F&C Investment Trust PLC

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F&C INVESTMENT TRUST PLC

Audited Statement of Results for the year ended 31 December 2020.

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10 March 2021

F&C Investment Trust PLC (**'FCIT'/'Company'**) today announces its results for the year ended 31 December 2020.

- FCIT's share price was 787.0 pence representing a total return of 4.6%.
- FCIT's Net Asset Value ("NAV") total return of 12.3%, with debt at market value, was marginally behind the 12.4% from its benchmark, the FTSE All-World Index.
- The difference between the strong gains as reflected in FCIT's NAV total return and the share price total return was the result of the shares moving from a premium rating at the beginning of the year to a 5.4% discount by its end.
- The listed and private equity holdings posted strong gains with those from the North American, Japanese and European holdings offsetting underperformance from the Global Strategies and Emerging Markets. This and a rise in the fair value of outstanding debt contributed to the in-line benchmark performance.
- FCIT expects its borrowings to add value to shareholders until maturity many years into the future but, with market interest rates falling, 'marking to market' of the debt to reflect its current fair value detracted from its NAV total return in 2020.
- The final dividend will be 3.4 pence per share, subject to shareholder approval, and will bring the total dividend for the year to 12.1 pence per share. This will be a 4.3% increase, the 50th consecutive annual increase, and well ahead of the Consumer Price Index of 0.6%.
- FCIT is committing to transition its portfolio to net zero carbon emissions by 2050 at the latest.

Commenting on the markets, Paul Niven, Fund Manager of FCIT, said:

> "2020 may come to be regarded as the year in which sustainable investing came of age. We see great opportunity for shareholder returns to be enhanced through a focus on companies engaging in sustainable business practices."

The Chairman, Beatrice Hollond, said:

> "FCIT has been resilient, responsible and prosperous for over 150 years and we are pleased to announce our commitment to transition the portfolio to net zero carbon emissions by 2050 at the latest. Our focus has always been on delivering sustainable growth in capital and income over the longer term. Shareholders can be assured that it will remain so."

The full results statement is attached.

Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

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About FCIT:

- Founded in 1868 – the oldest collective investment trust
- A diversified portfolio provides exposure to most of the world's stock markets, with exposure to over 400 individual companies across the globe
- Its aim is to generate long-term growth in capital and income by investing primarily in an international portfolio of listed equities

The Chairman's Statement

Dear Shareholder,

2020 was a tumultuous year, with the impact of Covid-19 leading to a sharp downturn in the global economy, an abrupt end to the longest equity bull market in history, and extreme levels of volatility in financial markets. Nevertheless, our share price total return was 4.6% for the year and our Net Asset Value (NAV) total return, taking debt at market value, was 12.3%, just slightly behind the 12.4% total return from the Company's benchmark index. The shares had started the year trading on a premium rating but by the year end had moved to a discount of 5.4%, which is reflected in the difference between the strong NAV total return and relatively lower share price total return.

Our NAV per share with debt at market value rose from 753.90p to 831.78p and our share price rose from 765.0p to 787.0p, ending the year close to a record high.

Our portfolio of investments delivered returns in line with the benchmark. Our listed equity market holdings posted good absolute gains and our private equity holdings performed better still. We enjoyed favourable returns from our listed North American holdings, where our exposure to growth and technology stocks delivered exceptional returns. Our Japanese and European strategies also provided good absolute and relative levels of return. Elsewhere, there was underperformance from several of our listed Global Strategies and our Emerging Markets holdings which, together with a rise in the fair value of our outstanding debt, contributed to the overall in-line NAV return.

Purpose and resilience

Our purpose has remained relevant and essentially unchanged throughout our long history, while our structure and ethos as an investment trust is once again showing resilience in the face of global turmoil. During 2020, and into 2021, the Covid-19 global pandemic has led to multiple lockdowns across the globe causing disruption to business operations and restricting domestic and international travel. The Board now holds its meetings online and our management company has proven it can continue to operate effectively under its contingency work-from-home arrangements, as do our other third-party service providers. The investment, support and compliance monitoring teams all continue to perform their roles effectively.

It is best practice for boards of directors to test the magnitude of events that could potentially force their companies to cease operating. As part of our annual robust review of risks and controls, we have carried out this test and further tests that help assess the Company's short to medium-term resilience and its longer term viability. I am very pleased to report that the results confirm that the Company continues to be well positioned to withstand further impacts from events such as significant market shocks, potential short-term liquidity issues and substantial falls in dividend income.

Meeting longer term investment needs

While short-term results are important, our aim is to meet the longer term needs of shareholders with the overriding objective of delivering long-term growth in capital and income.

Despite periodic volatility, and indeed the market shock triggered by Covid-19, investors in equities have enjoyed a period of extraordinary returns over recent decades. Our results continue to show the importance of taking a long-term perspective and how compounding of returns leads to wealth creation for investors.

Over the ten-year period to the end of 2020 your Company delivered a total shareholder return of 213.0%, equivalent to a total return of 12.1% per annum. Over the past twenty years, our total shareholder return was 350.3%, equivalent to a total return of 7.8% per annum. These figures highlight the significance of dividend reinvestment and the effect of compounding over time. Our capital returns over the past twenty years amounted to 194.2%, which with dividends reinvested resulted in the twenty year total return of 350.3%. Dividends paid to shareholders have risen by 6.0% per annum over the past decade and by 7.0% per annum over the past twenty years.

As ever, we remain resolutely focused on meeting our purpose and extending our strong record of delivering long-term growth in both capital and income for shareholders.

Fiftieth consecutive annual dividend increase

Our net revenue fell in the year to £52.5m which included special dividends of £1.2m (2019: £3.7m). The impact of currency movements was estimated to be modestly detrimental, detracting £0.4m (2019: positive effect of £2.3m). Our net revenue return per share fell to 9.71 pence per share from 13.06 pence per share in 2019, which was the largest annual decline since 2009. Nevertheless, and subject to approval at the forthcoming Annual General Meeting (AGM), shareholders will receive a final dividend of 3.4 pence per share on 13 May 2021, bringing the total dividend for the year to 12.1 pence. This rise of 4.3% compares with the 0.6% rise in inflation, as measured by the Consumer Price Index. Furthermore, it adds to our long record of rises in real terms and we are delighted to pay our fiftieth consecutive increased annual dividend. It will also be our one hundred and fifty third annual dividend payment.

In years where our income exceeds dividend payments, we are able to take advantage of our structure as an investment trust and be prudent by transferring some of that income to our Revenue Reserve. This in turn gives us the ability to draw on our Revenue Reserve to help fund this year's dividend payment; it will continue to exceed one year's worth of annual dividends after that payment. Furthermore, our capital reserves, which stood at over £4.0 billion at year end, provide considerable flexibility for us to continue to deliver future rises in dividends. It remains our aspiration to continue to deliver real rises in dividends to shareholders over the long-term.

Company rating and efficiency

Your Company issued shares in both 2018 and 2019 and started the year at a premium rating of 1.5%. Our rating deteriorated in the first half of the year in the face of the pandemic and we moved to a discount as demand for our shares diminished and equity markets dropped sharply. We bought back a total of 6m shares into treasury during the year as part of our commitment towards a sustainably low deviation between the share price and NAV. The discount averaged 6.1% over 2020 and ended the year at 5.4%.

We regard costs as critical and have always taken a very conservative view of both how we manage and report on them as they can have a significant impact on long-term returns to investors. Our Ongoing Charges figure reduced from 0.63% to 0.59%, continuing the desired downward trend of recent years. This measure takes account of costs expected to be regularly incurred and does not include those incurred in buying and selling investments. Our transaction costs rose as a result of a higher level of portfolio activity in the year and therefore our Total Costs ratio, which does include transaction costs, moved from 1.05% to 1.19%. Our Ten-Year Record shows the extent to which we have kept costs under control, which has made a considerable difference to our results over multiple years. The Board remains focused on delivering value for money for shareholders as part of its performance objectives.

Contributors to total return in 2020	**%**
Portfolio return	12.5
Management fees	(0.4)
Interest and other Expenses	(0.3)
Buy-backs	0.1
Change of value of debt	(0.8)
Gearing/other	1.2
NAV total return	**12.3**
Change in rating	(7.7)
Share price total return	**4.6**
FTSE All-World total return	12.4

Source: BMO GAM

Impact of borrowings

Over recent years we have taken the opportunity to take out long-term borrowings at historically low interest rates. Of our £407m borrowings as at the end of 2020, £366m were structural and mostly in the form of private placement loan notes at interest rates ranging from 0.93% to 3.16% with repayment dates falling between 2026 and 2059. Our blended borrowing rate of around 2.3% is very low by historic standards and the borrowings that we have taken out will therefore enhance NAV returns, provided our assets can deliver returns above that level over the terms of the loans.

Interest rates have generally fallen even further since we took out these longer dated loans and, although we do not anticipate their early redemption, we are required to make an adjustment to our NAV that reflects such an eventuality. This adjustment, or 'marking to market', of the fair value of our debt involves a calculation based on prevailing interest rates in government bond markets and, as at the end of 2020, amounted to a £47.9m 'fair value' reduction in our NAV. As market interest rates fell, the impact on our NAV increased over the course of the year, detracting £29.7m from our NAV total return. We do not anticipate the early redemption of these long-dated loans and indeed it is our expectation that our investment returns will exceed our current borrowing rates and that these loans will add value for shareholders in the long term as a consequence.

Currency exposure

At the end of 2012, your Company adopted a global equity benchmark for performance comparison purposes. At that time, the Board took the decision that shareholders' best interests would be served by a move away from an approach which strategically favoured UK assets against global equities. This decision was well timed and, while UK equity investments have provided strong returns, non-UK equity market returns have been significantly higher.

A consistent feature of the global equity market in recent years has been the significant outperformance of US equities led, in large part, by 'growth' and technology stocks. Your Company has been a significant beneficiary of these trends and, as at the end of 2020, we held over 50% of our assets in listed US equities and only 5% in UK listed assets.

While the impact of currency exposure on our returns is complex given the international operations of multi-national companies which we hold, the Board is mindful of the fact that we have issued sterling debt which may be regarded as funding overseas investments, effectively reducing our limited sterling exposure further still. Recognising the extent of US dollar exposure on our investment portfolio and the fact that we are funding a portion of this through sterling borrowings, we considered it prudent to hedge a portion of our US dollar exposure during the year and have therefore purchased a series of forward currency contracts to the value of £300m. As at the end of 2020, this position showed an unrealised capital gain of £9.1m.

Environmental social and governance factors ("ESG")

We take a responsible investment approach and through BMO Global Asset Management have a manager that has been at the forefront in developing and applying the highest standards of ESG practice for many years. We have therefore been able to build a leading position in terms of voting and engagement and have substantially improved and expanded our ESG-related disclosures, as can be seen in the Report and Accounts.

In delivering on our objective it is increasingly important to consider and manage the wider social and environmental impact of our investments. Many of our investee companies are already engaged in activities which are positively aligned to the United Nations Sustainable Development Goals ("SDGs") and we are engaging with laggards to deliver better outcomes. Through our voting and engagement programme, and the wider activities of our manager, we are committed to influencing positive change. We believe that this is in the best interests of our shareholders and we will be giving greater attention to companies that are not sufficiently progressive in their consideration of key stakeholders.

Now, more than ever, your Board is focused on ensuring that ESG is integrated and embedded within all aspects of our investment process. Crucially, the issue of climate change is the defining challenge of modern times and we are pleased to announce our commitment to transition our portfolio to net zero carbon emissions by 2050 at the latest. We will closely monitor and report to you on our progress and move forward more quickly if we can.

Board composition

In addition to the appointment of Quintin Price in March 2020, Tom Joy joined the Board on 1 January 2021. Their appointments are part of our planned sequence of Board changes and reflect our continuing focus on maintaining the highest level of investment skills and knowledge on the Board.

Nicholas Moakes retired on 31 December 2020 and Sir Roger Bone will retire immediately following the forthcoming AGM, when Quintin Price will succeed him as Senior Independent Director. I would like to thank both Nicholas and Roger for their wise counsel, hard work and significant contribution throughout their time as Directors.

Online Shareholder Meeting and Annual General Meeting ("AGM")

Under normal circumstances we like to see and talk to as many shareholders as possible in person at the AGM. Sadly, it is likely that under the government's roadmap of steps out of lockdown no indoor public gathering will be permitted by the time of the meeting and that travel will still be minimised. The Company's Articles of Association currently do not allow the formalities of the AGM to be held online and, regrettably, the meeting will again be functional in format, with access restricted. However, the less formal aspects can be held online, and we are therefore inviting you to an online event on 26 April 2021 at which there will be a presentation by the Fund Manager. This will be followed by a question and answer session with the Board and the Fund Manager. To help the event run smoothly, we request that questions are sent in advance to fcitagm@bmogam.com.

The formal AGM will be held two weeks later on 10 May 2021. By holding the separate online event in advance of this there will be time for you to lodge your proxy votes having had the opportunity to engage with the Board and hear the Fund Manager's presentation. As currently permitted we are proposing to hold the AGM with three members only present in person, sufficient to form a quorum, and voting will be conducted by way of a poll. It is strongly recommended that shareholders do not attend. Nevertheless, shareholders can be represented by the chairman of the meeting acting as their proxy. We therefore urge you to lodge your votes to arrive by the deadline stated in the notice of meeting, appointing the chairman of the meeting as your proxy. Any updates to the AGM arrangements will be announced via a regulatory announcement and will be included on the Company's website. One of the resolutions will be for shareholder approval of new Articles of Association which, along with other best practice updates, will allow us to hold formal shareholder meetings in person while at the same time enable attendance and participation online for those who prefer. These “hybrid meetings” will allow us to reach out to many more of our shareholders in future, which we very much look forward to.

Outlook

Coming years are likely to provide further challenges. Covid-19 remains a significant threat to near-term growth prospects and while the news on vaccine effectiveness and deployment presents the prospect of a return to normality, risks to the outlook are numerous.

While we do expect better growth as this year progresses, and a consequent improvement in corporate earnings, equity markets have already discounted much of the good news. Valuations are being buoyed by unprecedented monetary and fiscal stimulus and, while we should expect support for some time to come, disappointment on earnings delivery or, critically, on inflation, could give rise to volatility and even a sharp setback in equity markets.

Despite near-term risks to navigate, we remain focused on the longer term. Your Company has once again proven robust to the extremities of market stress and volatility. It has been resilient, responsible and prosperous for over 150 years. Looking forward, there will indeed be risks but also tremendous opportunities. Our focus has always been on delivering sustainable growth in capital and income over the longer term. Shareholders can be assured that it will remain so.

Beatrice Hollond
Chairman
9 March 2021

Forward-looking statements

This document 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 document. Nothing should be construed as a profit forecast.

Weighting, stock selection and performance over one year in each investment portfolio strategy and underlying geographic exposure versus Index at 31 December 2020

Investment Portfolio Strategy	Our portfolio strategy weighting %	Underlying geographic exposure* %	Benchmark weighting %	Our strategy performance in Sterling %	Gross index performance in Sterling %
North America	40.7	54.5	58.3	16.0	15.8
Europe inc UK	9.9	23.1	17.2	8.6	2.8
Japan	4.9	7.2	7.4	20.9	10.7
Emerging Markets	9.6	12.6	11.8	8.2	14.7
Developed Pacific	-	2.6	5.3	-	14.9
Global Strategies**	26.6	-	-	8.0	12.4
Private Equity	8.3	-	-	13.6	-

Source: BMO GAM

*Represents the geographic exposure of the portfolio, including underlying exposures in private equity and fund holdings.

**The Global Strategies allocation consisted of Global Income, Global Smaller Companies, Global Value and Global Sustainable Opportunities.

Principal Risks and Future Prospects

The Board's processes for monitoring the principal risks and identifying emerging risks are set out in note 26 to the Report and Accounts. Economic and market shocks in one form or another, and their fallout, are risks that have long been on our radar. The duration and the impact of the pandemic worldwide remains unknown and there can never be any complacency. Nevertheless, FCIT's purpose, strategy, investment policy and innate characteristics, most notably portfolio diversification and an embedded long-term outlook, are again demonstrating its strong resilience in the face of a global crisis. Our risk evaluation forms an inherent part of our strategy determination, described on page 9 of the Report and Accounts, which looks to mitigate risks and to pursue the opportunities that arise not least at times of great turmoil. The pandemic has not changed the coverage of each of the principal risks and the Board has therefore managed the crisis by articulating its impact and resulting actions within each of those risks rather than on a stand-alone basis. The principal risks are therefore largely unchanged from those reported last year, although most have inevitably increased.

Risk description: Investment proposition and its promotion – Failure to access the targeted market or meet investor needs or expectations, including ESG and climate change in particular, leading to significant pressure on the share price. **Unchanged throughout the year.**
Mitigation by strategy: Our investment and business strategies aim to position us as a clear and core investment choice through all available channels.
Our discount is a KPI measured by the Board on a continual basis and is reported on page 13 of the Report and Accounts.

Risk description: Investment performance - Inappropriate asset allocation, sector and stock selection, currency exposure and use of gearing and derivatives may give rise to under-performance and impact dividend paying capacity. Political risk factors, including the potential emergence of restrictive government controls, could also impact performance as could market shocks such as those experienced as a result of Covid-19.
Increased during the year.
Mitigation by strategy: Under our Business Model, a manager is appointed with the capability and resource to manage FCIT's assets, asset allocation, gearing, stock and sector selection and risk and can delegate the management of investment portfolios externally. The individual global and regional investment portfolios are managed as a whole to provide diversification, lower volatility and risk.
The performance of FCIT relative to its benchmark, its peers and inflation is a KPI measured by the Board on a continual basis and is reported on page 13 of the Report and Accounts.

Risk description: Chosen Manager - Failure of BMO GAM to continue to operate effectively resulting from inadequate systems or resources or through the loss of key staff,.
Increased during the year.
Mitigation by strategy: The Business Model is based on the premise of an effective and strong working relationship with the appointed Manager while an important responsibility of the Board is the robust annual evaluation of its performance, capabilities and resources, leading to the decision on whether to reappoint. Succession planning around any potential significant management changes is shared with the Board.
Internal performance KPIs and Manager errors are monitored by the Board for indications of continuity or other Manager issues.

Risk description: Service providers and systems security – Covid-19 and the implementation of working from home and increased sophistication of cyber threats have heightened risks of loss through errors, fraud or control failures at service providers or loss of data through business continuity failure.
Increased during the year.
Mitigation by strategy: The ancillary functions of administration, secretarial, accounting and marketing services are all carried out by the Manager.
The Board monitors effectiveness and efficiency of service providers' processes through internal efficiency KPIs.

Ten Year Horizon

Through a series of connected stress tests ranging from moderate to extreme scenarios including the impact of market shocks and based on historical information, but forward-looking over the ten years commencing 1 January 2021, the Board assessed the effects of:

- falls in the value of the publicly listed investments;
- widening discount and increased buyback levels;
- illiquidity and early calls on private equity commitments;
- adverse fluctuations in exchange rates; and
- adverse fluctuations in annual revenue.

The assumptions used for these tests purposefully did not take into account that under such severe conditions the Board and Manager would have taken action to mitigate the risks and offset the impact. Furthermore, the tests were a theoretical and illustrative scenario exercise the assumptions for which are extreme and highly unlikely. Their purpose was to help inform the Directors of the Company's short to medium-term resilience under conditions so severe that they would impact global economies, markets, companies and businesses alike. The tests help to support the Board's assessment of the Company's longer term viability. The results do not represent their views or give an indication of the likely outcome.

FCIT has been resilient, responsible and prosperous for over 150 years. There will inevitably be risks but we see the future continuing to present tremendous opportunities for investors and for shareholder returns to be enhanced through a focus on companies that engage in sustainable business practices. Shareholders can be assured that our focus on delivering sustainable growth in capital and income over the longer term will be maintained. Based on its assessment of the future prospects of the Company, and having applied stringent tests under worst-case scenarios that would severely impact global economies and markets alike, the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the coming ten years to 31 December 2030. In concluding that ten years is a reasonable period for this assessment, the Board considers that this approximates to:

• a suitable period over which its longer term investment performance is measurable and comparable;
• the periods over which it would typically commit to and benefit from its private equity investments; and
• the tenure of the Directors from a corporate governance perspective.

The Board also took into consideration the perceived viability of its principal service providers, potential effects of anticipated regulatory changes and the potential threat from competition. FCIT's business model, strategy and the characteristics listed on page 31 of the Report and Accounts have helped define and maintain the stability of FCIT over many decades. The Board expects this to continue over many more years to come.

Statement of Directors' Responsibilities in Respect of the Financial Statements

In accordance with Chapter 4.1.12 of the Disclosure Guidance and Transparency Rules the Directors confirm, that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- in the opinion of the Directors the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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On behalf of the Board
Beatrice Hollond
Chairman
9 March 2021

Income Statement

For the year ended 31 December	**Revenue £'000s**	**Capital £'000s**	**2020 Total £'000s**	Revenue £'000s	Capital £'000s	2019 Total £'000s
Gains on investments	**-**	**475,886**	**475,886**	-	622,989	622,989
Exchange movements on foreign currency loans, cash balances and derivatives	**(167)**	**(1,249)**	**(1,416)**	50	2,817	2,867
Income	**70,178**	**-**	**70,178**	89,376	-	89,376
Management fees	**(4,297)**	**(12,892)**	**(17,189)**	(4,294)	(12,882)	(17,176)
Other expenses	**(3,416)**	**(70)**	**(3,486)**	(3,926)	(49)	(3,975)
Net return before finance costs and taxation	**62,298**	**461,675**	**523,973**	81,206	612,875	694,081
Finance costs	**(2,349)**	**(7,049)**	**(9,398)**	(2,245)	(6,736)	(8,981)
Net return on ordinary activities before taxation	**59,949**	**454,626**	**514,575**	78,961	606,139	685,100
Taxation on ordinary activities	**(7,469)**	**-**	**(7,469)**	(8,024)	-	(8,024)
Net return attributable to shareholders	**52,480**	**454,626**	**507,106**	70,937	606,139	677,076
Net return per share – basic (pence)	**9.71**	**84.09**	**93.80**	13.06	111.61	124.67

The total column of this statement is the profit and loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
The net return attributable to Shareholders is also the total comprehensive income.

Statement of Changes in Equity

For the year ended 31 December 2020	Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 31 December 2019	140,455	122,307	3,735,063	111,224	4,109,049
Dividends paid	-	-	-	(62,774)	(62,774)
Shares repurchased by the Company and held in treasury	-	-	(41,821)	-	(41,821)
Net return attributable to shareholders	-	-	454,626	52,480	507,106
Balance carried forward 31 December 2020	**140,455**	**122,307**	**4,147,868**	**100,930**	**4,511,560**

For the year ended 31 December 2019	Share Capital £'000s	Capital Redemption Reserve £'000s	Capital Reserves £'000s	Revenue Reserve £'000s	Total Shareholders' Funds £'000s
Balance brought forward 31 December 2018	140,455	122,307	3,126,949	102,202	3,668,023
Dividends paid	-	-	-	(61,915)	(61,915)
Shares issued by the Company from treasury	-	-	11,251	-	11,251
Shares repurchased by the Company and held in treasury	-	-	(9,276)	-	(9,276)
Net return attributable to shareholders	-	-	606,139	70,937	677,076
Balance carried forward 31 December 2019	**140,455**	**122,307**	**3,735,063**	**111,224**	**4,109,049**

Balance Sheet

At 31 December	£'000s	2020 £'000s	£'000s	2019 £'000s
Fixed assets				
Investments		**4,856,368**		4,512,321
Current assets				
Debtors	**23,675**		20,563	
Cash at Bank and short-term deposits	**46,654**		28,196	
	70,329		48,759	
Creditors: amounts falling due within one year				
Loans	**(40,000)**		(75,000)	
Other	**(8,521)**		(15,861)	
	(48,521)		(90,861)	
Net current assets/(liabilities)		**21,808**		(42,102)
Total assets less current liabilities		**4,878,176**		4,470,219
Creditors: amounts falling due after more than one year				
Loans	**(366,041)**		(360,595)	
Debenture	**(575)**		(575)	
		(366,616)		(361,170)
Net assets		**4,511,560**		4,109,049
Capital and Reserves				
Share capital		**140,455**		140,455
Capital redemption reserve		**122,307**		122,307
Capital reserves		**4,147,868**		3,735,063
Revenue reserve		**100,930**		111,224
Total shareholders' funds		**4,511,560**		4,109,049
Net asset value per share – prior charges at nominal value (pence)		**840.69**		757.26

Statement of Cash Flows

for the year ended 31 December	2020 £'000s	2019 £'000s
Cash flows from operating activities before dividends received and interest paid	**(32,127)**	(28,991)
Dividends received	**70,055**	90,240
Interest paid	**(9,429)**	(9,585)
Cash flows from operating activities	**28,499**	51,664
Investing activities		
Purchases of investments	**(2,548,873)**	(1,609,187)
Sales of investments	**2,681,183**	1,437,402
Other capital charges and credits	**(76)**	(42)
Cash flows from investing activities	**132,234**	(171,827)
Cash flows before financing activities	**160,733**	(120,163)
Financing activities		
Equity dividends paid	**(62,774)**	(61,915)
Repayment of loans	**(75,000)**	(208,884)
Drawdown of loans	**40,000**	325,090
Cash flows from share issues	**1,931**	9,321
Cash flows from share buybacks for treasury shares	**(41,401)**	(9,276)
Cash flows from financing activities	**(137,244)**	54,336
Net increase/(decrease) in cash and cash equivalents	**23,489**	(65,827)
Cash and cash equivalents at the beginning of the year	**28,196**	96,439
Effect of movement in foreign exchange	**(5,031)**	(2,416)
Cash and cash equivalents at the end of the year	**46,654**	28,196
Represented by:		
Cash at bank	**16,177**	14,727
Short-term deposits	**30,477**	13,469
Cash and cash equivalents at the end of the year	**46,654**	28,196

Notes

1 NET RETURN PER SHARE

	2020 pence	**2020 £'000s**	2019 pence	2019 £'000s
Total return	**93.80**	**507,106**	124.67	677,076
Revenue return	**9.71**	**52,480**	13.06	70,937
Capital return	**84.09**	**454,626**	111.61	606,139
Weighted average ordinary shares in issue, excluding shares held in treasury - number		**540,641,336**		543,106,069

2 DIVIDENDS

The Directors have proposed a final dividend in respect of the year ended 31 December 2020 of 3.40p per share payable on 13 May 2021 to all shareholders on the register at close of business on 16 April 2021.

3 FINANCIAL RISK MANAGEMENT

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom (UK) as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of investments.

The Company's investment objective is to secure long-term growth in capital and income through a policy of investing primarily in an internationally diversified portfolio of public listed equities, as well as unlisted securities and private equity, with the use of gearing. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board of Directors, together with the Manager, is responsible for the Company's risk management.

The full details of financial risks are contained in note 26 of the Report and Accounts.

4 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 investment 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.

At present the global economy is suffering considerable disruption due to the effects of the Covid-19 pandemic and the Directors have given serious 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 4 March 2021, the last practicable date before publication of this report, borrowings amounted to £428 million. The Company had an undrawn loan facility of £35 million and a cash balance of £52 million. This is in comparison to a Net Asset Value of £4,422 million. In accordance with its investment policy the Company is invested mainly in readily realisable, FTSE All-Share listed securities. These can be realised, if necessary, to repay the loan facility and fund 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. The Directors have noted that home working arrangements have been implemented at the Manager and many of the Company's key suppliers without any noticeable impact upon service delivery and operations.

Based on this information, as well as the scenario testing as detailed on page 30 of the Report and Accounts, 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.

5 ANNUAL GENERAL MEETING

The annual general meeting will be held on 10 May 2021 at 12 noon.

6 REPORT AND ACCOUNTS

This statement was approved by the Board on 9 March 2021. It is not the Company's statutory accounts. The statutory accounts for the financial year ended 31 December 2020 have been approved and audited, and received an audit report which was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report. The statutory accounts for the financial year ended 31 December 2019 received an audit report which was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report.

The Report and Accounts will be posted to shareholders on or around 24 March 2021 and copies may be obtained thereafter during normal business hours from the Company's Registered Office, Exchange House, Primrose Street, London EC2A 2NY. Copies are available on the internet at fandcit.com from 10 March 2021.

Legal Entity Identifier: 213800W6B18ZHTNG7371

Information disclosed in accordance with Disclosure Guidance and Transparency Rule 4.1

By order of the Board
BMO Investment Business Limited, Secretary,
Exchange House,
Primrose Street,
London
EC2A 2NY
9 March 2021