



Finsbury Growth & Income Trust PLC

Half Year Report & Accounts for the six months ended 31 March 2015

Frostrow
CAPITAL

LINDSELL TRAIN

About Finsbury Growth & Income Trust PLC

Finsbury Growth & Income Trust PLC aims to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Further details of the Company's investment policy are set out on page 1.

Keep up to date with the Finsbury Growth & Income Trust PLC

For more information about the Finsbury Growth & Income Trust PLC visit the website at www.finsburygt.com



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Financial Calendar

Financial Year End	30 September
Final Results Announced	December
Half Year End	31 March
Half Year End Results Announced	May
Dividends Payable	May and November
Annual General Meeting	February

Winner:

- Moneywise, Investment Trust of the Year 2015, UK Equity Income Category
- Rated Fund: Money Observer Rated Funds 2015
- Shares Awards 2014, Best Investment Trust
- Investment Week, Investment Trust of the Year 2010, 2011 and 2013, UK Income Category
- Money Week, Investment Trust of the Year 2011, UK Growth & Income Category
- Moneywise, Investment Trust of the Year 2011 and 2014, UK Growth & Income Category
- FE Trustnet FE Alpha Manager Rating 2014 (Mr Nick Train)

Company Summary

The Company

The Company is an investment trust. Its shares are listed on the Official List and traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies ("AIC").

Investment Objective

The Company's investment objective is 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 will normally comprise approximately 30 investments. Unless driven by market movements, securities in FTSE 100 companies and comparable companies listed on overseas stock exchanges will normally represent between 50% and 100% of the portfolio; securities in FTSE 350 companies and comparable companies listed on overseas stock exchanges will normally represent at least 70% of the portfolio.

Benchmark

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

Management

The Company has appointed Frostrow Capital LLP ("Frostrow") as Alternative Investment Fund Manager ("AIFM") to provide company management, company secretarial, administrative and marketing services. The Company and Frostrow have jointly appointed Lindsell Train Limited ("Lindsell Train") as Portfolio Manager.

Dividends

A first interim dividend of 5.5p per share (2014: 5.1p) was paid on 6 May 2015 to shareholders registered at the close of business on 4 April 2015. The associated ex-dividend date was 2 April 2015.

It is expected that a second interim dividend will be declared in September 2015 and paid in November 2015.

Capital Structure

At 31 March 2015 the Company had 107,590,212 shares of 25p each in issue (31 March 2014: 91,310,212) (30 September 2014: 97,480,212). No shares have been held in treasury by the Company since 26 May 2010. During the six months under review 10,110,000 new shares were issued raising £54.3 million net of expenses. Since the end of the half-year, to the date of this report, a further 2,340,000 new shares have been issued raising £13.9 million. As at 11 May 2015, the Company had 109,930,212 shares in issue.

Contents

Inside Front Cover About Finsbury Growth & Income Trust PLC

Company Summary

2 Company Performance

Reviews

3 Chairman's Statement
5 Portfolio Manager's Review
7 Investment Portfolio
8 Comparison of Sector Weightings with the FTSE All-Share Index
9 Portfolio Distribution
10 Performance

Financial Statements

11 Income Statement
12 Reconciliation of Movements in Shareholders' Funds
13 Balance Sheet
14 Cash Flow Statement
15 Notes to the Financial Statements

Governance

18 Interim Management Report

Further Information

20 Glossary of Terms
22 How to Invest
24 Company Information

Gearing

As at 31 March 2015 the Company is in the second year of its three-year secured fixed term committed revolving credit facility (the "Facility") of £50 million with Scotiabank Europe PLC. A total of £26.4 million was drawn down from this facility (30 September 2014: £23.1 million was drawn down from this facility).

ISA Status

The Company's shares are eligible for Individual Savings Accounts ("ISAs") and for Junior ISAs.

PAGE

1-2



Company
Summary and
Performance



Chairman's
Statement

3-4

5-6



Portfolio Manager's
Review

7



Investment
Portfolio

11-17

Financial
Statements

Company Summary/Company Performance

Financial Highlights

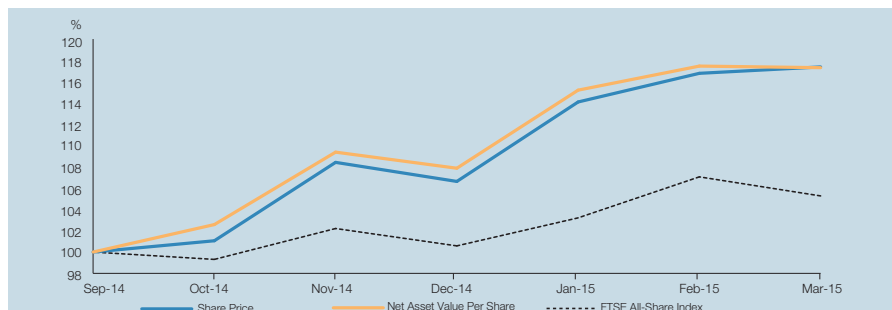
	As at 31 March 2015	As at 30 September 2014	% Change
Share price	590.0p	509.0p	+15.9
Net asset value per share	584.6p	507.7p	+15.1
Premium of share price to net asset value per share	0.9%	0.3%	–
Gearing*	3.7%	4.0%	–
Shareholders' funds	£629.0m	£494.9m	+27.1
Number of shares in issue	107,590,212	97,480,212	+10.4
	Six months to 31 March 2015	One year to 30 September 2014	
Share price (total return)#	+17.4%	+8.6%	
Net asset value per share (total return)#	+17.3%	+8.9%	
FTSE All-Share Index (total return) (Company benchmark)#†	+5.3%	+6.1%	
	Year ending 30 September 2015	Year ended 30 September 2014	
First interim dividend	5.5p	5.1p	
Second interim dividend	Yet to be declared	6.2p	

Source – Morningstar

† Source – FTSE International Limited ("FTSE") © FTSE 2015*

* See glossary on pages 20 and 21

Six Month Total Return Performance



Figures are rebased to 100 at 30 September 2014

Source: Morningstar

Reviews/Chairman's Statement

Performance

I have pleasure in reporting that the Company's share price total return of +17.4% and net asset value per share total return of +17.3% have again both substantially outperformed the Company's benchmark, the FTSE All-Share Index, which delivered a total return of +5.3%.

The principal contributors to the Company's net asset value performance were London Stock Exchange, Schroders and Sage Group. Further information on the Company's portfolio can be found in our Portfolio Manager's Review beginning on page 5.

During the period, the Company's shares have consistently traded close to net asset value, beginning the period at a 0.3% premium to the Company's net asset value per share and ending on a 0.9% premium.

Share Capital

As I reported at the year-end, due to the constant demand for your Company's shares, we took the following action:

- A new block listing authority was obtained from the UK Listing Authority in January 2015 to enable shares to be issued as cost effectively as possible;
- a Prospectus was also published in December 2014 in order that the Company can continue to issue shares in accordance with the Prospectus Directive; and
- shareholder authority to issue further shares equal to 10% of the Company's issued share capital on a non-pre-emptive basis was renewed at the Company's Annual General Meeting held in February 2015.



Anthony Townsend
Chairman

As at 31 March 2015 the Company had 107,590,212 shares of 25p each in issue (31 March 2014: 91,310,212). During the six months under review 10,110,000 new shares were issued raising £54.3 million net of expenses. Since the end of the half-year, to the date of this report, a further 2,340,000 new shares have been issued raising £13.9 million. As at 11 May 2015, the Company had 109,930,212 shares in issue.

The Directors believe that the issuance of those new shares continues to yield the following principal benefits:

- Improvement of liquidity in the market for the Company's shares;
- Maintenance of the Company's ability to issue shares tactically, so as to manage the premium to net asset value per share at which the shares trade;
- Increase in the size of the Company, thereby spreading operating costs over a larger capital base with a consequent reduction in the ongoing charges ratio; and
- Enhancement of the net asset value per share of existing shares through new share issuance at a premium to the cum income net asset value per share;

Reviews/Chairman's Statement

Dividend

The Board has declared a first interim dividend of 5.5p per share, compared to last year's first interim dividend of 5.1p per share, an increase of 7.8%. The dividend was paid on Wednesday, 6 May 2015 to shareholders who were on the register on Tuesday, 7 April 2015. The associated ex dividend date was Thursday, 2 April 2015.

Gearing

The Company is in the second year of its three-year secured fixed term multicurrency revolving credit facility with Scotiabank Europe PLC (the "facility"). As reported in my statement within the Company's 2014 Annual Report the Company had the ability to draw down a further £20 million over the then existing £30 million facility. On 18 March 2015 the Board increased the commitment under the Facility Agreement by an amount of £20 million to a total of £50 million. The amount drawn under the facility, both initially and as increased, lies comfortably within the Company's gearing limit and remains within the constraints of the Company's investment policy.

Outlook

The FTSE All Share Index is up approximately 4.7% so far this calendar year. Your Board continues to believe that our Portfolio 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

11 May 2015

Reviews/Portfolio Manager's Review

Your Company has just enjoyed another half year of competitive absolute and relative NAV performance. This caps several years of strong performance; certainly since the bottom of the last bear market in March 2009. Meanwhile, investors can find plenty to worry about in almost any market or geography they care to turn their attention to. In particular, this report is written before the UK General Election and shareholders will have their own apprehensions about the various possible outcomes. Despite all this we remain exceptionally bullish about the outlook for global equity markets, including the UK, and think it worthwhile rehearsing the bull case below (and relating the arguments to important holdings in the portfolio). Of course there's a risk that we have become complacent, lulled into permanent optimism by a long bull market – shareholders must decide the credibility of the case for themselves. At the very least we hope it is useful to understand our thinking and why we are invested as we are.

1. The price of energy has recently declined almost 60%, with the decline driven by a major, beneficial supply shock – US horizontal fracking. Wood Mackenzie estimates that 98% of the world's leading oil fields would still generate positive cash flow at an oil price of \$40 a barrel, while the most efficient US shale producers have marginal costs of \$10-20 per barrel. This suggests the current rally in oil, back to c\$55, is temporary, because the price will have to stay below \$40 for a meaningful period if capacity really is to be withdrawn. What this means for the rest of us is that, all around the world corporations can look forward to even lower energy costs and consumers to having higher disposable income in their pockets.



Nick Train
Lindsell Train Limited
Portfolio Manager

It is hard to conceive of companies more advantaged by this energy price drop than the major global consumer branded goods owners. Their costs are declining, while their billions of customers are feeling better off. It is no surprise to us that, for instance, Heineken's shares are up 30% in 2015 to date. Brewing and transporting beer is energy-intensive (and has just become a whole lot cheaper, while people are no less thirsty but have more Pesos, Rupees, Dong or Dollars in their pockets to slake their thirsts).

2. Falling inflation – one result of plummeting energy costs – and straitened government balance sheets mean one thing: a continuation of extraordinarily lax monetary policies worldwide. Fiat money will find its way quickly into financial assets, particularly those that offer any certainty of real, inflation-protected returns over time. Blue chip equities are an obvious beneficiary. In January 2015, Merrill Lynch ("ML") put out a "buy" note on Unilever pointing out that its shares offer a dividend yield of 3.5%. The dividend is growing ahead of inflation and is, according to Merrill Lynch's analysts, the second "safest" dividend across the whole of Europe. Meanwhile, ML continued, there are billions of savings across Europe – Euros, Swiss Francs, Krone – that offer negative interest rates. It actually costs you to deposit cash with certain banks. In these

Reviews/Portfolio Manager's Review

circumstances why wouldn't you invest more into Unilever (or Diageo, Heineken, Mondelez etc)? In addition, the intermediaries between institutional and individual investors and the financial markets are likely to benefit from increased volumes of cash flowing across their platforms – for example London Stock Exchange or Hargreaves Lansdown – or into their fund products – Schroders or Rathbone.

It's easy to be complacent and sometimes the worst does happen. However, financial history teaches that financial crises are most often crises for fiat currencies and government bonds – not for sound Equity.

3. 2014 saw an explosion in global M&A activity. At c\$4 trillion of announced deals the value was up 60% on 2013 and the highest total since the previous peak of 2007. This has continued into 2015, with the value of announced deals up a further 17% on 2014 so far and we expect this to accelerate. The logic for more deals is compelling. Global business requires global corporations. Meanwhile, technology is increasing the payback on deals, allowing more costs to be taken out and the control of more complex entities. In fact it's hard to think of a global industry where there aren't well-founded and compelling rumours of new business combinations. Bid chatter and the actuality of deals will keep equity investors perky.

4. Hargreaves Lansdown announced last quarter it had increased its IT headcount by a third in order to take advantage of the opportunities offered by new technology to improve its services to its customer base. Almost every company we meet has a similar story to tell – that IT is changing their relationships with their customers. Most often allowing them to offer a more valuable service at a lower price. This theme has helped various portfolio companies report stronger than expected business growth in 2015 key examples include Burberry, Daily Mail, Fidessa, Pearson, Reed and Sage.

In conclusion – Technology – fracking, digital, biotech – is pushing inflation down, while increasing opportunities for companies to grow. Exceptionally bullish indeed.

Nick Train
Director
Lindsell Train Limited
Portfolio Manager

11 May 2015

Reviews/Investment Portfolio

as at 31 March 2015

Investment	Sector	Fair value £'000	% of investments
Unilever	Consumer Goods	57,617	8.8
Diageo	Consumer Goods	50,290	7.7
Reed Elsevier	Consumer Services	50,254	7.7
Pearson	Consumer Services	46,922	7.2
Heineken Holdings (A Shares) *	Consumer Goods	42,867	6.6
London Stock Exchange	Financials	40,974	6.3
Hargreaves Lansdown	Financials	38,748	5.9
Schroders	Financials	35,520	5.5
Burberry Group	Consumer Goods	35,457	5.4
Sage Group	Technology	35,329	5.4
Top 10 investments		433,978	66.5
Daily Mail & General Trust (A Shares)	Consumer Services	29,977	4.6
A.G. Barr	Consumer Goods	26,483	4.0
Rathbone Brothers	Financials	25,261	3.9
Fidessa	Technology	24,682	3.8
Mondelez International ^	Consumer Goods	22,725	3.5
Dr.Pepper Snapple ^	Consumer Goods	17,472	2.7
Greene King	Consumer Services	15,353	2.3
Kraft Foods ^	Consumer Goods	13,143	2.0
Thomson Reuters ~	Consumer Services	11,064	1.7
Euromoney Institutional Investor	Consumer Services	10,348	1.6
Top 20 investments		630,486	96.6
Young & Co's Brewery (non-voting)	Consumer Services	7,538	1.2
Fuller Smith & Turner	Consumer Services	7,077	1.1
The Lindsell Train Investment Trust	Financials	4,230	0.6
Celtic	Consumer Services	2,128	0.3
Frostrow Capital LLP +	Financials	1,060	0.2
Celtic 6% (cumulative convertible preference) **	–	69	0.0
Total investments		652,588	100.0

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

* Listed in the Netherlands

^ Listed in the United States

~ Listed in Canada

+ Unquoted partnership interest (includes AIFM capital of £320,000)

** Non-equity – Preference Shares

Reviews/Comparison of Sector Weightings with the FTSE All-Share Index

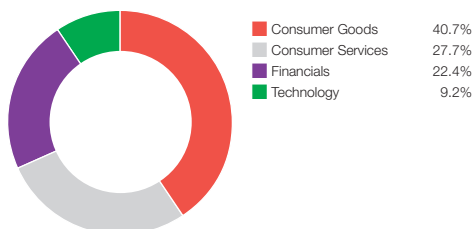
as at 31 March 2015

Sector	Finsbury Growth & Income	FTSE All-Share	Finsbury Growth & Income
	%	Index	(under)/overweight
		%	%
Consumer Goods	40.7	14.5	26.2
Consumer Services	27.7	12.0	15.7
Financials	22.4	25.8	(3.4)
Technology	9.2	1.6	7.6
Oil & Gas	—	11.9	(11.9)
Industrials	—	10.1	(10.1)
Health care	—	8.9	(8.9)
Basic Materials	—	6.7	(6.7)
Telecommunications	—	4.9	(4.9)
Utilities	—	3.6	(3.6)
Total	100.0	100.0	—

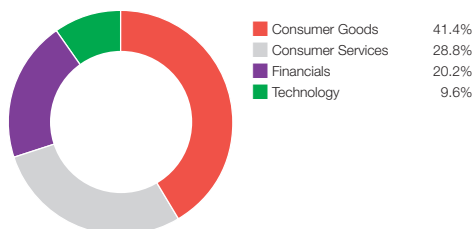
Reviews/Portfolio Distribution

Portfolio Sector Weightings

as at 31 March 2015

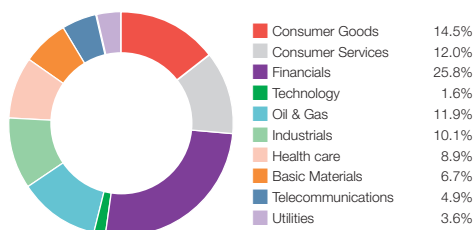


as at 30 September 2014



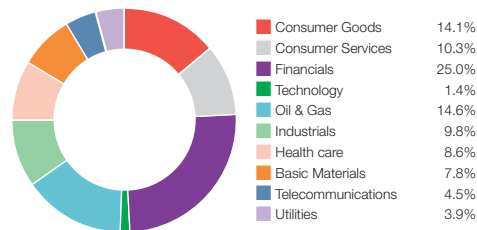
FTSE All Share Sector Weightings*

as at 31 March 2015



*Source: FTSE International Limited ("FTSE") © FTSE 2015

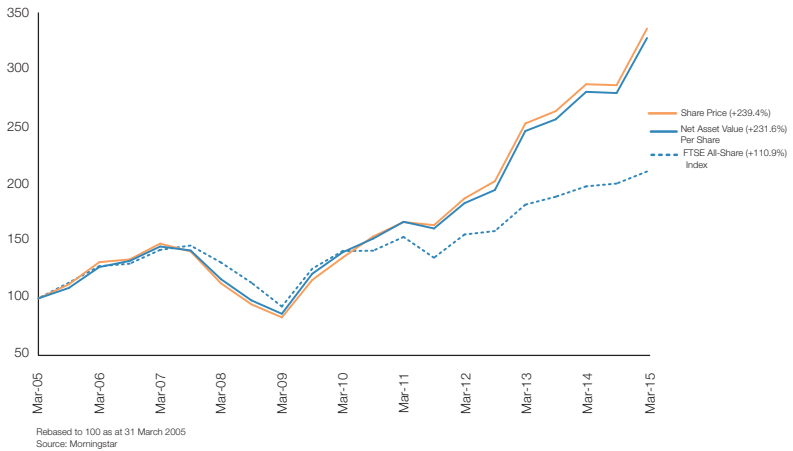
as at 30 September 2014



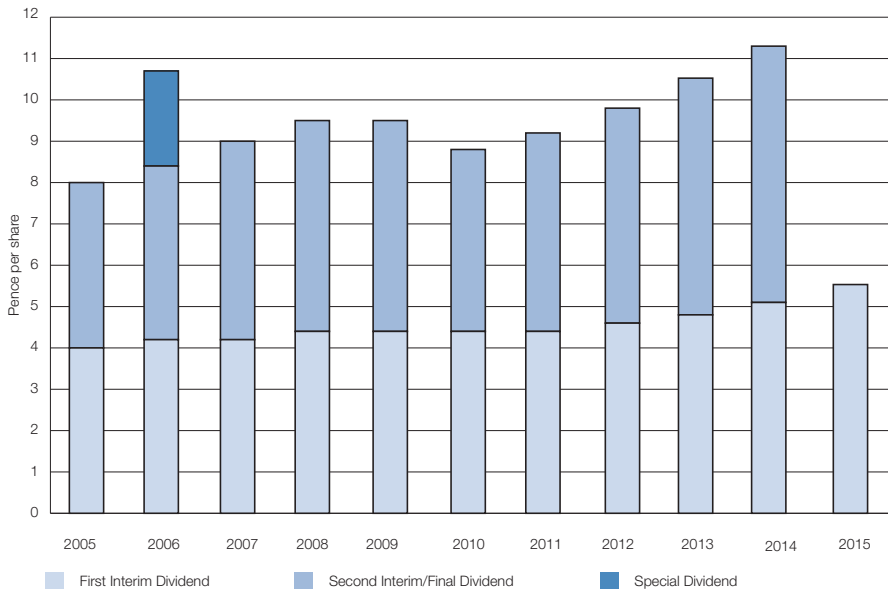
*Source: FTSE International Limited ("FTSE") © FTSE 2014

Reviews/Performance

Ten year total return performance to 31 March 2015



Ten Year Dividend record



Source: Frostrow Capital LLP

Financial Statements/Income Statement

For the six months ended 31 March 2015

	(Unaudited) Six months ended 31 March 2015			(Unaudited) Six months ended 31 March 2014			(Audited) Year ended 30 September 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments designated at fair value through profit or loss	–	83,232	83,232	–	35,256	35,256	–	26,961	26,961
Exchange differences	–	(25)	(25)	–	(11)	(11)	–	(17)	(17)
Income (note 2)	5,229	–	5,229	3,809	–	3,809	13,570	–	13,570
AIFM and Portfolio Management fees (note 3)	(573)	(1,163)	(1,736)	(473)	(961)	(1,434)	(987)	(2,005)	(2,992)
Other expenses	(462)	–	(462)	(351)	(19)	(370)	(739)	(26)	(765)
Return on ordinary activities before finance charges and taxation	4,194	82,044	86,238	2,985	34,265	37,250	11,844	24,913	36,757
Finance charges	(85)	(173)	(258)	(77)	(157)	(234)	(151)	(306)	(457)
Return on ordinary activities before taxation	4,109	81,871	85,980	2,908	34,108	37,016	11,693	24,607	36,300
Taxation on ordinary activities	(106)	–	(106)	(80)	–	(80)	(226)	–	(226)
Return on ordinary activities after taxation	4,003	81,871	85,874	2,828	34,108	36,936	11,467	24,607	36,074
Return per share – basic (note 4)	3.8p	77.8p	81.6p	3.2p	39.1p	42.3p	12.6p	27.0p	39.6p

The "Total" column of this statement represents the Company's profit and loss account. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies ("AIC").

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.

There is no material difference between the net return on ordinary activities before taxation and the net return on ordinary activities after taxation stated above and their historical cost equivalents.

Financial Statements/Reconciliation of Movements in Shareholders' Funds

(Unaudited) Six months ended 31 March 2015	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 2014	24,370	215,304	3,453	12,424	228,842	10,538	494,931
Net return from ordinary activities	–	–	–	–	81,871	4,003	85,874
Second interim dividend (6.2p per share) for the year ended 30 September 2014	–	–	–	–	–	(6,086)	(6,086)
Issue of shares	2,527	51,877	–	–	–	–	54,404
Cost of share issuance	–	(108)	–	–	–	–	(108)
At 31 March 2015	26,897	267,073	3,453	12,424	310,713	8,455	629,015

(Unaudited)
Six months ended 31 March 2014

At 30 September 2013	20,784	146,465	3,453	12,424	204,235	8,478	395,839
Net return from ordinary activities	–	–	–	–	34,108	2,828	36,936
Second interim dividend (5.7p per share) for the year ended 30 September 2014	–	–	–	–	–	(4,748)	(4,748)
Issue of shares	2,043	38,952	–	–	–	–	40,995
Cost of share issuance	–	(110)	–	–	–	–	(110)
At 31 March 2014	22,827	185,307	3,453	12,424	238,343	6,558	468,912

(Audited)
Year ended 30 September 2014

At 30 September 2013	20,784	146,465	3,453	12,424	204,235	8,478	395,839
Net return from ordinary activities	–	–	–	–	24,607	11,467	36,074
Second interim dividend (5.7p per share) for the year ended 30 September 2013	–	–	–	–	–	(4,748)	(4,748)
First interim dividend (5.1p per share) for the year ended 30 September 2014	–	–	–	–	–	(4,659)	(4,659)
Issue of shares	3,586	68,949	–	–	–	–	72,535
Cost of share issuance	–	(110)	–	–	–	–	(110)
Year ended 30 September 2014	24,370	215,304	3,453	12,424	228,842	10,538	494,931

Financial Statements/Balance Sheet

as at 31 March 2015

	(Unaudited) 31 March 2015 £'000	(Unaudited) 31 March 2014 £'000	(Audited) 30 September 2014 £'000
Fixed assets			
Investments designated at fair value through profit or loss	652,588	486,958	514,798
Current assets			
Debtors	2,693	1,215	2,339
Cash at bank	1,660	1,972	2,029
	4,353	3,187	4,368
Current liabilities			
Creditors	(1,526)	(433)	(1,135)
Net current assets	2,827	2,754	3,233
Total assets less current liabilities	655,415	489,712	518,031
Creditors: amounts falling due after one year			
Bank loan	(26,400)	(20,800)	(23,100)
Net assets	629,015	468,912	494,931
Capital and reserves			
Share capital	26,897	22,827	24,370
Share premium account	267,073	185,307	215,304
Capital redemption reserve	3,453	3,453	3,453
Special reserve	12,424	12,424	12,424
Capital reserve	310,713	238,343	228,842
Revenue reserve	8,455	6,558	10,538
Total shareholders' funds	629,015	468,912	494,931
Net asset value per share – basic (note 5)	584.6p	513.5p	507.7p

Financial Statements/Cash Flow Statement

for the six months ended 31 March 2015

	(Unaudited) 31 March 2015 £'000	(Unaudited) 31 March 2014 £'000	(Audited) 30 September 2014 £'000
Net cash inflow from operating activities (note 7)	2,518	1,707	9,346
Net cash outflow from servicing of finance			
Interest paid	(258)	(328)	(551)
Financial investment			
Purchase of investments	(55,021)	(42,457)	(78,662)
Sale of investments	802	26	763
Net cash outflow from financial investment	(54,219)	(42,431)	(77,899)
Equity dividends paid	(6,086)	(4,748)	(9,407)
Net cash outflow before financing	(58,045)	(45,800)	(78,511)
Financing			
Shares issued	54,509	41,350	71,824
Drawdown of loans	3,300	600	2,900
Cost of share issuance	(108)	(110)	(110)
Net cash inflow from financing	57,701	41,840	74,614
Decrease in cash	(344)	(3,960)	(3,897)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash resulting from cashflows	(344)	(3,960)	(3,897)
Increase in debt	(3,300)	(600)	(2,900)
Exchange movements	(25)	(11)	(17)
Movement in net debt	(3,669)	(4,571)	(6,814)
Net debt at start of period	(21,071)	(14,257)	(14,257)
Net debt at end of period	(24,740)	(18,828)	(21,071)

Analysis of net debt

	(Unaudited) 31 March 2015 £'000	(Unaudited) 31 March 2014 £'000	(Audited) 30 September 2014 £'000
Cash at bank	1,660	1,972	2,029
Bank loan	(26,400)	(20,800)	(23,100)
	(24,740)	(18,828)	(21,071)

Financial Statements/Notes to the 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 and the Companies Act 2006.

The Financial Statements have been prepared on a going concern basis. The Directors believe this is appropriate as the Company's net assets consist almost entirely of liquid securities which are quoted on recognised stock exchanges.

The same accounting policies used for the year ended 30 September 2014 have been applied.

2. Income

	(Unaudited) Six months ended 31 March 2015 £'000	(Unaudited) Six months ended 31 March 2014 £'000	(Audited) Year ended 30 September 2014 £'000
Income from investments			
Franked investment income			
– dividends	4,216	3,274	11,617
Unfranked investment income			
– overseas dividends	707	535	1,705
– limited liability partnership profit-share	292	–	240
– limited liability partnership – priority profit-share on AIFM Capital Contribution	14	–	8
Total income	5,229	3,809	13,570

3. AIFM and Portfolio Management fees

	(Unaudited) Six months ended 31 March 2015 £'000	(Unaudited) Six months ended 31 March 2014 £'000	(Audited) Year ended 30 September 2014 £'000
AIFM fee	460	367	770
Portfolio management fee	1,276	994	2,100
VAT on AIFM fees*	–	73	122
Total fees	1,736	1,434	2,992

* With effect from 22 July 2014, no VAT has been charged on the AIFM fees.

Financial Statements/Notes to the Financial Statements

4. Return per share

The total return per share is based on the total return attributable to equity shareholders of £85,874,000 (six months ended 31 March 2014: return of £36,936,000; year ended 30 September 2014: return of £36,074,000) and on 105,279,252 shares (six months ended 31 March 2014: 87,264,241; year ended 30 September 2014: 91,128,356), being the weighted average number of shares in issue during the period.

The revenue return per share is calculated by dividing the net revenue return of £4,003,000 (six months ended 31 March 2014: return of £2,828,000; year ended 30 September 2014: return of £11,467,000) 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 £81,871,000, (six months ended 31 March 2014: return of £34,108,000; year ended 30 September 2014: return of £24,607,000) 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 £629,015,000 (31 March 2014: £468,912,000 and 30 September 2014: £494,931,000) and on 107,590,212 shares in issue (31 March 2014: 91,310,212 and 30 September 2014: 97,480,212).

6. Transaction costs

Purchase transaction costs for the six months ended 31 March 2015 were £304,000 (six months ended 31 March 2014: £251,000; year ended 30 September 2014: £461,000).

These comprise of stamp duty costs of £224,000 (31 March 2014: £182,000; year ended 30 September 2014: £344,000) and commission of £80,000 (31 March 2014: £69,000; year ended 30 September 2014: £117,000).

Sales transaction costs for the six months ended 31 March 2015 were £nil (six months ended 31 March 2014: £nil; year ended 30 September 2014: £1,000). These comprise solely of commission.

These transaction costs are included within the gains on investments within the Income Statement.

Financial Statements/Notes to the Financial Statements

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

	(Unaudited) Six months ended 31 March 2015 £'000	(Unaudited) Six months ended 31 March 2014 £'000	(Audited) Year ended 30 September 2014 £'000
Total return before finance charges and taxation	86,238	37,250	36,757
Less: capital return before finance charges and taxation	(82,044)	(34,265)	(24,913)
Net revenue before finance costs and taxation	4,194	2,985	11,844
Increase in accrued income and prepayments	(470)	(236)	(266)
Increase in creditors	52	4	39
Taxation – irrecoverable overseas tax paid	(95)	(66)	(240)
AIFM and portfolio management fees charged to capital	(1,163)	(961)	(2,005)
Other expenses charged to capital	–	(19)	(26)
Net cash inflow from operating activities	2,518	1,707	9,346

8. 2014 accounts

The figures and financial information for the year to 30 September 2014 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.

Governance/Interim Management Report

Principal Risks and Uncertainties

A review of the half year, and the outlook for the Company can be found in the Chairman's Statement beginning on page 3 and in the Portfolio Manager's Review beginning on page 5. The principal risks and uncertainties faced by the Company fall into the following broad categories: market price risk; interest rate risk; portfolio performance; operational and regulatory risk; credit risk; liquidity risk; portfolio 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 Strategic Report within the Annual Report and Accounts for the year ended 30 September 2014.

The risk associated with the availability of bank finance is that the provider or any other lender 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. Both the Board and Portfolio 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. Negotiations for the renewal of the loan facility are conducted well in advance of the expiry of the existing facility. With regard to the Company's dividend policy, the Board regularly reviews the Company's portfolio and also income forecasts prepared by the AIFM. Regular reports on the Company's income position are also made by the Company's Portfolio 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 transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors, having made relevant enquiries, are satisfied that it is appropriate to prepare financial statements on the going concern basis as the net assets of the Company consist of liquid securities, all of which, with the exception of the partnership interest in Frostrow Capital LLP, are traded on recognised stock exchanges.

Governance/Interim Management Report

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the Half Year Report has been prepared in accordance with applicable accounting standards; and
- (ii) the interim management report includes a true and fair review of the information required by the UK Listing Authority and 4.2.7R and 4.2.8R of the Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

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

The Half Year Report was approved by the Board on 11 May 2015 and the above responsibility statement was signed on its behalf by:

Anthony Townsend
Chairman

Further Information/Glossary of Terms

AIC

Association of Investment Companies.

AIFMD

The Alternative Investment Fund Manager Directive (the "Directive") is a European Union Directive that entered into force on 22 July 2013. The Directive regulates EU fund managers that manage alternative investment funds (this includes investment trusts).

AIFM Rules

AIFMD and all applicable rules and regulations implementing AIFMD in the UK, including without prejudice to the generality of the foregoing the Alternative Investment Fund Managers Regulations 2013 (SI2013/1773) and all relevant provisions of the FCA Handbook.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

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Gearing

Gearing is calculated by dividing total assets (less cash/cash equivalents) by shareholders' funds, expressed as a percentage (equivalent to AIC definition of net gearing).

Leverage

The AIFM Directive (the "Directive") has introduced the obligation on the Company and its AIFM in relation to leverage as defined by the Directive. The Directive leverage definition is slightly different to the Association of Investment Companies method of calculating gearing and is as follows; any method by which the AIFM increases the exposure of an AIFM it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions.

There are two methods for calculating leverage under the Directive – the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity exposure is effectively reduced.

The Board has set the leverage limit for both the Gross basis and the Commitment basis at 125%. These limits are monitored by both the Board and the AIFM.

Further Information/Glossary of Terms

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, less any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value Total Return

The total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

Share Price Total Return

The change in capital value of a company's shares over a given period, plus dividends paid to shareholders, expressed as a percentage of the opening value. The assumption is that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex dividend.

Treasury Shares

Shares previously issued by a company that have been bought back from shareholders to be held by the Company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Further Information/How to Invest

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fastrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.ashx
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Sippdeal	http://www.sippdeal.co.uk/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

Capita Asset Services – Share Dealing Service

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

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, investor code, full postcode and your date of birth. Your investor code can be found on your share certificate. 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 0364† (telephone dealing)

If calling from outside of the UK please dial +44 (0) 203 367 2686

† 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.

Further Information/How to Invest

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 and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Further Information/Company Information

Directors

Anthony Townsend, (Chairman)
John Allard
Neil Collins
David Hunt, FCA (Chairman of the Audit Committee and Senior Independent Director)
Vanessa Renwick

Registered Office

50 Lothian Road,
Festival Square,
Edinburgh EH3 9WJ

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.

Portfolio 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 Conduct Authority.

AIFM, Company Secretary and Administrator

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 Conduct 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 Asset Services
The Registry,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 208 639 3399
Facsimile: +44 (0) 1484 600911
E-Mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.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.

Depository

BNY Mellon Trust & Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street,
London EC4V 4LA
Website: www.bnymellon.com

Lending Banker

Scotiabank Europe PLC
201 Bishopsgate, 6th Floor
London EC2M 3NS

Independent Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

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

Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number (GIIN):
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- Moneywise, Investment Trust of the year 2015, UK Equity Income Category
- Rated Fund: Money Observer Rated Funds 2015
- Shares Awards 2014, Best Investment Trust.
- Investment Week, Investment Trust of the Year 2010, 2011 and 2013, UK Income Category.
- Money Week, Investment Trust of the Year 2011, UK Growth & Income Category
- Moneywise, Investment Trust of the Year 2011 and 2014, UK Growth & Income Category
- FE Trustnet FE Alpha Manager Rating 2014 (Nick Train)

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www.finsburygt.com