



FINSBURY
GROWTH &
INCOME TRUST PLC

FINSBURY GROWTH & INCOME TRUST PLC

Half Year Report & Financial Statements
for the six months ended 31 March 2021

LINDSELL TRAIN

Frostrow
CAPITAL

FINSBURY GROWTH & INCOME TRUST PLC



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CONTENTS

COMPANY SUMMARY

3 COMPANY PERFORMANCE

REVIEWS

4 CHAIRMAN'S STATEMENT

5 PORTFOLIO MANAGER'S REVIEW

7 INVESTMENT PORTFOLIO

8 TOTAL RETURN PERFORMANCE AND DIVIDEND RECORD

FINANCIAL STATEMENTS

9 INCOME STATEMENT

10 STATEMENT OF CHANGES IN EQUITY

11 STATEMENT OF FINANCIAL POSITION

12 STATEMENT OF CASH FLOWS

13 NOTES TO THE FINANCIAL STATEMENTS

GOVERNANCE

16 INTERIM MANAGEMENT REPORT

FURTHER INFORMATION

17 GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

19 HOW TO INVEST

20 COMPANY INFORMATION

FINSBURY GROWTH & INCOME TRUST PLC

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").

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 (the Company's benchmark).

INVESTMENT POLICY

The Company's investment policy is to invest principally in the securities of companies either listed in the UK or otherwise incorporated, domiciled or having significant business operations within the UK, whilst up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in companies not meeting these criteria.

- 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 will not invest more than 15% of the Company's net assets, at the time of acquisition, in the securities of any single issuer. For the purposes of this limit only, net assets shall exclude the value of the Company's investment in Frostrow Capital LLP.

- The Company does not and will not invest more than 15%, in aggregate, of the value of the gross assets of the Company in other listed closed ended investment companies (including investment trusts). Further, the Company does not and will not invest more than 10%, in aggregate, of the value of its gross assets in other listed closed ended investment companies (including investment trusts), except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed ended investment companies (including investment trusts).
- 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.
- The Company's gearing policy is that gearing will not exceed 25% of the Company's net assets.
- 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.

PERFORMANCE

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

MANAGEMENT

Frostrow Capital LLP ("Frostrow") is the appointed Alternative Investment Fund Manager ("AIFM") and provides company management, company secretarial, administrative and marketing services. Lindsell Train Limited ("Lindsell Train") is the appointed Portfolio Manager.

DIVIDENDS

An interim dividend of 8.0p per share (2020: 8.0p) will be paid on 14 May 2021 to shareholders who were registered at the close of business on 6 April 2021. The associated ex-dividend date was 1 April 2021.

It is expected that a second interim dividend will be declared and paid in the Autumn.

All dividends are distributed from revenue reserves.

CAPITAL STRUCTURE

At 31 March 2021 the Company had 223,821,303 shares of 25p each in issue (30 September 2020: 217,751,303). During the six months under review 6,070,000 new shares were issued raising £51.6 million. No shares were bought back during the six months under review. Since the end of the half-year, to 6 May 2021, being the latest practical date, a further 1,075,000 new shares have been issued raising £9.7 million. As at 6 May 2021, the Company had 224,896,303 shares in issue. No shares have been bought back since the end of the half-year period to the date of this Report.

GEARING

The Company has a three-year secured fixed term revolving credit facility (the "Facility") of £50 million with Scotiabank Europe PLC and there is an additional £50 million facility available if required. As at 31 March 2021 a total of £36.7 million has been drawn down from this facility. The facility expires in October 2022.

ISA STATUS

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

COMPANY SUMMARY

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

	AS AT 31 MARCH 2021	AS AT 30 SEPTEMBER 2020	% CHANGE
Share price	862.0p	840.0p	2.6
Net asset value per share	856.0p	846.2p	1.2
Premium/(discount) of share price to net asset value per share [^]	0.7%	(0.7)%	
Gearing ^{1^}	0.9%	0.5%	
Shareholders' funds	£1,915.9m	£1,842.5m	4.0
Number of shares in issue	223,821,303	217,751,303	2.8
	SIX MONTHS TO 31 MARCH 2021	ONE YEAR TO 30 SEPTEMBER 2020	
Share price (total return) ^{2^}	+3.7%	-9.0%	
Net asset value per share (total return) ^{2^}	+2.2%	-7.7%	
FTSE All-Share Index (total return ^{2,3^}) (Company benchmark)	+18.5%	-16.6%	
Active Share % ^{1,2^}	86.28%	87.05%	
Ongoing charges ^{1^}	0.6%	0.6%	
	YEAR ENDING 30 SEPTEMBER 2021	YEAR ENDED 30 SEPTEMBER 2020	
First interim dividend	8.0p	8.0p	
Second interim dividend	Yet to be declared	8.6p	

¹ See glossary on pages 17 and 18

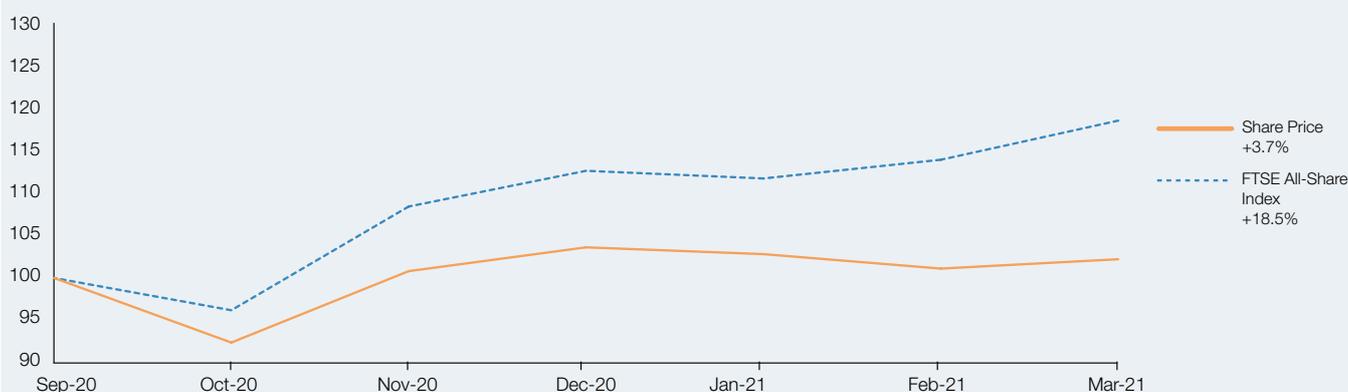
² Source – Morningstar

³ Source – FTSE International Limited ("FTSE") © FTSE 2021

[^] Alternative Performance Measures ("APMs")

Definitions of these APMs together with how the measures have been calculated can be found in the Glossary on pages 17 and 18.

SIX MONTH TOTAL RETURN PERFORMANCE TO 31 MARCH 2021



Source: Morningstar
Rebased to 100 as at 30 September 2020

This report contains terminology that may be unfamiliar to some readers. The Glossary on pages 17 and 18 gives definitions for frequently used terms.

REVIEWS

CHAIRMAN'S STATEMENT



SIMON HAYES
Chairman

I am pleased to present my first report as Chairman following the retirement of Anthony Townsend from the Board in February 2021. My Board colleagues and I would like to thank Anthony for his 22 years of service to the Company, 13 of them as Chairman. I know that he was particularly sorry not to be able to say farewell to shareholders in person at the Annual General Meeting owing to pandemic-related restrictions and we wish him well for the future.

PERFORMANCE

It is disappointing to have to report that the Company has underperformed its benchmark. The Company's net asset value per share[^] over the period under review was up 2.2% on a total return basis which compares with a return of 18.5% from the Company's benchmark, the FTSE All-Share Index. The share price total return was slightly higher at 3.7% reflecting the move in the share price over the period from a small discount to the net asset value to a small premium. The total return for the period was £40.5m compared with a loss of £358.0m for the corresponding period last year which reflected significant market uncertainty at the early stages of the COVID-19 global health crisis.

Our Portfolio Manager's investment approach involves building a concentrated portfolio of companies that have strong brands and/or powerful market franchises. This concentrated approach results in a very different portfolio when compared with the constituents of the Company's benchmark, the FTSE All-Share Index, and demonstrates a high level of active management. The extent to which a portfolio is actively managed can be quantified and expressed as a percentage ("Active Share")*. At 31 March 2021, the Company's Active Share versus the FTSE All-Share Index was 86.28%. Such an uncorrelated portfolio will inevitably perform very differently from its benchmark (positively or negatively) over different periods of time.

The performance over the six month period is driven in the main by a difficult 2021 to date for a number of key holdings in the portfolio. Holdings (such as Unilever) that performed well during calendar year 2020 due to their defensive nature and

which were responsible for the portfolio's outperformance last year have significantly lagged in 2021 to date. In addition, the share prices of a number of holdings have performed poorly in recent months due to what is hoped are short term issues within those businesses. Our Portfolio Manager's report on pages 5 and 6 provides more context and detail.

SHARE CAPITAL

Continued demand for the Company's shares has led to the issue of a total of 6,070,000 new shares in this half year, raising £51.6 million. As at 31 March 2021 the Company had 223,821,303 shares of 25p each in issue (31 March 2020: 211,146,303).

Since 1 April 2021 to the date of this report, a further 1,075,000 new shares have been issued raising £9.7 million. As at 6 May 2021, the Company had 224,896,303 shares in issue.

DIVIDEND

The Board declared an unchanged first interim dividend of 8.0p per share with respect to the year ending 30 September 2021. That dividend will be paid on Friday, 14 May 2021 to shareholders who were on the register on Tuesday, 6 April 2021. The associated ex-dividend date was Thursday, 1 April 2021.

The Board expects to declare the second dividend for the year ending 30 September 2021 in the Autumn.

OUTLOOK

This year continues to be dominated by the impact of the COVID-19 pandemic and of the consequential government measures seeking to bring the virus under control.

Our Portfolio Manager believes that the continued strategy of investing in digital products and services, luxury and premium consumer brands and trusted wealth management services is a sound basis for strong performance over the next decade and beyond. Your Board supports this view and continues to believe that shareholders with a long term outlook will be well rewarded.

Simon Hayes
Chairman

7 May 2021

[^] Alternative Performance Measure (see glossary on pages 17 and 18).

*Please see glossary on page 17.

REVIEWS

PORTFOLIO MANAGER'S REVIEW



NICK TRAIN
LINDELL TRAIN LIMITED
Portfolio Manager

I am reporting to you on investment performance for the first six months of your Company's financial year, from end September 2020 to March 2021 and I acknowledge and apologise for the disappointing return relative to our benchmark, the FTSE All-Share Index ("All-Share"), over that period. The Company's NAV total return was up 2.2% over the last six months, compared to the All-Share 18.5%. Nonetheless, I hope you will allow me to put this recent performance in the context of what happened during the whole of calendar 2020. When you look at that twelve month period to end December 2020 the NAV total return for your Company was down 2.0%, while the All-Share lost 9.8%.

It is clear, therefore, that the Company's portfolio was "defensive" and resilient during the worst of the crisis of 2020 – given the NAV outperformed a weak UK stock market over the year. Of course, we were pleased about this, because we have always looked for predictability, reliability and durability when we choose companies to invest in. They are the ones that should hold up well in a crisis. When you look at the list of companies that make up the portfolio you will recognise many long-established businesses, owning brands or franchises that have stood the test of time. Unilever, Diageo, London Stock Exchange, RELX, Mondelez, Schroders and Heineken are examples among the big company holdings.

When asked to describe our investment approach in a nutshell, I often say: "Big positions in intrinsically low risk companies". And when I look back on 2020 as a whole I think that investment approach showed its worth.

However, there is no getting away from the fact that once the vaccines were announced in November 2020 and citizens

and investors began to see a path out of the lockdowns your portfolio started to lag its benchmark and this underperformance continued through the first three months of 2021. There are a number of reasons, but the most obvious is this: because the portfolio did not fall as much during the difficult times, there was less scope for a bounce once confidence recovered.

One way to illustrate what has happened is to consider the performance of Unilever's share price. During 2020 Unilever's business held up reasonably well – selling staple food, hygiene, and personal care products all around the world. As a result, Unilever's share price was something of a safe haven in the context of the UK stock market, actually delivering a modest capital gain in 2020. During the first quarter of 2021, though, Unilever's share price has fallen 7%, while the UK stock market is up over 5%. Suddenly its "defensive" qualities seem unattractive, when there are "recovery" stories to chase elsewhere. Looking at other dull performers in your portfolio during the first quarter of 2021 confirms this analysis. Heineken, Mondelez and even Fever-Tree all fell: their drinks and chocolate joining Unilever's soap and ice-cream in being out of favour with investors. These products just do not seem exciting investment propositions – at least for now. Of course, a look at the longer-term share price performance of these companies is a useful reminder that the sort of steady, predictable growth they offer is very valuable. All the holdings mentioned in this paragraph have done well for your portfolio over time and we hope will do so again. For instance, we think it significant that Unilever chose to increase its fourth and final quarterly dividend for 2020 by 8%, having held the previous three unchanged. Unilever cited a recent strong recovery in its sales in China and India as the justification for the dividend hike and if such sales trends continue we expect Unilever's business growth and share price will improve.

But there were other factors impinging on the Company's investment returns during the first quarter of 2021. The truth is several of our holdings are working through issues that have put a dampener on their share prices – temporary issues, we hope.

For instance, the portfolio was hit during the first quarter of 2021 by a 20% fall in the value of the biggest holding – the London Stock Exchange. To be fair, LSE did well as a business and share in 2020. Indeed, it hit an all-time high

REVIEWS

PORTFOLIO MANAGER'S REVIEW

in mid-February 2021, as investors cheered the eventual closing of its acquisition of Refinitiv. But travelling was better than arriving and the LSE's confirmation of heavy integration costs prompted what turned into a bout of profit taking. We still believe the new LSE Group will be a formidably profitable, growing and increasingly valuable business.

Elsewhere, we hoped Burberry would have a better year in 2021 after a difficult 2020 and this still seems possible. But recently Burberry's share price has been buffeted by geopolitics.

Rising trade tensions between China and the West put luxury companies like Burberry in an uncomfortable position – given the importance of Chinese consumers for them.

We also looked to RELX doing better as a share price in 2021 – given that 90% of its business is made up of growing digital products and services, but the shares remain flat to the end of the first quarter. This is largely because there are still few signs the other 10% of its business – its Exhibitions and Conference division – will soon return to former profitability.

We have had to be patient with our investment in Sage, as the company sacrifices short-term profitability to invest in its cloud software services. We think there are signs Sage's investment is paying off, but other investors evidently need more certainty.

Hargreaves Lansdown continues to trade well as a business – reporting record assets and customer numbers, and rising profits. But the shares remain close to lows of recent years, as share sales by its founders and the Woodford debacle keep investors cautious.

Even though sales at AG Barr, Diageo, Fever-Tree, Heineken and Remy held up quite well in 2020, there is no escaping the fact that every week bars and clubs remain closed in 2021, particularly across Europe, is another week of lost high profit margin revenue for beverage companies. We must hope that as the Spring and Summer sun begins to shine and party spirits revive their share prices will push on.

In short, as you can tell, there has been a lot for me and other shareholders to feel frustrated about over the last six months. It is an uncomfortable feeling when parts of the market we are not invested in are doing well. Or when longstanding and previously successful holdings are hit by profit-taking or their shares simply tread water. All investors will experience periods like this and during them it is important to understand what is causing the underperformance and then to judge whether change is required in a portfolio to improve its prospects.

In this case I do not believe change is required, or at most only marginal change. This is because your portfolio has been constructed to participate in what we expect will be three of the big money-making opportunities of the next decade and longer. Those three opportunities are Digital Products and Services, Luxury and Premium Consumer Brands and trusted Wealth Management Services. Digital technology is creating new wealth and that wealth will either be spent on aspirational products or be saved and reinvested into the markets. When I look at the Company's portfolio today I believe most of it is made up of companies that offer access to those opportunities, from the LSE and RELX, via Burberry and Diageo, to Hargreaves Lansdown and Schroders. If that is right, then our recent period of disappointing performance should prove temporary.

Nick Train

Director
Lindsell Train Limited
Portfolio Manager

7 May 2021

REVIEWS

INVESTMENT PORTFOLIO

as at 31 March 2021

INVESTMENTS	SECTOR	FAIR VALUE £'000	% OF INVESTMENTS
Diageo	Consumer Goods	203,929	10.5
RELX	Consumer Services	194,669	10.1
Unilever	Consumer Goods	172,502	8.9
London Stock Exchange Group	Financials	166,512	8.6
Mondelez International ¹	Consumer Goods	164,980	8.5
Schroders *	Financials	163,640	8.5
Burberry Group	Consumer Goods	152,146	7.9
Hargreaves Lansdown	Financials	118,156	6.1
Sage Group	Technology	100,987	5.2
Heineken ²	Consumer Goods	97,244	5.0
Top 10 Investments		1,534,765	79.3
Remy Cointreau ³	Consumer Goods	94,387	4.9
Daily Mail & General Trust (non-voting)	Consumer Services	51,450	2.7
Experian Group	Industrials	38,167	2.0
Pearson	Consumer Services	36,126	1.9
Fever-Tree Drinks	Consumer Goods	31,967	1.7
EuroMoney Institutional Investor	Consumer Services	26,516	1.4
Manchester United ¹	Consumer Services	25,954	1.3
Rathbone Brothers	Financials	24,402	1.3
A.G. Barr	Consumer Goods	21,952	1.1
Lindsell Train Investment Trust plc	Financials	14,200	0.7
Top 20 Investments		1,899,886	98.3
PZ Cussons	Consumer Goods	9,765	0.5
Young & Co Brewery (non voting)	Consumer Services	9,240	0.5
Fuller Smith & Turner	Consumer Services	6,020	0.3
Frostrow Capital LLP ^{4**}	Financials	5,100	0.2
Celtic ^{***}	Consumer Services	3,815	0.2
Total Investments		1,933,826	100.0

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

¹ Listed in the United States.

² Listed in the Netherlands.

³ Listed in France.

⁴ Unquoted.

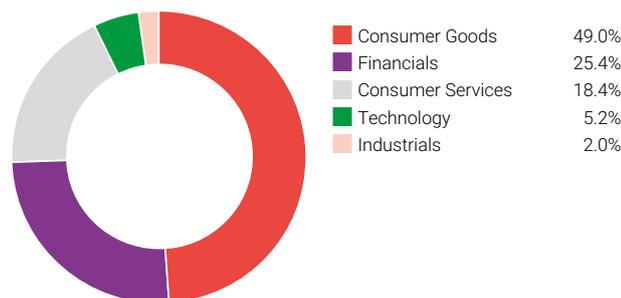
* Includes Schroder (non-voting) shares, fair value £11,180,000.

** Includes Frostrow Capital AIFM Investment, fair value £800,000.

*** Includes Celtic 6% cumulative convertible preference shares, fair value £239,000.

PORTFOLIO SECTOR WEIGHTINGS

as at 31 March 2021

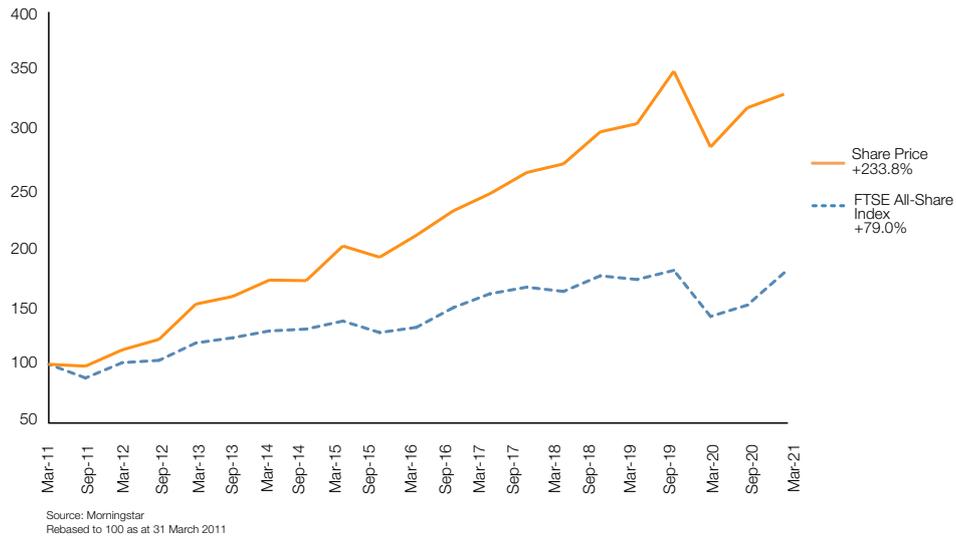


Source: Frostrow Capital LLP

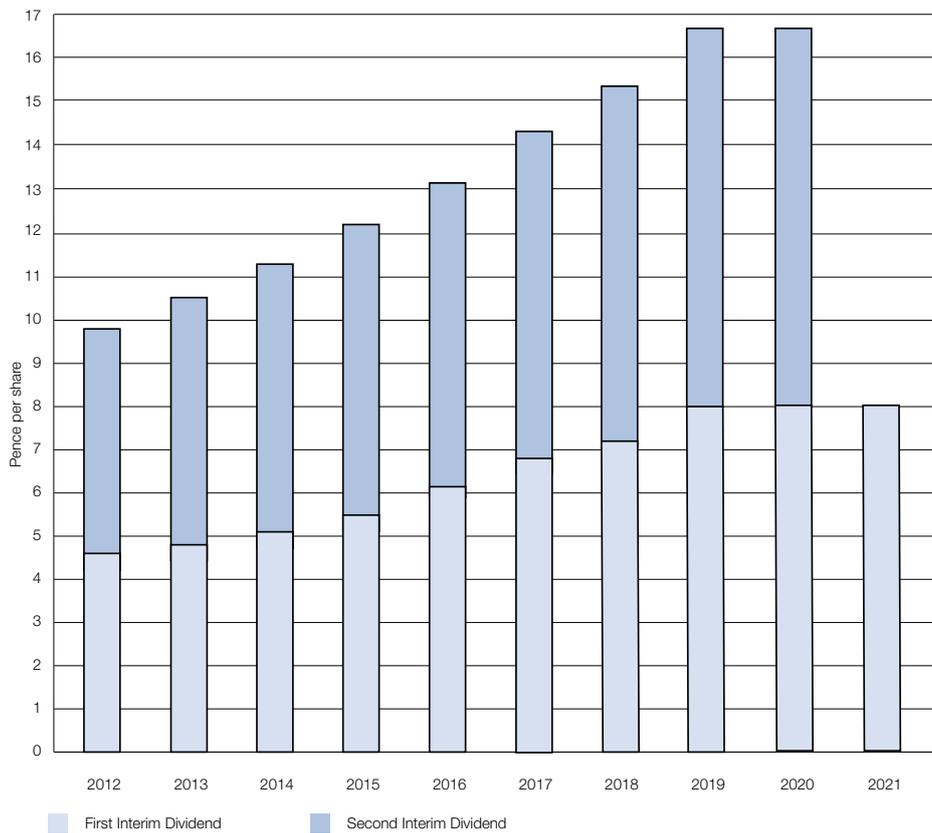
REVIEWS

TOTAL RETURN PERFORMANCE AND DIVIDEND RECORD

TEN YEAR TOTAL RETURN PERFORMANCE TO 31 MARCH 2021



TEN YEAR DIVIDEND RECORD



FINANCIAL STATEMENTS

INCOME STATEMENT

for the six months ended 31 March 2021

	(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2021			(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Gains/(losses) on investments at fair value through profit or loss	–	31,000	31,000	–	(367,580)	(367,580)
Currency translations	–	(20)	(20)	–	(40)	(40)
Income (note 2)	15,873	–	15,873	16,035	–	16,035
AIFM and Portfolio Management fees (note 3)	(1,794)	(3,643)	(5,437)	(1,697)	(3,446)	(5,143)
Other expenses	(482)	–	(482)	(650)	(20)	(670)
Return/(loss) on ordinary activities before finance charges and taxation	13,597	27,337	40,934	13,688	(371,086)	(357,398)
Finance charges	(67)	(135)	(202)	(111)	(226)	(337)
Return/(loss) on ordinary activities before taxation	13,530	27,202	40,732	13,577	(371,312)	(357,735)
Taxation on ordinary activities	(265)	–	(265)	(252)	–	(252)
Return/(loss) on ordinary activities after taxation	13,265	27,202	40,467	13,325	(371,312)	(357,987)
Return/(loss) per share – basic and diluted (note 4)	6.0p	12.2p	18.2p	6.5p	(180.9)p	(174.4)p

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.

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

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2021

(Unaudited) Six months ended 31 March 2021	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL SHAREHOLDERS FUNDS £'000
At 1 October 2020	54,438	1,039,510	3,453	699,693	45,436	1,842,530
Net return from ordinary activities	–	–	–	27,202	13,265	40,467
Second interim dividend (8.6p per share) for the year ended 30 September 2020	–	–	–	–	(18,727)	(18,727)
Issue of shares	1,517	50,067	–	–	–	51,584
At 31 March 2021	55,955	1,089,577	3,453	726,895	39,974	1,915,854

(Unaudited) Six months ended 31 March 2020	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL SHAREHOLDERS FUNDS £'000
At 30 September 2019	50,203	904,320	3,453	875,981	44,803	1,878,760
Net (loss)/return from ordinary activities	–	–	–	(371,312)	13,325	(357,987)
Second interim dividend (8.6p per share) for the year ended 30 September 2019	–	–	–	–	(17,297)	(17,297)
Issue of shares	2,584	84,744	–	–	–	87,328
Repurchase of Shares into treasury	–	–	–	(3,394)	–	(3,394)
Sale of Shares from treasury	–	90	–	3,368	–	3,458
At 31 March 2020	52,787	989,154	3,453	504,643	40,831	1,590,868

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	(UNAUDITED) 31 MARCH 2021 £'000	(AUDITED) 30 SEPTEMBER 2020 £'000
Fixed assets		
Investments designated at fair value through profit or loss (note 1)	1,933,826	1,851,588
Current assets		
Debtors	7,685	8,277
Cash and cash equivalents	12,207	20,440
	19,892	28,717
Current liabilities		
Creditors: amounts falling due within one year	(1,164)	(1,075)
Net current assets	18,728	27,642
Total assets less current liabilities	1,952,554	1,879,230
Creditors: amounts falling due after one year		
Bank loan	(36,700)	(36,700)
Net assets	1,915,854	1,842,530
Capital and reserves		
Called up share capital	55,955	54,438
Share premium account	1,089,577	1,039,510
Capital redemption reserve	3,453	3,453
Capital reserve	726,895	699,693
Revenue reserve	39,974	45,436
Total shareholders' funds	1,915,854	1,842,530
Net asset value per share – (note 5)	856.0p	846.2p

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

for the six months ended 31 March 2021

	(UNAUDITED) 31 MARCH 2021 £'000	(UNAUDITED) 31 MARCH 2020 £'000
Net cash inflow from operating activities before interest (note 7)	10,319	8,468
Interest paid	(151)	(507)
Net cash inflow from operating activities	10,168	7,961
Investing activities		
Purchase of investments	(55,894)	(88,771)
Sale of investments	4,656	1,132
Net cash outflow from investing activities	(51,238)	(87,639)
Financing activities		
Equity dividends paid	(18,727)	(17,297)
Shares issued	51,584	88,533
Repurchase of Shares into Treasury	–	(3,394)
Sale of Shares from Treasury	–	3,458
Net cash inflow from financing activities	32,857	71,300
Decrease in cash and cash equivalents	(8,213)	(8,378)
Currency translations	(20)	(40)
Cash and cash equivalents at 1 October	20,440	22,379
Cash and cash equivalents at 31 March	12,207	13,961

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed Financial Statements for the six months to 31 March 2021 have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with FRS 104 'Interim Financial Reporting' and with the AIC's Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts dated April 2021 and the Companies Act 2006.

The accounting policies used for the year ended 30 September 2020 have been applied.

Fair Value

Under FRS 102 and FRS 104 investments have been classified using the following fair value hierarchy:

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:

AS AT 31 MARCH 2021	(UNAUDITED) AS AT 31 MARCH 2021			
	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Equity investments	1,928,487	–	–	1,928,487
Limited liability partnership interest (Frostrow)	–	–	4,300	4,300
AIFM Capital contribution (Frostrow)	–	–	800	800
Preference share investments	239	–	–	239
	1,928,726	–	5,100	1,933,826

AS AT 30 SEPTEMBER 2020	(AUDITED) AS AT 30 SEPTEMBER 2020			
	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Equity investments	1,847,392	–	–	1,847,392
Limited liability partnership interest (Frostrow)	–	–	3,200	3,200
AIFM Capital contribution (Frostrow)	–	–	750	750
Preference share investments	246	–	–	246
	1,847,638	–	3,950	1,851,588

2. INCOME

	(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2021 £'000	(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2020 £'000
Income from investments		
UK listed dividends	13,915	14,177
Overseas dividends	1,924	1,828
Limited liability partnership – priority profit-share on AIFM capital contribution	34	30
Total income	15,873	16,035

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

3. AIFM AND PORTFOLIO MANAGEMENT FEES

	(UNAUDITED) SIX MONTHS TO 31 MARCH			(UNAUDITED) SIX MONTHS TO 31 MARCH		
	REVENUE £'000	CAPITAL £'000	2021 TOTAL £'000	REVENUE £'000	CAPITAL £'000	2020 TOTAL £'000
AIFM fee	448	911	1,359	424	862	1,286
Portfolio management fee	1,346	2,732	4,078	1,273	2,584	3,857
Total fees	1,794	3,643	5,437	1,697	3,446	5,143

4. RETURN/(LOSS) PER SHARE – BASIC AND DILUTED

	(UNAUDITED) SIX MONTHS TO 31 MARCH 2021 £'000	(UNAUDITED) SIX MONTHS TO 31 MARCH 2020 £'000
The return/(loss) per share is based on the following figures:		
Revenue return	13,265	13,325
Capital return/(loss)	27,202	(371,312)
Total return/(loss)	40,467	(357,987)
Weighted average number of shares		
in issue for the period	221,896,250	205,307,145
Revenue return per share	6.0p	6.5p
Capital return/(loss) per share	12.2p	(180.9)p
Total return/(loss) per share	18.2p	(174.4)p

The calculation of the total, revenue and capital returns/(loss) per ordinary share is carried out in accordance with IAS 33, "Earnings per Share (as adopted in the EU)".

During the period there were no dilutive instruments held, therefore the basic and diluted return/(loss) per share are the same.

5. NET ASSET VALUE PER SHARE

	(UNAUDITED) AS AT 31 MARCH 2021	(AUDITED) AS AT 30 SEPTEMBER 2020
Net Assets (£'000)	1,915,854	1,842,530
Number of shares in issue	223,821,303	217,751,303
Net asset value per share	856.0p	846.2p

6. TRANSACTION COSTS

Purchase transaction costs for the six months ended 31 March 2021 were £160,000 (six months ended 31 March 2020: £351,000). These comprise stamp duty costs of £136,000 (31 March 2020: £314,000) and commission of £24,000 (31 March 2020: £37,000).

Sales transaction costs for the six months ended 31 March 2021 were £1,000 (six months ended 31 March 2020: Nil). These comprise solely commission.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

7. RECONCILIATION OF TOTAL RETURN/(LOSS) BEFORE FINANCE COSTS AND TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2021 £'000	(UNAUDITED) SIX MONTHS ENDED 31 MARCH 2020 £'000
Total return/(loss) before finance charges and taxation	40,934	(357,398)
(Deduct)/add: capital (return)/loss before finance charges and taxation	(27,337)	371,086
Net revenue before finance costs and taxation	13,597	13,688
Decrease/(increase) in accrued income and prepayments	745	(1,317)
Increase/(decrease) in creditors	38	(187)
Taxation – irrecoverable overseas tax paid	(418)	(250)
AIFM and Portfolio management fees charged to capital	(3,643)	(3,446)
Other expenses charged to capital	–	(20)
Net cash inflow from operating activities	10,319	8,468

8. GOING CONCERN

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, as well as the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. In addition, there are no material uncertainties relating to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half year financial report. For these reasons, the Directors consider there is reasonable evidence to continue to adopt the going concern basis in preparing the Financial Statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

9. 2020 ACCOUNTS

The figures and financial information for the year to 30 September 2020 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

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

GOVERNANCE

INTERIM MANAGEMENT REPORT

INTERIM MANAGEMENT REPORT

The Directors are required to provide an Interim Management Report in accordance with the UK Listing Authority's Disclosure and Transparency Rules. They consider that the Chairman's Statement and the Portfolio Manager's Report, the following statements and the Directors' Responsibility Statement below together constitute the Interim Management Report for the Company for the six months ended 31 March 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

A review of the half year and the outlook for the Company can be found in the Chairman's Statement and in the Portfolio Manager's Review. The principal risks faced by the Company fall into the following broad categories:

- Corporate Strategy
- Investment Strategy and Activity
- Shareholder Relations and Governance
- Operational
- Financial and Accounting
- Legal and Regulatory

Information on each of these areas is given in the Strategic Report/Business Review within the Annual Report and Accounts for the year ended 30 September 2020. The principal risks and uncertainties have not changed since the date of that report.

The Board and Portfolio Manager continue to review the portfolio for the potential impact of the pandemic. The business continuity arrangements of the Portfolio Manager, AIFM and other third party service providers have proven robust with operations continuing largely as normal.

RELATED PARTY TRANSACTIONS

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

DIRECTORS' RESPONSIBILITIES

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

- (i) the condensed set of financial statements contained within the Half Year Report have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice standards; and
- (ii) the interim management report includes a true and fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year;
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

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

This Half Year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

The Half Year Report was approved by the Board on 7 May 2021 and the above responsibility statement was signed on its behalf by:

Simon Hayes
Chairman

FURTHER INFORMATION

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ("APM")

ACTIVE SHARE

Active Share is expressed as a percentage and shows the extent to which a fund's holdings and their weightings differ from those of the fund's benchmark index. A fund that closely tracks its index might have a low Active Share of less than 20% and be considered passive, while a fund with an Active Share of 60% or higher is generally considered to be actively managed.

AIC

The Association of Investment Companies.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (AIFMD)

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

ALTERNATIVE PERFORMANCE MEASURE (APM)

An Alternative Performance Measure (APM) is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors and believe that each APM gives the reader useful and relevant information in judging the Company's performance and in comparing other Investment Companies.

BENCHMARK RETURN

Total return on the benchmark, 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 (APM)

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.

	PAGE	31 MARCH 2021	30 SEPTEMBER 2020
Share Price (p)	3	862.0	840.0
Net Asset value per share (p)	3	856.0	846.2
Premium/(discount) of share price to net asset value per share	3	0.7%	(0.7%)

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GEARING (APM)

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	31 MARCH 2021 £'000	30 SEPTEMBER 2020 £'000
Prior Charges	11	(36,700)	(36,700)
Net Current Assets	11	18,728	27,642
Net Debt		(17,972)	(9,058)
Net Assets	11	1,915,854	1,842,530
Gearing	3	0.9%	0.5%

NET ASSET VALUE (NAV)

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

NET ASSET VALUE TOTAL RETURN PER SHARE (APM)

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.

	PAGE	31 MARCH 2021	30 SEPTEMBER 2020
Opening NAV per share (p)	3	846.2	935.6
Increase/(decrease) in NAV per share (p)		9.8	(89.4)
Closing NAV per share (p)	3	856.0	846.2
% Increase/(decrease) in NAV	3	1.2%	(9.6%)
% Impact of dividends re-invested*		1.0%	1.9%
NAV per share total return (p)	3	2.2%	(7.7%)

* Total dividends paid during the period of 8.6p (2020: 16.6p paid during the 2020 financial year) were re-invested at the cum income NAV per share at the ex-dividend date.

The source is Morningstar which has calculated the return on an industry comparative basis.

FURTHER INFORMATION

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ("APM")

ONGOING CHARGES (APM)

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.

		31 MARCH 2021 £'000	30 SEPTEMBER 2020 £'000
	PAGE		
AIFM and Portfolio management fees		10,924*	10,245
Operating Expenses		1,198	1,213
Total Expenses		12,122	11,458
Average Net Assets during the period/year		1,899,015	1,779,936
Ongoing Charges	3	0.6%	0.6%

* Estimated expenses for the year ending 30 September 2021, based on the asset size as at 31 March 2021.

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 period/year.

SHARE PRICE TOTAL RETURN (APM)

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	31 MARCH 2021	30 SEPTEMBER 2020
Opening share price (p)	3	840.0	942.0
Increase/(decrease) in share price (p)		22.0	(102.0)
Closing share price (p)	3	862.0	840.0
% Increase/(decrease) in share price	3	2.6%	(10.8%)
% Impact of dividends re-invested*		1.1%	1.8%
Share price total return	3	3.7%	(9.0%)

* Total dividends paid during the period of 8.6p (2020: 16.6p paid during the 2020 financial year) were re-invested at the share price at the ex-dividend date. The source is Morningstar which has 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).

SHAREHOLDER SERVICES

Link Group (a trading name of Link Market Services Limited and Link Market Services Trustees Limited) may be able to provide you with a range of services relating to your shareholding. To learn more about the services available to you please visit the shareholder portal at www.signalshares.com or call +44 (0) 371 664 0300.

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08:00 - 17:30, 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.

FURTHER INFORMATION

COMPANY INFORMATION

Directors

Simon Hayes (Chairman)
James Ashton
Kate Cornish-Bowden
Sandra Kelly (Chair of the Audit Committee and Senior Independent Director)
Lorna Tilbian

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

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.

Daily Net Asset Value per share

The daily net asset value per share 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

Incorporated in Scotland with company no. SC013958 and registered as an investment company under Section 833 of the Companies Act 2006.

AIFM, Company Secretary and Administrator

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 020 3 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

Portfolio Manager

Lindsell Train Limited
3rd Floor,
66 Buckingham Gate,
London SW1E 6AU
Telephone: 020 7 808 1225
Website: www.lindselltrain.com
Authorised and regulated by the Financial Conduct Authority.

Independent Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Depository

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Global Custodian

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

Registrars

If you have any queries in relation to your shareholding please contact:
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

email: enquiries@linkgroup.co.uk;
telephone +44 (0)371 664 0300;
Website: www.linkgroup.eu

+ Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Shareholder Portal

You can register online to view your holdings using the Share Portal, a service offered by Link Group at www.signalshares.com.

The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access to your shareholding details.

Through the Share Portal you may:

- Cast your proxy vote online;
- View your holding balance and get an indicative valuation;
- View movements on your holding;
- View the dividend payments you have received;
- Update your address;
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account;
- Elect to receive shareholder communications electronically; and
- Access a wide range of shareholder information including the ability to download shareholder forms

Corporate Broker

Winterflood Securities Limited
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 (LEI)
213800NN4ZKX2LGIGQ40

Global Intermediary Identification Number (GIIN)

QH4BH0.99999.SL.826

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 Group, 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.

WARNING TO SHAREHOLDERS – BEWARE OF SHARE FRAUD

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from fca.org.uk to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ("FCA") on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at fca.org.uk/scams where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.



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The Association of
Investment Companies

A member of the Association of Investment Companies

Winner

- FT Adviser Investment 100 Club 2020. Category: UK Equity Income
- Investment Week, Investment Trust of the Year Awards 2019. Category: UK Income
- Citywire Investment Trust Awards 2019, Category: UK Equity Income
- AJ Bell Fund & Investment Trust Awards 2019, Category: UK Equity – Active
- Money Observer Trust Awards 2019, Category: Best UK Income Trust
- AJ Bell Online Person Wealth Awards 2019, Category: Best Investment Trust for Income