INVESTORS CAPITAL TRUST PLC

(Registered Number SC314671)

INTERIM ACCOUNTS

in accordance with section 838 Companies Act 2006

FOR THE PERIOD FROM 1 APRIL 2014

TO 30 SEPTEMBER 2014

INVESTORS CAPITAL TRUST PLC

Statement of Directors' Responsibilities in respect of the interim accounts

Company Law requires the Directors to prepare interim accounts prior to making any distribution where the distribution would be found to contravene the relevant section of the Companies Act if reference were made only to the Company's last annual accounts. These accounts are required to be properly prepared under s838 of the Companies Act 2006 and must consist of:

- A balance sheet which gives a true and fair view of the state of the Company's affairs as at the balance sheet date; and
- A profit and loss account which gives a true and fair view of the Company's profit or loss for the period. This requirement is met by the presentation of the total column in the Income Statement.

In preparing these accounts the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim accounts; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business

The Directors are responsible for ensuring that proper accounting records are maintained, which enable them to ensure that the interim accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and, therefore, for taking reasonable steps for the prevention and detection of fraud and other irregularities. The accounts have been prepared on a going concern basis.

INVESTORS CAPITAL TRUST PLC

Statement of Comprehensive Income

	Notes	Period from 1 April 2014 to 30 September 2014 Revenue £'000	Capital £'000	Total £'000	Year to 31 March 2014 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	8	-	(1,436)	(1,436)	-	7,741	7,741
Exchange differences		-	203	203	-	227	227
Income	1	3,139	-	3,139	5,466	-	5,466
Investment management fee	2	(142)	(331)	(473)	(278)	(1,232)	(1,510)
Other expenses	3	(176)	-	(176)	(386)	-	(386)
Return on ordinary activities before finance costs and taxation		**2,821**	**(1,564)**	**1,257**	**4,802**	**6,736**	**11,538**
Finance cost							
Net Interest	4	(89)	(208)	(297)	(178)	(415)	(593)
Finance cost		**(89)**	**(208)**	**(297)**	**(178)**	**(415)**	**(593)**
Profit/(loss) before tax		**2,732**	**(1,772)**	**960**	**4,624**	**6,321**	**10,945**
Tax	5	(17)	17	-	(26)	26	-
Profit/(loss) for the period		**2,715**	**(1,755)**	**960**	**4,598**	**6,347**	**10,945**
Total comprehensive income for the period		**2,715**	**(1,755)**	**960**	**4,598**	**6,347**	**10,945**
Return per Share	6	2.2p	(1.4)p	0.8p	3.7p	5.1p	8.9p

The total column of this statement represents the Company's profit and loss account, prepared in accordance with International Financial Reporting Standards. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

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

The notes on pages 4 to 15 are an integral part of these statements.

INVESTORS CAPITAL TRUST PLC

Balance Sheet

	Notes	As at 30 Sept 2014 £'000	As at 31 March 2014 £'000
NON-CURRENT ASSETS			
Investments held at fair value through profit or loss	8	136,393	139,816
		136,393	139,816
CURRENT ASSETS			
Other receivables	9	1,327	1,280
Cash at bank and on deposit		5,237	5,904
		6,564	7,184
TOTAL ASSETS		**142,957**	**147,000**
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Other payables	10	(681)	(2,448)
		(681)	(2,448)
NON-CURRENT LIABILITIES			
Bank loan	11	(18,000)	(18,000)
		(18,000)	(18,000)
TOTAL LIABILITIES		**(18,681)**	**(20,448)**
NET ASSETS		**124,276**	**126,552**
REPRESENTED BY:			
Share Capital	12	134	134
Share Premium	13	153	153
Capital Redemption Reserve	14	5	5
Buy Back Reserve	14	86,868	87,356
Special Capital Reserve	14	23,236	23,952
Capital Reserves	14	9,081	10,836
Revenue Reserve	14	4,799	4,116
		124,276	**126,552**
Net Asset Value per Equity Share	15	101.2p	102.6p

The financial statements on pages 2 to 15 were approved by the Board and authorised for issue on 25 November 2014 and were signed on its behalf by:

Iain McLaren, Director

Summary Accounting Policies

BASIS OF PREPARATION

The financial statements of the Company have been prepared on the basis of International Financial Reporting Standards ('IFRS') which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect, and to the extent that they have been adopted by the European Union. The disclosures within these financial statements have been limited to those required to meet the statutory requirements of s838 Companies Act 2006, requisite in respect of interim accounts prepared for a proposed distribution by a public company.

The notes and financial statements are presented in pounds sterling (functional and presentational currency) and are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the period. The nature of the estimation means that actual outcomes could differ from those estimates.

INVESTMENTS

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Investments are classified as fair value through profit or loss. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition.

Financial assets designated as at fair value through profit or loss are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Unlisted investments, including the Company's dealing subsidiary, Investors Securities Company Limited, are valued at fair value by the Directors on the basis of all information available to them at the time of valuation. Any investments held by Investors Securities Company Limited at the balance sheet date are valued at fair value.

Where securities are designated upon initial recognition as fair value through profit or loss, gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item.

Summary Accounting Policies (Continued)

DERIVATIVE FINANCIAL INSTRUMENTS

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. In line with the guidance published by the Association of Investment Companies, changes in the fair value of derivative financial instruments recognised in the income statement will generally be recognised through the revenue column, except where there is a clear connection between the derivative and the maintenance or enhancement of the Company's investments.

CAPITAL AND RESERVES

(a) **Capital reserve – investments sold** - gains and losses on realisation of investments, Including losses on transactions in own shares, are dealt with in this reserve.

(b) **Capital reserve – investments held** - increases and decreases in the valuation of investments held are dealt with in this reserve.

(c) **Buyback reserve** - created from the Court cancellation of the share premium account which had arisen from premiums paid on the A Shares. Available as distributable profits to be used for the buy back of Shares. The cost of any shares bought back is deducted from this reserve. The cost of any Shares resold from Treasury is added back to this reserve.

(d) **Special capital reserve** - created from the Court cancellation of the share premium account which had arisen from premiums paid on the B Shares. Available for paying capital returns on the B Shares.

(e) **Capital redemption reserve** - the nominal value of any of the shares bought back for cancellation is added to this reserve. This reserve is non-distributable.

(f) **Revenue reserve** - the net profit/(loss) arising in the revenue column of the Income Statement is added to or deducted from this reserve. Available for paying dividends on the A Shares

INCOME

(a) Dividends are recognised as income on the date that the related investments are marked ex-dividend. Income from fixed interest securities is accrued on an effective interest rate basis, by reference to the principal outstanding and at the effective interest rate applicable.

(b) Other investment income and deposit interest are included on an accruals basis.

Summary Accounting Policies (Continued)

EXPENSES

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the income statement except where incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio and taking account of the expected long term returns as follows:

- Interest payable on the term bank loan is allocated 30 per cent. to the revenue column of the income statement and 70 per cent. to capital;
- Management fees have been allocated 30 per cent to revenue and 70 per cent to capital.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the income statement depending on whether the gain or loss is of a capital or revenue nature respectively.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

INVESTORS CAPITAL TRUST PLC

Notes to the Accounts

	Period to 30 September 2014 £'000	Year to 31 March 2014 £'000
1. INCOME		
Listed investments	3,131	5,444
Deposit interest	6	17
Underwriting commission	2	5
	3,139	5,466

During the period, income of £nil was recognised in capital (year to 31 March 2014: £nil).

2. INVESTMENT MANAGEMENT FEE	**£'000**	**£'000**
Investment management fee - revenue	142	278
- capital	331	837
Performance fee - capital	-	395
	473	1,510

The Company's investment manager is F&C Investment Business Limited. With effect from 1 April 2014, F&C Investment Business Limited receives an investment management fee of 0.75 per cent per annum of the net asset value of the Company payable quarterly in arrears.

For the year to 31 March 2014 the fee comprised a base fee of 0.90 per cent per annum and a performance fee. Full details can be found in the Company's Annual Report and Accounts for the year ended 31 March 2014.

The contract between the Company and F&C Investment Business Limited may be terminated at any date by either party giving six months' notice of termination. In the event of the Company terminating the contract by giving less than the aforementioned notice, F&C Investment Business Limited is entitled to compensation of an amount equal to the base management fee which the investment manager would have been entitled to receive if it had continued to supply services for the unexpired notice period.

INVESTORS CAPITAL TRUST PLC

Notes to the Accounts

3. OTHER EXPENSES	**Period to 30 September 2014 £'000**	**Year to 31 March 2014 £'000**
Directors' fees	57	112
Auditors remuneration for - statutory audit	-	23
- tax services (non-audit)	-	33
Other	119	218
	176	386

4. FINANCE COSTS	**£'000**	**£'000**
Interest on Bank Loan	297	593
	297	593

5a. TAXATION	**£'000**	**£'000**
Corporation tax – current period	-	-
Release of provision relating to prior years	-	-
	-	-

5b. FACTORS AFFECTING TAX CHARGE FOR THE CURRENT PERIOD

	Period to 30 September 2014 £'000	**Year to 31 March 2014 £'000**
Return on ordinary activities before tax	960	10,945
Taxation at the UK standard rate of corporation tax of 21% (31 March 2014: 23%)	202	2,517
Effects of:		
- non taxable dividend income	(557)	(1,038)
- non taxable capital (losses)/gains	259	(1,833)
- excess management expenses	96	354
Current period tax charge	-	-

INVESTORS CAPITAL TRUST PLC

Notes to the Accounts

6. RETURN PER ORDINARY SHARE

The return per ordinary share is based on the following figures:

Revenue return	£2,715,000	£4,598,000
Capital return	£(1,755,000)	£6,347,000
Total return	£960,000	£10,945,000
Weighted average number of shares in issue during the period	123,100,749	123,435,344

7. DISTRIBUTIONS

	Period to 30 September 2014 £'000	Year to 31 March 2014 £'000
Amounts recognised as distributions to equity holders in the period:		
Fourth quarter interim dividend of 1.1225p (2013: 1.1p) per A share	1,025	1,018
Fourth quarter capital repayment of 1.1225p (2013: 1.1p) per B share	360	346
First quarter interim dividend of 1.11p (2013: 1.0825p) per A share	1,007	993
First quarter capital repayment of 1.11p (2013: 1.0825p) per B share	356	342
Second quarter interim dividend of 1.0825p per A share	-	993
Second quarter capital repayment of 1.0825p per B share	-	344
Third quarter interim dividend of 1.0825p per A share	-	988
Third quarter capital repayment of 1.0825p per B share	-	344
	2,748	5,368

Notes to the Accounts

7. DISTRIBUTIONS (CONTINUED)	**Period to 30 Sept 2014 £'000**	**Year to 31 March 2014 £'000**
Proposed distributions to equity holders at the period end:		
Second quarter interim dividend of 1.11p per A share for the year ending 31 March 2015	1,007	-
Second quarter capital repayment of 1.11p per B share for the year ending 31 March 2015	356	-
Fourth quarter interim dividend of 1.1225p per A share for the year ended 31 March 2014	-	1,025
Fourth quarter capital repayment of 1.1225p per B share for the year ended 31 March 2014	-	360

8. FIXED ASSETS – INVESTMENTS	**Period to 30 Sept 2014 £'000**	**Year to 31 March 2014 £'000**
Opening book cost	112,797	112,059
Opening fair value adjustment	27,019	21,802
Opening valuation	139,816	133,861
Additions at cost	8,928	22,521
Disposals - proceeds	(10,915)	(24,307)
- realised gains on sales	715	2,524
Movement in fair value	(2,151)	5,217
Closing valuation	136,393	139,816
Closing book cost	111,275	112,797
Closing fair value adjustment	24,868	27,019
Closing valuation	136,393	139,816
Listed investments	136,143	139,566
Subsidiary Undertaking	250	250
	136,393	139,816
Realised gains on investments	715	2,524
Movement in fair value	(2,151)	5,217
Total (losses)/gains on investments held at fair value through profit and loss	(1,436)	7,741

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Notes to the Accounts

9. OTHER RECEIVABLES	30 September 2014 £'000	31 March 2014 £'000
Accrued income	657	972
Unrealised gains on foreign exchange currency contracts	-	12
Due from brokers	638	140
Due from issue of own shares	-	133
Other debtors	32	23
	1,327	1,280

10. OTHER PAYABLES	30 September 2014 £'000	31 March 2014 £'000
Due to brokers	100	1,425
Management fee	237	286
Performance fee	-	395
Loan from subsidiary undertaking	250	250
Accrued expenses	86	92
Unrealised losses on foreign exchange currency contracts	8	-
	681	2,448

11. BANK LOAN	30 September 2014 £'000	31 March 2014 £'000
£18 million term loan maturing 28 September 2017	18,000	18,000

On 28 September 2012, the Company drew down an £18 million term loan from JPMorgan Chase Bank. This term loan is secured on the majority of the assets of the Company and carries interest at a fixed rate of 3.15 per cent per annum. Interest on the term loan is payable quarterly in arrears. An administration fee of £18,000 is payable annually in addition.

The term loan contains certain financial covenants with which the Company must comply. These include a financial covenant to the effect that the percentage of the total amounts drawn down under the term loan (together with any other borrowings) should not exceed 45 per cent of the Company's Eligible Total Secured Assets. The Company has complied with the required financial covenants throughout the period.

The fair value of the fixed rate £18m term loan, on a marked to market basis, was £17,771,000 at 30 September 2014 (31 March 2014: £17,692,000).

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Notes to the Accounts

12. SHARE CAPITAL
As at 30 September 2014

	Nominal Value £
Authorised share capital	
225,000,000 A Shares of 0.1p each at 31 March 2014 and 30 September 2014	225,000
75,000,000 B Shares of 0.1p each at 31 March 2014 and 30 September 2014	75,000
	300,000

Allotted, Issued and Fully Paid

	Listed		Held in Treasury		In Issue	
	Number	Par value £	Number	Par value £	Number	Par value £
A Shares of 0.1p each						
Balance at 1 April 2014	102,067,144	102,067	(10,789,000)	(10,789)	91,278,144	91,278
Repurchased to be held in treasury	-	-	(500,000)	(500)	(500,000)	(500)
Balance at 30 September 2014	102,067,144	102,067	(11,289,000)	(11,289)	90,778,144	90,778
B Shares of 0.1p each						
Balance at 1 April 2014	32,076,703	32,077	-	-	32,076,703	32,077
Balance at 30 September 2014	32,076,703	32,077	-	-	32,076,703	32,077

During the period to 30 September 2014, the Company bought back 500,000 A shares to hold in treasury at a cost of £488,000. At 30 September 2014 the Company held 11,289,000 A Shares and nil B Shares in treasury.

The Company has two classes of shares: A Shares and B Shares. The rights of each class of shares are identical, save in respect of the right to participate in dividends and capital returns. A Shares are entitled to all dividends paid by the Company and no dividends may be paid to B Shareholders. B Shareholders are entitled to capital distributions from the Company at an amount per share equal to, but not exceeding, any dividend paid per share to A Shareholders.

The net asset value attributable to each class of share is the same. Apart from voting rights entitlements at separate class meetings, every A Share and every B Share carries equal voting rights. Upon a winding up or reconstruction of the Company, each A Share and each B Share shall have an equal right to share in the residual assets of the Company.

INVESTORS CAPITAL TRUST PLC

Notes to the Accounts

13. SHARE PREMIUM ACCOUNT

	£'000
As at 1 April 2014	153
As at 30 September 2014	153

The Court of Session has confirmed the cancellation of the entire amount standing to the credit of the share premium account and the creation of two distinct reserves, the first reserve relating to that part of the cancelled share premium account arising from premiums paid on the A Shares (the "buy back reserve") and the second reserve relating to that part of the cancelled share premium account arising from premiums paid on the B Shares (the "special capital reserve").

The Company will apply these two reserves as follows:
- the buy back reserve will be available as distributable profits to be used for the buy back of both A and B shares; and
- the special capital reserve will be used for the purpose of paying capital returns on the B Shares.

14. RESERVES

Capital Redemption Reserve	**£'000**
As at 1 April 2014	5
As at 30 September 2014	5

Buy Back Reserve	**£'000**
As at 1 April 2014	87,356
Share buy backs for treasury (including costs)	(488)
As at 30 September 2014	86,868

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Notes to the Accounts

14. RESERVES (CONTINUED)

Special Capital Reserve	**£'000**
As at 1 April 2014	23,952
Capital returns paid on B shares	(716)
As at 30 September 2014	23,236

Capital Reserve – investments sold	**£'000**
As at 1 April 2014	(16,187)
Gains on sale of during the period	715
Exchange differences	241
Management fees charged to capital	(331)
Finance cost charged to capital	(208)
Taxation credited to capital	17
As at 30 September 2014	(15,753)

Capital Reserve – investments held	**£'000**
As at 1 April 2014	27,023
Movement in fair value of investments during the period	(2,151)
Unrealised exchange differences	(38)
As at 30 September 2014	24,834

Revenue Reserve	**£'000**
As at 1 April 2014	4,116
Transfer from revenue column of income statement	2,715
Dividends paid on A shares	(2,032)
As at 30 September 2014	4,799

15. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per equity share and the net assets attributable to the equity shares were as follows:

	30 September 2014 £'000	**31 March 2014 £'000**
Net assets attributable	£124,276,000	£126,552,000
Total number of A and B shares in issue	122,854,847	123,354,847
Net asset value per equity share	101.2p	102.6p