Interim Report and Financial Statements for Margetts Greystone Cautious Managed Fund

For the six months ended 31 March 2014 (Unaudited)

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(An authorised representative of Margetts Fund Management Limited)

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Investment Adviser's Report

For the period ended 31 March 2014

Investment Objective and Policy

To achieve positive returns by utilising a diversified portfolio of transferable securities, fixed interest securities, money market instruments, deposits, currencies and unregulated collective investment schemes to the extent allowed by the FSA rules and selected from a global marketplace. The Fund will have an overall cautious attitude to risk and meet this definition based on the IMA (Investment Management Association) Mixed Investment 20-60% Shares sector requirements (previously named the IMA Cautious Managed sector).

The company will have a flexible investment strategy in terms of investment type and geographical or economic sectors, meaning that the investment adviser has the discretion to arrange the portfolio of the company towards any investment type and/or sector, including cash deposits.

Investment Review

Margetts Greystone Cautious Managed	3.41%
Margetts Greystone Cautious Managed R	3.73%

Benchmarks

LIBOR GBP – 3 Month:	0.26%
IMA Mixed Investment 20-60% shares:	3.57%

(Source: Thomson Reuters Lipper Hindsight. Performance is bid to bid with income reinvested.)

Economic and Market Commentary

Equity markets began 2014 in mild panic mode as economic data disappointed and company results showed cracks in the optimistic expectations which had developed during 2013. Falling commodity prices and increasing speculation about an implosion of the credit bubble and economic slowdown in China also dampened sentiment.

As equity valuations, particularly in the US, were looking stretched at the end of 2013, stock markets were vulnerable to any change in sentiment. This increase in global risk aversion made for the worst start for equity markets since 2009 and assets which led performance in 2013 suffered while safe haven assets such as gold, US Treasuries, the US dollar and the Japanese yen swung back into favour. Volatility, absent for so long, returned to give investors a timely reminder that complacency would be punished.

Investment sentiment improved in February despite the fact that the economic picture continued to be mixed. This rather sudden change in mood is typical of investment psychology as investors began to blame the exceptional weather patterns in the US for the distorted economic activity. Markets recovered with the US market breaking into all-time high territory and UK market indices flirting with the levels last seen in 1999.

Volatility returned once again in March when markets were shaken by events in Ukraine with growing concerns over President Putin's expansionary ambitions and the possible responses from Europe and the US. The press began to draw worrying parallels with historical events surrounding Russia's expansion into Crimea in the 19th century and the Crimean War with some comments even comparing Putin to Hitler.

Emerging market worries and the weak performance of the currencies of countries struggling with large current account deficits, political uncertainty and poorly executed reforms added to the general malaise in markets.

Longer term though, what has actually changed in 2014? We think the answer is not much. Central bank policy, particularly in the US, Japan and Europe, continues to dictate that interest rates will stay low for longer. Normalisation, as we know it, of monetary policy seems as far away as ever with interest rates unlikely to rise before mid-2015 and even then the eventual peak in this cycle is likely to be no more than 3%.

Investment Adviser's Report (continued)

The saver who relies on deposit rates for a decent return will continue to lose money in real terms and so other assets, shares in companies with a decent yield and strong balance sheets, will continue to look more attractive than cash.

The US economy is still on track to grow by approximately 3% in 2014 and the UK's prospects have been upgraded and the unemployment rate is falling faster than forecast. Whilst we remain cautious on the European economy due to the very low levels of inflation and the risk of deflation, central bank policies will continue to be accommodative to different degrees with tapering of quantitative easing (QE) in the US, an extension of Abenomics in Japan and possibly new measures from the European Central Bank to combat the threat of deflation.

In emerging markets there is no doubt that some countries face tough challenges. Tapering of QE in the US means they are in a global competition for more expensive capital. Concerns over bubbles developing in the Chinese economy are feeding worries about the growth picture and some emerging market countries have been slow to react to weaker economic conditions. However emerging markets are in a stronger economic position than they have ever been. There are few, if any, economic imbalances, debt and fiscal levels are far from crisis levels and policy rates are still very accommodative. Companies are well positioned to adjust and far from being the death of emerging markets the current volatility presents opportunities to invest in good quality companies where corresponding valuations are at massive discounts to comparable companies in the developed world. We believe this focus on fundamentals will serve investors well in the long run.

All the current uncertainty surrounding world economies perhaps helps to explain why the renowned investor Warren Buffett chooses to live 1250 miles away from the market noise of Wall Street so that he can be as far away as possible from the distractions that make investing so difficult for the rest of us. The Buffet approach looks particularly appealing at the moment as we struggle to shut out market chatter and focus on the longer term but that is what we will do as we follow the Greystone investment themes which have served us well in recent years.

We will continue to invest in good quality equities with sustainable dividend yields in preference to overvalued sovereign debt, particularly the debt of Western governments, but always recognise the need for diversification in these uncertain times. We will continue to search out value to provide a margin of investment safety with a preference for the cheapness of Europe, Emerging Markets and Asia rather than the overvaluation of some Western markets particularly the US. Finally, and as always, we will continue to search for, and continually monitor the best fund managers to help us fulfil our themes and to enable us to maximise client returns.

Performance Summary

The fund rose 3.41% over the six month review period versus the Investment Management Association (IMA) Mixed Investment 20-60% Shares sector average with 3.57% and the IMA Money Market with 0.12%. Data for the period 01.10.2013 to 01.04.2014. Data compiled from Thomson Reuters Lipper for Investment Management.

Since the fund changed mandate on 24th July 2009 it has delivered a return of 39.06%, versus the IMA sector average with 40.87% and IMA Money Market with 2.02%. The fund's share price as at 1st April 2014 was; 121.75p. Data compiled from Thomson Reuters Lipper for Investment Management.

The fund continues to offer investors a high level of income and the potential for strong capital growth. The natural yield of 3.83% is delivered through high yield equities and fixed income strategies. Data compiled from Thomson Reuters Lipper for Investment Management and compiled to 01.04.2014.

Fund Review & Outlook

The fund's objective is to deliver high income with the potential for capital growth whilst outperforming the sector average and cash over a rolling three year period. We look to achieve this with less than half the volatility of equities.

Investment Adviser's Report (continued)

A key investment objective, is the delivery of income from the three core asset classes; Fixed Interest, Equities and Alternatives. We delivered on this objective in 2013, generating dividend payments equating to more than seven times that of the Bank of England base rate of 0.5%. We also delivered solid capital growth.

Russian exposure hurt one of our emerging market equity positions. Chinese shadow banking defaults adversely affected our East Asian focused manager. Absolute Return strategies delivered contrasting performance, one achieving positive returns from both Equity long and short positions. The other, slightly negative through Japanese Yen and fixed interest weakness.

On the portfolio front, we took profits and rotated exposure away from Northern Europe in favour of Southern Europe, where valuations look more compelling. The economic recovery in Southern Europe was captured through exposure to Spanish banks. Our other European manager offered solid performance from defensive exposure in Northern and Central Europe. Initial public offerings (IPOs) along with merger and acquisition (M&A) activity meant our specialist small and mid-cap UK Equity Income manager continued to deliver excellent results. Our UK Income and Growth funds all delivered significant returns from stock selection.

Emerging Market Debt recovered following a torrid second half in 2013. Returns came from strengthening currencies, yield and spread tightening. Bank bonds and low interest rate sensitivity drove performance for our strategic bond managers.

Technology and financial stocks helped North American equity markets deliver solid returns. Defensive positioning in infrastructure, ports and toll roads enabled our other Asian manager to outperform. Holdings in high quality value stocks with strong balance sheets and visible cash flows, meant a longstanding emerging market equity fund recovered well.

Greystone Wealth Management Limited
Investment Adviser
30 April 2014

Certification of Accounts by Directors of the ACD

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) as issued and amended by the Financial Conduct Authority.

T J Ricketts **M D Jealous**

Margetts Fund Management Ltd
12 May 2014

Authorised Status

The Margetts Greystone Cautious Managed Fund is an open-ended investment company with variable capital incorporated in England and Wales under registration number IC407 and authorised by the Financial Conduct Authority on 17 October 2005.

The fund is classed as a NURS scheme. Shareholders are not liable for the debts of the fund.

Significant purchases and sales

For the period ended 31 March 2014

Total purchases for the period	**£15,449,769**
Purchases	**Cost (£)**
PRUSIK ASIAN EQUITY INCOME X USD	3,265,241
INVESCO PERPETUAL EUROPEAN EQUITY INCOME Z ACC	2,990,000
CF MITON UK MULTI CAP INCOME INSTL B ACC	2,940,000
MAJEDIE ASSET UK INCOME X ACC	2,890,000
INVESTEC EMERGING MARKETS DEBT I INC NET GBP	1,830,000
STANDARD LIFE EUROPEAN EQ INC INST ACC	1,350,000

Total sales for the period	**£15,701,280**
Sales	**Proceeds (£)**
TROJAN INCOME O ACC	4,446,269
STANDARD LIFE EUROPEAN EQ INC INST ACC	2,990,000
NEWTON ASIAN INCOME INSTL W NET ACC	2,975,733
VANGUARD FTSE UK EQUITY INCOME INDEX GBP ACC	2,869,278

Portfolio statement

As at 31 March 2014

			Total Net Assets	
Holding	**Portfolio of Investments**	**Value (£)**	**31.03.14 %**	**30.09.13 %**
	UK			
1,713,187	CF Miton UK Multi Cap Inc Inst B Acc	3,202,633	4.33	
2,336,455	Ecclesiastical Higher Income B Inc	3,028,045	4.09	
4,321,687	Fidelity Enhanced Income W Acc	5,281,101	7.14	
1,941,920	Majedie UK Income X Acc	2,884,722	3.90	
5,308,568	Schroder Income Maximiser Z Acc	3,536,037	4.77	
	Total UK	**17,932,538**	**24.23**	**26.60**
	Bonds			
2,585,087	Fidelity Strategic Bond Y Net	3,068,498	4.15	
5,106,338	Jupiter Strategic Bond I Acc	4,523,195	6.11	
2,398,856	M&G Optimal Income I Acc	4,523,043	6.11	
4,047,964	L&G Dynamic Bond Trust I Acc	3,758,130	5.08	
	Total Bonds	**15,872,866**	**21.45**	**23.44**
	Europe (excl. UK)			
948,093	IP European Equity Income Z Acc	3,053,901	4.13	
3,159,659	Standard Life European Eq Inc Inst Acc	3,086,039	4.17	
	Total Europe (excl. UK)	**6,139,940**	**8.30**	**6.11**
	Global			
159,297	Capital International Global High Inc Opps Z GBP	3,639,940	4.92	
1,766,061	City Financial Strategic Global Bond Fund D Inc	1,340,440	1.81	
4,491,957	Newton Global Higher Inc Instl W Net Acc	5,259,183	7.11	
3,235,764	Sarasin International Equity Inc P Acc	5,277,531	7.13	
	Total Global	**15,517,094**	**20.97**	**20.72**
	Emerging Markets			
5,158,050	Investec Emerging Markets Debt I Inc Net	4,591,180	6.20	
	Total Emerging Markets	**4,591,180**	**6.20**	**4.01**
	Far East (excl Japan)			
77,319	Prusik Asian Equity Income X USD	6,040,068	8.16	
	Total Far East (excl Japan)	**6,040,068**	**8.16**	**8.10**
	Alternatives			
1,870,960	CF Ruffer Total Return I Acc	7,102,350	9.60	
	Total Alternatives	**7,102,350**	**9.60**	**9.90**
	Portfolio of Investments	**73,196,036**	**98.91**	**98.88**
	Net Current Assets	**805,871**	**1.09**	**1.12**
	Net Assets	**74,001,907**	**100**	**100**

The investments have been valued in accordance with note 1(b) and are authorised Collective Investment Schemes.

Net Asset Value per Share and Comparative Tables

Price and Income History

Income shares

Calendar Year	Highest Price (Pence)	Lowest Price (Pence)	Net Income (Pence per share)
2010	93.67	85.56	0.8591
2011	95.25	83.44	3.3923
2012	94.50	87.12	4.1958
2013	103.36	93.76	3.7679
2014*	100.37	97.28	1.8391

Accumulation shares

Calendar Year	Highest Price (Pence)	Lowest Price (Pence)	Net Income (Pence per share)
2010	100.92	91.59	0.9310
2011	103.94	93.46	3.6852
2012	110.25	98.52	4.7483
2013	123.52	109.84	4.4605
2014*	122.12	118.35	2.2372

R Income †

Calendar Year	Highest Price (p)	Lowest Price (p)	Net Income (p per share)
2012	94.12	93.17	-
2013	103.77	93.78	3.6651
2014*	101.34	98.16	1.7840

R Accumulation †

Calendar Year	Highest Price (p)	Lowest Price (p)	Net Income (p per share)
2012	110.27	109.15	-
2013	123.90	109.87	4.3334
2014*	123.11	119.25	2.1663

* To 31 March 2014

Net Asset Value

Date	Share Class	Net Asset Value (£)	Shares in Issue	Net Asset Value (Pence per share)
30.09.2011	Income	13,731,948	16,212,474	84.70
	Accumulation	47,370,156	49,951,844	94.83
30.09.2012	Income	16,646,118	18,145,398	91.74
	Accumulation	47,831,325	44,506,715	107.47
30.09.2013	Income	11,604,014	12,005,571	96.66
	Accumulation	33,317,080	28,325,752	117.63
	R Income	9,371,524	9,627,907	97.34
	R Accumulation	17,301,582	14,631,470	118.25
31.03.2014	Income	9,099,599	9,269,316	98.17
	Accumulation	23,705,008	19,480,738	121.69
	R Income	13,709,756	13,817,236	99.23
	R Accumulation	27,487,543	22,399,131	122.72

† The R share classes were launched on 03 December 2012

Risk Warning

An investment in an open-ended investment company (OEIC) should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates, which can be favourable or unfavourable.

Net Asset Value per Share and Comparative Tables (continued)

Prices per Share

Date	Share Class	Price (Pence)	Yield (%)
01.04.2014	Income	92.23	3.71
	Accumulation	121.75	3.71
	R Income	99.28	3.56
	R Accumulation	122.79	3.56

Ongoing charges figure	**31.03.14**	**30.09.13**
	%	**%**
ACD's Annual Management Charge	1.50	1.50
Other expenses	0.11	0.11
Total Expense Ratio	**1.61**	**1.61**
Synthetic TER	0.83	0.79
Complete OCF	**2.44**	**2.40**
Ongoing charges - R Class		
ACD's Annual Management Charge	0.75	0.75
Other expenses	0.11	0.11
Total Expense Ratio	**0.86**	**0.86**
Synthetic TER	0.83	0.79
Complete OCF	**1.69**	**1.65**

Financial statements

Statement of total return

For the period ended 31 March 2014

	Notes		31.03.14		31.03.13
Income		**£**	**£**	**£**	**£**
Net capital gains	4		1,695,434		5,672,153
Revenue	6	1,427,151		1,431,626	
Expenses	7	(461,786)		(526,851)	
Finance costs: Interest	9	(1,264)		(613)	
Net revenue before taxation		964,101		904,162	
Taxation	8	(35,585)		(13,372)	
Net revenue after taxation			928,516		890,790
Total return before distributions			**2,623,950**		**6,562,943**
Finance costs: Distribution	9		(1,350,423)		(1,381,831)
Change in net assets attributable to shareholders from investment activities			**1,273,527**		**5,181,112**

Statement of change in net assets attributable to shareholders

For the period ended 31 March 2014

		£	£	£	£
Opening net assets attributable to shareholders			71,594,200		64,477,443
Amounts receivable on issue of shares		14,722,657		5,798,697	
Amounts payable on cancellation of shares		(14,486,406)		(6,764,140)	
			236,251		(965,443)
Stamp duty reserve tax	1(f)		(23,126)		(10,994)
Change in net assets attributable to shareholders from investment activities			1,273,527		5,181,112
Retained distribution on accumulation shares			921,055		1,020,963
Closing net assets attributable to shareholders			**74,001,907**		**69,703,081**

Balance sheet

As at 31 March 2014

	Notes		31.03.14		30.09.13
Assets		**£**	**£**	**£**	**£**
Investment assets			73,196,036		70,791,988
Debtors	10	870,267		1,653,997	
Bank balances		3,131,754		1,588,104	
Total other assets			**4,002,021**		**3,242,101**
Total assets			**77,198,057**		**74,034,089**
Liabilities					
Creditors	11	461,238		967,264	
Distribution payable on income shares		416,971		378,212	
Bank overdrafts		2,317,941		1,094,413	
Total other liabilities			**3,196,150**		**2,439,889**
Net assets attributable to shareholders			**74,001,907**		**71,594,200**

Notes to the financial statements

As at 31 March 2014

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association in October 2010. No changes to the Net Asset Value of the fund have arisen from the adoption of the SORP.

b) Basis of valuation of investments

The investments are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

c) Foreign exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing middle exchange rates ruling on that date.

d) Revenue

All income allocations and distributions declared by the managers of the underlying funds up to the accounting date are included in Income, net of attributable tax credits. The net allocations which are retained in Income are included in the fund's own income allocation. Bank and other interest receivable is accrued up to the accounting date. Equalisation on distributions received is deducted from the cost of the investment and not included in the fund's income available for distribution.

e) Expenses

The ACD's periodic charge is deducted from Capital. All of the other expenses are charged against Income except for costs associated with the purchase and sale of investments which are charged against Capital.

f) Taxation

(i) The fund is treated as a corporate shareholder with respect to its underlying holdings and its income is subject to streaming into franked and unfranked.

(ii) Corporation tax is provided at 20% on income, other than the franked portion of distributions from collective investment schemes, after deduction of expenses.

(iii) The charge for deferred tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(iv) Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

2 Distribution policy

Income arising from investments accumulates during each accounting period. Surplus income is allocated to shareholders in accordance with the COLL regulations. In order to conduct a controlled dividend flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed in accordance with the COLL regulations.

3 Risk management policies

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors, that arise directly from operations. Derivatives, such as futures or forward foreign exchange contracts, may be utilised for efficient portfolio management purposes.

Political and economic events in the major economies of the world, such as the United States, Japan and the European Union, will influence stock and securities markets worldwide.

The main risks from the fund's holding of financial instruments with the ACD's policy for managing these risks are set out below:

i. **Credit Risk** – The fund may find that collective investment schemes in which it invests fail to settle their debts or deliver the investments purchased on a timely basis.

ii. **Interest Rate Risk** – Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager.

iii. **Foreign Currency Risk** – Although the net assets of the fund are denominated in sterling, a proportion of the fund's investments in collective investment schemes have currency exposure with the effect that the balance sheet and total return can be affected by currency movements.

iv. **Liquidity Risk** – The main liability of the fund is the cancellation of any shares that investors want to sell. Securities may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

Smaller companies by their nature, tend to have relatively modest traded share capital, and the market in such shares can, at times, prove illiquid. Shifts in investor sentiment, or the announcement of new price-sensitive information, can provoke significant movement in share prices, and make dealing in any quantity difficult.

The equity markets of emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information and insufficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with the low dealing volumes, can restrict the ACD's ability to execute substantial deals.

v. **Market Price Risk** – Market Price Risk is the risk that the value of the fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. The Market Price Risk arises primarily from uncertainty about the future prices of financial instruments that the fund holds.

Market Price Risk represents the potential loss the fund may suffer through holding market positions in the face of price movements. This risk is generally regarded as consisting of two elements – Stock Specific Risk and Market Risk. The fund's exposure to Stock Specific Risk is reduced for equities and bonds through the holding of a diversified portfolio in accordance with the investment and borrowing powers set out in the Trust Deed.

vi. **Counterparty Risk** – Transactions in securities entered into by the fund give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction.

vii. **Fair Value of Financial Assets and Financial Liabilities** – There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

4 Net capital gains

	31.03.14	31.03.13
	£	£
Net losses on derivatives	(4,759)	-
Net gains on non-derivative securities	1,700,193	5,672,153
Net capital gains on investments	**1,695,434**	**5,672,153**

5 Purchases, sales and transaction costs

Purchases excluding transaction costs	15,449,769	24,722,695
Dilution levy	-	6,567
Trustee transaction charges *	140	120
Purchases including transaction costs	**15,449,909**	**24,729,382**
Sales excluding transaction costs	15,723,623	26,689,805
Dilution levy	(22,343)	(754)
Trustee transaction charges *	(190)	(220)
Sales including transaction costs	**15,701,090**	**26,688,831**
Transaction handling charges	**330**	**340**

* These have been deducted in determining net capital gains

6 Revenue

UK franked dividends	693,143	837,304
UK unfranked dividends	163,707	110,013
Bond interest	461,140	448,749
Overseas franked income	85,781	-
Rebate of annual management charges / renewal commission	22,325	34,185
Bank interest	1,055	1,375
Total revenue	**1,427,151**	**1,431,626**

7 Expenses

Payable to the ACD, associates of the ACD and agents of either:		
ACD's periodic charge	421,913	491,041
Payable to the Depositary associates of the Depositary and agents of either:		
Depositary's fee	20,688	19,216
Safe custody	6,051	4,409
	26,739	23,625
Other expenses:		
FCA fee	353	238
Audit fee	3,591	3,291
Registration fees	6,341	5,504
Printing costs	792	1,154
Distribution costs	2,057	1,998
Total expenses	**461,786**	**526,851**

8 Taxation

	31.03.14	31.03.13
	£	£
a) Analysis of the tax charge for the period:		
UK Corporation tax	37,036	13,372
Irrecoverable income tax	-	-
Current tax charge (note 8b)	37,036	13,372
Tax adjustment from prior year	(1,451)	-
Total tax charge	**35,585**	**13,372**
b) Factors affecting the tax charge for the period:		
Net income before taxation	964,101	904,162
Corporation tax at 20%	192,821	180,833
Effects of:		
UK dividends	(155,785)	(167,461)
Corporation tax charge	37,036	13,372
Irrecoverable income tax	-	-
Current tax charge for the period (note 8a)	**37,036**	**13,372**

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current period or prior accounting year.

9 Finance costs

	31.03.14	31.03.13
	£	£
Distributions		
Interim	1,338,027	1,375,846
	1,338,027	1,375,846
Amounts deducted on cancellation of shares	144,648	89,995
Amounts received on issue of shares	(132,252)	(84,010)
Finance costs: Distributions	1,350,423	1,381,831
Finance costs: Interest	1,264	613
Total finance costs	**1,351,687**	**1,382,444**
Represented by:		
Net revenue after taxation	928,516	890,790
Expenses charged to capital		
ACD's periodic charge	421,913	491,041
Balance of revenue brought forward	26	13
Balance of revenue carried forward	(32)	(13)
Finance costs: Distributions	**1,350,423**	**1,381,831**

10 Debtors

	31.03.14	30.09.13
	£	£
Amounts receivable for issue of shares	377,447	415,479
Amounts receivable for investment securities sold	-	780,000
Accrued income:		
UK franked dividends	89,019	-
Bond interest	66,539	-
	155,558	-
Prepayments	-	353
Other receivables	22,416	13,353
Taxation recoverable	314,846	444,812
Total debtors	**870,267**	**1,653,997**

11 Creditors

Amounts payable for cancellation of shares	344,218	815,485
Accrued expenses:		
Amounts payable to the ACD, associates and agents:		
ACD's periodic charge	64,588	71,252
Amounts payable to the Depositary, associates and agents:		
Depositary's fees	3,312	3,241
Transaction charges	-	80
Safe custody fee	1,001	1,037
	4,313	4,358
Other expenses	9,819	12,820
Taxation payable:		
Corporation tax	38,300	63,349
Total creditors	**461,238**	**967,264**

12 Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date [30.09.13 : £Nil].

13 Related party transactions

The ACD’s fee payable to Margetts Fund Management Ltd (the ACD) is disclosed in Note 7 and amounts prepaid and outstanding at the period end in notes 10 & 11.

The aggregate monies received and paid by the ACD through the issue and cancellation of shares is disclosed in the Statement of change in net assets attributable to shareholders and amounts outstanding in notes 10 & 11.

Depositary and other fees payable to BNY Mellon Trust and Depositary (UK) Limited are also disclosed in note 7 and amounts prepaid and outstanding at the period end in notes 10 & 11.

The net cash balances on deposit with The Bank of New York Mellon (an associated company of BNY Mellon Trust and Depositary (UK) Limited) at the balance sheet date were £813,813 [30.09.13 : £1,725,104]. Net interest (paid)/received was (£209) [30.09.13 : £762].

All other amounts paid to, or received from, the related parties, together with the outstanding balances are disclosed in the financial statements.

14 Post balance sheet events

As at 12 May 2014, there were no material post balance sheet events which have a bearing on the understanding of the financial statements.

15 Risk disclosures

Debt securities may be held by the underlying investments of the fund. The Interest Rate Risk of these securities is managed by the relevant manager. The table below shows the Interest Rate Risk profile at the balance sheet date:

i. Interest risk	**31.03.14**	**30.09.13**
	£	**£**
Floating rate assets (pounds sterling):	3,131,754	1,588,104
Floating rate liabilities (pounds sterling):	(2,317,941)	(1,094,413)
Assets on which interest is not paid (pounds sterling):	68,026,234	69,538,240
Assets on which interest is not paid (dollars):	6,040,069	2,907,745
Liabilities on which interest is not paid (pounds sterling):	(878,209)	(1,345,476)
Net Assets	**74,001,907**	**71,594,200**

ii. Currency risk	**31.03.14**	**30.09.13**
	£	**£**
GBP	67,961,838	68,686,455
US Dollars	6,040,069	2,907,745
Net Assets	**74,001,907**	**71,594,200**

The floating rate financial assets and liabilities comprise bank balances, which earn or pay interest at rates linked to the UK base rate.

There are no material amounts of non-interest bearing financial assets and liabilities, other than collective investment schemes, which do not have maturity dates.

Distribution table

For the period ended 31 March 2014 – in pence per share

Interim
Group 1 – shares purchased prior to 01 October 2013
Group 2 – shares purchased on or after 01 October 2013

Income Shares

Shares	Net Income	Equalisation	Payable 31.05.14	Paid 31.05.13
Group 1	1.8391	-	1.8391	1.9891
Group 2	1.4375	0.4016	1.8391	1.9891

Accumulation Shares

Shares	Net Income	Equalisation	Allocating 31.05.14	Allocated 31.05.13
Group 1	2.2372	-	2.2372	2.3330
Group 2	1.6631	0.5741	2.2372	2.3330

R Income Shares

Shares	Net Income	Equalisation	Payable 31.05.14	Paid 31.05.13
Group 1	1.7840	-	1.7840	1.9549
Group 2	1.0964	0.6876	1.7840	1.9549

R Accumulation Shares

Shares	Net Income	Equalisation	Allocating 31.05.14	Allocated 31.05.13
Group 1	2.1663	-	2.1663	2.2904
Group 2	1.3735	0.7928	2.1663	2.2904

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It represents the accrued income included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

General Information

Valuation Point
The Valuation Point of the fund is at 8.30am each business day. Valuations may be made at other times with the Depositary's approval.

Buying and Selling of Shares
The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.00pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be made either in writing to: Margetts Fund Management Ltd, PO Box 12081, Brentwood CM14 9ND or by telephone on 0845 607 6808. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Prices
The most recent mid prices of shares are published on the Margetts website at www.margettsfundmanagement.com.

Other Information
The Instrument of Incorporation, Prospectus, Key Investor Information Document, Supplementary Information Document and the latest annual and interim reports may be inspected at the offices of the ACD, with a copy available, free of charge, on written request.

The register of shareholders can be inspected by shareholders during normal business hours at the offices of the Administrator.

The Head Office of the Company is at 1 Sovereign Court, Graham Street, Birmingham B1 3JR and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The base currency of the Company is pounds (£) sterling.

The maximum share capital of the Company is currently £10,000,000,000 and the minimum is £100. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current net asset value.

The prospectus has been updated to state that The Bank of New York Mellon's charges for transfer agency services are now subject to annual inflationary increases, capped at 3% per annum.

Shareholders who have any complaints about the operation of the fund should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory, they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Data Protection Act
Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties, to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD, requesting their removal from any such mailing list.