Finsbury Growth & Income Trust PLC

Interim Report for the six months to 31 March 2011

Frostrow CAPITAL

LINDSELL TRAIN

Company Summary
Key Statistics

	As at 31 March 2011	As at 30 September 2010	% Change
Share price	318.0p	297.8p	+6.8
Net asset value per share (including income)	326.0p	301.4p	+8.2
Net asset value per share (excluding income)	321.6p	297.0p	+8.3
(Discount)/premium of share price to net asset value per share (excluding income)	(1.1)%	0.3%	n/a
Gearing†	7.1%	6.7%	n/a
Shareholders' funds	£174.3m	£159.6m	+9.2
Market capitalisation	£170.1m	£157.7m	+7.9
Number of shares in issue	53,487,423	52,947,423	+1.0

	Six months to 31 March 2011	One year to 30 September 2010
Share price (total return)#	+8.3%	+33.1%
Net asset value per share (total return)#	+10.3%	+25.6%
FTSE All-Share Index (total return) (Company benchmark)	+8.5%	+12.5%

Dividends	Year ending 30 September 2011	Year ended 30 September 2010
First interim dividend	4.4p per share	4.4p per share
Second interim dividend	Yet to be declared	4.4p per share

#Source – Morningstar

†Calculated by dividing the drawn down amount from the loan facility by shareholders' funds.

aic The Association of Investment Companies A member of the Association of Investment Companies

Investment Objective
To achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Investment Policy
The Company invests principally in the securities of UK listed companies, whilst up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide. Where possible, a minimum position size of 1% of the Company's gross assets is held unless the holding concerned is being built or disposed of.

The portfolio is managed by Lindsell Train Limited and will normally comprise approximately thirty investments. Unless driven by market movements, FTSE 100 companies, including preference shares issued by such companies, will normally represent between 50% and 100% of the portfolio; at least 70% of the portfolio will normally be invested in companies within the FTSE 350.

Benchmark
Performance is measured against the FTSE All-Share Index (total return).

First Interim Dividend
A first interim dividend of 4.4p per share (2010: 4.4p) was paid on 6 May 2011 to shareholders registered at the close of business on 1 April 2011. The associated ex-dividend date was 30 March 2011.

Capital Structure
At 31 March 2011 the Company had 53,487,423 shares of 25p each in issue with no shares being held in treasury (31 March 2010: 50,855,811 (treasury shares: 1,941,612)). During the six months under review 540,000 new shares were issued. Since the end of the half-year a further 1,325,000 new shares have been issued. As at 10 May 2011, the Company had 54,812,423 shares in issue with no shares being held in treasury.

Gearing
As at 31 March 2011 the Company had a secured multicurrency revolving credit facility of £20 million provided by Scotiabank Europe plc. As at this date a total of £12.35 million had been drawn down.

Chairman's Statement

Performance

I am pleased to report that for the six months under review the Company continued its strong run of performance with a net asset value per share total return of 10.3% and a share price total return of 8.3%. These results compare favourably with the Company's benchmark, the FTSE All-Share Index, measured on a total return basis, which provided a return of 8.5% during the same period. The principal contributers to net asset value performance were our holdings in Rathbone Brothers, Schroders, Diageo and Fidessa. Further information on the Company's entire portfolio can be found in our Investment Manager's Review beginning on page 5.

The price of the Company's shares began the period at a 0.3% premium to the Company's ex-income net asset value per share and moved to a 1.1% discount at the period end. At the time of writing it is at a 0.9% premium.

I am delighted to report that the Company was a winner in the UK Growth & Income Category at the 2011 Moneywise, Investment Trust Awards.

Share Capital and Discount Control

The Company has now issued a total of 1,865,000 new shares since 1 October 2010 at a minimum 0.5% premium to the estimated cum income net asset value per share at the time of issue. We believe our ability to meet the market's demand for liquidity in this way is very beneficial for all investors: not just those wishing to buy, but those continuing to hold and those wishing to sell. Good liquidity also helps to preserve a narrower dealing spread in the Company's shares.

The Board attaches considerable importance to its discount control mechanism which we use actively when necessary. The Company's strong performance and ongoing demand for its shares have kept the discount of the Company's share price to the net asset value per share tight; the average month-end discount of share price to the ex-income net asset value per share during the half year was 0.9%.

Return and Dividend

The Income Statement shows a total return per share of 28.9p (six months ended 31 March 2010: 37.8p) consisting of a revenue return per share of 2.8p (six months ended 31 March 2010: 4.1p) and a capital return per share of 26.1p (six months ended 31 March 2010: 33.7p). The Board has declared an unchanged first interim dividend of 4.4p per share which was paid on 6 May 2011 to shareholders on the register on 1 April 2011. The associated ex dividend date was 30 March 2011. The Company's net revenue return for the period under review was less than the same period last year, due principally to timing differences in the receipt of dividends from a number of the Company's investments.

Borrowings

Your Company has a fixed term committed secured revolving credit facility of £20m which is subject to a variable rate of interest. As at 31 March 2011 a total of £12.35m was drawn down under this facility. We believe that the availability of a meaningful gearing facility of this kind is very useful for a closed end investment company such as ours.

Chairman's Statement
Continued

Developments in the Investment Trust Sector
HM Treasury's review of the tax and company law rules affecting investment trusts set out in its consultation document last summer has now resulted in sensible and beneficial amendments which will be advantageous to the whole industry. Our trade association, the Association of Investment Companies (AIC), played a leading role in reaching this satisfactory conclusion of the review.

The Alternative Investment Fund Managers Directive was passed into law by the European Parliament last summer, but there is much detail still to emerge before this Directive takes effect in 2013. It is however clear that much of the over-bureaucratic regulation first proposed has been abandoned in favour of more pragmatic measures and the AIC again played a major role in achieving this.

Outlook
It is expected that the modest growth anticipated in the UK economy during the rest of this year and into 2012 will be export led and that consumer spending growth is likely to lag GDP growth as credit conditions remain relatively tight and earnings growth remains subdued. However, shareholders will know that most of the companies in our portfolio are international in their operations so they are not entirely at the mercy of the UK economy.

Your Board believes that our Investment Manager's strategy of investing for the long term in durable cash generative franchises capable of sustained dividend growth will continue to deliver superior investment returns to shareholders.

Anthony Townsend
Chairman
10 May 2011

Investment Manager's Review

Of course we are pleased that your Company's net asset value per share outperformed the FTSE All-Share Index again over the recent period. Nonetheless, we feel duty-bound to admit to shareholders that we regard such outperformance as random. This is because we make no attempt to micro-manage the portfolio to achieve a given performance objective from half year to half year (or even from year to year). Trying to fine tune an investment strategy over such relatively short term periods is far too difficult for us. Instead, we hope to achieve satisfactory longer term returns for you by maintaining a collection of holdings in fine businesses (which we analyse to be undervalued) and otherwise leave as well alone as we prudently may.

This does not mean that we do not closely follow the companies in which we've invested your capital – we do. And, in particular, we pay attention to dividend progression. What follows is a brief review of each constituent (listed alphabetically), beginning with an update on its most recent dividend announcement. We hope you will be impressed overall by the pace of dividend growth across the portfolio after our disappointments on this score last year, and share our conviction that it remains positioned to generate acceptable absolute and relative returns into the future.

A.G.Barr – (Last dividend +10% year on year). Key brands – IRN-BRU and Rubicon (the latter an inspired 2007 acquisition) – will drive further growth and the growth of soft drink brands has the propensity to generate a lot of valuable cash. Barr remains a core holding for your Company. Nonetheless, given the size of the commitment – at one stage in 2010 it accounted for nearly 15% of your assets - and the sub 2% dividend yield at the current price, we still believe it made sense to reduce the holding somewhat last year.

Burberry Group – (Dividend +43%). Sales of luxury goods continue to be amazingly robust. Meanwhile LVMH, owner of Louis Vuitton, of course, and run by the very shrewd M. Arnault, has recently twice placed values on comparable assets – Hermes and Bulgari (by bidding for them) – that make Burberry look undervalued.

Celtic – (Does not pay a dividend). The economics of Scottish football remain challenging and the club is barely profitable. However, we note that both Arsenal and Roma SA have changed hands in recent weeks, acquired by rational, profit-seeking US entrepreneurs and at valuations very much higher than that commanded by Celtic on the public market. This is a unique "trophy" asset and an underexploited global brand.

Daily Mail & General Trust – (Dividend +11%). We remain excited by the growth in the company's online properties, particularly MailOnline, which is turning into a Facebook-type phenomenon. In the first quarter of this year Time Warner purchased US gossip website Huffington Post. If we extrapolate from the very fancy price paid by Time Warner there are £100ms of unrecognised value in Daily Mail, in our opinion.

Diageo – (Dividend +6%). Peripheral Europe is very tough and it is true that Greece, Ireland and Spain are important Diageo markets. What is reassuring is Diageo's relatively debt-free balance sheet which allows it to take a place at the table for all current auctions of spirits brands. Diageo is one of the UK's few truly industry-leading global companies, positioning itself for much higher earnings into the next upswing. Meanwhile its shares offer market beating yield and dividend growth.

Dr Pepper Snapple – (Dividend +20%). Coke and Pepsi are struggling for growth in US, but Pepper's non-cola brands are taking share there and, like Barr, it is a lovely cash machine.

Investment Manager’s Review
Continued

Euromoney Institutional Investor – (Dividend +52%). Daily Mail’s sister company. Shares are consolidating after a great run in 2010, but this is still the best collection of business to business financial media assets we know in the world. Bank Credit Analyst, Euromoney and Metal Bulletin, for instance, are “must-reads” for their respective industries.

Fidessa – (Dividend +10%). Shares are hitting new 10 year highs, but still 25% below the all time peak of the Tech Boom. Fidessa is a much bigger and better company today than it was in 2000 and is an increasingly indispensible part of the plumbing of world capital markets.

Fuller Smith & Turner – (Dividend +5.5%). Investors worry about the economic squeeze on Middle England pub visits, but Fuller’s London bias and clean balance sheet are helping it. We expect the company to pick up more fine assets from distressed competitors.

Greene King – (Dividend +6.7%). Maintained capital expenditure, paid back debt and increased dividend in 2010 – triply reassuring. But it sits in the unpopular pub/brewing sector. Greene King offers a growing dividend, starting from a yield 70% above the market average. For us this adequately compensates for temporary tough times. Now a c2.0% holding and one to which we have been adding in 2011.

Hargreaves Lansdown – (Dividend +22%). Asset growth remains exceptionally strong. A beneficiary of both the urgent requirement felt by UK individuals to provide for their retirements and the general suspicion and disdain felt for High Street financial service providers.

Kraft Foods – (Dividend unchanged). We expect the undoubted benefits of its Cadbury acquisition to hasten a return to dividend growth.

Lloyds Preference Shares – (No dividend). Assuming Lloyds is no worse a risk than RBS, we think these preferred shares could trade at c£1.00, rather than c£0.90 today. We are still 12 months away from dividend resumption; although, on balance, we think the chances of that resumption have improved.

London Stock Exchange – (Dividend +4.7%). Volumes of share dealing and new listings are picking up with the capital market cycle. Meanwhile the exchange industry is in flux, as participants look to establish dominant global liquidity pools. The London Stock Exchange remains a resonant brand and likely lynch-pin in any such global combination.

Marston’s – (Dividend unchanged). The recent trading update was encouraging, highlighting the self-help available to an inherently cash-generative business, even in a downturn. Its directors have been buying shares for their own accounts, while similar pub assets are changing hands across the industry at prices that make Marstons look cheap.

Pearson – (Dividend +7%). By applying digital technology to the education industry Pearson has accelerated its growth and improved its profitability. This is a major holding for your Company and one where we have high hopes for a major rerating. The company has the look of one of the great growth stock stories of the second decade of the century.

Rathbone Brothers – (Dividend+8%). Rathbone’s shares have perked up in 2011, after a dull phase. The company remains a conservatively financed and strong franchise in the savings industry, offering participation to wealth creation in the UK economy and the fortunes of global financial markets. We are bullish on both.

Investment Manager's Review
Continued

Reed Elsevier – (Dividend unchanged). As demonstrated by other portfolio holdings (e.g. Fidessa and Pearson), we are already in the early stages of a new and potentially very rewarding bull market for Media and Technology companies. Reed, however, remains disappointingly stranded, both in terms of its business and its share price. This despite its wonderful assets - number one in Global Scientific Publishing, number two in Global Legal Publishing, number one in Global Exhibitions. The new Chairman and CEO have talked a decent story over the last 12 months, now is the time to deliver.

Sage Group – (Dividend +6%). Sage is valued as if it were a low growth engineering company, despite high profit margins and wonderful cash generation. If its new CEO can conjure up even a modest acceleration in its sales growth then the shares could move back toward previous highs – almost 3.0x above today's levels.

Schroders – (Dividend +24%). Blow-out recent results, with a welcome marked acceleration in dividend growth. The company is in a phase that could see a transformative leap in its assets under management, we hope.

Thomson Reuters – (Dividend +4%). Visionary family owners encourage its executives to invest heavily into market-leading professional information services. A high return company in a sector investors are warming to, after years of disregard. Please take note Reed Elsevier!

Unilever – (Dividend +5.4%). Unilever has just sold its Sanex brand to Colgate for 3.6x Sanex' annual sales. However the rest of Unilever is valued by stock market investors at only 1.5x sales, despite 50% of these sales deriving from Emerging Markets. Unilever is a big company trading at a big discount to its true strategic worth. The 4% dividend yield and dividend growth pay us to wait while this value is unlocked.

Young & Co's Brewery – (Dividend +2%). London is a formidable economy in its own right – as a financial centre, seat of government and tourist destination. Youngs' pubs and beer brands offer a secure participation in the fortunes of the capital city.

Nick Train, Lindsell Train Limited
Investment Manager

10 May 2011

Portfolio
as at 31 March 2011

Investment	Sector	Fair Value £'000	% of Investments
Diageo	Beverages	19,316	10.4
A.G. Barr	Beverages	17,797	9.6
Unilever	Food Producers	17,347	9.3
Pearson	Media	13,797	7.4
Fidessa	Software & Computer Services	11,812	6.4
Rathbone Brothers	General Financials	10,822	5.8
Sage Group	Software & Computer Services	9,734	5.2
Schroders	General Financials	9,548	5.1
Reed Elsevier	Media	7,943	4.3
Kraft Foods ^	Food Producers	7,122	3.9
Top 10 investments		**125,238**	**67.4**
Euromoney Institutional Investor	Media	6,363	3.4
Burberry Group	Personal Goods	5,982	3.2
Marston's	Travel & Leisure	5,926	3.2
Daily Mail & General Trust	Media	5,470	2.9
Dr Pepper Snapple ^	Beverages	5,021	2.7
Hargreaves Lansdown	General Financials	5,001	2.7
London Stock Exchange	General Financials	4,896	2.6
Thomson Reuters ~	Media	4,805	2.6
Fuller Smith & Turner	Travel & Leisure	4,200	2.3
Young & Co's Brewery	Travel & Leisure	3,718	2.0
Top 20 investments		**176,620**	**95.0**
Greene King	Travel & Leisure	3,112	1.7
Lloyds Banking Group 9.25% (non cum preference)*	Preference Shares (Banks)	2,771	1.5
Lindsell Train Investment Trust	General Financials	2,140	1.3
Celtic	Travel & Leisure	611	0.3
Frostrow Capital LLP +	General Financials	340	0.2
Celtic 6% (cum preference)*	Travel & Leisure	59	–
Total investments		**185,653**	**100.0**

All of the above investments are equities listed in the UK, unless otherwise stated.

^ Listed in the United States

~ Listed in Canada

* Non-equity – Preference Shares

+ Unquoted partnership interest

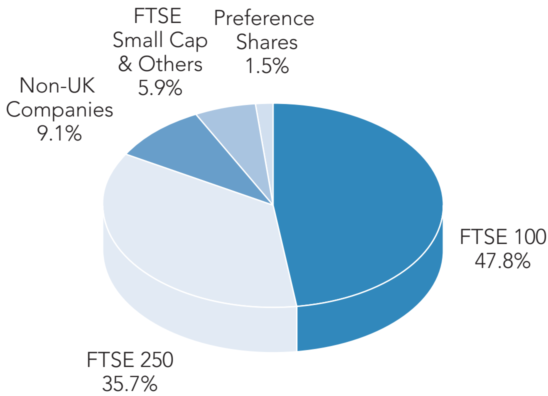
Comparison of Sector Weightings with the FTSE All-Share Index

as at 31 March 2011

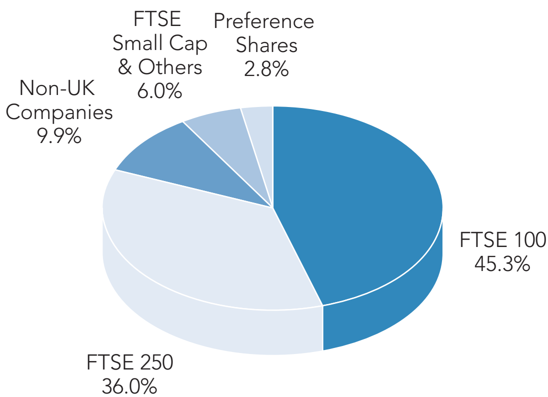
Sector	Finsbury Growth & Income %	FTSE All-Share Index %	Finsbury Growth & Income (under)/overweight %
Oil & Gas	–	17.7	(17.7)
Basic Materials	–	13.5	(13.5)
Industrials	–	7.4	(7.4)
Consumer Goods	39.1	11.1	28.0
Health Care	–	6.7	(6.7)
Consumer Services	30.1	9.3	20.8
Telecommunications	–	6.3	(6.3)
Utilities	–	3.7	(3.7)
Financials (excluding preference shares)	17.7	22.6	(4.9)
Technology	11.6	1.7	9.9
Total excluding preference shares	**98.5**	**100.0**	**(1.5)**
Preference shares	1.5	–	1.5
Total	**100.0**	**100.0**	**–**

Portfolio Distribution

as at 31 March 2011

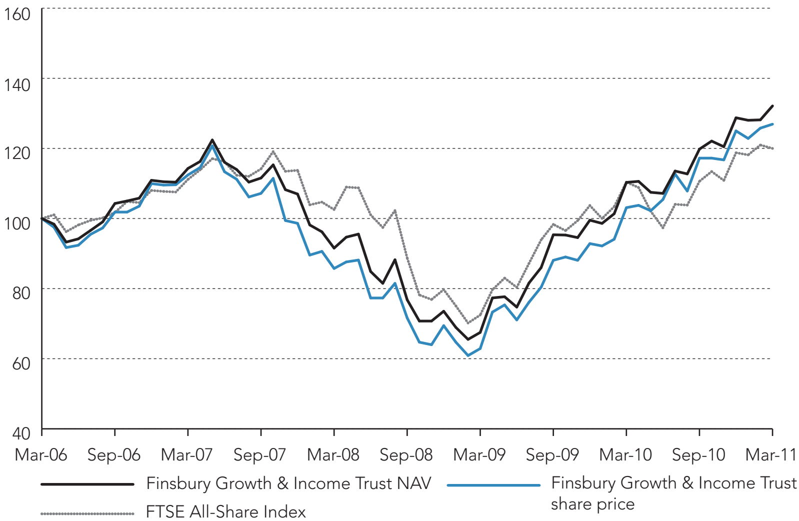


as at 30 September 2010



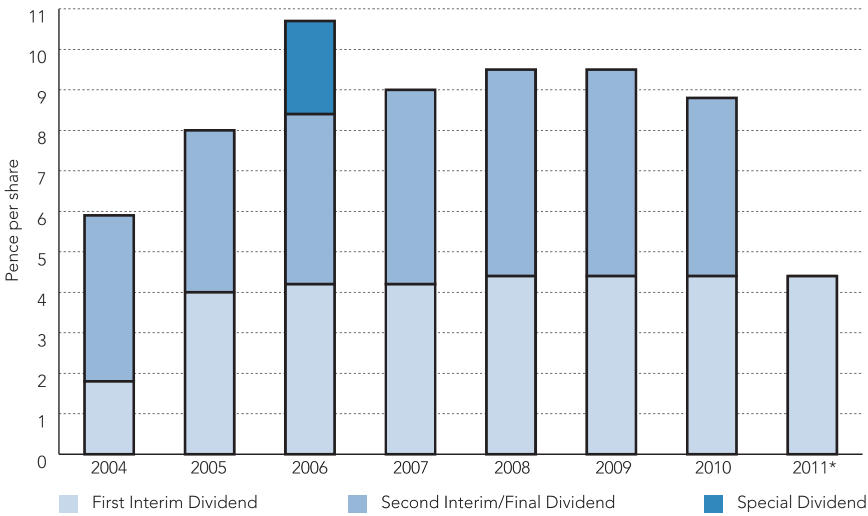
Performance

Five year total return performance to 31 March 2011



Rebased to 100 at 31 March 2006
Source: Morningstar

Dividend record



* Final/Second Interim Dividend yet to be declared.

Source: Frostrow Capital LLP

Income Statement

For the six months ended 31 March 2011

	(Unaudited) Six months ended 31 March 2011			(Unaudited) Six months ended 31 March 2010			(Audited) Year ended 30 September 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	14,364	14,364	–	17,609	17,609	–	28,733	28,733
Exchange difference	–	–	–	–	(3)	(3)	–	(3)	(3)
Income (note 2)	1,952	–	1,952	2,570	–	2,570	5,363	–	5,363
Investment management and management fees (note 3)	(184)	(374)	(558)	(140)	(285)	(425)	(305)	(619)	(924)
Recovery of VAT on investment management fee previously paid	–	–	–	11	23	34	11	23	34
Other expenses	(208)	(4)	(212)	(278)	(87)	(365)	(492)	(89)	(581)
Return on ordinary activities before finance charges and taxation	1,560	13,986	15,546	2,163	17,257	19,420	4,577	28,045	32,622
Finance charges	(53)	(107)	(160)	(69)	(140)	(209)	(109)	(221)	(330)
Return on ordinary activities before taxation	1,507	13,879	15,386	2,094	17,117	19,211	4,468	27,824	32,292
Taxation on ordinary activities	(48)	–	(48)	(35)	–	(35)	(84)	–	(84)
Return on ordinary activities after taxation	1,459	13,879	15,338	2,059	17,117	19,176	4,384	27,824	32,208
Return per share (note 4)	2.8p	26.1p	28.9p	4.1p	33.7p	37.8p	8.5p	54.0p	62.5p

The "Total" column of this statement represents the Income Statement of the Company. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those declared in the Income Statement.

Reconciliation of Movements in Shareholders' Funds

(Unaudited) Six months ended 31 March 2011	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2010	13,237	37,213	3,453	12,424	88,939	4,324	159,590
Net return from ordinary activities	–	–	–	–	13,879	1,459	15,338
Second interim dividend (4.4p per share)							
for the year ended 30 September 2010	–	–	–	–	–	(2,330)	(2,330)
Issue of shares	135	1,612	–	–	–	–	1,747
At 31 March 2011	13,372	38,825	3,453	12,424	102,818	3,453	174,345

(Unaudited) Six months ended 31 March 2010							
At 30 September 2009	13,199	35,914	3,453	12,424	57,890	4,779	127,659
Net return from ordinary activities	–	–	–	–	17,117	2,059	19,176
Second interim dividend (5.1p per share)							
for the year ended 30 September 2009	–	–	–	–	–	(2,615)	(2,615)
Repurchase of shares into treasury	–	–	–	–	(5,435)	–	(5,435)
Sale of shares from treasury	–	420	–	–	4,132	–	4,552
At 31 March 2010	13,199	36,334	3,453	12,424	73,704	4,223	143,337

(Audited) Year ended 30 September 2010							
At 30 September 2009	13,199	35,914	3,453	12,424	57,890	4,779	127,659
Net return on ordinary activities	–	–	–	–	27,824	4,384	32,208
Second interim dividend (5.1p per share)							
for the year ended 30 September 2009	–	–	–	–	–	(2,615)	(2,615)
First interim dividend (4.4p per share)							
for the year ended 30 September 2010	–	–	–	–	–	(2,224)	(2,224)
Issue of shares	38	381	–	–	–	–	419
Repurchase of shares into treasury	–	–	–	–	(5,934)	–	(5,934)
Sale of shares from treasury	–	918	–	–	9,159	–	10,077
At 30 September 2010	13,237	37,213	3,453	12,424	88,939	4,324	159,590

Balance Sheet

as at 31 March 2011

	(Unaudited) 31 March 2011 £'000	(Unaudited) 31 March 2010 £'000	(Audited) 30 September 2010 £'000
Fixed assets			
Investments designated at fair value through profit or loss	185,653	147,826	168,514
Current assets			
Debtors	527	2,529	613
Cash at bank	670	7,646	1,387
	1,197	10,175	2,000
Current liabilities			
Creditors	(155)	(214)	(224)
Bank loan	(12,350)	(14,450)	(10,700)
	(12,505)	(14,664)	(10,924)
Net current liabilities	**(11,308)**	**(4,489)**	**(8,924)**
Total net assets	**174,345**	**143,337**	**159,590**
Capital and reserves			
Share capital	13,372	13,199	13,237
Share premium account	38,825	36,334	37,213
Capital redemption reserve	3,453	3,453	3,453
Special reserve	12,424	12,424	12,424
Capital reserve	102,818	73,704	88,939
Revenue reserve	3,453	4,223	4,324
Equity shareholders' funds	**174,345**	**143,337**	**159,590**
Net asset value per share (note 5)	**326.0p**	**281.9p**	**301.4p**

Cash Flow Statement

for the six months ended 31 March 2011

	(Unaudited) 31 March 2011 £'000	(Unaudited) 31 March 2010 £'000	(Audited) 30 September 2010 £'000
Net cash inflow from operating activities (note 7)	**1,202**	**276**	**4,244**
Servicing of finance			
Loan interest and arrangement fees paid	**(212)**	**(192)**	**(326)**
Financial investment			
Purchase of investments	(5,470)	(6,473)	(19,152)
Sale of investments	2,696	15,055	18,170
Net cash (outflow)/inflow from financial investment	**(2,774)**	**8,582**	**(982)**
Equity dividends paid	**(2,330)**	**(2,615)**	**(4,839)**
Net cash (outflow)/inflow before financing	**(4,114)**	**6,051**	**(1,903)**
Financing			
Shares issued net of issue expenses	1,747	–	419
Repurchase of shares into treasury	–	(5,435)	(5,934)
Sale of shares from treasury	–	4,552	10,077
Drawdown/(repayment) of loans	1,650	950	(2,800)
Net cash inflow from financing	**3,397**	**67**	**1,762**
(Decrease)/increase in cash	**(717)**	**6,118**	**(141)**
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash resulting from cashflows	(717)	6,118	(141)
(Increase)/decrease in debt	(1,650)	(950)	2,800
Exchange movements	–	(3)	(3)
Movement in net debt	(2,367)	5,165	2,656
Net debt at start of period/year	(9,313)	(11,969)	(11,969)
Net debt at end of period/year	**(11,680)**	**(6,804)**	**(9,313)**

Notes to the Interim Financial Statements

1. Basis of preparation

The condensed financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments, and in accordance with UK Generally Accepted Accounting Practice (GAAP) and the Statement of Recommended Practice (SORP) for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies dated January 2009.

The same accounting policies used for the year ended 30 September 2010 have been applied.

2. Income

	(Unaudited) Six months ended 31 March 2011 £'000	(Unaudited) Six months ended 31 March 2010 £'000	(Audited) Year ended 30 September 2010 £'000
Income from investments			
Franked investment income			
– dividends	1,679	2,293	4,807
Unfranked investment income			
– limited liability partnership profit-share	–	80	80
– overseas dividends	273	184	463
	1,952	2,557	5,350
Other income			
Interest from HMRC (ie: VAT reclaim on management fees)	–	13	13
Total	1,952	2,570	5,363

3. Investment management and management fees

	(Unaudited) Six months ended 31 March 2011 £'000	(Unaudited) Six months ended 31 March 2010 £'000	(Audited) Year ended 30 September 2010 £'000
Investment management fee	370	277	606
Management fee	158	127	272
VAT thereon*	30	21	46
Total	558	425	924

* VAT on management fee

Notes to the Interim Financial Statements
Continued

4. Return per share
The total return per share is based on the total return attributable to equity shareholders of £15,338,000 (six months ended 31 March 2010: return of £19,176,000; year ended 30 September 2010: return of £32,208,000) and on 53,062,424 shares (six months ended 31 March 2010: 50,760,106; year ended 30 September 2010: 51,546,561), being the weighted average number of shares in issue.

The revenue return per share is calculated by dividing the net revenue return of £1,459,000 (six months ended 31 March 2010: return of £2,059,000; year ended 30 September 2010: return of £4,384,000) by the weighted average number of shares in issue as above.

The capital return per share is calculated by dividing the net capital return attributable to shareholders of £13,879,000, (six months ended 31 March 2010: return of £17,117,000; year ended 30 September 2010: return of £27,824,000) by the weighted average number of shares in issue as above.

5. Net asset value per share
The net asset value per share is based on net assets attributable to shares of £174,345,000 (31 March 2010: £143,337,000 and 30 September 2010: £159,590,000) and on 53,487,423 shares in issue (31 March 2010: 50,855,811 and 30 September 2010: 52,947,423) (excluding treasury shares).

6. Transaction costs
Purchase transaction costs for the six months ended 31 March 2011 were £39,000 (six months ended 31 March 2010: £47,000; year ended 30 September 2010: £141,000).

Sales transaction costs for the six months ended 31 March 2011 were £4,000 (six months ended 31 March 2010: £9,000; year ended 30 September 2010: £22,000).

Notes to the Interim Financial Statements
Continued

7. Reconciliation of net total return before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31 March 2011 £'000	(Unaudited) Six months ended 31 March 2010 £'000	(Audited) Year ended 30 September 2010 £'000
Total return before finance charges and taxation	15,546	19,420	32,622
Less capital return before finance charges and taxation	(13,986)	(17,257)	(28,045)
Net revenue before finance costs and taxation	1,560	2,163	4,577
Decrease in accrued income	85	572	260
Decrease/(increase) in other debtors	1	(2,092)	135
(Decrease)/increase in creditors	(17)	3	26
Taxation – irrecoverable overseas tax paid	(49)	(21)	(69)
Investment management and management fees charged to capital	(374)	(262)	(596)
Other expenses charged to capital	(4)	(87)	(89)
Net cash inflow from operating activities	1,202	276	4,244

8. 2010 accounts

The figures and financial information for the year to 30 September 2010 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

Those accounts have been delivered to the Registrar of Companies and included the Report of the Auditors which was unqualified and did not contain a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 498 of the Companies Act 2006.

Interim Management Report

Principal Risks and Uncertainties

A review of the half year, including reference to the risks and uncertainties that existed during the period, and the outlook for the Company can be found in the Chairman's Statement beginning on page three and in the Investment Manager's Review beginning on page five. The principal risks faced by the Company fall into nine broad categories: market price risk; interest rate risk; portfolio performance; operational and regulatory risk; credit risk; liquidity risk; investment management key person risk; availability of bank finance; inability to maintain a progressive dividend policy. Information on each of these areas, with the exception of the availability of bank finance and the Board's ability to maintain a progressive dividend policy, is given in the Business Review within the Annual Report and Accounts for the year ended 30 September 2010. The risk associated with the availability of bank finance is that the provider may no longer be prepared to lend to the Company. Copies of the monthly loan covenant compliance certificates, provided for the lender, are circulated to the Board and both the Board and the Investment Manager are kept fully informed of any likelihood of the withdrawal of the loan facility so that repayment can be effected in an orderly fashion if necessary. With regard to the Company's dividend policy, the Board regularly reviews the Company's portfolio and also income forecasts prepared by the Manager; regular reports on the Company's income position are also made by the Company's Investment Manager at each Board meeting. The Company also maintains a distributable revenue reserve which can be used to help make up any shortfall in income received by the Company.

In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Related Party Transactions

During the first six months of the current financial year no material transactions with related parties have taken place which have affected the financial position or the performance of the Company during the period.

Directors' Responsibilities

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge the condensed set of financial statements, within the Interim Report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the return for the half-year ended 31 March 2011 and that the Chairman's Statement, the Investment Manager's Review and the Interim Management Report include a fair review of the information required by 4.1.8R to 4.2.11R of the FSA's Disclosure and Transparency Rules.

The Interim Report has not been reviewed or audited by the Company's auditors.

The Interim Report was approved by the Board on 10 May 2011 and the above responsibility statement was signed on its behalf by:

Anthony Townsend
Chairman

Company Information

Directors
Anthony Townsend, (Chairman)
John Allard
Neil Collins
David Hunt, FCA
Vanessa Renwick
Giles Warman

Registered Office
50 Lothian Road, Festival Square,
Edinburgh EH3 9BY

Website
www.finsburygt.com

Company Registration Number
13958 (Registered in Scotland)

The Company is an investment company as defined under Section 833 of the Companies Act 2006.

Investment Manager
Lindsell Train Limited
Cayzer House
30 Buckingham Gate,
London SW1E 6NN
Telephone: 0207 802 4700
Website: www.lindselltrain.com

Authorised and regulated by the Financial Services Authority.

Manager, Administrator and Company Secretary
Frostrow Capital LLP
25 Southampton Buildings,
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Services Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

Stockbrokers
Winterflood Investment Trusts
The Atrium Building, Cannon Bridge,
25 Dowgate Hill, London EC4R 2GA

Registrars
Capita Registrars
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Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 208 639 3399
Facsimile: + 44 (0) 1484 600911
E-Mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

†Calls cost 10p per minute plus network charges and may be recorded for training purposes.Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday.

Custodian and Banker
Bank of New York Mellon
The Bank of New York Mellon Centre
160 Queen Victoria Street,
London EC4V 4LA

Lending Banker
Scotiabank Europe plc
201 Bishopsgate, 6th Floor
London EC2M 3NS

Auditors
Grant Thornton UK LLP
30 Finsbury Square, London EC2P 2YU

Share Price Listings
The price of your shares can be found in various publications including the Financial Times, The Daily Telegraph, The Times and The Scotsman.

The Company's net asset value per share is announced daily on the TrustNet website at www.trustnet.com.

Identification Codes

Shares:	SEDOL:	0781606
	ISIN:	GB0007816068
	BLOOMBERG:	FGT LN
	EPIC:	FGT

How to Invest

Alliance Trust Savings Limited

The Company's shares are available through savings plans (including investment Dealing Accounts, ISAs and SIPPs) operated by Alliance Trust Savings Limited, which facilitates both regular monthly investments and lump sum investments in the Company's shares. Shareholders who would like information on the savings plans should call Alliance Trust Savings Limited on 01382 573737 or log on to www.alliancetrustsavings.co.uk or email contact@alliancetrust.co.uk. Calls to this number may be recorded for monitoring purposes.

An Individual Savings Account ('ISA') is a tax efficient method of investment for an individual which gives the opportunity to invest in the Company up to £10,680 in the tax year 2011/2012, and also in subsequent tax years when they subscribe to a Stocks and Shares ISA.

The preceding two paragraphs have been issued and approved by Alliance Trust Savings Limited. Alliance Trust Savings Limited of PO Box 164, 8 West Marketgait, Dundee DD1 9YP is registered in Scotland with number SC98767. Alliance Trust Savings Limited provides investment products and services and is authorised and regulated by the Finance Services Authority. It does not provide investment advice.

Capita Registrars – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Registrars, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £20.00, max £75.00)	1.5% of the value of the deal (Minimum £25.00, max £102.50)

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, shareholder reference number, full postcode and your date of birth. Your shareholder reference number can be found on your latest statement or certificate where it will appear as either a 'folio number' or 'investor code'. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact:

www.capitadeal.com (online dealing) or 0871 664 0445† (telephone dealing)

†Calls cost 10p per minute plus network extras and may be recorded for training purposes. Lines are open from 8.00 a.m. to 4.30 p.m. Monday to Friday.

The Share Dealing Service is provided by Capita IRG Trustees Limited which has issued and approved the preceding paragraphs. Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU is registered in England and Wales with number 2729260. Capita IRG Trustees Limited is authorised and regulated by the Financial Services Authority.

Risk Warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, it may invest in stocks and shares that are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs may not be maintained.

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