operating activities before interest and dividends received and interest paid</b>	(796)	(1,128)	(2,241)
	Dividends received	4,852	4,318	14,133
	Interest received	27	1	9
	Interest paid	(503)	(139)	(376)
	<b>Cash flows from operating activities</b>	3,580	3,052	11,525
	<b>Investing activities</b>			
	Purchase of investments	(15,864)	(1,892)	(22,303)
	Sale of investments	15,708	3,047	25,189
	Other capital charges	-	-	(1)
	<b>Cash flows from investing activities</b>	(156)	1,155	2,885
	<b>Cash flows before financing activities</b>	3,424	4,207	14,410
	<b>Financing activities</b>			
4	Equity dividends paid	(7,036)	(6,860)	(12,532)
9	Net proceeds from issuance of shares held in treasury	223	588	589
	Costs associated with share issues	(8)	(8)	(15)
9	Cost of shares bought back and held in treasury	(1,804)	(1,036)	(2,358)
8	Drawdown/(repayment) of bank loan	5,000	2,000	(1,000)
	<b>Cash flows from financing activities</b>	(3,625)	(5,316)	(15,316)
	Net movement in cash and cash equivalents	(201)	(1,109)	(906)
	Cash and cash equivalents at the beginning of the period	906	1,813	1,813
	Effect of movement in foreign exchange	(58)	(61)	(1)
	<b>Cash and cash equivalents at the end of the period</b>	647	643	906
	Represented by:			
	Cash at bank	87	13	36
	Short term deposits	560	630	870
		647	643	906

## Notes to the Condensed Accounts

### 1 Basis of preparation

These condensed financial statements, which are unaudited, have been prepared on a going concern basis in accordance with the Companies Act 2006, FRS 102, Interim Financial Reporting (FRS104) and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued by the AIC.

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 2022.

### 2 Income

	Half-year ended 31 March 2023 £'000s	Half-year ended 31 March 2022 £'000s	Year ended 30 September 2022 £'000s
<b>Income from investments:</b>			
UK dividend income	6,224	6,270	13,742
UK dividend income - special dividends <sup>(4)</sup>	527	114	114
Overseas dividend income	-	-	364
Property income distributions	539	151	266
	<b>7,290</b>	6,535	14,486
<b>Other income:</b>			
Interest on cash and cash equivalents	27	1	9
	<b>7,317</b>	6,536	14,495

<sup>(4)</sup> Special dividends are classified as either revenue or capital in nature in accordance with note 2(c)(xv) 'Use of judgements, estimates and assumptions' of the Annual Report & Accounts. No special dividends have been recognised in capital in the half-year ended 31 March 2023 (31 March 2022: £nil; 30 September 2022: £nil).

### 3 Earnings per share

Basic returns per share attributable to ordinary shareholders are based on the following data.

	Half-year ended 31 March 2023 £'000s	Half-year ended 31 March 2022 £'000s	Year ended 30 September 2022 £'000s
Revenue return	6,391	5,729	12,890
Capital return	30,113	(10,910)	(58,166)
Total return	<b>36,504</b>	(5,181)	(45,276)
	Number	Number	Number
Weighted average ordinary shares in issue	107,233,665	107,210,621	107,131,967
Total return per share	<b>34.04p</b>	(4.83p)	(42.26p)

### 4 Dividends

Dividends paid on ordinary shares	Payment date	Half-year ended 31 March 2023 £'000s	Half-year ended 31 March 2022 £'000s	Year ended 30 September 2022 £'000s
Fourth of four interims for the year ended 30 September 2021 of 3.75p per share	17 December 2021	-	4,019	4,019
First of four interims for the year ended 30 September 2022 of 2.65p per share	31 March 2022	-	2,841	2,841
Second of four interims for the year ended 30 September 2022 of 2.65p per share	30 June 2022	-	-	2,839
Third of four interims for the year ended 30 September 2022 of 2.65p per share	30 September 2022	-	-	2,833
Fourth of four interims for the year ended 30 September 2022 of 3.85p per share	19 December 2022	4,108	-	-
First of four interims for the year ended 30 September 2023 of 2.75p per share	31 March 2023	2,928	-	-
		<b>7,036</b>	6,860	12,532

The second interim dividend of 2.75 pence per share in respect of the year ending 30 September 2023 will be paid on 30 June 2023 to all Shareholders on the register at close of business on 9 June 2023 with an ex-dividend date of 8 June 2023. The total cost of this dividend, based on 105,835,845 shares in issue and entitled to the dividend on 30 May 2023, being the last practicable date before publication is £2,910,000.

## 5 Investments

	Total (Level 1)* £'000s
Cost at 30 September 2022	260,060
Gains at 30 September 2022	58,736
Fair value of investments at 30 September 2022	318,796
Purchases at cost	11,769
Sales proceeds	(12,021)
Gains on investments sold during the period	2,764
Gains on investments held at period end	28,083
Fair value of investments at 31 March 2023	349,391
Cost at 31 March 2023	262,641
Gains at 31 March 2023	86,750
Fair value of investments at 31 March 2023	349,391
	<b>Total £'000s</b>
<b>Gains on investments held at fair value</b>	
Gains on investments sold during the period	2,764
Gains on investments held at period end	28,083
Investment transaction costs	(69)
Total gains on investments	30,778

\* All assets held by the Company were classified as Level 1 in nature as described in note 2(c)(i) of the Annual Report and Accounts and include investments and derivatives listed on any recognised stock exchange or quoted on AIM in the UK.

Investments sold during the period have been revalued over time since their original purchase, and until they were sold any unrealised gains or losses were included in the fair value of the investments.

## 6 Debtors

	31 March 2023 £'000s	31 March 2022 £'000s	30 September 2022 £'000s
Accrued income	3,756	3,200	1,318
Investments sold awaiting settlement	-	-	3,687
Prepayments	45	48	16
Overseas taxation recoverable	122	60	85
	<b>3,923</b>	<b>3,308</b>	<b>5,106</b>

## 7 Creditors: amounts falling due within one year

	31 March 2023 £'000s	31 March 2022 £'000s	30 September 2022 £'000s
Management fee	690	362	318
Investments purchased awaiting settlement	-	-	4,095
Loan interest	24	6	9
Accruals	85	74	103
	<b>799</b>	<b>442</b>	<b>4,525</b>

## 8 Loans

In March 2018 the Company entered into a £30 million multi-currency revolving loan facility with The Bank of Nova Scotia. This was increased to £40 million in March 2022 and extended on revised terms in March 2023 for a further one-year period. The loan is subject to compliance with the loan covenants which have all been met during the period. The amount utilised and the interest rate thereon are set on a short term basis. Interest rates and commitment fees payable on non-utilised amounts are based on the commercial terms agreed with The Bank of Nova Scotia.

At the period end the amount of the loan drawn down was £29 million (31 March 2022: £27 million; 30 September 2022: £24 million).

## 9 Share capital

	Number	Total Listed £'000s	Number	Held in Treasury £'000s	Number	Issued and fully paid £'000s
<b>Equity share capital</b>						
<b>Ordinary shares of 25p each</b>						
Balance at 30 September 2022	107,289,022	26,822	582,819	145	106,706,203	26,677
Ordinary Shares issued from treasury	-	-	(75,000)	(18)	75,000	18
Ordinary Shares bought back & held in treasury	-	-	600,000	150	(600,000)	(150)
Balance at 31 March 2023	107,289,022	26,822	1,107,819	277	106,181,203	26,545

In the half-year ended 31 March 2023, 75,000 ordinary shares were issued from treasury for net proceeds of £223,000 and 600,000 ordinary shares were bought back and held in treasury by the Company at a net cost of £1,804,000.

Since 31 March 2023, a further 345,358 ordinary shares have been bought back and are held in treasury by the Company at a net cost of £1,051,000.

## 10 Net asset value per ordinary share

	Half-year ended 31 March 2023	Half-year ended 31 March 2022	Year ended 30 September 2022
Net Asset Value per share – pence	305.29	320.49	277.66
Net assets attributable at the period end – (£'000s)	324,162	343,378	296,283
Number of ordinary shares in issue at the period end	106,181,203	107,141,203	106,706,203

### 11 Reconciliation of net return before taxation to net cash flows from operating activities

	Half-year ended 31 March 2023 £'000s	Half-year ended 31 March 2022 £'000s	Year ended 30 September 2022 £'000s
Net return on ordinary activities before taxation	<b>36,504</b>	(5,181)	(45,258)
Adjustments for non-cash flow items, dividend income and interest expense:			
(Gains)/losses on investments	<b>(30,778)</b>	10,402	57,259
Transaction costs on investments	<b>(69)</b>	(6)	(113)
Foreign exchange losses	<b>58</b>	61	1
Non-operating expenses of a capital nature	-	-	1
Dividend income receivable	<b>(7,290)</b>	(6,535)	(14,486)
Interest receivable	<b>(27)</b>	(1)	(9)
Interest payable	<b>518</b>	144	384
(Increase)/decrease in other debtors	<b>(66)</b>	(4)	3
Increase/(decrease) in other creditors	<b>354</b>	(8)	(23)
	<b>(37,300)</b>	4,053	43,017
Net cash flow from operating activities before interest and dividends received and interest paid	<b>(796)</b>	(1,128)	(2,241)

### 12 Analysis of changes in net debt

	Cash £'000s	Bank loan £'000s	Half-year ended 31 March 2023 Total £'000s	Cash £'000s	Bank loan £'000s	Half-year ended 31 March 2022 Total £'000s
<b>Net cash/(debt) brought forward</b>	<b>906</b>	<b>(24,000)</b>	<b>(23,094)</b>	1,813	(25,000)	(23,187)
<b>Cash-flows:</b>						
Drawdown of bank loan	-	<b>(5,000)</b>	<b>(5,000)</b>	-	(2,000)	(2,000)
Net movement in cash and cash equivalents	<b>(201)</b>	-	<b>(201)</b>	(1,109)	-	(1,109)
<b>Non-cash:</b>						
Effect of movement in foreign exchange	<b>(58)</b>	-	<b>(58)</b>	(61)	-	(61)
<b>Net cash/(debt) carried forward</b>	<b>647</b>	<b>(29,000)</b>	<b>(28,353)</b>	643	(27,000)	(26,357)

### 13 Going concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have also considered the Company's objective, strategy and policy, the current cash position of the Company, the availability of the loan facility and compliance with its covenants and the operational resilience of the Company and its service providers.

The global economy continues to suffer disruption due to inflationary pressures, the war in Ukraine and the after-effects of the COVID-19 pandemic and the Directors have given careful consideration to the consequences for this Company. The Company has a number of banking covenants and at present the Company's financial position does not suggest that any of these are close to being breached.

The primary risk is that there is a very substantial decrease in the Net Asset Value of the Company in the short to medium term. The Directors have considered the remedial measures that are open to the Company if such a covenant breach appears possible. As at 30 May 2023, the last practicable date before publication of this report, borrowings amounted to £29 million. This is in comparison to a Net Asset Value of £328.4 million. In accordance with its investment policy the Company is mainly invested in readily realisable, FTSE All-Share listed securities. These can be realised, if necessary, to repay the loan facility and fund the cash requirements for future dividend payments.

The Company operates within a robust regulatory environment. The Company retains title to all assets held by the Custodian. Cash is held with banks approved and regularly reviewed by the Manager and the Board.

Based on this information the Directors believe that the Company has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

### 14 Results

The results for the half-year ended 31 March 2023 and 31 March 2022, 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 2022; 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 on prior pages for the year ended 30 September 2022 are an extract from those accounts.

By order of the Board  
Columbia Threadneedle Investment Business Limited, Company Secretary  
Exchange House, Primrose Street, London EC2A 2NY  
31 May 2023

## Directors' Statement of Responsibilities in Respect of the Half-Yearly Financial Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with applicable UK Accounting Standards on a going concern basis and give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Chairman's Statement and the Directors' Statement of Principal Risks and Uncertainties (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure Guidance and Transparency Rule ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Directors' Statement of Principal Risks and Uncertainties 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 information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have

materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board  
Jonathan Cartwright  
Chairman  
31 May 2023

## How to Invest

One of the most convenient ways to invest in CT UK Capital and Income Investment Trust PLC is through one of the savings plans run by Columbia Threadneedle Investments.

### CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

### CT Junior Individual Savings Account (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

### CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

### CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

### CT Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

### CT Child Trust Fund (CTF)\*

If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

### Charges

Annual management charges and other charges apply according to the type of plan.

### Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

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

### Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

**The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing.** For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest in, these can be found at [ctinvest.co.uk/documents](https://ctinvest.co.uk/documents).

### How to Invest

To open a new Columbia Threadneedle Savings Plan, apply online at [ctinvest.co.uk](https://ctinvest.co.uk) Online applications are not available if you are transferring an existing Savings Plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new Savings Plan in more than one name but paper applications are available at [ctinvest.co.uk/documents](https://ctinvest.co.uk/documents) or by contacting Columbia Threadneedle Investments.

### New Customers:

Call: **0800 136 420\*\***  
(8:30am – 5:30pm, weekdays)  
Email: **invest@columbiathreadneedle.com**

### Existing Savings Plan Holders:

Call: **0345 600 3030\*\***  
(9:00am – 5:00pm, weekdays)  
Email: **investor.enquiries@columbiathreadneedle.com**  
By post: Columbia Threadneedle Management Limited  
PO Box 11114  
Chelmsford CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

### Notes

\*The CTF and JISA accounts are opened in the child's name and they have access to the money at age 18.

\*\*Calls may be recorded or monitored for training and quality purposes.

To find out more,  
visit [ctinvest.co.uk](https://ctinvest.co.uk)

**0345 600 3030**, 9.00am – 5.00pm,  
weekdays, calls may be recorded or  
monitored for training and quality purposes.



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## Information for Shareholders

### Net Asset Value and share price

The Company's Net Asset Value per share is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of CT UK Capital and Income Investment Trust PLC is shown in the investment trust section of the stock market page in most leading newspapers, usually under "CT UK Capital and Income".

### Performance information

Information on the Company's performance is provided in the half-yearly and final reports which are sent to Shareholders in June and December respectively. More up-to-date performance information is available on the Internet at [ctcapitalandincome.co.uk](https://ctcapitalandincome.co.uk). This website also provides a monthly update on the Company's largest holdings, along with comments from the Fund Manager.

### AIC

CT UK Capital and Income Investment Trust PLC is a member of the AIC, which publishes a monthly statistical information service in respect of member companies. The publication also has details of ISA and other investment plans available. For further details, please contact the AIC on 020 7282 5555, or visit the website: [theaic.co.uk](https://theaic.co.uk)

### Electronic communications

Computershare provides a service to enable Shareholders to receive Shareholder correspondence electronically (including annual and half-yearly financial reports) if they wish. If a Shareholder opts to receive documents in this

way, paper documents will only be available on request. Shareholders who opt for this service will receive a Notice of Availability via e-mail from Computershare with a link to the relevant section of the Company's website where the documents can be viewed or printed. For more information, to view the terms and conditions and to register for this service, please visit Computershare's internet site at [investorcentre.co.uk](https://investorcentre.co.uk) (you will need your Shareholder reference number which can be found on your share certificate or dividend confirmation).

### Common reporting standards

Tax legislation requires investment fund companies to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment trusts. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders [gov.uk/government/publications/exchange-of-information-account-holders](https://gov.uk/government/publications/exchange-of-information-account-holders).

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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 0345 600 3030\*\*.

**Warning to Shareholders – Beware of Share Fraud.**

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register at [fca.org.uk](https://www.fca.org.uk) to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority (“FCA”) on [0800 111 6768](tel:08001116768) if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at [fca.org.uk/scams](https://www.fca.org.uk/scams)
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at [fca.org.uk/scams](https://www.fca.org.uk/scams) where you can find out more about investment scams. You can also call the FCA Consumer Helpline on [0800 111 6768](tel:08001116768). If you have already paid money to share fraudsters you should contact Action Fraud on [0300 123 2040](tel:03001232040).

\*\* Calls may be recorded or monitored for training and quality purposes.