FINSBURY GROWTH & INCOME TRUST PLC

Annual Report for the year ended 30 September 2018

Frostrow Capital

Lindsell Train

Company Information

Financial Calendar

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

Annual General Meeting
The Annual General Meeting of Finsbury Growth & Income Trust PLC will be held at Guildhall, City of London EC2V 7HH on Wednesday, 27 February 2019 at 12 noon. Formal notice of the meeting will be sent to shareholders with the Annual Report.

Share Prices
The Company's ordinary shares are listed on the London Stock Exchange under 'Investment Companies'. The prices are published daily in the Financial Times and online.

Change of Address
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Link Asset Services, under the signature of the registered holder.

Daily Net Asset Value
The daily net asset value of the Company's shares can be obtained on the Company's website (www.finsburygt.com) and is published daily via the London Stock Exchange.

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

Company Registration Number
SCO13958 (Registered in Scotland)

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

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 using the above e-mail address.

Portfolio Manager
Lindsell Train Limited
5th Floor,
66 Buckingham Gate,
London SW1E 6AU
Telephone: 0207 808 1225
Website: www.lindselltrain.com
Authorised and regulated by the Financial Conduct Authority.

Independent Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Depositary
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL
Website: www.bnymellon.com

Global Custodian
Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

Registrars
Link Asset Services
The Registry,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU
Telephone (in UK): 0371 664 0300†
Facsimile: + 44 (0) 1484 600911
E-Mail: shareholderenquiries@link.co.uk
Website: www.linkassetservices.com

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

† Calls outside the UK will be charged at the applicable international rate and may be recorded for training purposes.Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

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

Identification Codes

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

Legal Entity Identifier
213800NN42KX2LGIGQ40

Foreign Account Tax Compliance Act ("FATCA")
IRS Registration Number (GIIN):
QH4BH0.99999.SL.826

Winner:
- Citywire Investment Trust Awards, UK Equity Income 2018 and 2017
- Money Observer Trust Awards, Best UK Income Trust 2017
- Moneywise, Investment Trust of the Year 2016 and 2015, UK Equity Income Category
- Investment Week, Investment Company of the Year 2016 and 2015, UK Equity Income Category
- What Investment Trust 2016, Best UK Investment Trust

Disability Act
Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Asset Services, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

Company Summary

The Company

The Company is an investment trust and its shares are listed on the premium segment of 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").

Objectives and performance measurement

The Company aims to achieve capital and growth and to provide Shareholders with a total return in excess of that of the FTSE All-Share Index (the Company's benchmark).

The Company's net assets as at 30 September 2018 were £1,411.8 million (2017: £1,164.4 million) and the market capitalisation was £1,420.8 million (2017: £1,170.3 million).

Management

The Company is an Alternative Investment Fund ("AIF") under the European Union Alternative Investment Fund Managers' Directive ("AIFMD").

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. Further details of the terms of these appointments are provided on pages 12 and 13 and full disclosures required under the AIFMD can be found on the Company's website: (www.finsburygt.com).

Dividends

A first interim dividend of 7.2p per share (2017: 6.8p) was paid on 17 May 2018 to shareholders registered at the close of business on 6 April 2018. The associated ex-dividend date was 5 April 2018.

A second interim dividend of 8.1p per share (2017: 7.4p) was paid on 9 November 2018 to shareholders registered at close of business on 5 October 2018. The associated ex-dividend date was 4 October 2018.

The total dividend paid for the year was 15.3p per share (2017: 14.2p per share).

ISA Status

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

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

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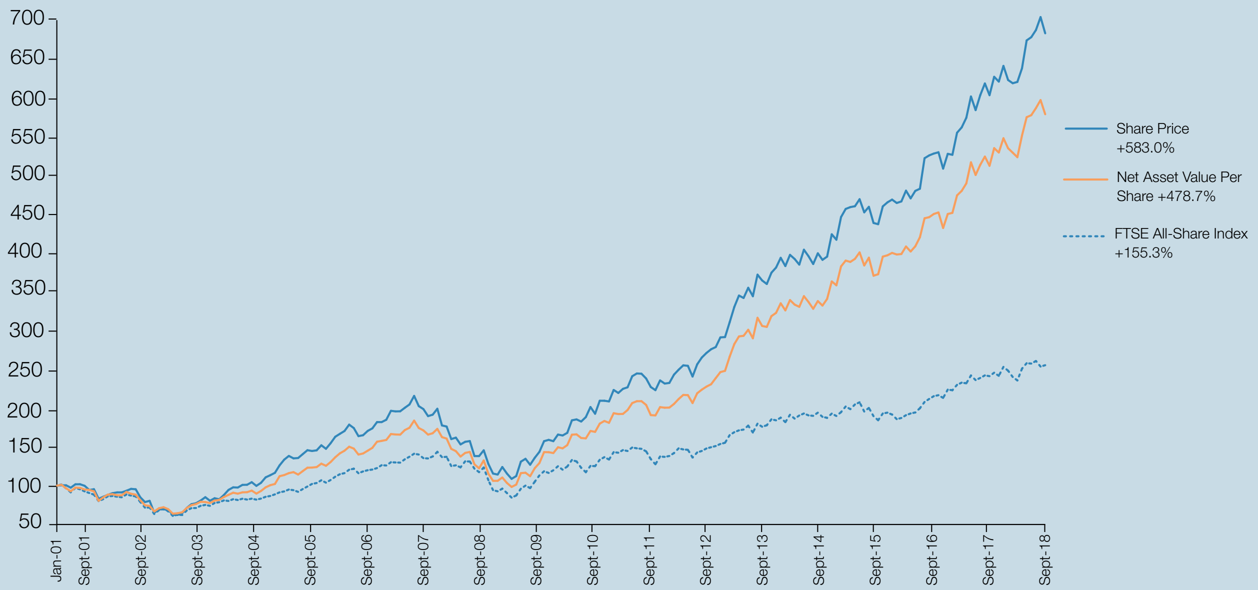
Contents

Strategic Report / Company Performance

The Company was incorporated in Scotland on 15 January 1926. Lindsell Train was appointed in December 2000. The total return of the Company's net asset value per share over the ten years to 30 September 2018 has been 401.4%*, equivalent to a compound annual return of 17.5%*. This compares to a total return of 138.5%* from the Company's benchmark, equivalent to a compound annual return of 9.1%*.

*Source: Morningstar, FTSE International Limited ("FTSE")©FTSE 2018

Performance since the Date of Appointment of Lindsell Train as Portfolio Manager to 30 September 2018



Source: Morningstar
Rebased to 100 as at 1 January 2001

Five Year Performance Summary

	30 Sep 2014	30 Sep 2015	30 Sep 2016	30 Sep 2017	30 Sep 2018
Share price	509.0p	556.5p	658.0p	736.5p	818.0p
Share price total return*, ^	+8.6%	+11.8%	+20.8%	+14.2%	+13.2%
Net asset value per share	507.7p	556.9p	657.7p	732.8p	812.8p
Net asset value per share total return*, ^	+8.9%	+12.0%	+20.6%	+13.7%	+13.1%
FTSE All-Share Index total return**,†	+6.1%	(2.3)%	+16.8%	+11.9%	+5.9%
Revenue return per share	12.6p	13.5p	15.2p	15.8p	16.5p
Dividends per share	11.3p	12.1p	13.1p	14.2p	15.3p

*Source: Morningstar
**Source: FTSE International Limited ("FTSE")©FTSE 2018†
†See glossary of terms and alternative performance measures on pages 61 and 62
^Alternative Performance Measures ("APMs")

Strategic Report / Company Performance

Financial Highlights for the year

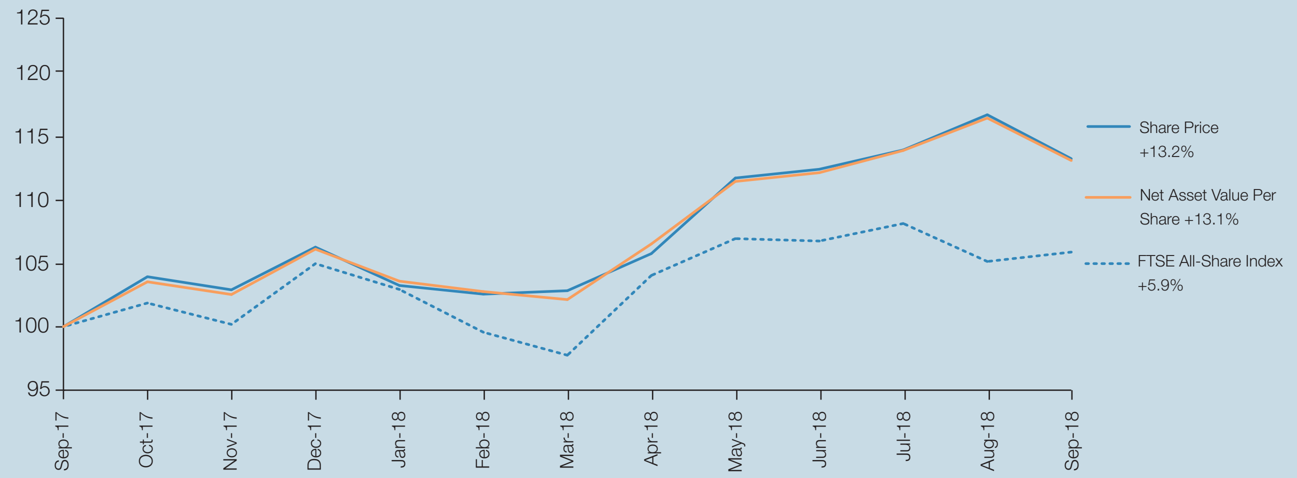
	As at 30 September 2018	As at 30 September 2017	% Change
Share price	818.0p	736.5p	+11.1%
Net asset value per share	812.8p	732.8p	+10.9%
Premium of share price to net asset value per share^	0.6%	0.5%	
Gearing^	1.4%	1.9%	
Shareholders' funds	£1,411.8m	£1,164.4m	+21.2%
Number of shares in issue	173,691,712	158,896,712	+9.3%

^ Alternative Performance Measures

	Year ended 30 September 2018	Year ended 30 September 2017	% Change
Share price total return[1, ^]	+13.2%	+14.2%	
Net asset value per share total return[1, ^]	+13.1%	+13.7%	
FTSE All-Share Index total return (Company benchmark)[1, 2]	+5.9%	+11.9%	
Ongoing charges^	0.67%	0.71%	
Revenue return per share	16.5p	15.8p	+4.4%
Dividends per share:			
First interim dividend	7.2p	6.8p	+5.9%
Second interim dividend	8.1p	7.4p	+9.5%
Total dividends for the year per share	15.3p	14.2p	+7.7%

A glossary of terms and alternative performance measures is provided on pages 61 and 62
[1] Source – Morningstar
[2] Source – FTSE International Limited ("FTSE")©FTSE 2018*
^ Alternative Performance Measures

One Year Total Return Performance



Source: Morningstar
Rebased to 100 as at 30 September 2017

Strategic Report / Chairman's Statement

Anthony Townsend
Chairman

Dear Shareholder,

Performance

The Company's net asset value return per share for the year was 13.1% (2017: 13.7%) and the share price total return was 13.2% (2017: 14.2%). Both have again significantly outperformed the Company's benchmark, the FTSE All-Share Index, measured on a total return basis, which rose by 5.9% over the same period (2017: 11.9%). The principal contributions to net asset value performance came from our major holdings in Hargreaves Lansdown, London Stock Exchange and Fidessa. More details are set out in the Portfolio Managers' report which follows this statement.

The Company's continued good performance and the resulting strong demand for its shares has caused them to trade at a small premium to the cum-income net asset value per share for the most of the year. The share price ended the year at 0.6% premium to the Company's net asset value per share (2017: 0.5% premium).

It is also particularly pleasing to note that our Portfolio Managers' long term strategy continues to deliver excellent returns with £1,000 invested in the Company ten years ago now being worth £5,014. This compares to a figure of £2,385 if we had just tracked the Company's benchmark index, the FTSE All-Share Index, over the same period.

Shareholders will note that as part of our continuing efforts to reduce the length of the Company's annual report we have moved the explanations for our Discount Control Mechanism and our investments in key service providers on to the Company's website (www.finsburygt.com).

Share Capital

Consistent demand for the Company's shares led to the issue of a total of 14,795,000 new shares during the year, ensuring that the share price premium was effectively managed throughout the year. The net proceeds received by the Company from the issue of these new shares amounted to £115.6 million and was invested in line with the Company's investment objective. Since the financial year end a further 4,395,000 new shares have been issued.

In order to facilitate this demand 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 in January 2018 and again at a General Meeting held just recently in November 2018.

The Company's share issuance authority will as usual be proposed for renewal at the Company's Annual General Meeting to be held in February 2019.

Return and Dividend

The Income Statement shows a total return per share of 93.6 pence (year ended 30 September 2017: 89.6 pence) consisting of a revenue return per share of 16.5 pence (year ended 30 September 2017: 15.8 pence) and a capital return per share of 77.1 pence (year ended 30 September 2017: 73.8 pence).

The Company's net revenue return during the year rose 4.4% from last year (on a per share basis) and your Board has declared two interim dividends for the year totaling 15.3 pence per share (year ended 30 September 2017: 14.2 pence) a year-on-year increase of 7.7%.

We are very pleased to be able to continue our dividend growth over the last nine years as shown in the table on page 11.

In light of the continued strong demand for the Company's shares and in order to facilitate dividend payments on a timely and cost effective basis, your Board continues to elect to distribute the Company's income to shareholders by means of two interim dividends rather than wait until the Annual General Meeting to secure shareholder approval to pay a final dividend.

Transfer of Reserves

In 2002 the Company received Court approval in connection with the cancellation of its Share Premium account. This resulted in the creation of a Special reserve. During the year your Board confirmed that there was no legal impediment to the Company transferring the balance from the Special reserve to the Revenue reserve. Therefore, during the year the Company made this transfer.

Gearing

As at the year end the Company was in the final year of its three-year secured fixed term committed revolving credit facility of £75 million with an additional £25 million facility with

Strategic Report / Chairman's Statement

Scotiabank Europe PLC. As at 30 September 2018 a total of £36.7 million has been drawn down - under this facility (30 September 2017: £36.7 million).

We have given our gearing considerable thought over the year and have decided to renew our existing facility from October 2019.

Outlook

Despite stock market volatility over the course of the year the Company has continued to outperform its benchmark and deliver another year of strong returns to shareholders. Clearly the lack of uncertainty surrounding Brexit is creating strong headwinds but your Board continues to support the Portfolio Managers' strategy of investing in high quality companies that own both durable and cash generative brands. We believe firmly that this will continue to deliver strong total returns in the form of both capital and income growth to shareholders over the longer term.

Annual General Meeting

The Annual General Meeting of the Company this year will again be held at Guildhall, City of London EC2V 7HH (please use the Basinghall Street Entrance) on Wednesday, 27 February 2019 at 12 noon, and we hope as many shareholders as possible will attend. This will be an opportunity to meet the Board and to receive a presentation from our Portfolio Manager. We thank you for your continued support.

Following improvements in technology the Company will cease, with effect from our 2020 Annual General Meeting, to issue paper proxy forms to shareholders. Shareholders will be able to vote on resolutions via our Registrar's website (www.signalshares.com). A paper proxy form, however, will be available on request from our Registrar.

Further details of the location of the Company's Annual General Meeting can be found in the Notice of Meeting.

Anthony Townsend
Chairman

17 December 2018

Strategic Report / Investment Portfolio

Investments as at 30 September 2018

Investments	Fair value 2017 £'000	Purchases £'000	Sales £'000	Capital appreciation/ (depreciation) £'000	Fair value 2018 £'000	% of investments
Diageo	118,713	12,386	–	12,981	144,080	10.0
RELX	110,473	31,967	–	(1,882)	140,558	9.8
Unilever	120,241	18,745	–	(2,303)	136,683	9.5
Hargreaves Lansdown	83,066	4,041	–	44,143	131,250	9.2
London Stock Exchange	102,181	115	–	20,261	122,557	8.6
Mondelez International[1]	66,474	35,251	–	6,869	108,594	7.6
Burberry Group	81,525	10,473	–	13,386	105,384	7.4
Schroders+	74,308	33,145	–	(6,425)	101,028	7.1
Heineken[2]	74,776	5,017	–	(834)	78,959	5.5
Sage Group	67,154	17,205	–	(12,642)	71,717	5.0
Daily Mail & General Trust (non-voting)	42,464	9,376	–	3,601	55,441	3.9
Remy Cointreau[3]	36,744	11,026	–	4,847	52,617	3.7
Pearson	23,501	1,096	–	10,647	35,244	2.4
Manchester United[1]	18,918	8,194	–	4,634	31,746	2.2
A.G. Barr	26,853	–	–	4,432	31,285	2.2
Rathbone Brothers	31,613	569	–	(2,278)	29,904	2.1
Euromoney Institutional Investor[4]	10,917	46	–	1,715	12,678	0.9
Young & Co's Brewery (non-voting)	10,658	–	–	1,627	12,285	0.8
The Lindsell Train Investment Trust plc	8,300	–	–	3,450	11,750	0.8
Fuller Smith & Turner	7,091	–	–	(511)	6,580	0.5
Celtic*	4,246	140	–	1,163	5,549	0.4
Keurig Dr.Pepper Snapple (formerly Dr Pepper)[1]	23,307	–	(29,458)	8,505	2,354	0.2
Frostrow Capital LLP[5] **	1,680	70	–	135	1,885	0.1
Greene King	10,105	–	(7,485)	(1,076)	1,544	0.1
The Kraft Heinz Company[1]	4,565	–	(4,285)	(280)	–	–
Fidessa	27,038	–	(46,695)	19,657	–	–
	1,186,911	198,862	(87,923)	133,822	1,431,672	100.0

+Includes Schroders (non-voting) shares, fair value £8,265,000

*Includes Celtic 6% cumulative convertible preference shares, fair value £267,000 (2017:£154,000)

**Includes Frostrow Capital LLP AIFM Investment, fair value £550,000 (2017:£480,000)

1 Listed in the United States

2 Listed in Netherlands

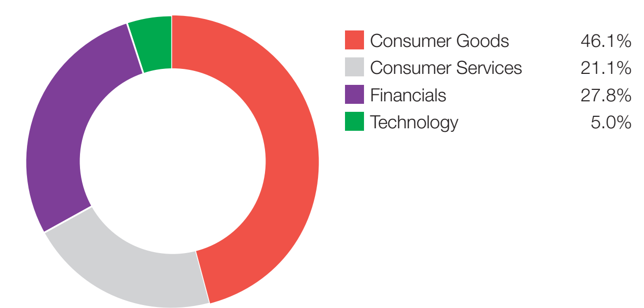
3 Listed in France

4 An Associate Company of Daily Mail & General Trust

5 Unquoted

Portfolio Sector Weightings

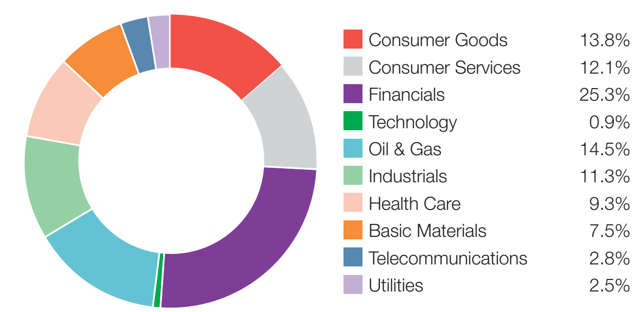
2018



Source: Frostrow Capital LLP

FTSE All Share Sector Weightings*

2018



*Source: FTSE International Limited ("FTSE") © FTSE 2018

Strategic Report / Contributions to Total Return

for the Year ended 30 September 2018

Investments	Total return £'000	Contribution per share (pence)*
Equities		
Hargreaves Lansdown	46,487	28.0
London Stock Exchange	21,716	13.1
Fidessa	20,619	12.4
Diageo	16,205	9.7
Burberry Group	15,456	9.3
Pearson	11,319	6.8
Keurig Dr. Pepper Snapple (formerly Dr. Pepper)	8,757	5.3
Mondelez International	8,414	5.1
Remy Cointreau	5,415	3.2
Daily Mail & General Trust (non-voting)	5,245	3.2
A.G. Barr	5,108	3.1
Manchester United	4,824	2.9
Lindsell Train Investment Trust	3,668	2.2
Euromoney Institutional Investor	2,015	1.2
Young & Co's Brewery (non-voting)	1,833	1.1
Unilever	1,645	1.0
RELX	1,221	0.7
Celtic	1,133	0.7
Heineken	499	0.3
Kraft Heinz	(250)	(0.2)
Fuller Smith & Turner	(374)	(0.2)
Greene King	(462)	(0.3)
Rathbone Brothers	(1,493)	(0.9)
Schroders**	(3,550)	(2.1)
Sage Group	(10,995)	(6.6)
	164,455	**99.0**
Preference Shares (Franked income)		
Celtic 6% (cumulative convertible preference shares)	37	0.0
Unquoted		
Frostrow Capital LLP	566	0.4
Total Contributions to Total Return	**165,058**	**99.4**
Expenses, finance charges and currency translations	**(9,606)**	**(5.8)**
Return on ordinary activities after taxation	**155,452**	**93.6**

*Based on 166,079,612 shares, being the weighted average number of shares in issue during the year ended 30 September 2018.

**includes Schroders non-voting shares.

Strategic Report / Portfolio Manager's Review

Nick Train
Lindsell Train Limited
Portfolio Manager

I'm pleased that Finsbury Growth & Income Trust PLC ("FGT") has delivered another year of respectable absolute returns and outperformance of its benchmark. But this means - more than ever – that it is important for me to convey to shareholders that our performance seems as remarkable and perhaps unsustainable to us as it should to them. We can't reasonably account for why the strategy has done as well as it has for as long as it has and so must assume that luck has played a part along the way. And in that case one can be sure that luck will work against us at some point and that a run of bad luck (or bad judgements by us at Lindsell Train) could put a dent in FGT's returns. This is especially so when you consider the following two factors: the concentration of FGT's portfolio and the current state of the global economy.

As to the first, the portfolio is notably concentrated and indeed, after the takeover of two big positions last year – Dr. Pepper Snapple and Fidessa – the concentration has become even more so. Today there are only c20 holdings and the top ten accounts for nearly 80% of portfolio value. It would only take one or two of that top ten to go wrong to put a hole in our performance. To demonstrate that this is no idle worry, shareholders should remember that Pearson was once a top ten holding for us. We were fortunate that Pearson's dire share price performance for most of the last 5 years was compensated by other investments doing much better. (Of course, we're happy to report Pearson has had a better year in 2018, as a business and share price.)

Another way to think about the concentration risk in FGT is to note that the portfolio is only exposed to c8% of the FTSE All-Share Index. What I mean by this is that when you add up the actual index weights of all the FGT holdings that are also constituents of the FTSE All-Share you get a total of only 8%. In other words, you should expect FGT's portfolio to perform very differently to the FTSE All-Share Index over time, because only 8% of the portfolio overlaps with the Index. And that number would have been even lower if Unilever's plan to exit the FTSE All-Share Index had been approved. Our very high "active share" (92%) as it is called, has been helpful to our performance when we've been getting it right. But it could easily cut the other way, particularly if big sectors to which we have no exposure, like Oil or Mining, put in sustained good performance.

By the way, sometimes people question how our returns can be so competitive given that we do so little trading and portfolio turnover is so low. For them it seems odd, because they associate strong performance with active trading. But as described above there is more than one type of portfolio "activity". Our portfolio which rarely changes may actually be taking much more "active" risk than a fund with dozens of holdings which change all the time. Because the shape of our portfolio is so very different from the shape of its benchmark.

Next, another source of risk for FGT is the global economy. Here you might expect me to cite Brexit, US politics or Interest Rates as reasons to worry. But I'm not going to. Of course none of these is trivial and they will quite reasonably precipitate ups and downs in share prices in months to come. But none of the above seems to us to be materially more worrisome than a multitude of other previously agonised about macro-economic or political scares. Believe me; I've lived through countless macro shocks over the course of a 37 year investment career. And markets muddled through most of them.

But there truly are real reasons to be cautious about individual companies and even industry sectors today. And these reasons are in some cases existential. In other words – in some cases one is forced to ask: is a given company or industry actually even going to exist in, let's say, 10 years time? In fact we expect there to be many corporate casualties over the next decade. The reason is captured in this quote from Charlie Munger, Warren Buffett's long term business partner:

"The great lesson in microeconomics is to discriminate between when technology is going to help you and when it is going to kill you. And most people do not get this straight in their heads."

This quote seems particularly pertinent in 2018. I cannot remember a period when so much stock market value has been created so quickly by what are still very young companies. Of course I mean the Internet giants. And it's sobering to consider that the entire Internet phenomenon has been with us for little more than 8,000 days. So much stock market value created in 8,000 days, but so much destroyed too. Everywhere we look we see industry sectors that provided reliable and attractive investment returns through much of the Twentieth Century stumbling and in some cases dwindling as we get into the Twenty First century proper.

Strategic Report / Portfolio Manager's Review

As an example of how everyone should be thinking - although we sincerely hope not an example of a stumbling business - we recently met with the new CEO of the London Stock Exchange, David Schwimmer. LSE has been a big winner for FGT in 2018 and for many years previously. But we weren't surprised to hear the new CEO describe his feelings about taking on his job as leader of this great 200 plus year old franchise. "I'm paranoid" he said. "I'm paranoid about technology." And he's certainly right to be paranoid – history shows many instances of liquidity draining away forever from markets and even cities when trade flows shift or technology changes. Let's hope David Schwimmer isn't out of his depth (sorry!). He comes across as extremely sensible and is certainly well qualified to safely negotiate the doubtless enormous changes for all Exchanges over the next decade.

It is one thing to be aware of the technology risks – we worry about little else – but quite another to stay on the right side of it. We're trying in two ways. First, we've sought to concentrate FGT's portfolio on companies where the Internet is going to help, in Charlie Munger's parlance, and to avoid those that may be killed. So far we're pleased with ourselves in sticking to and building the holdings in Burberry, Hargreaves Lansdown and RELX – which are all companies that have found ways to harness digital to reach more customers with their products or services in ways that benefit both customers and the companies. Next and very important in terms of the shape of FGT's portfolio, we're still confident that the unique and beloved tastes of certain beverage and food brands will remain both beloved and hard for new technology to undermine. The new CEO of Mondelez – a major FGT holding – pointed out this year that the #1 biscuit brand ordered online in the US is Oreo and the #1 chocolate ordered online in the UK is Cadbury. Both brands belong to Mondelez and, of course, both are the leading bricks and mortar brands too. His conclusion was that brands that consumers really have an emotional loyalty to will continue to do just fine. In some confirmation of this continuing resonance of beloved brands we note that during 2018 there have been new all-time share price highs recorded for FGT portfolio holdings such as AG Barr (IRN-BRU, of course), Diageo, Heineken, Remy Cointreau and Youngs. Manchester United too has hit an all-time high in 2018. Like those others it offers a unique and highly valued consumer experience.

But I must acknowledge mistakes; at least short term ones – despite our best efforts. We certainly hold companies where other investors have their doubts about the continuing relevance of a previously successful business model. For instance, life has got tougher more quickly than I would have expected for Greene King's pub estate, where online meal-ordering services have definitely taken a bite out of the casual dining market. Fortunately Greene King has been a declining position in FGT over the last few years (it started the year at 0.8% of the portfolio and was 0.1% as at 30 September 2018), but it still rankles that I wasn't smarter in reacting to the unfolding challenges. But a much bigger holding and one that has performed particularly poorly during 2018 is Sage, the accounting software company. Here the technology shift toward "cloud" services has disrupted Sage's traditional desk-top business and allowed new competitors to take share from the company. We had thought - and in truth still do think - that Sage's very substantial, sticky and global customer base will generate enough cash in coming years to allow the company to respond. But it's a warning that even past technology success (and overall Sage has been a fantastic winner over the last 25 years) is no guarantee of future success.

So far in this report I have deliberately looked to the possible downside and highlighted risks. After such a long period of outperformance for our investment approach I'm sure this is the right thing. But I hope you won't find it contradictory if I now tell you that I have been a regular buyer of FGT shares for myself and my family through 2018. I have been so because I regard the portfolio as a store of value that I expect will deliver much more growth and income. As a shareholder I was delighted by the dividend increase your board was able to announce this year, up nearly 8% to 15.3p. That's an increase driven by the underlying dividend growth of the companies in the portfolio, many of which have long and proud histories of dividend growth – which we are not expecting to end any time soon. I can't help thinking back to the first dividend FGT paid under Lindsell Train's stewardship, back in 2001, of 3.2p. From 3.2p to 15.3p is a compound rate of dividend growth of c9.5% per annum over 17 years. It will take all kinds of luck for me still to be reporting to you in 2035 – although I can dream – and even more luck and good judgement will be required to maintain a compound dividend growth rate of nearly 10% over the next 17 years. But if all these did come to pass I'm sure that all shareholders will be well satisfied.

Nick Train
Director
Lindsell Train Limited
Portfolio Manager

17 December 2018

Strategic Report / Business Review

The Strategic Report, set out on pages 2 to 18, contains a review of the Company's policies and business model, together with an analysis of its performance during the financial year and its future developments. It also details the principal risks and challenges that the Company faces. Its purpose is to inform the shareholders of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company.

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 Policies

No changes have been made to the Company's investment policies:

- The Company's investment policy is to invest 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 outside the UK.
- The portfolio will normally comprise up to 30 investments. This level of concentration may lead to an investment return which is materially different from the Company's benchmark index and may be considered to carry above average risk. Unless driven by market movements, securities in FTSE 100 companies and comparable companies listed on an overseas stock exchange 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.
- The Company does not and will not invest more than 15%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange. Further, the Company does not and will not invest more than 10%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company's gearing policy is that gearing will not exceed 25% of the Company's net assets.
- The Company has the ability to invest up to 25% of its gross assets in preference shares, bonds and other debt instruments, although no more than 10% of any one issue may be held.
- In addition, a maximum of 10% of the Company's gross assets can be held in cash, where the Portfolio Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities or to maintain liquidity.
- No investment will be made in any company or fund managed by the Portfolio Manager without the prior approval of the Board.

In accordance with the Listing Rules of the Financial Conduct Authority ("FCA"), the Company can only make a material change to its investment policies with the approval of its shareholders.

Investment Performance

The Portfolio Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent listed businesses that appear undervalued.

Whilst performance is measured against the FTSE All-Share Index, the Company's portfolio is constructed and managed without reference to a stock market index.

The Board believes that the Company's performance over the last ten years (net asset total return of 401.4% compared to a total return from the Company's benchmark index of 138.5%) demonstrates that it is possible to achieve strong performance through investing principally in UK equities without buying and selling portfolio securities on a short term basis.

Strategic Report / Business Review

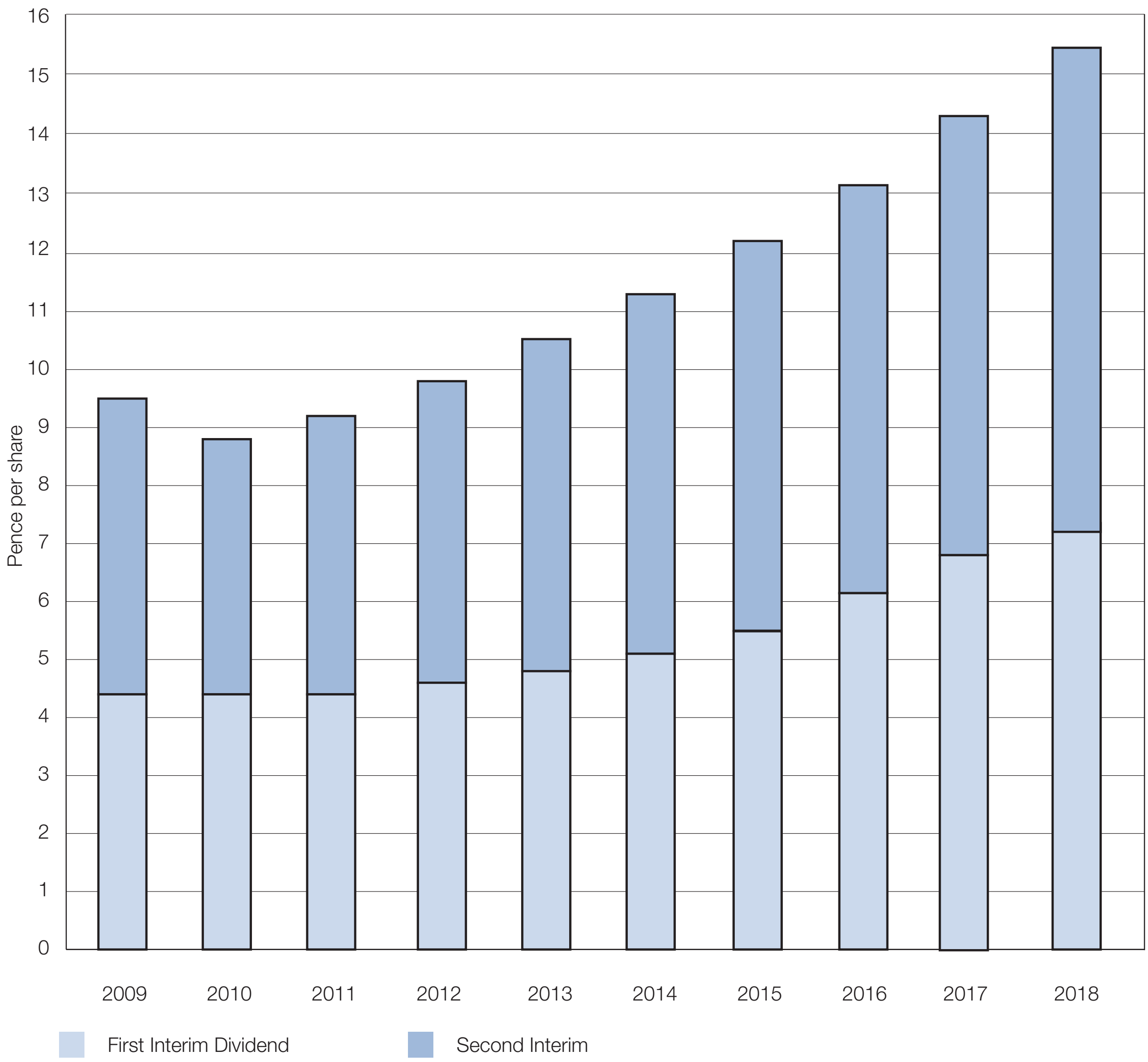
Dividend Policy

The Company's aim is to increase or at least to maintain the total dividend each year. A first interim dividend is typically paid in May and a second interim in November in lieu of a final dividend.

The level of dividend growth is dependent upon the growth and performance of the companies within the Investment Portfolio. The decision as to the level of dividend paid takes into account the income forecasts maintained by the Company's AIFM and Portfolio Manager which are reviewed regularly by the Board. These forecasts consider dividends earned from the portfolio together with predicted future earnings.

All dividends are distributed from revenue reserves.

Ten Year Dividend Record



Source: Frostrow Capital LLP

Strategic Report / Business Review

Business Model

The Company is an externally managed investment trust and its Shares are premium listed on the official list and traded on the main market of the London Stock Exchange.

The Company is an Alternative Investment Fund ("AIF") under the European Union's Alternative Investment Fund Manager's Directive ("AIFMD") and has appointed Frostrow Capital LLP ("Frostrow") as its Alternative Investment Fund Manager ("AIFM").

As an externally managed investment trust the Company has no executive directors, employees or internal operations. The Company delegates its day-to-day management to third parties. The principal service providers to the Company are Frostrow which acts as AIFM, company secretary and administrator; and Lindsell Train Limited ("Lindsell Train") which acts as Portfolio Manager. BNY Mellon Trust & Depositary (UK) Limited is the Company's Depositary.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy and the review of investment performance and policy. It also has responsibility for all strategic issues, the dividend policy, the share issuance and buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

The Board

Details of the Board of Directors of the Company are set out on page 19.

All Directors will seek re-election by Shareholders at the next Annual General Meeting.

In accordance with the Board and Audit Committee's Composition and Succession Plan the Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit against objective criteria, including diversity. The Board currently comprises four men and two women.

Management Arrangements

Alternative Investment Fund Manager ("AIFM")

Frostrow under the terms of its AIFM agreement with the Company provides, *inter alia*, the following services:

- oversight of the portfolio management function delegated to Lindsell Train;
- promotion of the Company;
- investment portfolio administration and valuation;
- risk management services;
- share price discount and premium management;
- administrative and company secretarial services;
- advice and guidance in respect of corporate governance requirements;
- maintenance of the Company's accounting records;
- maintenance of the Company's website;
- preparation and publication of annual and half year reports and monthly fact sheets; and
- ensuring compliance with applicable legal and regulatory requirements.

Fees

During the year to 30 September 2018 under the terms of the AIFM Agreement Frostrow received an annual fee of 0.15% of the Company's adjusted market capitalisation up to a value of £1 billion, such fee reducing to 0.135% per annum of the amount of the Company's adjusted market capitalisation in excess of £1 billion.

The AIFM Agreement may be terminated by either party on giving notice of not less than 12 months.

Portfolio Manager

Under the AIFM Agreement Lindsell Train, as delegate of the AIFM, is responsible for the management of the Company's portfolio of investments under an agreement between it, the Company and Frostrow (the "Portfolio Management Agreement").

Under the terms of its Portfolio Management Agreement, Lindsell Train provides, *inter alia*, the following services:

- seeking out and evaluating investment opportunities;
- recommending the manner by which monies should be invested, disinvested, retained or realised;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company.

Strategic Report / Business Review

Fees

During the year to 30 September 2018 under the terms of the Portfolio Management Agreement Lindsell Train received an annual fee of 0.45% of the Company's adjusted market capitalisation up to a value of £1 billion, such fee reducing to 0.405% per annum of the amount of the Company's adjusted market capitalisation in excess of £1 billion.

The Portfolio Management Agreement may be terminated by either party giving notice of not less than 12 months.

AIFM and Portfolio Manager Evaluation and Re-Appointment

The performance of Frostrow as AIFM and Lindsell Train as Portfolio Manager is continuously monitored by the Board with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by the AIFM and the Portfolio Manager and receives regular reports and views from them. The Board also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objective set by the Board has been met.

Following a review at a Board meeting in October 2018 the Board believes that the continuing appointment of the AIFM and the Portfolio Manager, under the terms described on pages 12 and 13 (as applicable), is in the best interests of the Company's shareholders. In coming to this decision it took into consideration the following additional reasons:

– the quality and depth of experience of the management, company secretarial, administrative and marketing team that the AIFM brought to the management of the Company; and

– the quality and depth of experience allocated by the Portfolio Manager to the management of the portfolio, the clarity and rigour of the investment process, the level of past performance of the portfolio in absolute terms and also by reference to the benchmark index.

Depositary

The Bank of New York Mellon (International) Limited (the "Depositary") acts as the Company's depositary in accordance with the AIFMD on the terms and subject to the conditions of the depositary agreement between the Company, Frostrow and the Depositary (the "Depositary Agreement"). Under the terms of the Depositary Agreement and with effect from 1 October 2017 the Company pays the Depositary a flat fee of 0.009% on net assets, previously 0.0125% of gross assets.

The Depositary provides the following services:

- responsibility for the safe keeping of custodial assets of the Company;
- verification and maintenance of a record of all other assets of the Company and for the collection of income that arises from those assets;
- taking reasonable care to ensure that the Company is managed in accordance with the AIFMD, the FUND Sourcebook and the Company's instrument of incorporation, in relation to the calculation of the net asset value per share and the application of income of the Company; and
- monitoring the Company's compliance with investment restrictions and leverage limits set in its offering documents.

In accordance with the AIFM Rules the Depositary act as global custodian and may delegate safekeeping to one or more global sub-custodians. The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (The Global Sub-custodians). As at the date of this report, the applicable sub-custodians appointed by the Depositary who might be relevant for the purposes of holding the Company's investments are:

Name of Country	sub-custodian	Regulator
The Netherlands	The Bank of New York Mellon SA/NV	Financial Services and Markets Authority, Belgium
United States of America	The Bank of New York, New York	US Securities and Exchange Commission
France	BNP Paribas Securities Services, Paris	Banque de France

The Global Sub-Custodian's safekeeping fees are charged according to the jurisdiction in which the holdings are based. With effect from 1 October 2017, the majority of the Company's assets attracted a fee of 0.0033% of their market value, previously 0.008%. Variable transaction fees were also chargeable.

The Depositary Agreement may be terminated by either party on giving notice of not less than 90 days.

Strategic Report / Business Review

Company Promotion

The aim of the Company's promotional activities is to encourage demand for the Company's shares. The Company has appointed Frostrow to provide marketing services in the belief that a well-marketed investment company is more likely to grow over time, have a more diverse, stable list of shareholders and its shares will trade at close to NAV per share over the long run. Frostrow actively promotes the Company in the following ways:

- Engaging regularly with institutional investors, discretionary wealth managers and a range of execution-only platforms;
- Making Company information more accessible;
- Disseminating key Company information; and
- Monitoring market activity, acting as a link between the Company, shareholders and other stakeholders.

Social, Economic and Environmental Matters

The Directors, through the Portfolio Manager, encourage companies in which investments are made to adhere to best practice with regard to corporate governance. In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy.

The Company recognises that social and environmental issues can have an effect on some of its portfolio companies.

The Company is an investment trust and so its own direct environmental impact is minimal. The Board of Directors consists of six Directors, all of whom are resident in the United Kingdom. The Board holds its regular meetings in the United Kingdom.

Modern Slavery Act 2015

The Company falls outside the scope of the Modern Slavery Act 2015 as the Company has no employees. The Company's suppliers are professional firms and they provide assurance that they operate in accordance with this legislation.

Long Term Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

To provide this assessment the Audit Committee has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due:

- The portfolio comprises principally of investments traded on major international stock exchanges. The current portfolio could be substantially liquidated within seven trading days and there is no expectation that the nature of the investments held within the portfolio will be materially different in future;
- The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position; and
- The Company has no employees, only its non-executive Directors. Consequently it does not have redundancy or other employment related liabilities or responsibilities.

The Audit Committee, as well as considering the principal risks on pages 16 to 18 and the financial position of the Company, has also considered the following assumptions in considering the Company's longer-term viability:

- There will continue to be demand for investment trusts;
- The Board and the Portfolio Manager will continue to adopt a long-term view when making investments, and anticipated holding periods will be at least five years;
- The Company invests principally in the securities of UK listed companies to which investors will wish to continue to have exposure;
- The Company will maintain its bank loan facility;
- Regulation will not increase to a level that makes running the Company uneconomical; and

Strategic Report / Business Review

- The performance of the Company will continue to be satisfactory.

Taking account of the anticipated investment holding periods, the expected extension of the Company's gearing facility and the liquidity and medium term prospects of the Company's investment portfolio, the Directors have formed a reasonable expectation that the Company will be able to continue its operations and meet its liabilities as they fall due over the next five years.

Future developments

The Board's primary focus is on Lindsell Train's investment approach and performance. The subject is thoroughly discussed at every Board meeting.

In addition, the AIFM updates the Board on company communications, promotions and investor feedback, as well as wider investment issues.

An outline of performance, investment activity and strategy, and market background during the year, as well as the outlook, is provided in the Chairman's Statement on pages 4 and 5 and the Portfolio Manager's Review on pages 8 to 9.

It is expected that the Company's strategy will remain unchanged in the coming year.

Key Performance Indicators

At each meeting the Board considers a number of performance measures to assess the Company's success in achieving its investment objective. The Key Performance Indicators ("KPI"), also referred to as Alternative Performance Measures are as follows: net asset value total return; share price total return; benchmark and peer group^ performance; revenue return per share and share price discount / premium to net asset value per share.

Net asset value total return

The Directors regard the Company's net asset value total return to be a key indicator of performance.

During the year under review the Company's net asset value per share total return was 13.1% (2017: 13.7%).

^ see glossary

Share price total return

The Directors also regard the Company's share price total return to be a key indicator of performance.

During the year under review the Company's share price total return was 13.2% (2017: 14.2%).

Benchmark and peer group performance

The Company's benchmark is the FTSE All-Share Index (total return) which delivered a return of 5.9% (2017: 11.9%) over the year. This compares to the Company's share price total return of 13.2% (2017: 14.2%).

The Board also monitors the Company's net asset value return against its AIC peer group^. As at 30 September 2018 the Company ranked first out of 25 over three, five and ten years.*

*source: Morningstar

^ see glossary

Revenue return per share

The Directors regard the Company's revenue return per share to be an important indicator of performance.

The revenue return per share for the year was 16.5p per share (2017: 15.8p per share). The Company's net revenue return during the year was up 4.4%.

Share price discount/premium to net asset value per share

The Board reviews the level of discount/premium to net asset value per share at every Board meeting and consideration is given to ways in which the share price performance may be enhanced, including the effectiveness of marketing and share issuance and buy-backs, where appropriate. Details of how the Company's discount control mechanism works can be found on the Company's website (www.finsburygt.com).

Demand for the Company's shares led to the issue of a total of 14,795,000 new shares during the year at a premium to the prevailing cum or ex income net asset value per share at the time of issue. No shares were repurchased by the Company during the year. At 30 September 2018 the Company's share price stood at a 0.6% premium to the Company's net asset value per share (2017: 0.5%).

Strategic Report / Business Review

Risk Management

A detailed risk matrix is reviewed by the Audit Committee on behalf of the Board twice a year. The principal risks and uncertainties faced by the Company relate to the nature of its objectives and strategy as an investment company and the markets in which it invests.

There were no changes to the Company's risk management processes during the year and no significant failings or weaknesses were identified from the Board's most recent risk review.

Principal Risks and Uncertainties	Mitigation
Corporate Strategy	
The Company's business model or investment objective may become unacceptable or unattractive to shareholders.	The Board reviews the Company's investment mandate in relation to market and economic conditions and monitors the Company's performance against its peers. In addition, the Board holds meetings with shareholders when necessary and regularly reviews the AIFM's reports on marketing activities and investor feedback. The Company's stockbroker also regularly reports to the Board on investor sentiment and movements on the share register. The Board meets with the Portfolio Manager at each Board meeting and undertakes a regular review of compliance with the Company's investment guidelines.
The Board may be unable to maintain its dividend policy.	The Board reviews income forecasts produced by the AIFM at every Board meeting. The Company's Articles of Association permit the payment of dividends out of capital. During the year a transfer of £12.4 million to the Revenue reserve from the Special reserve has significantly increased the level of revenue reserves available for distribution. The Board also regularly reviews the Company's gearing levels in discussion with the Portfolio Manager as well as compliance with the gearing limits it sets.
The Company's share price total return may differ materially from the NAV per share total return.	The Board operates a discount control mechanism which is intended to protect against the share price widening beyond a 5% discount to NAV per share. There is also a share issuance programme which acts as a premium control mechanism.
Investment Strategy and Activity	
The investment strategy adopted by the Portfolio Manager may lead to an investment return that is materially lower than the Company's benchmark index, thereby failing to achieve the Company's investment objective.	The Board reviews the performance of the portfolio against the benchmark and the Company's peer group at every meeting as well as a monthly compliance report and the monthly fact sheet. The Board discusses with the Portfolio Manager the structure of the portfolio, including asset allocation and portfolio concentration, and the investment strategy at each meeting.
The departure of a key individual at the Portfolio Manager may affect the Company's performance.	The Board reviews the portfolio management arrangements on an annual basis or as appropriate. In turn, the Portfolio Manager reports on developments at Lindsell Train, including succession and business continuity plans.

Strategic Report / Business Review

Principal Risks and Uncertainties	Mitigation
Shareholder Relations and Corporate Governance	
The investment objective of existing shareholders no longer coincides with the investment objective of the Company or the Board becomes unaware of the identity of the Company's shareholders.	At each meeting the Board reviews movements in the Company's shareholder register. In addition, the AIFM and the Company's corporate stockbroker both report on their interactions with investors.
Poor adherence to corporate governance best practice or errors or irregularities in published information could lead to censure and/or result in reputational damage to the Company.	The Board reviews all information supplied to shareholders and the AIFM's marketing activity at each meeting and periodically reviews the Company's website. Details of the Company's compliance with corporate governance best practice, including information on relationship with shareholders, are set out in the Corporate Governance Report on pages 22 and 23.
Operational	
The Company's service providers perform poorly, fail to meet their contractual obligations or fail to provide sufficient or accurate information to the Board for decision-making.	The Board reviews the terms of all major service agreements and the Audit Committee meets annually with the Company's auditors to discuss the year's audit findings without management being present. The AIFM reports by exception on the performance of outsourced service providers and reviews contracts to ensure they remain reasonable and competitive, undertaking tender processes when appropriate. Both the AIFM's and the Portfolio Manager's compliance officers report to the Audit Committee at every meeting and their internal control report, together with the internal control report of the Custodian, are reviewed annually. These reviews include consideration of the associated cyber security risks facing the Company.
Errors regarding title to investment holdings or threats to the solvency of the depositary may expose the Company to financial loss.	The AIFM monitors the portfolio movements daily and the Depositary submits semi-annual reports on the safe-keeping of the Company's assets. The AIFM and the Depositary undertake stock reconciliations and produce monthly exceptions reports, with any discrepancies investigated promptly.

Strategic Report / Business Review

Principal Risks and Uncertainties	Mitigation
Financial	
The Company is exposed to market risk, liquidity risk, credit risk and fraud.	The Portfolio Manager is responsible for undertaking reviews of the creditworthiness of the counterparties that it uses. Compliance with investment guidelines is confirmed monthly. The Board reviews a financial analysis at each meeting and the Depositary monitors all payments made from the Company's accounts as well as the custody of the Company's assets. The AIFM confirms adherence with the relevant loan covenants to the provider of the Company's bank loan facility on a monthly basis. Board approval is required for gearing and the Board reviews adherence to the loan covenants monthly. Further information on financial instruments and risk can be found in note 17 to the Financial Statements beginning on page 44.
Accounting, Legal and Regulatory	
The regulatory environment in which the Company operates changes, affecting the Company's modus operandi. Failure to comply with applicable laws and regulations could expose the Company to serious financial loss and reputational damage.	The Board relies on the services of its AIFM and its external advisers to ensure compliance with applicable laws and regulations including the Companies Act 2006, the AIFM Rules, the Corporation Tax Act 2010 ('Section 1158'), the Market Abuse Regulation ('MAR'), the Disclosure Guidance and Transparency Rules ("DGTRs") and the UKLA Listing Rules. The Board reviews compliance reports and internal control reports provided by its service providers, as well as the Company's financial statements and forecasts. The Depositary reports twice yearly to the Audit Committee, confirming that the Company, acting through the AIFM , has been managed in accordance with the AIFMD, the FUND sourcebook, the Articles (in relation to the calculation of the NAV per share) and with investment restrictions and leverage limits set in its offering documents. The Depositary Report can be found on the Company's website (www.finsburygt.com). The Directors attend AIC Roundtables and conferences to keep up to date on regulatory changes and receive industry updates from the AIFM.

Approval

The Strategic Report was approved by the Board of Directors on 17 December 2018 and signed on its behalf by:

Anthony Townsend
Chairman

Governance / Board of Directors

The Board of Directors supervises the management of Finsbury Growth & Income Trust PLC and looks after the interests of Shareholders. Each of the Directors is re-elected by shareholders annually (unless they are retiring from the Board).

Anthony Townsend, Chairman

Anthony Townsend, (70), rejoined the Board on 1 February 2005 and became Chairman on 30 January 2008. He has spent over 40 years working in the City and was Chairman of the Association of Investment Companies from 2001 to 2003, British & American Investment Trust PLC until December 2017 and Miton Global Opportunities plc until October 2018. Anthony is also Chairman of Baronsmead Second Venture Trust plc, BMO Global Smaller Companies PLC and Gresham House plc.

*Shares held: 191,034

*Annual Remuneration: £34,500

Neil Collins

Neil Collins, (71), has served on the Board since 30 January 2008. He has spent most of his career in financial journalism and was City Editor of The Daily Telegraph for nearly 20 years until he retired from the position in 2005. Prior to that he had been City Editor of the London Evening Standard and The Sunday Times. A former columnist for the London Evening Standard and commentator for Reuters, Neil currently writes a column for the Financial Times on Saturdays. He was formerly a director of Templeton Emerging Markets Investment Trust PLC.

*Shares held: 76,754

*Annual Remuneration: £23,000

Kate Cornish-Bowden

Kate Cornish-Bowden, (52), has served on the board since 26 October 2017. Kate worked for 12 years as a fund manager for Morgan Stanley Investment Management, where she was managing director and head of the global equity team. Prior to Morgan Stanley she worked as a research analyst at M&G. Kate is a non-executive Director of Calculus VCT plc, where she is chair of the audit committee and a non-executive Director of CC Japan Income & Growth trust plc and Schroder Oriental Income Fund Limited.

*Shares held: 7,061

*Annual Remuneration: £23,000

Simon Hayes

Simon Hayes, (48), has served on the Board since 29 June 2015. Simon is the Chairman of Peel Hunt LLP. He joined Peel Hunt in 1993 and was appointed Head of Corporate Finance in 2003, Chief Executive in 2006 and Chairman in 2016.

*Shares held: 35,000

*Annual Remuneration: £23,000

David Hunt, FCA

David Hunt, (71), has served on the Board since 6 July 2006. A Chartered Accountant, he was formerly a director in the Assurance and Business Services division of Smith & Williamson. Prior to that he was a partner at both Binder Hamlyn and Arthur Andersen. David has over 30 years' experience advising quoted companies. He is the Senior Independent Director and Chairman of the Audit Committee. David recently retired as a member of the Audit and Risk Committee of the Church of England Pensions Board.

*Shares held: 35,000

*Annual Remuneration: £27,250

Lorna Tilbian

Lorna Tilbian, (61), has served on the Board since 26 October 2017. Lorna was formerly an Executive Director of Numis Corporation PLC, a Director of WestLB Panmure Limited and S G Warburg Securities. She is a non-executive director of Jupiter UK Growth Investment Trust PLC, ProVen VCT plc, Euromoney Institutional Investor PLC, M&C Saatchi PLC and Rightmove PLC.

*Shares held: nil

*Annual Remuneration: £23,000

All members of the Board are non-executive. None of the Directors has any other connection with the Portfolio Manager or is employed by any of the companies in which the Company holds an investment or any of the Company's service providers.

**information as at 30 September 2018*

Governance / Corporate Governance

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide the best information to shareholders and the Financial Reporting Council has confirmed that by following the AIC Code and the AIC Guide, boards of investment companies will meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the UK Listing Rules.

The AIC Code and the AIC Guide can be viewed on the AIC's website (www.theaic.co.uk) and the UK Code can be viewed on the Financial Reporting Council website (www.frc.org.uk).

The Board and Committees

Responsibility for effective governance and for the overall management of the Company's affairs lies with the Board. The governance framework of the Company reflects the fact that as an investment company it has no employees and outsources company secretarial, administration, marketing and risk management services to Frostrow and portfolio management to Lindsell Train.

The Board's key responsibilities are to set the strategy, values and standards; to provide leadership within a controls framework which enable risks to be assessed and managed; to challenge constructively and scrutinise performance of all outsourced activities; and to review regularly the contracts, performance and remuneration of the Company's principal service providers.

The Audit Committee's key responsibilities are: to monitor the integrity of the annual report and financial statements; to oversee the risk and control environment and financial reporting; and to review the performance of the Company's external auditor.

Copies of the full terms of reference, which clearly define the responsibilities of the Audit Committee, can be obtained from the Company Secretary. They will be available for inspection at the Annual General Meeting, and can be found on the Company's website (www.finsburygt.com).

The Directors have decided that, given the size of the Board, it is unnecessary to form separate remuneration, management engagement and nomination Committees; the duties that would ordinarily fall to those Committees are carried out by the Board as a whole.

Meeting Attendance

The table below sets out the number of scheduled Board and Committee meetings held during the year ended 30 September 2018 and the number of meetings attended by each Director.

In addition to the scheduled Board meetings there were six ad hoc Board meetings to consider matters such as the Company's authority to allot shares and the approval of regulatory announcements.

A further meeting was held in October 2018 in connection with business of the year.

	Board (4)	Audit Committee (2)	Ad Hoc Board Meetings (6)
Anthony Townsend	4	2	3
John Allard*	2	1	1
Neil Collins	4	2	5
Kate Cornish-Bowden	4	2	4
Simon Hayes	4	2	4
David Hunt	4	2	5
Vanessa Renwick*	2	1	1
Lorna Tilbian	4	2	1

All of the Directors attended the Annual General Meeting held on 31 January 2018.

* resigned as a director on 31 January 2018.

Directors' Interests

The beneficial interests of the Directors in the Company are set out on pages 19 and 30.

Statement of Compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below:

The UK Code includes certain provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Code, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Therefore the Company has not reported further in respect of these provisions.

Governance / Corporate Governance

Directors' Independence

The Board consists of six non-executive Directors, each of whom is independent of Frostrow and Lindsell Train. No member of the Board has been an employee of the Company, Frostrow, Lindsell Train or any of its service providers. Accordingly, the Board considers that all the Directors are independent and there are no relationships or circumstances which are likely to affect or could appear to affect their judgement.

The Chairman has a seat on the Board of the Company's AIFM by virtue of the Company's minority partnership interest in Frostrow. It is a non-executive position and therefore the Board does not believe that this compromises his independence from the Company.

Board Evaluation

In October 2018 an external independent review of the Board, its committee and individual Directors was carried out by an independent third party, Lintstock.

The Board reviewed the report from Lintstock in December 2018 and the Chairman is leading on implementation of minimal changes recommended by the report that the Board considered should be made. The review concluded that the Board worked in a collegiate, efficient and effective manner and did not identify any material weaknesses or concerns.

The Chairman is satisfied that the structure and operation of the Board continues to be effective and relevant and that there is a satisfactory mix of skills, experience, length of service and knowledge of the Company. The Board has considered the position of all of the Directors as part of the evaluation process, and believes that it would be in the Company's best interests to propose them for re-election.

The Board's Senior Independent Director is David Hunt, who may be contacted by Shareholders and other directors as required.

Policy on Director Tenure

The Board subscribes to the view expressed within the AIC Code that long-serving directors should not be prevented from forming part of an independent majority. It does not consider that a director's tenure necessarily reduces his/her ability to act independently. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Directors, including the Chairman, has been imposed. In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term, although new Directors will be appointed with the expectation that they will serve for a minimum of three years, subject to shareholder approval.

Appointments to the Board

The rules governing the appointment and replacement of directors are set out in the Company's Articles of Association. Where the Board appoints a new director during the year, that director will stand for election by shareholders at the next Annual General Meeting. When considering new appointments, the Board will seek to add persons with complementary skills and experience which fill any gaps in the Board's knowledge and who can devote sufficient time to the Company to carry out their duties effectively. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates. The Board recognises the value of diversity in the composition of the Board and accordingly, the Board will ensure that a diverse group of candidates is considered for any vacancies.

The Board has adopted a Board and Audit Committee Composition and Succession Plan (the "Plan"). The purpose of the Plan is to ensure that the Board is comprised of members who collectively:

i. display the necessary balance of professional skills, experience, length of service and industry/Company knowledge; and

ii. are fit and proper to direct the Company's business with prudence and integrity; and provide policy guidance on the structure, size and composition of the Board (and its Committee) and the identification and selection of suitable candidates for appointment to the Board (and its Committee).

This Plan is reviewed by the Board annually and at such other times as circumstances may require.

Subject to there being no conflict of interest, all Directors are entitled to vote on candidates for the appointment of new Directors and on the recommendation for shareholders' approval for the Directors seeking re-election at the Annual General Meeting. The Chairman will not chair the meeting when the Board is dealing with the appointment of his successor.

Governance / Corporate Governance

Induction / Development

New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. New directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board committee, the Company's corporate governance practices and procedures and the latest financial information. Directors are encouraged to participate in training courses where appropriate.

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense.

The Company has also arranged Directors' and Officers' Liability Insurance which provides cover for legal expenses under certain circumstances. This was in force for the entire period under review and up to the date of this report.

Conflicts of Interest

In line with the Companies Act 2006, the Board has the power to sanction any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of interests and external appointments is maintained and is reviewed at every Board meeting to ensure all details are kept up to date. Should a conflict arise, the Board has the authority to request that the director concerned abstains from any relevant discussion, or vote where a perceived conflict may arise. Appropriate authorisation will be sought prior to the appointment of any new director or if any new conflicts or potential conflicts arise.

Exercise of Voting Powers

The Board has delegated authority to Lindsell Train (as Portfolio Manager) to vote the shares owned by the Company that are held on its behalf by its Custodian.

The Board has instructed that the Portfolio Manager submit votes for such shares wherever possible and practicable. The Portfolio Manager may refer to the Board on any matters of a contentious nature.

Further details of the Company's voting record can be found in the Portfolio Manager's Stewardship Report on the company's website (www.lindselltrain.com).

Board Meetings and Relations with the Portfolio Manager

The Board is responsible for strategy and reviews the continued appropriateness of the Company's investment objective, strategy and investment restrictions at each meeting. The Board meets regularly throughout the year and representatives from Frostrow and Lindsell Train are in attendance at each Board meeting. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.

The primary focus at regular Board meetings is the review of key investment and financial data, revenue and expenses projections, analyses of asset allocation, transactions and performance comparisons, share price and net asset value performance, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy, peer group information and industry issues.

The Board reviews the discount or premium to net asset value per share of the Company's share price at each Board meeting and considers the effectiveness of the Company's marketing and communication strategies, as well as any recommendations on share buybacks and issuance.

The Board has reviewed the Portfolio Manager's Statement of Compliance with the UK Stewardship Code, which is available on the FRC website (www.frc.org.uk).

Shareholder Relations

Representatives of Frostrow regularly meet institutional shareholders and private client asset managers to discuss strategy, to understand their issues and concerns and, if applicable, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting.

An analysis of the Company's shareholder register is provided to the Directors at each Board meeting. The Board receives marketing reports from Frostrow. The Board reviews and considers the marketing plans on a regular basis. Reports from the Company's broker are submitted to the Board on investor sentiment and industry issues.

Shareholder Communications

The Company aims to provide shareholders with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative annual and half yearly reports. This is supplemented by the monthly publication through the

Governance / Corporate Governance

London Stock Exchange, of the net asset value of the Company's shares.

The Company's website (www.finsburygt.com) is regularly updated with monthly fact sheets and provides useful information about the Company, including the Company's financial reports and announcements.

All substantive communications regarding any major corporate issues are discussed by the Board taking into account representations from the AIFM, the Portfolio Manager, the Auditor, legal advisers and the Corporate Stockbroker.

The Board supports the principle that the AGM be used to communicate with investors. It is the intention that the full Board will attend the AGM under the chairmanship of the Chairman of the Board. All shareholders are encouraged to attend the AGM, where they have given the opportunity to question the Chairman, the Board and representatives of the AIFM and the Portfolio Manager. The Portfolio Manager makes a presentation to shareholders covering the investment performance and strategy of the Company at each AGM. Details of proxy votes received in respect of each resolution are made available to shareholders at each General Meeting and are also published on the Company's website (www.finsburygt.com).

The Directors welcome the views of all shareholders and place considerable importance on communications with them. Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company Secretary at the offices of Frostrow.

Significant Holdings and Voting Rights

Details of the substantial interests in the Company's Shares, the voting rights of the shares and the Directors' authorities to issue and repurchase the Company's shares, are set out in the Directors' Report.

Nominee Share Code

Where the Company's shares are held via a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meeting.

Annual General Meeting

THE FOLLOWING INFORMATION TO BE DISCUSSED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 10 Authority to allot shares

Resolution 11 Authority to disapply pre-emption rights

Resolution 12 Authority to sell shares held in Treasury on a non pre-emptive basis

Resolution 13 Authority to buy back shares

Resolution 14 Authority to hold General Meetings (other than the Annual General Meeting) on at least 14 clear days' notice.

The full text of the resolutions to be proposed at the AGM are contained in the separate Notice of Meeting being sent to Shareholders with this Report and will be available on the Companys website (www.finsburygt.com).

By order of the Board

Frostrow Capital LLP
Company Secretary

17 December 2018

Governance / Audit Committee Report

I am pleased to present the Audit Committee's Report for the year ended 30 September 2018.

Role and Composition

The Audit Committee ('Committee') comprises all the Directors of the Company.

The role of the Committee is to ensure that shareholder interests are properly protected in relation to the application of financial reporting and internal control principles and to assess the effectiveness of the audit. The Committee's role and responsibilities are set out in full in its terms of reference which are available on the Company's website (www.finsburygt.com). A summary of the Committee's main responsibilities and how it has fulfilled them is set out below.

The Committee, as a whole, has competence relevant to the investment trust sector with Committee members having a range of financial and investment experience. The requirement for at least one member of the Committee to have recent and relevant experience is satisfied by myself being a chartered accountant and having spent my career in the audit and accountancy profession.

The Committee met twice during the financial year. Typically there are three meetings and the third meeting this year took place in early October, immediately after the financial year end. Meeting attendance is shown on page 20.

Responsibilities

As Chairman of the Committee I can confirm that the Committee's main responsibilities during the year were:

1. **To review the Company's half year and annual financial statements** together with announcements and other filings relating to the financial performance of the Company and issuance of the Company's shares. In particular, the Committee considered whether the financial statements were fair, balanced and understandable, allowing shareholders to assess the Company's strategy, investment policy, business model, financial performance and financial position at each period end.
2. **To review the risk management and internal control processes** of the Company and its key service providers. As part of this review the Committee reviewed the appropriateness of the Company's anti-bribery and corruption policy. During the year the Committee also reviewed the internal controls in place at the Company's AIFM, its Portfolio Manager, its Registrar and its Depositary.
3. **To ensure Compliance with Section 1158 of the Corporation Tax Act 2010.** The Committee sought confirmation that the Company continues to meet the regulatory requirements.
4. **To recommend the appointment of external Auditors** and agree the scope of their work and their remuneration, reviewing their independence and the effectiveness of the audit process.
5. **To consider any non-audit work to be carried out by the Auditors.** The Committee reviews the need for non-audit services in accordance with the Company's non-audit services policy, and authorises such on a case by case basis having given consideration to the cost effectiveness of the services and the objectivity of the Auditors. The Auditors carried out no non-audit work during the year.

Meetings and business

Representatives of the AIFM, Frostrow, attended each of the Committee's meetings and reported as to the proper conduct of business in accordance with the regulatory environment in which the Company and the AIFM operate. The Committee also met the Auditors twice during the year and once, following completion of the audit, without representatives of the AIFM being present.

The following matters were dealt with at these meetings:

December 2017:

- Consideration and review of the annual results and the Auditors' report to the Committee
- Approval of the annual report and financial statements
- Review of the Company's risk management process
- Review of the Company's anti-bribery and corruption policy and the measures put in place by its key service providers

May 2018:

- Review of the Committee's terms of reference and audit tender guidelines in light of the new ethical standards
- Consideration and review of the half year report and financial statements
- Approval of the half year report
- Review of the Company's risk management process
- Review of the relevant internal controls of its key service providers

October 2018:

- Approval of the Auditors' engagement letter and review of their plan for the 2018 audit
- Review of the Company's risk management process
- Review of the Company's policy for non-audit services
- Review of the Company's policies in respect of whistle blowing, anti slavery, prevention of the facilitation of tax evasion and anti-bribery and corruption, together with the procedures for the detection of fraud and cyber security and the measures for these put in place by its key service providers

Governance / Audit Committee Report

Financial Statements

The Financial Statements, and the Annual Report as a whole, are the responsibility of the Board. The Directors' Responsibility Statement is contained on page 32. The Board looks to the Committee to advise them in relation to the Financial Statements both as regards their form and content, and on any specific areas requiring judgement.

Reporting Matters

Although the Committee did not identify any significant issues as part of its review of the Annual Report and Financial Statements, it paid particular attention to:

Accounting Policies

The accounting policies, as set out on pages 37 to 39, have been applied throughout the year. In light of there being no unusual transactions during the year or other possible reasons, the Committee found no reasons to change any of the policies.

Existence of investments

During the year the Committee met with representatives of the Depositary who provided reassurance concerning the safekeeping of the company's investments.

Valuation of Investments

The Committee reviewed the robustness of the AIFM's processes in place for recording investment transactions as well as ensuring the valuation of investments is in accordance with the adopted accounting policies.

Recognition of Revenue from Investments

The Committee received assurance that all dividends receivable, including special dividends, had been accounted for appropriately.

Interest in unquoted investment

The Committee reviewed the valuation methodology of the Company's partnership interest in Frostrow Capital LLP. The valuation, based upon the average of a discounted multiple of revenues and price earnings multiple, was accepted.

Going Concern

Having received the Company's financial position, the Company Committee satisfied itself that it is appropriate for the Board to present the financial statements on the going concern basis.

Long Term Viability

The Committee satisfied itself that it is appropriate for the Board to make the statement on pages 14 and 15 that they have a reasonable expectation that the Company will be able to continue its operations over the next five years.

Internal audit

Since the company delegates its day to day operations to third parties and has no employees, the Committee again determined that there is no requirement for such a function.

Internal Controls and Risk Management

The Directors have identified (Strategic Report pages 16 to 18) six main areas of risk: Corporate Strategy, Investment Strategy and Activity, Shareholder Relations and Corporate Governance, Operational, Financial, Accounting and Legal and Regulatory. They have set out the actions taken to evaluate and manage these risks. The Committee reviews the various actions taken and satisfies itself that they are sufficient: in particular the Committee reviews the Company's schedule of key risks at each meeting and requires amendments to both risks and mitigating actions if necessary.

During the year the Committee considered whether Brexit poses potential risks to the Company. It does not consider that Brexit has affected the risk profile of the Company but will continue to monitor developments and reassess the Company's risks accordingly.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. In common with the majority of investment trusts, investment management, accounting, company secretarial and custodial services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis by the AIFM, the Portfolio Manager and the Depositary. Each maintains its own systems and the Committee receives regular reports from them. The Committee is satisfied that appropriate systems have been in place for the year under review.

External Auditors

Meetings:

This year the nature and scope of the audit together with PricewaterhouseCoopers LLP's audit plan were reviewed by the Committee on 10 October 2018.

I, together with three other Committee members, met the Audit Partner, Mr Alex Bertolotti, and his Senior Audit Manager on 19 November 2018 to discuss the audit and the draft 2018 Annual Report and financial statements. The Committee then met on 11 December 2018 to review the outcome of the audit, again with Mr Bertolotti and his Senior Audit Manager.

Details of the fees paid to the Auditors for audit services are set out in note 4 to the Financial Statements on page 39.

Governance / Audit Committee Report

Independence and Effectiveness:

In order to fulfil the Committee's responsibility regarding the independence of the Auditors, the Committee reviewed:

- the senior audit personnel in the audit plan,
- the Auditors' arrangements concerning potential conflicts of interest,
- the statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards, and
- the extent of any non-audit services in line with the Company's policy.

In order to consider the effectiveness of the audit process, the Committee reviewed:

- the Auditors' fulfilment of the agreed audit plan,
- the report arising from the audit itself, and
- feedback from the AIFM on the conduct of the audit.

The Committee satisfied itself concerning the Auditors' independence and the effectiveness of the audit process, together with the degree of diligence and professional scepticism brought to bear.

The Committee is aware of developments in best practice with regards to non-audit services and in particular the EU Revised FRC Ethical Standard that came into effect in 2016.

The Committee monitors the level of non-audit work carried out by the Auditors and seeks assurances from the Auditors that they maintain suitable policies and processes ensuring independence, and monitor compliance with the relevant regulatory requirements on an annual basis. No non-audit work was carried out by the Auditors during the year. The Company operates on the basis whereby the provision of non-audit services by the Auditors is permissible where no conflict of interest arises, where the independence of the Auditors is not likely to be impinged by undertaking the work and the quality and objectivity of both the non-audit work and audit work will not be compromised. In particular, non-audit services may be provided by the Auditor if they are inconsequential or would have no direct effect on the Company's financial statements and the audit firm would not place significant reliance on the work for the purposes of the statutory audit.

Auditor Tendering

PricewaterhouseCoopers LLP were appointed as Auditors of the Company in June 2014, which was the last occasion an audit tender was held. Formal audit tender guidelines have been adopted to govern an audit tender process and these will be reviewed annually.

In accordance with legislation requiring the Company's existing audit partner to rotate after five years, this year's audit will be Mr Alex Bertolotti's last audit.

Mr Jeremy Jensen will be replacing Mr Bertolotti for the year ending 30 September 2019.

In accordance with EU Audit Regulations the Company will need to re-tender for new auditors at least every 10 years. In the meantime, the Committee will continue to carry out an annual assessment of the effectiveness of the external audit process. A post audit assessment was completed during the year to assess the quality of the 2017 audit and concluded that performance was satisfactory and there were no grounds for change.

Auditor Re-appointment

PricewaterhouseCoopers LLP have carried out the audit for the years ended 30 September 2014 to 2018 and have been considered to be independent by the Committee.

Having indicated their willingness to continue to act as Auditors to the Company for the forthcoming year a resolution re-appointing PricewaterhouseCoopers LLP as Auditors will be proposed at the forthcoming Annual General Meeting.

Performance Evaluation

In October 2018 an external evaluation of the Board was carried out by an independent third party, Linstock. This evaluation also covered the workings of the Committee. No formal recommendations were required to be reported to the Board.

In years when there is no external evaluation the Committee undertakes an internal evaluation of its performance.

David Hunt, FCA
Chairman of the Audit Committee

17 December 2018

Governance / Directors' Remuneration Policy Report

The Company follows the recommendations of the AIC Code that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent. The Board's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive Directors. This policy is reviewed annually and it is intended that it will continue for the year ending 30 September 2019 and for subsequent financial years.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, the maximum aggregate limit currently being £200,000 per annum, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties. The current and projected Directors' fees for 2019 are shown in the table below. The Company does not have any employees.

Directors' Fees Current and Projected

	Date of Appointment to the Board	Current Fees 2018	Projected Fees 2019
Anthony Townsend (Chairman)	1 February 2005	£34,500	£37,500
John Allard^	11 October 2000	£7,667	–
Neil Collins	30 January 2008	£23,000	£24,500
Kate Cornish-Bowden*	26 October 2017	£21,437	£24,500
Simon Hayes	29 June 2015	£23,000	£24,500
David Hunt (Chairman of the Audit Committee and Senior Independent Director)	6 July 2006	£27,250	£30,000
Vanessa Renwick^	11 October 2000	£7,667	–
Lorna Tilbian*	26 October 2017	£21,437	£24,500
		£165,958	£165,500

* Appointed on 26 October 2017.

^ Retired on 31 January 2018.

The Directors' fees will next be reviewed in September 2019.

Directors' Remuneration Year Ended 30 September 2018

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment and to re-election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office. The terms and conditions of the Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting.

Consideration of Shareholders' Views

In accordance with best practice, the Board will put the Remuneration Policy to shareholders at the Annual General Meeting at least once every three years. Approval of this policy was last granted by shareholders at the Annual General Meeting held in January 2017. In respect of the year under review no feedback has been received from shareholders in relation to remuneration.

Governance / Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report to shareholders.

This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The Directors' Remuneration Policy Report, which is separate to this report, can be found on page 27.

The law requires the Company's Auditors to audit certain disclosures within this report. Where disclosures have been audited, they are indicated as such and the Auditors' opinion is included in their report to members on pages 50 to 55.

Due to the Company's size and to avoid the need to establish a separate Remuneration Committee, the Company's remuneration function is carried out by the full Board under my Chairmanship. The Board considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and comparison with other companies of a similar structure and size. This is in-line with the AIC Code.

At a review meeting held on 27 September 2017 it was agreed that Directors fees would remain unchanged for the year ended 30 September 2018.

At the most recent review, held in October 2018, it was agreed that Directors' fees would be, with effect from 1 October 2018, as follows; The Chairman £37,500. The Chairman of the Audit Committee £30,000. Other Directors £24,500.

All levels of remuneration reflect both the time commitment and responsibility of the role.

No advice from remuneration consultants was received during the year under review.

Directors' Fees

The Directors are remunerated exclusively by fixed fees in cash and do not receive bonus payments, pension contributions or other benefits from the Company. Directors are not offered options to acquire shares in the Company.

All Directors are entitled to the reimbursement of reasonable out of pocket expenses incurred by them in order to perform their duties as directors of the Company. No Director drew any such expenses during the year.

As noted in the Strategic Report, all of the Directors are non-executive and therefore there is no Chief Executive Officer ("CEO"). The Company does not have any employees. There is therefore no CEO or employee information to disclose.

No payments were made to former Directors of the Company other than disclosed in the table below:

Single total figure of remuneration 2018 (audited)

	Date of Appointment to the Board	Total Fees[3] 2018	Total Fees[3] 2017
Anthony Townsend[1]	1 February 2005	£34,500	£34,500
John Allard*	11 October 2000	£7,667	£23,000
Neil Collins	30 January 2008	£23,000	£23,000
Kate Cornish-Bowden	26 October 2017	£21,437	–
Simon Hayes	29 June 2015	£23,000	£23,000
David Hunt[2]	6 July 2006	£27,250	£27,250
Vanessa Renwick*	11 October 2000	£7,667	£23,000
Lorna Tilbian	26 October 2017	£21,437	–
		£165,958	£153,750

[1] Chairman of the Board

[2] Chairman of the Audit Committee and Senior Independent Director

[3] None of the fees were paid to any third party in respect of the services provided.

* resigned as Directors on 31 January 2018.

Governance / Directors' Remuneration Report

At the last Annual General Meeting held in January 2018 the results in respect of the resolutions to approve the Directors' Remuneration Report were as follows:

Directors' Remuneration Report

	Votes cast For	Votes cast Against	Votes withheld*
	55,062,553 (98.75)	698,280 (1.25%)	237,246

*Votes withheld are not votes by law and are therefore not counted in the calculation of votes for or against a resolution.

Shareholder approval of the Directors' Remuneration Report was last sought at the Annual General Meeting held in January 2018 and will be sought again at the next AGM to be held in February 2019.

Directors' Remuneration Policy

	Votes cast For	Votes cast Against	Votes withheld*
	54,068,160 (97.89%)	1,165,112 (2.11%)	427,418

Shareholder approval of the Directors' Remuneration Policy was last sought at the Annual General Meeting held in January 2017 and will be sought again at the AGM to be held in January 2020.

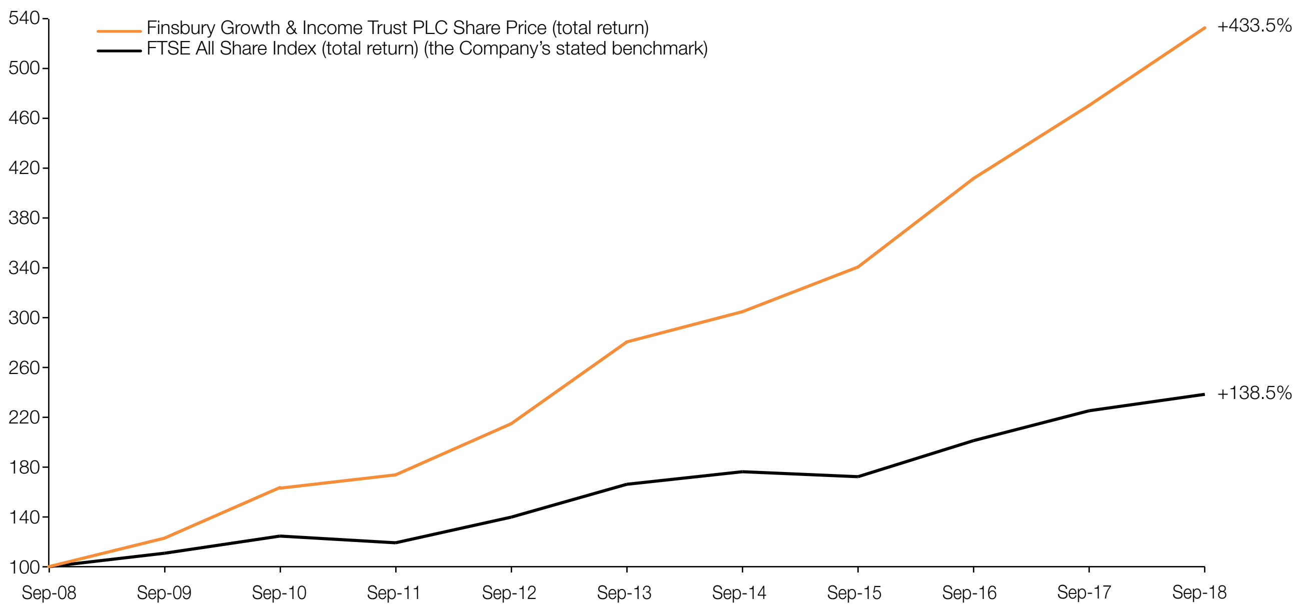
Loss of office

Directors do not have service contracts with the Company but are engaged under letters of appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Share Price Return

The chart below illustrates the shareholder return for a holding in the Company's shares as compared to the FTSE All-Share Index, which the Board has adopted as the measure for both the Company's performance and that of the Portfolio Manager for the ten years to 30 September 2018.

Ten Years Total Shareholder Return to 30 September 2018

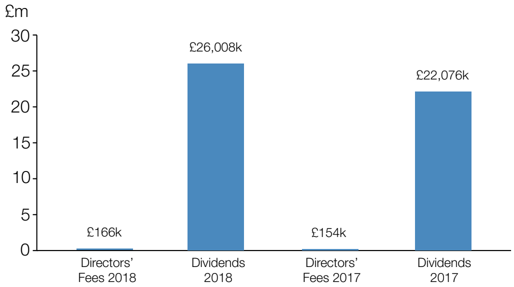


Source: Morningstar
Rebased to 100 at September 2008

Governance / Directors' Remuneration Report

Relative Cost of Directors' Remuneration

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution for 2017 and 2018.



Source: Frostrow Capital LLP

Directors' Interests in Ordinary Shares

The Directors' interests in the share capital of the Company are shown in the table below:

	Number of Ordinary Shares of 25p held			
	(Audited) 30 September 2018 shares held	Valuation* 30 September 2018 £'000	(Audited) 30 September 2017 shares held	Valuation* 30 September 2017 £'000
Anthony Townsend (Chairman)	191,034	1,563	179,468	1,322
John Allard[1]			46,160	340
Neil Collins	76,754	628	69,908	515
Kate Cornish-Bowden[2]	7,061	58		
Simon Hayes	35,000	286	30,000	221
David Hunt	35,000	286	35,000	258
Vanessa Renwick[1]			47,960	353
Lorna Tilbian[2]	–	–		
Total	344,849	2,821	408,496	3,009

*The Company's share price as at 30 September 2018 was 818.0p (2017: 736.50p)

1 John Allard and Vanessa Renwick resigned as directors on 31 January 2018.

2 Kate Cornish-Bowden and Lorna Tilbian were appointed as Directors on 26 October 2017.

None of the Directors was granted or exercised rights over shares during the year. None of the Directors has any contract (including service contracts) with the Company. There are no provisions included within the Company's Articles of Association which require Directors to hold shares in the Company.

Managers' Interests in Ordinary Shares

Managers' interests in the share capital of the Company are shown in the table below:

	Number of Ordinary Shares of 25p held			
	30 September 2018 shares held	Valuation* 30 September 2018 £'000	(Audited) 30 September 2017 shares held	Valuation* 30 September 2017 £'000
Alastair Smith	71,633	586	80,119	590
Nick Train	2,044,202	16,722	1,209,887	8,911
Total	2,115,835	17,308	1,290,006	9,501

*The Company's share price as at 30 September 2018 was 818.0p (2017: 736.50p)

Governance / Directors' Remuneration Report

Annual Statement

On behalf of the Board I confirm that the Remuneration Policy, set out on page 27 and this Remuneration Report summarises, as applicable, for the year ended 30 September 2018:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions have been taken.

Anthony Townsend
Chairman
17 December 2018

Governance / Responsibility Statement of the Directors in respect of the annual financial report

The Directors are responsible for preparing the Report and Accounts, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- followed applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Financial Statements are published on the Company's website (www.finsburygt.com) and via the website of the AIFM (www.frostrow.com). The maintenance and integrity of these websites, so far as it relates to the Company, is the responsibility of the AIFM. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of these websites and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on these websites. Visitors to the websites need to be aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, who are listed on page 19 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Anthony Townsend
Chairman

17 December 2018

Financial Statements / Income Statement

for the year ended 30 September 2018

	Note	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Gains on investments at fair value through profit or loss	9	–	133,822	133,822	–	116,495	116,495
Currency translations		–	(209)	(209)	–	(122)	(122)
Income	2	31,794	–	31,794	27,731	–	27,731
AIFM and Portfolio management fees	3	(2,525)	(5,127)	(7,652)	(2,097)	(4,257)	(6,354)
Other expenses	4	(1,018)	–	(1,018)	(1,063)	(32)	(1,095)
Return on ordinary activities before finance charges and taxation		28,251	128,486	156,737	24,571	112,084	136,655
Finance charges	5	(240)	(488)	(728)	(228)	(462)	(690)
Return on ordinary activities before taxation		28,011	127,998	156,009	24,343	111,622	135,965
Taxation on ordinary activities	6	(557)	–	(557)	(397)	–	(397)
Return on ordinary activities after taxation		27,454	127,998	155,452	23,946	111,622	135,568
Basic and diluted return per share	7	16.5p	77.1p	93.6p	15.8p	73.8p	89.6p

The "Total" column of this statement represents the Company's income statement.

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; therefore no separate statement of Total Comprehensive Income has been presented.

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.

The notes on pages 37 to 49 form part of these Financial Statements.

Financial Statements / Statement of Changes in Equity

for the year ended 30 September 2018

	Called up Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
At 1 October 2017	39,724	572,791	3,453	12,424	515,039	20,990	1,164,421
Net return from ordinary activities	–	–	–	–	127,998	27,454	155,452
Second interim dividend (7.4p per share) for the year ended 30 September 2017	–	–	–	–	–	(11,786)	(11,786)
First interim dividend (7.2p per share) for the year ended 30 September 2018	–	–	–	–	–	(11,931)	(11,931)
Issue of shares	3,699	111,935	–	–	–	–	115,634
Transfer of special reserve to revenue reserve	–	–	–	(12,424)	–	12,424	–
At 30 September 2018	**43,423**	**684,726**	**3,453**	**–**	**643,037**	**37,151**	**1,411,790**

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total Shareholders' funds £'000
At 1 October 2016	35,579	463,833	3,453	12,424	403,417	17,316	936,022
Net return from ordinary activities	–	–	–	–	111,622	23,946	135,568
Second interim dividend (7.0p per share) for the year ended 30 September 2016	–	–	–	–	–	(9,982)	(9,982)
First interim dividend (6.8p per share) for the year ended 30 September 2017	–	–	–	–	–	(10,290)	(10,290)
Issue of shares	4,145	109,047	–	–	–	–	113,192
Cost of share issuance	–	(89)	–	–	–	–	(89)
At 30 September 2017	**39,724**	**572,791**	**3,453**	**12,424**	**515,039**	**20,990**	**1,164,421**

The notes on pages 37 to 49 form part of these Financial Statements.

Financial Statements / Statement of Financial Position

as at 30 September 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	1,431,672	1,186,911
Current assets			
Debtors	10	4,886	3,936
Cash and cash equivalents		13,175	11,482
		18,061	15,418
Current liabilities			
Creditors: amounts falling due within one year	11	(1,243)	(1,208)
		(1,243)	(1,208)
Net current assets		16,818	14,210
Total assets less current liabilities		1,448,490	1,201,121
Creditors: amount falling due after more than one year			
Bank loan	12	(36,700)	(36,700)
Net assets		1,411,790	1,164,421
Capital and reserves			
Called up share capital	13	43,423	39,724
Share premium account		684,726	572,791
Capital redemption reserve		3,453	3,453
Special reserve		–	12,424
Capital reserve	14	643,037	515,039
Revenue reserve		37,151	20,990
Total shareholders' funds		1,411,790	1,164,421
Net asset value per share – basic and diluted	15	812.8p	732.8p

The Financial Statements on pages 33 to 36 were approved by the Board of Directors on 17 December 2018 and were signed on its behalf by:

Anthony Townsend
Chairman

The notes on pages 37 to 49 form part of these Financial Statements.

Company Registration Number SC013958 (Registered in Scotland)

Financial Statements / Statement of Cash Flows

for the year ended 30 September 2018

	Note	2018 £'000	2017 £'000
Net cash inflow from operating activities before interest	18	21,712	18,741
Interest paid		(568)	(690)
Net cash inflow from operating activities		21,144	18,051
Investing activities			
Purchase of investments		(199,082)	(125,470)
Sale of investments		87,923	11,205
Net cash outflow from investing activities		(111,159)	(114,265)
Financing activities			
Dividends paid		(23,717)	(20,272)
Shares issued		115,634	113,781
Drawdown of loans		–	2,200
Cost of share issuance		–	(89)
Net cash inflow from financing activities		91,917	95,620
Increase/(decrease) in cash and cash equivalents		1,902	(594)
Currency translations		(209)	(122)
Cash and cash equivalents at 1 October		11,482	12,198
Cash and cash equivalents at 30 September		13,175	11,482

The notes on pages 37 to 49 form part of these Financial Statements.

Financial Statements / Notes to the Financial Statements

1. Accounting Policies

The Company is a public limited company (PLC) incorporated in the United Kingdom, with registered office of 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ.

The principal accounting policies, all of which have been applied consistently throughout the year in the preparation of these Financial Statements, are set out below:

(a) Basis of preparation

The Financial Statements have been prepared under UK Company Law, FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland' and 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 and dated November 2014, updated in January 2017 and February 2018 with consequential amendments, and the Companies Act 2006.

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Sections 1158 and 1159 of the Corporation Tax Act 2010.

Judgements and key sources of estimation and uncertainty

There were no such judgements, estimations and uncertainty reported during the financial year ended 30 September 2018.

(b) Investments held at fair value through profit or loss

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, investments are held at fair value through profit or loss and are initially recognised at fair value. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the Board. Fair value for quoted investments is deemed to be bid market prices, or last traded price, depending on the convention of the stock exchange on which they are quoted.

Changes in the fair value of investments held at fair value through profit or loss, and gains and losses on disposal are recognised in the Income Statement as a capital item.

All purchases and sales of investments are accounted for on the trade date basis.

The Company's policy is to expense transaction costs on acquisition through the gains on investment at fair value through profit or loss. The total of such expenses, showing the total amounts included in disposals and acquisitions are disclosed in note 9 on page 42.

(c) Income

Dividends receivable from equity shares are recognised in Revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is Capital in nature, in which case it is included in Capital. Overseas dividends are stated gross of any withholding tax.

When the Company has elected to receive scrip dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised in Revenue.

Fixed returns on non-equity shares are recognised on a time apportionment basis.

Special dividends: In deciding whether a dividend should be regarded as a Capital or Revenue receipt, the Company reviews all relevant information as to the reasons for and sources of the dividend on a case by case basis depending upon the nature of the receipt.

The limited liability partnership (LLP) profit share is recognised in the financial statements when the entitlement to the income is established.

Deposit interest receivable is taken to revenue on an accruals basis.

Financial Statements / Notes to the Financial Statements

1. Accounting Policies continued

(d) Dividend Payments

Dividends paid by the Company on its shares are recognised in the financial statements in the period in which they are paid and are shown in the Statement of Changes in Equity.

(e) Expenditure and Finance Charges

All the expense and finance costs are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

(1) expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or deducted from proceeds of that investment (as explained in 1(b) above);

(2) expenses are taken to the Capital reserve via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In line with the Board's expected long term split of returns, in the form of capital gains and income from the Company's portfolio, 67% of the portfolio management fee, AIFM fee and finance costs are taken to the Capital reserve and the balance to the Revenue reserve.

(f) Taxation

Current tax is provided at the amounts expected to be paid or recovered.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Statement of Financial Position date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided for at the rate of tax enacted or substantially enacted.

Any tax relief obtained in respect of AIFM and portfolio management fees, finance costs and other capital expenses charged or allocated to the capital column of the Income Statement is reflected in the capital reserve and a corresponding amount is charged against the revenue column of the Income Statement. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

(g) Foreign currency

Transactions recorded in overseas currencies during the year are translated into Sterling at the exchange rates ruling at the date of the transaction. Assets and liabilities denominated in overseas currencies at the Statement of Financial Position date are translated into sterling at the exchange rate ruling at that date. Profits or losses on the translation of foreign currency balances, whether realised or unrealised are credited or debited to the Income Statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and demand deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(i) Nature and purpose of reserves

Special reserve

The Special reserve arose following Court approval in 2002 to cancel the Share Premium account amounting to £13,160,000. This reserve has historically been used to fund share buy-backs by the Company.

During the year the balance of the Special reserve, amounting to £12,424,000, was transferred to the Revenue reserve.

Capital redemption reserve

This reserve arose when ordinary shares were redeemed by the Company and subsequently cancelled, at which point the amount equal to the par value of the ordinary share capital was transferred from the ordinary share capital to the Capital Redemption reserve.

Financial Statements / Notes to the Financial Statements

1. Accounting Policies continued

Capital reserve

This reserve reflects any:

- gains or losses on the disposal of investments;
- exchange differences of a capital nature;
- the increases and decreases in the fair value of investments which have been recognised in the capital column of the Income Statement;
- expenses which are capital in nature as disclosed in note 1(e); and
- following amendments to the Company's Articles of Association in 2015, this reserve can be used to distribute realised capital profits by way of dividend.

Revenue reserve

This reserve reflects all income and expenditure which are recognised in the revenue column of the income statement and is distributable by way of dividend. During the year an amount of £12,424,000 was transferred from the Special reserve account to this account.

2. Income

	2018 £'000	2017 £'000
Income from investments		
Franked investment income		
– dividends	26,887	23,358
Unfranked investment income		
– overseas dividends	4,475	4,032
– limited liability partnership – profit-share and priority profit share on AIFM capital contribution	431	338
Other operating income	1	3
Total income	31,794	27,731

3. AIFM and Portfolio Management Fees

	Revenue £'000	Capital £'000	2018 Total £'000	Revenue £'000	Capital £'000	2017 Total £'000
AIFM fee	631	1,282	1,913	542	1,100	1,642
Portfolio management fee	1,894	3,845	5,739	1,555	3,157	4,712
Total fees	2,525	5,127	7,652	2,097	4,257	6,354

4. Other Expenses

	Revenue £'000	Capital £'000	2018 Total £'000	Revenue £'000	Capital £'000	2017 Total £'000
Directors' fees	166	–	166	154	–	154
Auditors' fees –						
statutory annual audit	28	–	28	27	–	27
Stock listing fees	220	–	220	211	–	211
Registrar's fees	55	–	55	78	–	78
Depositary's fees	138	–	138	169	–	169
Custody fees	76	–	76	108	–	108
Company broker fees	36	–	36	36	–	36
Legal and professional fees	17	–	17	23	32	55
Promotional costs	68	–	68	72	–	72
Printing and postage	65	–	65	56	–	56
Other expenses	149	–	149	129	–	129
Total expenses	1,018	–	1,018	1,063	32	1,095

All of the above expenses include VAT where applicable, with the exception of the fees paid to the Company's Auditors, which are shown net of VAT.

Further details of the amounts paid to Directors are included in the Directors' Remuneration Report on pages 28 to 31.

Financial Statements / Notes to the Financial Statements

5. Finance Charges

	Revenue £'000	Capital £'000	2018 Total £'000	Revenue £'000	Capital £'000	2017 Total £'000
Interest payable on bank loan	196	398	594	164	332	496
Arrangement fees	–	–	–	19	38	57
Loan facility expenses	44	90	134	45	92	137
	240	488	728	228	462	690

6. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	Revenue £'000	Capital £'000	2018 Total £'000	Revenue £'000	Capital £'000	2017 Total £'000
UK Corporation tax at 19.0% (2017: 19.5%)	–	–	–	–	–	–
Irrecoverable overseas withholding tax	744	–	744	461	–	461
Recoverable overseas withholding tax	(187)	–	(187)	(64)	–	(64)
	557	–	557	397	–	397

(b) Factors affecting current tax charge for year

The tax assessed for the year is lower (2017: lower) than the standard rate of UK corporation tax of 19.0% (2017: 19.5%)

The differences are explained below:

	Revenue £'000	Capital £'000	2018 Total £'000	Revenue £'000	Capital £'000	2017 Total £'000
Total return on ordinary activities before taxation	28,011	127,998	156,009	24,343	111,622	135,965
Return on ordinary activities multiplied by UK corporation tax of 19.0% (2017: 19.5%)	5,322	24,319	29,641	4,747	21,766	26,513
Effects of:						
Overseas taxation	557	–	557	397	–	397
Franked investment income not subject to corporation tax – UK dividend income	(5,109)	–	(5,109)	(4,555)	–	(4,555)
Overseas dividends not taxable	(850)	–	(850)	(787)	–	(787)
Excess management and loan expenses	637	–	637	595	–	595
Amounts charged to capital	–	1,067	1,067	–	927	927
Non-taxable gains on investments*	–	(25,386)	(25,386)	–	(22,693)	(22,693)
Total tax charge for the year (note 6(a))	557	–	557	397	–	397

*Gains on investments are not subject to corporation tax within an investment trust company.

(c) Provision for deferred taxation

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

At 30 September 2018, the Company has not recognised a deferred tax asset of £12,295,000 (17% tax rate) (2017: £10,788,000 17% tax rate) arising principally as a result of surplus management and loan expenses. It is not anticipated that this asset will be utilised in the foreseeable future.

Deferred tax is not provided on unrealised capital gains or losses arising on investments because the Company meets and intends to continue meeting the conditions for approval as an investment trust.

Financial Statements / Notes to the Financial Statements

7. Return per Share

	2018 Revenue pence	2018 Capital pence	2018 Total pence	2017 Revenue pence	2017 Capital pence	2017 Total pence
Return per share	16.5	77.1	93.6	15.8	73.8	89.6

The total return per share is based on the total return attributable to equity shareholders of £155,452,000 (2017: £135,568,000), and on 166,079,612 (2017: 151,191,262) shares, being the weighted average number of shares in issue during the year.

Revenue return per share is based on the revenue returns on ordinary activities after taxation of £27,454,000 (2017: £23,946,000).

Capital return per share is based on the capital return on ordinary activities after taxation of £127,998,000 (2017: £111,622,000).

8. Dividends

In accordance with FRS 102 dividends are included in the Financial Statements in the year in which they are paid or approved by shareholders.

	Ex-Dividend Date	Register Date	Payment Date	2018 £'000	2017 £'000
First interim dividend of 7.2p per share (2017: 6.8p)	5 April 2018	6 April 2018	17 May 2018	11,931	10,290
Second interim dividend of 8.1p per share (2017: 7.4p)	4 October 2018	5 October 2018	9 November 2018	14,077	11,786

The second interim dividend of 8.1p per share (2017: 7.4p) has not been included as a liability in these Financial Statements as it is only recognised in the financial year in which it is paid.

The total dividends payable in respect of the financial year which forms the basis of Section 1158 of the Corporation Tax Act 2010 are set out below:

	2018 £'000	2017 £'000
Revenue available for distribution by way of dividend for the year	27,454	23,946
2018: First interim dividend of 7.2p per share paid on 17 May 2018	(11,931)	(10,290)
2018: Second interim dividend of 8.1p per share paid on 9 November 2018	(14,077)	(11,786)
Net addition to revenue reserves	1,446	1,870

The Company's dividend policy is set out on page 11.

Financial Statements / Notes to the Financial Statements

9. Investments held at fair value through profit or loss

Analysis of portfolio movements

	2018 £'000	2017 £'000
Opening book cost	706,019	583,681
Opening investment holding gains	480,892	372,911
Valuation at 1 October	1,186,911	956,592
Movements in the year:		
Purchases at cost	198,862	125,029
Sales		
– Proceeds	(87,923)	(11,205)
– Gain on sales	57,598	8,514
Net movement in investment holding gains	76,224	107,981
Valuation at 30 September	1,431,672	1,186,911
Closing book cost	874,556	706,019
Investment holding gains at 30 September	557,116	480,892
Valuation at 30 September	1,431,672	1,186,911

Investment holding gains

	2018 £'000	2017 £'000
Gains based on historical cost	57,598	8,514
Net movement in investment holding gains in the year	76,224	107,981
Gains on investments during the year	133,822	116,495

Purchase transaction costs for the year to 30 September 2018 were £822,000 (2017: £429,000). These comprise of stamp duty costs of £724,000 (2017: £346,000) and commission of £98,000 (2017: £83,000). Sales transaction costs for the year to 30 September 2018 were £10,000 (2017: £4,000) and comprise commission.

10. Debtors

	2018 £'000	2017 £'000
Prepayments and accrued income	4,886	3,936

11. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due to brokers	248	468
Other creditors and accruals	995	740
	1,243	1,208

Financial Statements / Notes to the Financial Statements

12. Creditors: amount falling due after more than one year

	2018 £'000	2017 £'000
Bank loan	36,700	36,700

Scotiabank, the provider of the Company's loan facility, has a fixed and floating charge over the assets of the Company as security against any funds drawn down under the loan facility. As at 30 September 2018, the Company was entering the third year of its three year secured fixed term multicurrency revolving credit facility of £75 million (with an additional £25 million facility available if required).

The main covenant under the loan facility requires that, at each month end, Total Borrowings should not exceed £75 million and the ratio of Adjusted Total Net Assets to Debt is not permitted to be less than 4:1. There were no breaches of the covenant during the year.

The Board has set a gearing limit which must not exceed 25% of the Company's Net Asset Value. (See page 61 for further details).

Further details can be found in note 17 on page 45 and the Report of the Directors on page 57.

13. Called Up Share capital

	2018 £'000	2017 £'000
Allotted, issued and fully paid: 173,691,712 (2017: 158,896,712) ordinary shares of 25p each	43,423	39,724

During the year 14,795,000 (2017: 16,578,500) new ordinary shares were issued for consideration of £115,634,000 (2017: £113,192,000) being an average price of 781.57p (2017: 682.76p) per share.

At the year end no amount was owed to the Company, (2017: £nil) in relation to shares issued but not yet settled until after that date.

14. Capital Reserve

	Capital reserve realised £'000	Capital reserve investment holding gains unrealised £'000	2018 Total £'000	2017 Total £'000
At 1 October 2017	34,147	480,892	515,039	403,417
Net gains on investments	57,598	76,224	133,822	116,495
Expenses charged to capital	(5,127)	–	(5,127)	(4,289)
Finance costs charged to capital	(488)	–	(488)	(462)
Currency translations	(209)	–	(209)	(122)
At 30 September 2018	85,921	557,116	643,037	515,039

Under the terms of the Company's Articles of Association, sums within "Capital Reserve Realised" are available for distribution.

15. Net Asset Value per Share

The net asset value per share of 812.8p (2017: 732.8p) is based on net assets of £1,411,790,000 (2017: £1,164,421,000) and on 173,691,712 (2017: 158,896,712) shares in issue at the year end.

Financial Statements / Notes to the Financial Statements

16. Transactions with the Manager and Related Parties

Details of the relationship between the Company, Frostrow Capital LLP ("Frostrow"), and Lindsell Train Limited ("Lindsell Train") are disclosed on the Company's website (www.finsburygt.com).

The Company has an investment in Frostrow with a book cost of £625,000 (2017: £555,000) and a fair value of £1,885,000 as at 30 September 2018 (2017: £1,680,000).

The Company also has an investment in The Lindsell Train Investment Trust plc, which is managed by Lindsell Train, with a book cost of £1,000,000 (2017: £1,000,000) and a fair value of £11,750,000 as at 30 September 2018 (2017: £8,300,000).

Further details of the investments in Frostrow and The Lindsell Train Investment Trust plc can be found on the Company's website (www.finsburygt.com).

Details of the income received and fees payable to the AIFM are disclosed in notes 2 and 3 and details of the remuneration payable to the Portfolio Manager is detailed in note 3 on page 39.

Details of the fees of all Directors can be found in pages 28 to 31 and in note 4 on page 39. Directors' interests in the capital of the Company can be found on page 30. There were no other material transactions during the year with the Directors of the Company.

17. Risk Management

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 1. In pursuit of its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the revenue returns available for distribution.

The Company's financial instruments comprise mainly of equity investments, cash balances, borrowings, debtors and creditors that arise directly from its operations.

The principal risks inherent in managing the Company's financial instruments are market risk, liquidity risk and credit risk. These risks and the Directors' approach to the management of them are set out in the Strategic Report on pages 16 to 18.

Market risk

Market risk comprises three types of risk: market price risk, interest rate risk and currency risk.

Market price risk

As an investment company, performance is dependent on the performance of the underlying companies and securities in which it invests. The market price of investee companies' shares is subject to their performance, supply and demand for the shares and investor sentiment regarding the company or the industry sector in which it operates. Consequently market price risk is one of the most significant risks to which the Company is exposed.

At 30 September 2018, the fair value of the Company's assets exposed to market price risk was £1,431,672,000 (2017: £1,186,911,000) see page 6. If the fair value of the Company's investments at the Statement of Financial Position date increased or decreased by 10%, while all other variables remained constant, the capital return and net assets attributable to shareholders for the year ended 30 September 2018 would have increased or decreased by £143,167,000 or 82.4p per share (2017: £118,691,000 or 74.7p per share).

No derivatives or hedging instruments are currently utilised to manage market price risk.

Financial Statements / Notes to the Financial Statements

17. Risk Management continued

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate movement may affect:

- the interest payable on the Company's variable rate borrowings
- the level of income receivable from variable interest securities and cash deposits
- the fair value of investments of fixed rate securities

The Company's main exposure to interest rate risk during the year ended 30 September 2018 was through its three year £75,000,000 secured multicurrency committed revolving credit facility (with an additional £25 million facility available if required) with Scotiabank Europe PLC maturing in October 2019. Borrowings at the year-end amounted to £36,700,000 (2017: £36,700,000) at an interest rate of 1.73% (LIBOR plus 1.05% per annum).

If the above level of borrowing was maintained for a year a 1% increase/decrease in LIBOR would decrease/increase the revenue return by £121,000, (2017: £121,000) decrease/increase the capital return by £246,000 (2017: £246,000), and decrease/increase the net assets by £367,000 (2017: £367,000).

The weighted average interest rate, during the year, on borrowings under the above mentioned revolving credit facility was 1.63% (2017: 1.40%).

At 30 September 2018, the Company's financial assets and liabilities exposed to interest rate risk were as follows:

	2018 within one year £'000	2018 more than one year £'000	2017 within one year £'000	2017 more than one year £'000
Exposure to floating rates:				
Assets				
Cash and cash equivalents	13,175	–	11,482	–
Liabilities				
Creditors: amount falling due after more than one year – borrowings under the loan facility	–	(36,700)	–	(36,700)
Exposure to fixed rates:				
Assets				
Investments at fair value through profit or loss#	817	–	634	–
Liabilities	–	–	–	–

#Celtic 6% cumulative convertible preference shares and Frostrow Capital LLP AIFM Investment.

Financial Statements / Notes to the Financial Statements

17. Risk Management continued

Currency risk

The Financial Statements are presented in sterling, which is the functional currency and presentational currency of the Company. At 30 September 2018, the Company's investments, with the exception of five, were priced in sterling. The five exceptions, Heineken, listed in the Netherlands, Remy Cointreau listed in France, and Keurig Dr. Pepper, Manchester United and Mondelez International, all listed in the United States together represent 19.2% of the portfolio.

The AIFM and the Portfolio Manager monitor the Company's exposure to foreign currencies on a continuous basis and regularly report to the Board. The Company does not hedge against foreign currency movements, but the Portfolio Manager takes account of the risk when making investment decisions.

Income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between its receipt and the time that the income is included in the Financial Statements.

Foreign currency exposure

At 30 September 2018 the Company held £142,694,000 (2017: £113,264,000) of investments denominated in U.S. dollars and £131,576,000 (2017: £111,520,000) in Euros.

Currency sensitivity

The following table details the sensitivity of the Company's profit or loss after taxation for the year to a 10% increase or decrease in the value of sterling compared to the U.S. dollar and Euros (2017: 10% increase and decrease).

The analysis is based on the Company's foreign currency financial instruments held at each Statement of Financial Position date.

If sterling had weakened against the U.S dollar and Euros, as stated above, this would have had the following effect:

	2018 £'000	2017 £'000
Impact on revenue return	82	67
Impact on capital return	30,477	24,980
Total return after tax/increase in shareholders' funds	30,559	25,047

If sterling had strengthened against the foreign currencies as stated above, this would have had the following effect:

	2018 £'000	2017 £'000
Impact on revenue return	(67)	(55)
Impact on capital return	(24,936)	(20,438)
Total return after tax/decrease in shareholders' funds	(25,003)	(20,493)

Credit Risk

Credit risk is the Company's exposure to financial loss from the failure of a counterparty to deliver securities or cash for acquisition or disposals of investments which could result in the Company suffering a financial loss. Credit risk is managed as follows:

- Investment transactions are carried out only with brokers whose creditworthiness is reviewed by the Portfolio Manager.
- Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transactions entered into by the Company has delivered its obligation before any transfer of cash or securities away from the Company is completed.
- Any failing trades in the market are closely monitored by both the AIFM and the Portfolio Manager.
- Cash is only held at banks that have been identified by the Board as reputable and of high credit quality. Bank of New York Mellon has a credit rating of Aa1 (Moodys) and AA- (S&P).

Financial Statements / Notes to the Financial Statements

17. Risk Management continued

At 30 September 2018, the exposure to credit risk was £18,328,000 (2017: £15,572,000), comprising:

	2018 £'000	2017 £'000
Fixed assets:		
Non-equity investments (preference shares)	267	154
Current assets:		
Other receivables (amounts due from brokers, dividends and priority profit share receivable)	4,886	3,936
Cash and cash equivalents	13,175	11,482
Total exposure to credit risk	18,328	15,572

Liquidity risk of investments

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities which are readily realisable; their value is significantly in excess of the Company's financial liabilities.

Fair value of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or at a reasonable approximation of fair value.

Valuation of financial instruments

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – quoted prices in active markets.
- Level 2 – prices of recent transactions for identical instruments.
- Level 3 – valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

At 30 September 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,429,520	–	–	1,429,520
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,335	1,335
AIFM Capital contribution (Frostrow Capital LLP)	–	–	550	550
Preference share investments	267	–	–	267
	1,429,787	–	1,885	1,431,672

At 30 September 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,185,077	–	–	1,185,077
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,200	1,200
AIFM Capital contribution (Frostrow Capital LLP)	–	–	480	480
Preference share investments	154	–	–	154
	1,185,231	–	1,680	1,186,911

The valuation techniques used by the Company are explained on page 37.

Financial Statements / Notes to the Financial Statements

17. Risk Management continued

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

Level 3 Reconciliation of financial assets at fair value through profit or loss at 30 September

	2018 £'000	2017 £'000
Opening fair value	1,680	1,420
AIFM Capital Contribution (Frostrow Capital LLP)	70	60
Total gains included in gains on investments in the Income Statement		
– on assets held at the end of the year	135	200
Closing fair value	1,885	1,680

If the value of Frostrow Capital LLP's revenue and the value of the AIFM investment were to increase or decrease by 10%, while all the other variables remained constant, the return and net assets attributable to shareholders for the year ended 30 September 2018 would have increased / decreased by £175,000 (2017: £135,000).

Capital management objectives, policies and procedures

The structure of the Company's capital is described in note 13 on page 43 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 34.

The Company's capital management objectives are:

- to ensure that it is able to continue as a going concern; and
- to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index through an appropriate balance of equity and debt.

The Board, with the assistance of the AIFM and the Portfolio Manager, regularly monitors and reviews the broad structure of the Company's capital. These reviews include:

- the level of gearing, set at limits in normal market conditions, between 5% and 25% of net assets, which takes account of the Company's position and the views of the Board, the AIFM and the Portfolio Manager on the market;
- the extent to which revenue reserves should be retained or utilised; and
- ensuring the Company's ability to continue as a going concern.

The Company's objectives, policies and procedures for managing capital are unchanged from last year.

There were no breaches by the Company during the year of the financial covenants put in place by Scotiabank Europe plc in respect of the committed revolving credit facility provided to the Company.

These requirements are unchanged since last year and the Company has complied with them at all times.

18. Net Cash Inflow from Operating Activities Before Interest

	2018 £'000	2017 £'000
Total return before finance charges and taxation	156,737	136,655
Less: capital return before finance charges and taxation	(128,486)	(112,084)
Net revenue before finance charges and taxation	28,251	24,571
Increase in accrued income and prepayments	(1,136)	(1,111)
Increase in creditors	255	97
Taxation – overseas tax paid	(531)	(527)
AIFM, Portfolio management fees and other expenses charged to capital	(5,127)	(4,289)
Net cash inflow from operating activities	21,712	18,741

Financial Statements / Notes to the Financial Statements

19. Substantial Interests

At 30 September 2018 the Company held interests in 3% or more of any class of capital in the following entities:

Company or Limited Liability Partnership	Shares held	2018 Fair value £'000	% of issued share capital or Limited Liability Partnership interest
A. G. Barr	4,352,102	31,285	3.8
Celtic	3,240,402	5,282	3.5
Frostrow Capital LLP (unquoted)	–	1,885	10.0
Manchester United	1,844,100	31,746	4.6
The Lindsell Train Investment Trust plc*	10,000	11,750	5.0
Young & Co's Brewery (non voting shares)	1,050,000	12,285	5.5

*Also managed by Lindsell Train Limited who receive a portfolio management fee based on the Company's market capitalisation. The details of the fee arrangements with the Company are detailed on page 13.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

Report on the Audit of the Financial Statements

Opinion

In our opinion, Finsbury Growth & Income Trust PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 30 September 2018; the income statement, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

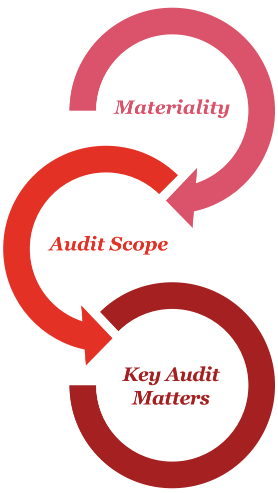
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 October 2017 to 30 September 2018.

Our audit approach

Overview



- Overall materiality: £14.1m (2017: £11.6m), based on 1% of net assets.

- The company is a standalone Investment Trust Company and engages Frostrow Capital LLP (the 'AIFM') to manage its assets.
- We conducted our audit of the financial statements at the offices of the AIFM and at Maitland Institutional Services who the AIFM has engaged to provide certain accounting, administrative and valuation functions to the AIFM of the Company.
- We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.

- Investment income.
- Valuation and existence of investments.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements, including, but not limited to, the Companies Act 2006, and section 1158 of the Corporation Tax Act 2010. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries and testing the Company's compliance with section 1158 in the current year. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Investment income *Refer to page 25 (Audit Committee report), page 37 (Accounting Policies) and page 39 (Notes).* *We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover.*	We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for completeness, we tested that all dividends declared in the market by all investment holdings had been recorded. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP. We obtained the reasons behind special dividend distributions from third party sources. No material issues were identified.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments *Refer to page 25 (Audit Committee report), page 37 (Accounting Policies) and page 42 (Notes).* *The investment portfolio at the year-end principally comprised listed equity investments valued at £1,429.8m.* *We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.*	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material issues were identified.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£14.1m (2017: £11.6m).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year on-year basis for our audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.7m (2017: £0.6m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors. (CA06)

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 16-18 of the Annual Report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

- The directors' explanation on pages 14 and 15 of the Annual Report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the company and statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 32, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company obtained in the course of performing our audit.
- The section of the Annual Report on page 24 to 26 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibility Statement of the Directors in respect of the annual financial report set out on page 32, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent Auditors' Report to the Members of Finsbury Growth & Income Trust PLC

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors on 19 June 2014 to audit the financial statements for the year ended 30 September 2014 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 30 September 2014 to 30 September 2018.

Alex Bertolotti (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 December 2018

Report of the Directors

The Directors present their annual report on the affairs of the Company, together with the audited financial statements and the Independent Auditors' Report for the year ended 30 September 2018.

The Corporate Governance Statement on pages 20 to 23 forms part of this report. Disclosures relating to future developments and risk management can be found within the Strategic Report, on pages 2 to 18.

Business and Status of the Company

The Company is registered as a public limited company in Scotland (Registered Number SC013958) and is an investment company within the terms of Section 833 of the Act. Its shares are listed on the premium segment of The Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange which is a regulated market as defined in Section 1173 of the Act.

The Company has applied for and been accepted as an approved investment trust under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

The Company is required to comply with company law, the rules of the UK Listing Authority, UK Financial Reporting Standards, and its Articles of Association.

The Company is a member of the Association of Investment Companies ("AIC").

Results and Dividends

The results attributable to shareholders for the year are shown on page 3. Details of the Company's dividend record can be found on page 11.

Share Capital

At the Annual General Meeting held on Wednesday, 31 January 2018, authority to allot up to 16,340,171 shares on a non pre-emptive basis at prices not less than the higher of the prevailing cum or ex income net asset value per share at the time of issuance was granted.

All of the shares available under this allotment authority were issued and the Company held a General Meeting on 19 November 2018 where shareholder authority was obtained to issue a further 17,692,171 shares on the same basis.

During the year, 14,795,000 new shares were issued by the Company at a premium to the higher of the prevailing cum or ex income net asset value per share at the time of issue. Since the year-end and to 17 December 2018 a further 4,395,000 new shares have been issued under the same issuance criteria.

No shares were repurchased by the Company during the year.

Capital Structure

The Company's capital structure is composed solely of Ordinary Shares. Details are given in note 13 to the Financial Statements on page 43.

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of the Annual General Meeting.

There were no shares held in treasury during the year (2017: nil).

Details of the substantial shareholders in the Company are listed on page 57.

The giving of powers to issue or buy-back the Company's shares requires the relevant resolution to be passed by shareholders. Proposals for the renewal of the Board's current powers to issue and buy-back shares are detailed within the Notice of the Annual General Meeting.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Report of the Directors

Substantial Share Interests

The Company was aware of the following substantial interests in the voting rights of the Company as at 30 September 2018 and 30 November 2018, being the latest practicable date before publication of the annual report:

Shareholders	Registered Holders	30 November 2018 Number of shares	30 November 2018 % of capital	30 September 2018 Number of shares	30 September 2018 % of capital
Hargreaves Lansdown, stockbrokers	Various Nominee Accounts	21,494,638	12.12	20,499,898	11.80
Alliance Trust Savings	Alliance Trust Savings Nominees	14,830,645	8.36	14,782,047	8.51
Brewin Dolphin, stockbrokers	Various Nominee Accounts	14,658,716	8.26	14,540,049	8.37
Investec Wealth & Investment	Various Nominee Accounts	9,679,903	5.46	9,616,830	5.54
Rathbones	Various Nominee Accounts	7,860,830	4.43	7,839,983	4.51
AJ Bell, stockbrokers	Various Nominee Accounts	7,321,896	4.13	6,922,592	3.99
Charles Stanley	Rock Nominees	5,943,663	3.35	5,837,884	3.36

At 30 September 2018 the Company had 173,691,712 shares in issue. As at 30 November 2018 the Company had 177,561,712 shares in issue.

Beneficial Owners of Shares – Information Rights

The beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Link Asset Services, or to the Company directly.

Holding in The Lindsell Train Investment Trust plc and Partnership Interest in Frostrow Capital LLP

In 2001 the Company acquired a holding, equivalent to 5% of the issued share capital, in The Lindsell Train Investment Trust plc, which is managed by Lindsell Train, the Company's Portfolio Manager. The Lindsell Train Investment Trust plc owns 25% of Lindsell Train and so the Company has an indirect interest of 1.25% in Lindsell Train.

The Company also acquired a 10% partnership interest in Frostrow in return for a capital contribution of £150,000 in 2007, of which £75,000 was repaid to the Company by Frostrow in 2008. The valuation of the Company's investment in The Lindsell Train Investment Trust plc and Frostrow at the year end can be found on page 6. In addition, the Company has agreed to provide capital to Frostrow to enable it to satisfy its capital requirements under AIFMD, subject to a maximum of £750,000 in aggregate which may be varied from time to time. In return, the Company receives a priority return of 9% per annum of the balance of capital contributions made to Frostrow from time to time by the Company, as a first charge on Frostrow's profits. As at 30 September 2018, Frostrow had received £550,000 (2017: £480,000) from the Company to meet its capital requirements under AIFMD.

Loan Facility

At 30 September 2018 the Company was about to enter the third year of its three-year secured fixed term committed revolving credit facility of £75 million (with an additional £25 million facility available if required) with Scotiabank Europe PLC. At this date a total of £36.7 million was drawn down from this facility (2017: £36.7 million) which equates to net gearing of 1.4%. It is the Company's intention to renew the Loan facility with Scotiabank Europe PLC when it expires in October 2019.

Financial Instruments

The Company's financial instruments comprise its portfolio, cash balances, debtors and creditors that arise directly from its operations, such as sales and purchases awaiting settlement and accrued income. The financial risk management and policies arising from its financial instruments are disclosed in note 17 to the Financial Statements.

Going Concern

The content of the investment portfolio, trading activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Directors, having made relevant enquiries, are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as a significant proportion of the Company's holdings are readily realisable and, accordingly, the Company has adequate financial resources to continue in operation for at least the next 12 months.

Report of the Directors

Directors

Directors' Fees

Reports on Directors' Remuneration and also the Directors' Remuneration Policy are set out on pages 28 to 31.

Directors' Indemnities

During the year and as at the date of this report, indemnities were in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the offices of Frostrow during normal business hours and will be available for inspection at the Annual General Meeting.

Directors' (and Other Senior Individuals) Interests

The beneficial interests in the Company of the Directors, of Nick Train, the individual with responsibility for managing the Company's portfolio at Lindsell Train and of Alastair Smith, Managing Partner at Frostrow, and of the persons closely associated with them, are set out on page 30 of this Annual Report.

Political Donations

The Company has not in the past and does not intend in the future to make political donations.

Anti-Bribery and Corruption Policy

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company. A copy of the Company's Anti Bribery and Corruption policy can be found on the website (www.finsburygt.com).

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within the Company's underlying investment portfolio.

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Link Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Disclosure of information to the Auditors

So far as the Directors are aware, there is no relevant information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware. The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the Auditors are aware of such information.

The above confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Report of the Directors

Securities Financial Transactions Regulation ('SFTR') Disclosure (unaudited)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30 September 2018.

Alternative Performance Measures

The Financial Statements (on pages 33 to 49) set out the required statutory reporting measures of the Company's Financial Performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 3 and explained in greater detail in the Strategic Report, under the heading "Key Performance Indicators" on page 15.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at the Guildhall, City of London EC2V 7HH on Wednesday, 27 February 2019 at 12 noon. The formal notice of the AGM is set out in the accompanying circular to Shareholders, together with explanations of the resolutions.

The Board considers that the resolutions relating to the proposed items of special business, are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the resolutions to be proposed at the forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totalling 347,711 shares.

By order of the Board

Frostrow Capital LLP
Company Secretary

17 December 2018

AIFMD Disclosures (Unaudited)

The Company's AIFM, Frostrow Capital LLP, and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD").

Those disclosures that are required to be made pre-investment are included within an Investor Disclosure Document which can be found on the Company's website (www.finsburygt.com).

The periodic disclosures to investors are made below:

- Information on the investment strategy, sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by Frostrow.
- The Strategic Report starting on page 16 and note 17 to the Financial Statements starting on page 44, set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place during the year under review and no breaches of the risk limits set, with no breach expected.
- The maximum level of leverage has not changed in the year under review (see Glossary of terms and Alternative Performance Measures on page 61 for further details). The total amount of leverage employed by the Company as at 30 September 2018 is shown below.

	Gross Method	Commitment Method
Maximum limit	125.0%	125.0%
Actual	101.4%	102.3%

Remuneration of AIFM Staff

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFM Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

Further Information / Glossary of Terms and Alternative Performance Measures

AIC
Association of Investment Companies.

AIFMD
The Alternative Investment Fund Managers 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.

Benchmark Return
Total return on the benchmark, on a closing -market-value to closing- market basis, assuming that all dividends received were re-invested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

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 represents prior charges, adjusted for net current assets expressed as a percentage of net assets.

Prior charges includes all loans and bank overdrafts for investment purposes.

	Page	30 September 2018 £'000	30 September 2017 £'000
Prior Charges	35	(36,700)	(36,700)
Net Current Assets	35	16,818	14,210
Net Debt		(19,882)	(22,490)
Net Assets	35	1,411,790	1,164,421
Gearing	3	1.4%	1.9%

Leverage
For the purpose of the Alternative Investment Fund Managers (AIFM) Directive, leverage is an method which increases the Company's exposure, including the borrowing of cash and the use of derivatives.

Leverage is calculated slightly differently to the AIC method of calculating Gearing in that it is expressed as a ratio between the Company's exposure and its net asset value. It is calculated under the gross and a commitment method. Under the gross method, exposure represents the Company's position after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the Commitment method, exposure is calculated without the calculation of sterling cash balances and after certain hedging and netting positions are offset. For these purposes the Board has set a maximum leverage of 125% for both methods.

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.

Further Information / Glossary of Terms and Alternative Performance Measures

Net Asset Value Total Return

The theoretical 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.

NAV Total Return	Page	30 September 2018	30 September 2017
Opening NAV per share (p)	2/3	732.8	657.7
Increase in NAV		80.0	75.1
Closing NAV per share (p)	2/3	812.8	732.8
% Increase in NAV		10.9%	11.4%
Impact of dividends re-invested*		2.2%	1.7%
NAV per share total return (p)	2/3	13.1%	13.7%

*Total dividends paid during the year of 14.60p (2017:13.8p) were re-invested at the cum dividend NAV/share price during the year.
Where the dividend is invested and NAV/share price falls, this will further reduce the return,if it rises, any increase would be greater.
The source is Morningstar who have calculated the return on an industry comparative basis.

Ongoing Charges

Ongoing charges are calculated by taking the Company's annualised operating expenses expressed as a proportion of the average daily net asset value of the Company over the year. The costs of buying and selling investments are excluded, as are interest costs, taxation, cost of buying back or issuing ordinary shares and other non-recurring costs.

	Page	30 September 2018 £'000	30 September 2017 £'000
AIFM and Portfolio Management fees	39	7,652	6,354
Operating Expenses	39	1,018	1,095
Total expenses		8,670	7,449
Average Net Assets during the year	–	1,291,632	1,043,305
Ongoing Charges	3	0.67%	0.71%

Peer Group

Finsbury Growth & Income Trust PLC is part of the AIC's UK Equity Income Investment Trust Sector. The trusts in this universe are defined as trusts whose investment objective is to achieve a total return for Shareholders through both capital and dividend growth. The members will have at least 80% of their assets in UK securities.

Revenue Return per share

The revenue return per share is calculated by taking the Return on ordinary activities after taxation and dividing by the weighted average number of shares in issue during the year.

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 re-invested in the shares at the time the shares are quoted ex dividend.

Share Price Total Return	Page	30 September 2018	30 September 2017
Opening share price share (p)	2/3	736.5	658
Increase in share price		81.5	78.5
Closing share price (p)	2/3	818.0	736.5
% Increase in share price		11.1%	11.9%
Impact of dividends re-invested*		2.0%	1.2%
Share price total return (p)	2/3	13.2%	14.2%

*Total dividends paid during the year of 14.60p (2017:13.8p) were re-invested at the cum dividend NAV/share price during the year.
Where the dividend is invested and NAV/share price falls, this will further reduce the return,if it rises, any increase would be greater.
The source is Morningstar who have calculated the return on an industry comparative basis.

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

Retail Investors Advised by IFAs

The Company currently conducts its affairs so that its Shares can be recommended by Independent Financial Advisers ("IFAs") in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relations to non-mainstream investment procedures and intends to continue to do so. The Shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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 on the Company's website (www.finsburygt.com).

Link Asset Services – Share Dealing Service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Link 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.linksharedeal.com (online dealing) Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 a.m. – 4.30 p.m., Monday to Friday excluding public holidays in England and Wales).

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, in part, by the changing conditions in the relevant stock markets 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 stock market, 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, some of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore 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.

Perivan Financial Print 251002

Investment scams are often sophisticated and difficult to spot

How to avoid investment scams

1. **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2. **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without FCA authorisation.

3. **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report a firm or scam to the Financial Conduct Authority on **0800 111 6768** or through www.fca.org.uk/scamsmart

If you've lost money in a scam, contact Action Fraud on **0300 123 2040** or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart investor

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