Finsbury Growth & Income Trust PLC Annual Report for the year ended 30 September 2013

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Annual Report for the year ended 30 September 2013

Frostrow Capital

Lindsell Train

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Finsbury Growth & Income Trust PLC

Financial Calendar

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

Keep up to date with Finsbury Growth & Income Trust PLC

For more information about
Finsbury Growth & Income Trust PLC
visit the website at

www.finsburygt.com

Financial Highlights

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

The Company was incorporated in Scotland on 15 January 1926. Lindsell Train was appointed as Investment Manager on 11 December 2000 and since that date to 30 September 2013 the total return of the Company's net asset value per share has been 193.0%*, equivalent to a compound annual return of 8.8%*. This compares to a total return of 74.5%* in the Company's benchmark, equivalent to a compound annual return of 4.5%*.

*Source: Morningstar, FTSE International Limited ("FTSE")©FTSE 2013

Financial Highlights

Share price total return
+30.5%
2012 +23.6%

Net asset value per share total return
+31.6%
2012 +21.1%

FTSE All-Share Index (total return)
+18.9%
2012 +17.3%

Share price
479.0p
2012 376.0p
+27.4%

Net asset value per share
476.1p
2012 370.7p
+28.4%

Dividends for the year
10.5p
2012 9.8p
+7.1%

Source: Morningstar, FTSE International Limited ("FTSE")©FTSE 2013

Financial Summary and Key Data

	As at 30 September 2013	As at 30 September 2012	% Change
Share price	479.0p	376.0p	+27.4
Net asset value per share	476.1p	370.7p	+28.4
Premium of share price to net asset value per share	0.6%	1.4%	–
Gearing*	3.6%	5.1%	–
Shareholders' funds	£395.8m	£254.2m	+55.7
Number of shares in issue	83,136,557	68,568,381	+21.2

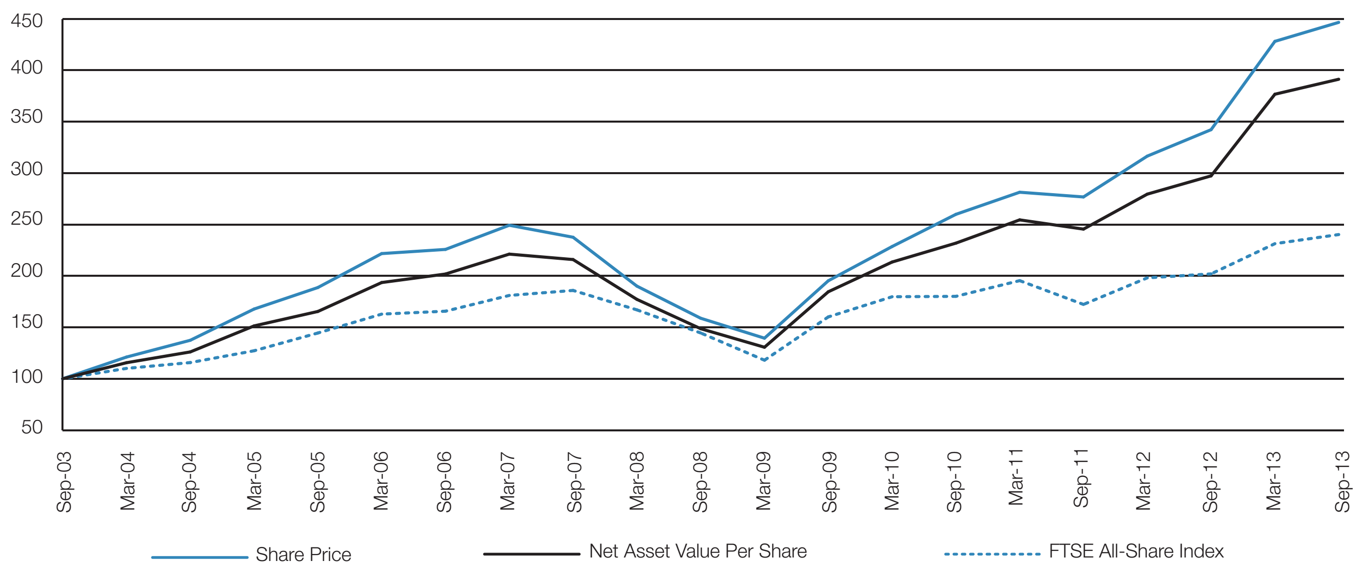
	Year ended 30 September 2013	Year ended 30 September 2012	
Share price (total return)#	+30.5%	+23.6%	
Net asset value per share total return#	+31.6%	+21.1%	
FTSE All-Share Index (total return) (Company benchmark)# +	+18.9%	+17.3%	
Ongoing charges*	0.8%	0.9%	

Dividends per share			
First interim dividend	4.8p	4.6p	
Second interim dividend	5.7p	5.2p	
	10.5p	9.8p	+7.1

Details of the Company's dividend record can be found on page 7.

#Source – Morningstar
+Source – FTSE International Limited ("FTSE")©FTSE 2013*
*See glossary on page 62

Ten Year Total Return Performance to 30 September 2013



Source: Morningstar
Rebased to 100 as at 30 September 2003

Chairman's Statement

"...the Company's net asset value total return and share price total return have again significantly outperformed the Company's benchmark during the year"

Performance

I am delighted to report that the Company's net asset value total return for the year of 31.6% (2012: 21.1%) and the share price total return of 30.5% (2012: 23.6%) have again both significantly outperformed the Company's benchmark, the FTSE All-Share Index, measured on a total return basis, which rose by 18.9% over the same period (2012: 17.3%). The principal contributions to net asset value performance came from our major holdings in Schroders, London Stock Exchange and Heineken.

The Company's continued strong performance and the resulting demand for its shares has caused them to trade at a premium to the cum income net asset value per share consistently throughout the year. The share price ended the year standing at a 0.6% premium to net asset value per share which compares to a premium as at 30 September 2012 of 1.4%.

It is also particularly pleasing to note that our Investment Manager's strategy has delivered excellent returns over the last ten years with £1,000 invested ten years ago now being worth approximately £4,466. This compares to approximately £2,400 from the Company's benchmark index, the FTSE All-Share Index.

Share Capital

Consistent demand for the Company's shares led to the issue of a total of 14,568,176 new shares during the year raising £63.8 million. This demand necessitated the holding of a General Meeting in July 2013 where shareholder authority was obtained to issue 8.1 million shares on a non-pre-emptive basis at prices not less than the prevailing cum income net asset value per share. It is proposed to renew this authority at the Company's Annual General Meeting to be held in January 2014. The Company's most recent prospectus dated 12 December 2012 is also being renewed in order that your Company is able to continue to issue shares in accordance with the Prospectus Directive.

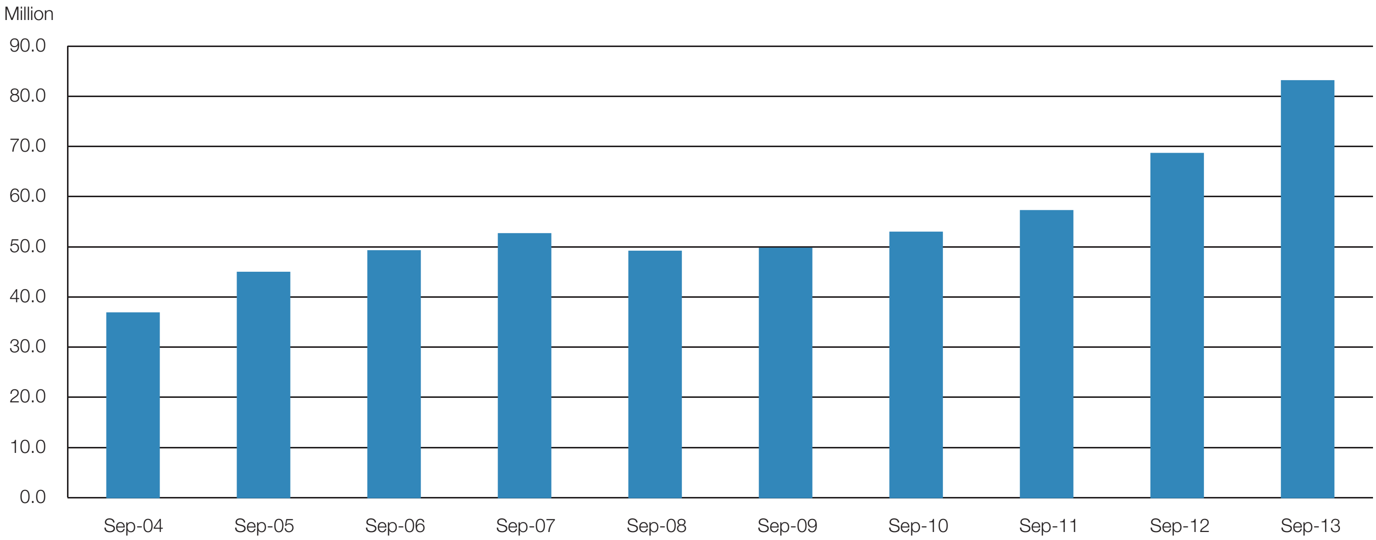
The chart below shows the number of shares in issue (excluding treasury shares) at each Company year-end from 2004, the year that the Board introduced the Company's discount control mechanism.

From questions asked at previous Annual General Meetings it is apparent that while shareholders appreciate the fact that we operate an active discount control mechanism it is not entirely clear to many of them precisely how it works. For those who would like to know more there is a detailed explanation of how we operate our scheme on page 5.

Return and Dividend

The Income Statement shows a total return per share of 112.1 pence per share (year ended 30 September 2012: 68.8 pence) consisting of a revenue return per share of 12.7 pence (year ended 30 September 2012: 10.8 pence) and a capital return per share of 99.4 pence (year ended 30 September 2012: 58.0 pence).

Number of Shares in Issue (excluding Treasury Shares)



Source: Frostrow Capital LLP

Chairman's Statement - continued

I am pleased to report that the Company's net revenue return during the year was again higher than the previous year and your Board has declared two interim dividends for the year totaling 10.5 pence per share (year ended 30 September 2012: 9.8 pence) an increase of 7.1%. This is in line with the Board's long-term objective of a progressive dividend policy.

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. We have considered the possibility of moving to quarterly dividends, but the majority of our investments still pay only two dividends a year so we do not believe it would be cost effective. We will keep it under review.

Borrowings

Gearing continues to be an important part of your Company's strategy. The Company's two year £25 million loan facility with Scotiabank Europe expired on 4 October 2013 and was renewed for a further three years on improved terms. The new facility is for £30 million with the ability to draw down a further £20 million if required. As at the date of this report £20.8 million has been drawn down under this facility.

The Board

It was with great regret that the Board had to announce earlier this year the sudden and totally unexpected death of their highly respected colleague Giles Warman on 24 May 2013. His experience and wise counsel will be greatly missed. A tribute to Giles can be found on page 17 of this Annual Report.

In accordance with our policy of all Directors standing for re-election annually, you will find the appropriate resolutions in the notice of the Annual General Meeting beginning on page 55.

You can also find a personal view from me on board composition and why we are recommending the re-appointment of all our Directors beginning on page 18.

Regulatory

The Board intends to achieve compliance with the Alternative Investment Fund Managers Directive (the 'Directive') by 22 July 2014. The Board, together with its advisers, is currently reviewing the options open to the Company and will ensure that all documentation and arrangements to enable the Company to comply with the Directive are in place well in advance of the deadline.

The Company has complied with the new company reporting regulations which have necessitated making a number of significant changes to this Annual Report. Your Board hopes that the changes that have been made will make this document both easier to read and provide a better understanding of the Company and its strategy.

Outlook

There are signs that global markets are entering a recovery phase although not without periods of volatility and, in the UK, despite the continued existence of strong headwinds, there is evidence that the outlook for the economy appears better than at any time since the onset of the financial crisis.

Your Board continues to support fully our Investment Manager's 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 investment returns to shareholders over the longer term.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday, 29 January 2014 at 12 noon, and we hope as many shareholders as possible will attend. This will be an opportunity to meet with the Board and to receive a presentation from our Investment Manager.

Anthony Townsend
Chairman

12 December 2013

How our Discount Control Mechanism works

Shareholders in the Company will know that the principal difference between investment trusts and the other most common collective investment vehicles, unit trusts and open ended investment companies ("OEICs"), is that

- to participate in unit trusts and OEICs, investors apply to the fund managers for new units or shares. These are normally issued and redeemed at or near to net asset value per share ("NAV"), whereas
- to participate in an investment trust requires the purchase or sale of the shares in that trust through the stock market.

The shares in an investment trust usually trade at a price closely linked to its NAV, but they seldom if ever trade at exactly the NAV, or at "par" as it is known. Historically the great majority of investment trusts have traded at a discount to NAV, often well into double digits, although there are a select few, usually specialist, trusts that trade at a premium.

There are some investors who find the ability to buy stock in investment trusts at a discount attractive, although they are rarely so enthusiastic if they have to sell at a discount. However, your Directors believe that it is in the best interests of all our shareholders (whether buying, holding or selling) that the Company's shares trade at a price as close to NAV as possible.

The level of discount, or premium, at which investment trust shares trade is very substantially affected by the law of supply and demand; put simply a much sought-after share rarely trades at a significant discount and may even trade at a premium, whereas out of favour shares often move to material discounts.

In an effort to try to eliminate discount volatility, your Directors introduced a discount control mechanism ("DCM") in 2004. Under our DCM, we will normally buy in the Company's shares being offered on the stock market whenever the discount reaches a level of 5% or more and then hold those shares in "treasury". Shares held by a company in treasury are, for accounting purposes, effectively eliminated but, legally and for Stock Exchange purposes, they continue to exist, which means they can later be sold back to the market if conditions permit.

In recent years the Company's successful performance has generated substantial investor interest, which in the absence of the other side of our DCM could have led to our shares moving to a significant premium to NAV. Your Directors consider that limiting the premium is just as important as limiting the discount; no-one likes to pay over the odds for an investment! The other side of our DCM is therefore that whenever there are unsatisfied buying orders for our shares in the market, we issue new shares at a small premium to NAV. This ensures that there is no asset dilution to our existing shareholders, but stops the market price going to a significant and possibly unsustainable premium. We do therefore effectively become a market maker in our own shares and you can see from the chart on page three how successful that has been.

These two sides of our DCM are widely to be found elsewhere in the investment trust sector, but there is a third aspect to ours that is rare. I explained above that shares held in treasury continue to exist legally and can be re-sold, but in most cases shareholders will only permit that if they are re-sold at NAV or higher. For many years we have sought and obtained the authority of our shareholders to re-sell shares held in treasury at a discount to NAV, provided that any sale is at a narrower discount to NAV than that prevailing when the shares were bought in. The round trip of buying them in and then selling them out again at a finer discount is always asset-accretive to shareholders, but it is the increased liquidity that this arrangement permits that is the real benefit.

We have not had to use this power for many years, but there was a point some years ago where it was very useful to us in helping us place a large holding of shares in the Company that was too large for the market to digest in one go. We therefore bought part of that holding into treasury and then sold the shares out to the market over the next few months in smaller parcels at a finer discount. The whole operation was a great success and we are therefore very keen to keep this power in our DCM armoury.

It is Resolutions 10, 11, 12 & 13 in the Notice of Annual General Meeting beginning on page 55 that enable us to operate what we consider to have been a very effective DCM in recent years and we strongly recommend that shareholders therefore vote in favour of those resolutions in order to continue it.

Anthony Townsend
Chairman

12 December 2013

Strategic Report

We aim 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 Strategy

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 worldwide. Where possible, a minimum position size of 1% of the Company's gross assets is held unless the holding concerned is being built or disposed of.

The portfolio will normally comprise approximately 30 investments. Unless driven by market movements, securities in FTSE 100 companies, and comparable companies listed on 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.

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, investments being selected only after extensive research by the Investment Manager. The Investment Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent listed businesses that appear undervalued.

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.

No investment will be made in any company or fund managed by the Investment Manager without the prior approval of the Board.

The Company's gearing policy is that gearing will not exceed 25% of the Company's net assets. In normal market conditions it is expected that the level of gearing will be between 5% and 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 Investment Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities or to maintain liquidity.

Business Model

The Company has no employees and all of its Directors are non-executive. The Company delegates its day-to-day activities to third parties. The Company has appointed Lindsell Train Limited as Investment Manager and Frostrow Capital LLP as Manager, Company Secretary and Administrator.

Lindsell Train was appointed Investment Manager to the Company in December 2000. Lindsell Train has given Mr Nick Train responsibility for managing the Company's portfolio. Mr Train was previously head of Global Equities at M&G PLC and head of Pan-European Equities at GT Management PLC. Mr Train has managed money in the UK equity market since 1983, including the top decile performer GT Income Fund (1985-1998). Lindsell Train is authorised and regulated by the Financial Conduct Authority.

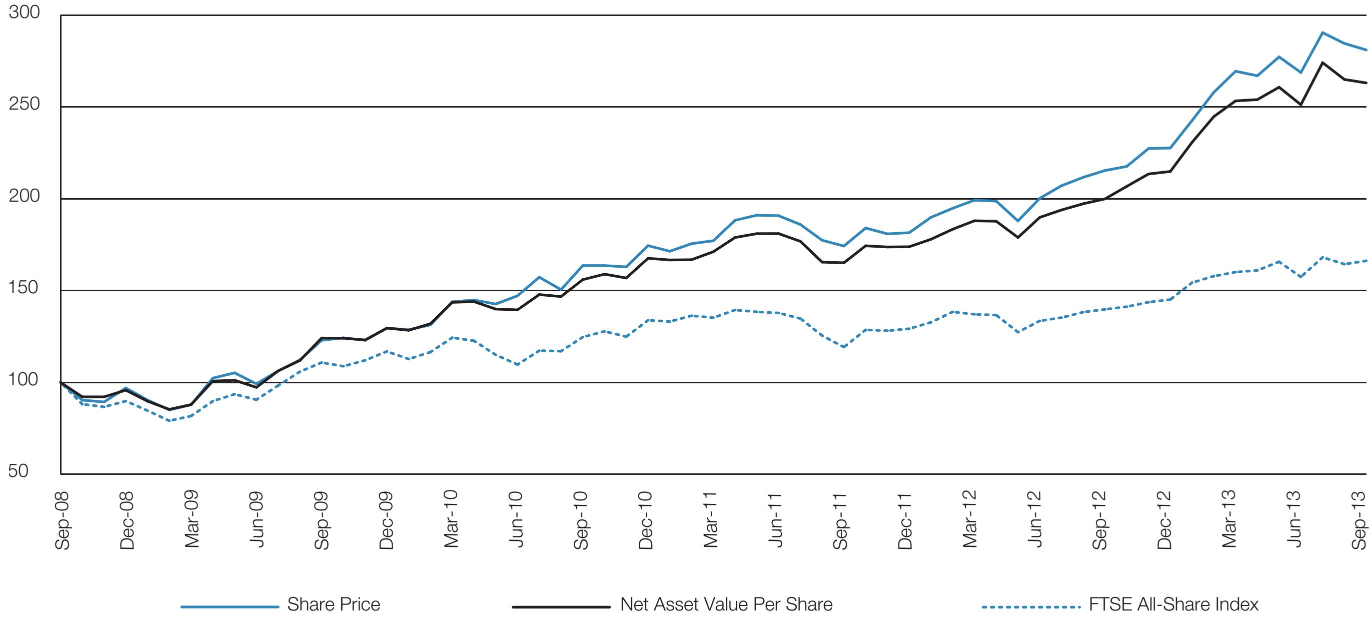
Frostrow Capital is responsible for providing company secretarial, administrative, accounting and marketing services to the Company. Frostrow was established in 2007 to provide specialist management, company secretarial, administration and marketing services to investment companies. Frostrow is authorised and regulated by the Financial Conduct Authority.

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, dividend policy, share issuance and buy back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

Strategic Report - continued

Performance

Five Year Total Return Performance to 30 September 2013



Source: Morningstar
Rebased to 100 at 30 September 2008

Five Year Performance Summary

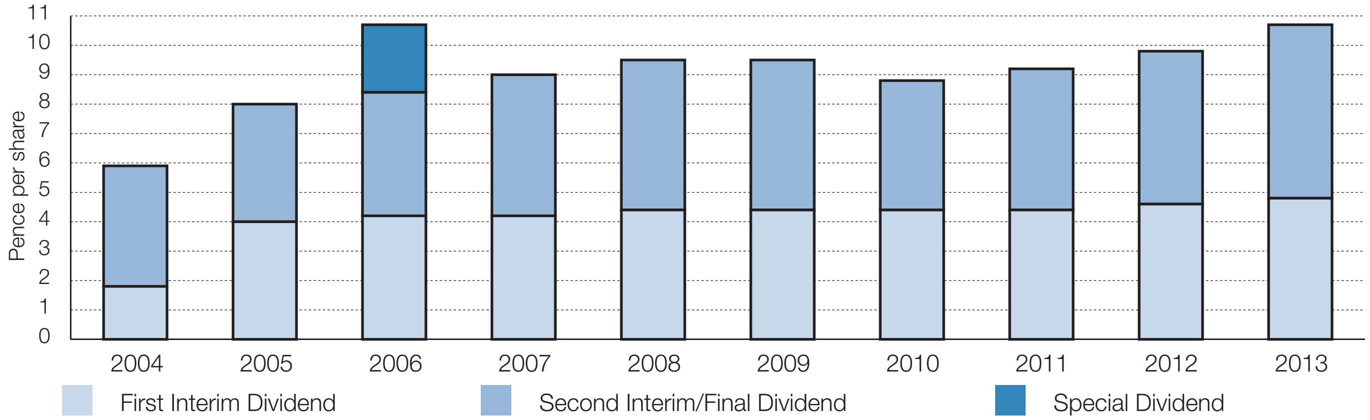
	30 Sep 2009	30 Sep 2010	30 Sep 2011	30 Sep 2012	30 Sep 2013
Share price	231.0p	297.8p	308.1p	376.0p	479.0p
Share price total return*	+22.9%	+33.1%	+6.5%	+23.6%	+30.5%
Net asset value per share	249.0p	301.4p	310.3p	370.7p	476.1p
Net asset value per share (total return)*	+24.0%	+25.6%	+5.8%	+21.1%	+31.6%
FTSE All-Share Index (total return)**	+10.8%	+12.5%	(4.4)%	+17.3%	+18.9%
Revenue return per share (see note 7 on page 46)	9.1p	8.5p	9.7p	10.8p	12.7p

*Source: Morningstar

**†Source: FTSE International Limited ("FTSE")©FTSE 2013

†See glossary on page 62

Dividend Record



Source: Frostrow Capital LLP

Strategic Report - continued

Contribution to Total Return

For the year ended 30 September 2013

Investment	Total Return £'000	Contribution per share (pence)*
Equities		
Schroders	9,948	13.1
London Stock Exchange	7,648	10.1
Heineken	7,128	9.4
Daily Mail & General Trust (A Shares)	6,836	9.0
Hargreaves Lansdown	6,194	8.1
Reed Elsevier	5,746	7.6
Fidessa	5,064	6.7
Diageo	4,815	6.3
Burberry Group	4,405	5.8
Greene King	3,880	5.1
A.G Barr	3,838	5.1
Euromoney Institutional Investor	3,711	4.9
Rathbone Brothers	2,696	3.5
Unilever	2,667	3.5
Marston's	2,607	3.4
Kraft Foods Group#	2,268	3.0
Pearson	2,156	2.8
Thomson Reuters	1,731	2.3
Young & Co's Brewery	1,712	2.3
Fuller Smith & Turner	1,391	1.8
Sage Group	966	1.3
The Lindsell Train Investment Trust	743	1.0
Celtic	462	0.6
Dr Pepper Snapple	23	0.0
Mondelez International#	(529)	(0.7)
	88,106	**116.0**
Preference shares (franked income)		
Celtic 6% (cumulative convertible preference)	15	0.0
	15	**0.0**
Unquoted		
Frostrow Capital LLP	318	0.4
Total contribution after the deduction of withholding taxation	**88,439**	**116.4**
Other operating expenses & finance charges	(3,232)	(4.3)
Total contribution for the year	**85,207**	**112.1**

*Based on 75,974,098 shares, being the weighted average number of shares in issue during the year ended 30 September 2013.

#On 2 October 2012, Kraft Foods Inc.changed its name to Mondelez International and also completed the spin-off of its North American business by issuing one new share in Kraft Foods Group for every three shares held in Mondelez International.

Strategic Report - continued

Investment Manager's Review

"Locking into that observed propensity for wonderful businesses to compound wealth for their owners is at the heart of our approach"

Dr Samuel Johnson is a great hero of mine and this report is inspired by one of his many memorable flashes of wisdom. He wrote:

"Men more frequently require to be reminded than taught."

After 32 years as a professional investor and coming up to 13 of those managing the investment affairs of your Company, I find myself acknowledging the truth of Johnson's statement. Everyone who faces the intellectual and emotional challenges of the capital markets needs to keep learning – and for me of late it's been grappling with the implications of cloud computing. But despite this I know that I benefit just as much from a periodic revisiting of the longstanding principles that Lindsell Train uses to run clients' equity capital. Reminding ourselves of those principles keeps us on the straight and narrow.

So below I review the ideas that shape your Company's portfolio. I'll introduce each one with a quote or comment that has proven influential to the development of our thinking.

1. "If you want different investment performance you must invest differently." Sir John Templeton

This is an unpalatable, but incontrovertible truth. If you want different performance – for which I suppose read "better performance" – then you have to do something that others don't. We hope shareholders are happy with the "different" performance we have been able to deliver for them since 2001. But they mustn't ever lose sight of the risks that we've had to take to achieve that return – we certainly don't. The portfolio has at times performed very differently from its FTSE All-Share benchmark and will do so again, for good or for ill, in the future.

Perhaps the most obvious difference about our approach is the unusually long time horizon we work with, as measured by levels of portfolio turnover. Last year turnover for the Company's portfolio was under 3%, which means that the average annual turnover since our appointment is less than 6%. We expect that the typical UK Equity OEIC will experience annual turnover of closer to 100%. We think it's helpful – though not strictly scientific – to say if a given portfolio turnover is 100% in a year that implies the investment manager is taking on average a one year time horizon for each holding. By contrast, at less than 6% pa, – as it is for Finsbury – the implication is that each position will be held for 17 years or longer. And consistent with that, note that many of our holdings are 13 years old and counting. The one certain benefit of our relative inactivity – although there are uncertain disadvantages too – is that total running costs for Finsbury will tend to be lower, potentially much lower, than for other funds with higher frequency of costly transactions.

2. "Stocks are simple. All you do is buy shares in a great business for less than the business is intrinsically worth, with managers of the highest integrity and ability. Then you own those shares forever." Warren Buffett.

The explanation for our low turnover (and our choice of the type of company we invest in) is found in the above advice from Buffett. Now, I always feel a bit guilty tabling this quote as an account of what we do. How can such a simple suggestion – even from the world's greatest investor – be the basis of a credible and competitive investment philosophy? But it is what it is and by and large it has worked – for Buffett obviously. In passing, let me assure you that it's not so easy to identify, then stick with investments in even great companies. The pressure to "do something", particularly when a great company is going through an inevitable dull patch, is intense. The dull share performance of Unilever in 2013 is an example. We fortify ourselves during such episodes by remembering the comment below of another outstanding investor – Peter Lynch – who, just like Buffett, is famous for running his winners.

3. "Other investors invent arbitrary rules for when to sell."

Lynch ran his winners, arguing that if a share has done well – at least for reasons that are explicable and not wholly speculative – then there is every reason to expect it to continue to do well (although always remembering that nothing goes up in a straight line). He (and we) dispute the conventional wisdom that says: "It's never wrong to take a profit". It can be very wrong. If by doing so you permanently reduce your interest in a great long-term investment. Share prices of the best companies double, then double again and again over time. Locking into that observed propensity for wonderful businesses to compound wealth for their owners is at the heart of our approach. Running your winners. For instance, Diageo shares have doubled on their book cost for Finsbury shareholders and much more than doubled against the first price where we began to accumulate, back in 2003. We have no doubt that Diageo shares will double again for you over time – as its cash flows grow and as the pricing power of Diageo's brands protects you against monetary inflation.

Strategic Report - continued

Investment Manager's Review

We continue to find inspiration in our stock selection from this recommendation made by my former, much admired boss – Vivien Bazalgette. Vivien once told me:

4. "If a company's products taste good buy the shares."

We are drawn to companies whose products or services are regarded as irreplaceable by their customers. So, for instance, scientists and lawyers around the world have little option but to subscribe to Reed Elsevier's services – they can't do their work without them; the same is true for investment bank customers of Fidessa's software. But, as Vivien recognised, consumer loyalty to a tasty product is just as reliable and highly profitable. Finsbury shareholders can take comfort knowing that their investment is being supported by peoples' insatiable love of, for instance – Guinness, Johnnie Walker, IRN-BRU, Rubicon, Fullers' London Pride, Old Speckled Hen, Dr Pepper, Cadbury Dairy Milk, Oreos, Toblerone, Magnum ice cream, Hellman's, Knorr and my own "that without which I cannot do": Marmite. These products will be enjoyed 30 years from now and, in an uncertain world, that is enough to mean the companies that own these brands are likely to be terrific investments over time.

We run a concentrated portfolio for Finsbury, with rarely more than 25 holdings. In part the inspiration and example for this policy comes from the man who gave me my break into the investment industry. This was Richard Thornton, the "T" of GT Management, who hired me in 1981. Sadly Richard died in 2013, mourned and respected by colleagues as a rainmaker of the first rank, as well as a formidable stock market operator. I've never forgotten Richard's account – to a group of then feckless graduate trainees – of his secret to investment success:

5. "First, identify your great idea. Next, invest into it as much as you can possibly afford. Third, double the size of your holding, so you can no longer sleep at night. Finally – TELL EVERYONE ELSE ABOUT IT!"

Richard knew that great investment opportunities are rare and must be backed with conviction, when you happen across one. He also knew how easy it is to suffer "diworseification", from a lazy proliferation of "it seemed like a good idea at the time" holdings cluttered across a portfolio. So we stick to his advice and all the rest from our elders and betters.

Turning to the outlook for equity markets - we remain bullish for both global and UK equities. It seems to us that the background conditions are as encouraging for equity investing as at any time since, say, 1801, when the London Stock Exchange was founded. For sure, three current macro factors are unequivocally positive. First, technology change is creating new industries, new companies and new opportunities for existing companies – at a faster pace than ever. Next, the world's population not only continues to grow; in addition more and more people on the planet are being lifted out of poverty. Finally, the risks to the real value of the competing asset classes to equity – namely government bonds and cash – look as scary as ever. To us that adds up to a compelling case to commit long term capital to stocks.

We know it would be comforting for cautious shareholders to be offered more certainty as to the likely shape and timing of those promised equity returns. The fact is Anglo-Saxon equities have delivered 6-7% pa total returns over and above inflation over decades, if not centuries. But they have never done so with a metronomic, regular 6-7% pa pace. No, the truth of the likely shape of equity returns is best expressed in this wonderful observation from light versifier, Ogden Nash:

6. "Shake and shake the ketchup bottle, First none will come and then a lot'll"

It is indeed hard, we might say impossible, to time the equity markets. And yet it is imperative investors maintain adequate exposure to equity. This is the reason that your portfolio remains fully invested, indeed moderately geared.

Nick Train
Director
Lindsell Train Limited
Investment Manager

12 December 2013

Strategic Report - continued

Investments

as at 30 September 2013

Investments	Fair Value 2012 £'000	Purchases £'000	Sales £'000	Appreciation/ (depreciation) £'000	Fair Value 2013 £'000	% of investments
Diageo	30,346	2,544	–	3,954	36,844	9.0
Unilever	24,918	9,979	–	1,566	36,463	8.9
Pearson	20,019	11,933	–	1,136	33,088	8.1
Heineken *	21,118	2,596	–	6,595	30,309	7.4
Schroders	12,811	2,574	–	9,528	24,913	6.1
A.G. Barr	19,408	–	–	3,403	22,811	5.6
Reed Elsevier	11,035	5,782	–	5,203	22,020	5.4
London Stock Exchange	9,340	4,933	–	7,268	21,541	5.3
Daily Mail` & General Trust	9,947	4,722	–	6,417	21,086	5.1
Fidessa	11,386	5,443	–	4,254	21,083	5.1
Rathbone Brothers	12,008	3,935	–	2,180	18,123	4.4
Hargreaves Lansdown	9,554	1,292	–	5,698	16,544	4.0
Sage Group	12,699	3,768	–	(224)	16,243	4.0
Greene King	8,701	2,498	–	3,417	14,616	3.6
Burberry Group	5,501	2,507	–	4,199	12,207	3.0
Euromoney Institutional Investor	6,993	101	–	3,512	10,606	2.6
Mondelez International # ^	9,321	1,106†	–	(652)	9,775	2.4
Thomson Reuters ~	4,705	2,600	–	1,465	8,770	2.1
Dr Pepper Snapple ^	5,972	2,439	–	(179)	8,232	2.0
Young & Co's Brewery	5,109	75	–	1,565	6,749	1.6
Fuller Smith & Turner	5,040	–	–	1,295	6,335	1.5
Kraft Foods Group # ^	–	4,016†	–	2,154	6,170	1.5
The Lindsell Train Investment Trust	2,770	–	–	680	3,450	0.8
Celtic	559	284	–	462	1,305	0.3
Frostrow Capital LLP +	470	–	–	180	650	0.2
Celtic 6% (cumulative convertible preference) **	54	–	–	10	64	–
Marston's	7,131	–	(9,368)	2,237	–	–
	266,915	**75,127**	**(9,368)**	**77,323**	**409,997**	**100.0**

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

On 2 October 2012, Kraft Foods Inc. changed its name to Mondelez International and also completed the spin-off of its North American business by issuing one new share in Kraft Foods Group for every three shares held in Mondelez International.

† Net of relevant book cost adjustments arising from the Kraft Foods/Mondelez corporate action.

* Listed in the Netherlands.

^ Listed in the United States.

~ Listed in Canada.

+ Unquoted partnership interest.

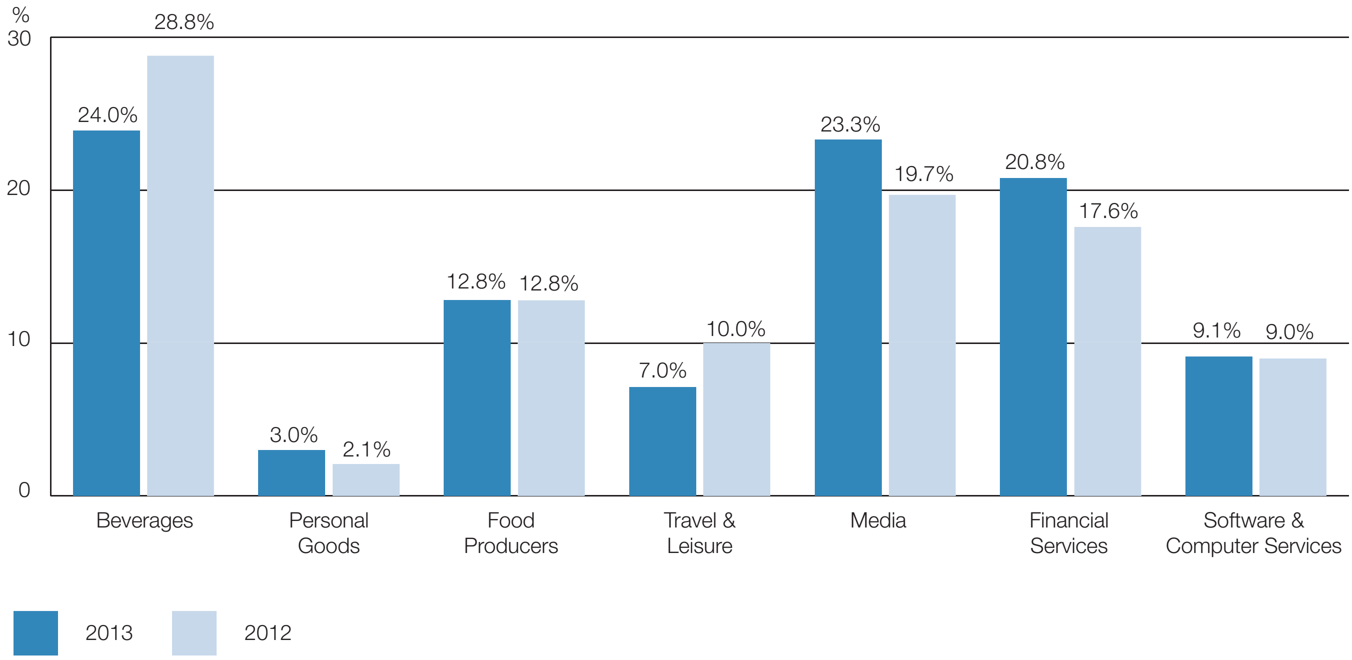
** Non-equity - Preference Shares.

Strategic Report - continued

Portfolio Analysis

Sector Analysis

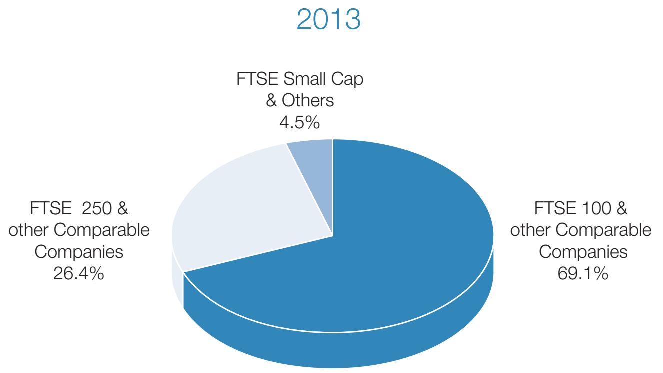
as at 30 September

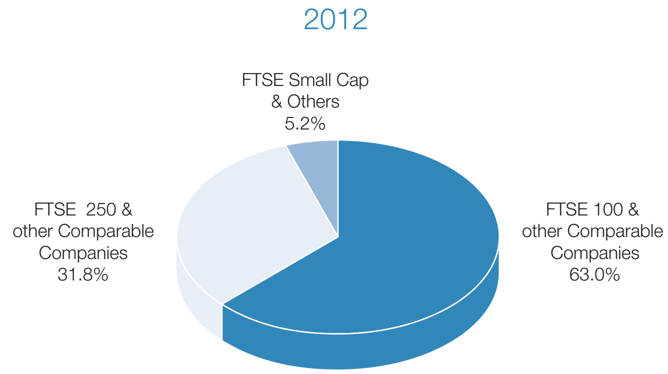


Source: Frostrow Capital LLP

Portfolio Distribution

as at 30 September





Source: Frostrow Capital LLP

Strategic Report - continued

Monitoring Performance

The Board continually reviews overall performance. The Company's net asset value per share is announced daily via a regulatory news service and is available online (see page 65 of this annual report for details).

At each Board 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's) are as follows:

- Share price and net asset value per share total return performance (see pages 2 and 7)
- Revenue return per share (see pages 7, 38 and 46)
- Share price premium/(discount) to net asset value per share (see page 2)
- Benchmark and peer group performance (see pages 2 and 7)

Both Lindsell Train and Frostrow Capital are responsible for performing against *inter alia* the KPIs mentioned below within the terms of their respective agreements.

Principal Risks and Uncertainties

The principal risks identified by the Board and the actions taken to mitigate them are set out below. A detailed risk matrix is reviewed and updated by the Company's Audit Committee, on behalf of the Board, twice yearly. 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.

Principal Risks and Uncertainties	Mitigation
Investment Activity and Strategy An unsuccessful investment strategy, including asset allocation or level of gearing, may lead to underperformance against the Company's benchmark index and peer companies, and may result in the Company's shares trading on a discount wider than the maximum level set by the Board.	The Board regularly reviews the Company's investment mandate and its long-term investment strategy in relation to market and economic conditions, and the operation of the Company's peers, thereby monitoring whether the Company should continue in its present form. The Investment Manager provides an explanation of stock selection decisions and an overall rationale for the make-up of the portfolio. The Investment Manager discusses current and potential investment holdings with the Board on a regular basis in addition to new initiatives, which may enhance shareholder returns. The Board sets appropriate investment restrictions and guidelines which are monitored and reported on by the Company's Manager. Each month the Board receives a monthly review report which monitors the Company's investment performance (both on an absolute basis and against the benchmark and peer group) and its compliance with the investment guidelines. Additional reports and presentations are regularly presented to investors by the Company's Manager, Investment Manager and also by Winterflood Securities, the Company's Corporate Stockbroker. The Board also undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing, share issuance and share buy-backs, where appropriate. The Board has implemented a discount control mechanism intended to establish a target level of no more than a 5% discount of share price to the ex income net asset value per share. New shares are issued on at least a 0.7% premium to the higher of the prevailing cum or ex income net asset value per share at the time of issuance. A proportion of the Company's assets are invested in securities denominated in foreign currencies. As the Company's shares are denominated and traded in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies. The Company does not at present hedge against currency exposure. The Board keeps this position under constant review.

Strategic Report - continued

Monitoring Performance

Principal Risks and Uncertainties	Mitigation
Shareholder Relations and Corporate Governance Shareholder unrest could arise if there is poor adherence to best practice in corporate governance and which could result in reputational damage to the Company.	The Board receives regular reports on shareholder activity and is kept informed of shareholder sentiment. Regular contact is maintained with major shareholders. Details of the Company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement beginning on page 26.
Operational Disruption to, or failure of, accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position.	The Board reviews both the internal control and the disaster recovery procedures put in place by its principal service providers on a regular basis.
Financial The financial risks associated with the Company include market risk (including counter-party risk), interest rate risk, liquidity risk and credit risk.	The Company's Investment Manager is responsible for undertaking reviews of the creditworthiness of the counterparties that it uses. The Board regularly reviews the Investment Manager's approved list of counterparties. The Company's assets mainly comprise readily realisable liquid securities, which can be sold to meet funding requirements if necessary. Further information on financial instruments and risk, as required by FRS 29, can be found in note 16 to the financial statements beginning on page 49.
Accounting, Legal and Regulatory Failure to comply with appropriate law and regulations could expose the Company to serious financial loss and reputational damage.	The Board relies on the services of its Manager and also external advisers to ensure compliance with applicable law and regulations including the Companies Act, the Corporation Tax Act and the UKLA Listing Rules. The Board is aware of changes to the regulatory environment in the year ahead. In particular the Company continues to prepare itself for implementation of the Alternative Investment Fund Managers Directive (AIFMD) and the Foreign Account Tax Compliance Act (FATCA).

Strategic Report - continued

Director, Social, Economic and Environmental Matters and Looking to the Future

Directors

The Directors of the Company, who served during the year, are shown below. Further information on the Directors can be found on page 16.

Anthony Townsend (Chairman)
John Allard
Neil Collins
David Hunt
Vanessa Renwick
Giles Warman (passed away on 24 May 2013)

Board Diversity

The Company is supportive of the recommendations of Lord Davies' Report that the performance of corporate boards can be improved by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the Board, including gender, and takes this into account in its Board appointments. The Company is committed to ensuring that any director search process actively seeks persons with the right qualifications so that appointments can be made, on the basis of merit, against objective criteria from a diverse selection of candidates. To this end the Board will continue to dedicate time to consider diversity during any director search process.

Social, Economic and Environmental Matters

The Directors, through the Company's Investment 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.

Looking to the Future

A review of the Company's year, its performance since the year-end and the outlook for the Company can be found in the Chairman's Statement on pages 3 and 4 and in the Investment Manager's Review on pages 9 and 10.

The Board concentrates its attention on the Company's investment performance and the Investment Manager's investment approach and on factors that may have an effect on this approach. Marketing reports are given to the Board at each Board meeting, which include how the Company will be promoted and details of planned communications with existing and potential shareholders. The Board is regularly updated on wider investment trust industry issues and discussions are held concerning the Company's future development and strategy.

Approval

The Strategic Report was approved by the Board of Directors on 12 December 2013 and signed on behalf of:

Anthony Townsend
Chairman

Board of Directors

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

Anthony Townsend (Chairman)

Anthony Townsend, (65), 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. Anthony is also Chairman of Baronsmead VCT 3 plc, British & American Investment Trust PLC, F&C Global Smaller Companies PLC and Miton Worldwide Growth Investment Trust PLC.

John Allard

John Allard, (67), has served on the Board since 11 October 2000. A Director of M&G Investment Management for 16 years, he was an Investment Manager with M&G for over 20 years, specialising in equity income funds. John has been a Director of various investment trust companies since 1981.

Neil Collins

Neil Collins, (66), 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. Neil is also a Director of Templeton Emerging Markets Investment Trust PLC.

David Hunt, FCA

David Hunt, (66), has been a Director since 6 July 2006. A Chartered Accountant, he was formerly a Director in the Assurance and Business Services division of Smith & Williamson Limited. Prior to that he was a partner at both Binder Hamlyn and Andersen. David has over 30 years' experience advising quoted companies. He is the Senior Independent Director. David is also a member of the Audit and Risk Committee of the Church of England Pensions Board.

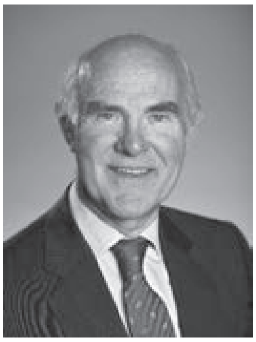
Vanessa Renwick

Vanessa Renwick, (52), has served on the Board since 11 October 2000. Vanessa has over 20 years' experience in the investment funds industry, having worked for Laing & Cruickshank and UBS Warburg. Vanessa has particular expertise in corporate finance and marketing.

All Directors are members of the Audit and Management Engagement Committees.

In memoriam

Giles Warman



26 January 1948 to 24 May 2013

It was with great regret that the Directors of Finsbury Growth & Income Trust PLC had to announce earlier this year the sudden and totally unexpected death of their colleague Giles Warman on 24 May 2013.

Giles first joined the Board in 1988 when the Company was called Scottish Cities Investment Trust and capitalised at less than £30m. He was almost immediately embroiled in the Company's takeover battle with Anglo Scandinavian Investment Trust, which ended with the successful enlargement of the Company and was the cornerstone for its future growth. He went on to play a very significant part in helping it grow to its current market capitalisation of over £400m.

Giles was hugely enthusiastic about the Company and was instrumental in selecting Nick Train of Lindsell Train as the Company's Investment Manager in 2000. His commitment to the Company was total and we think in over 20 years he only ever missed one board meeting when he was unwell. His knowledge of stock market practice and process was extremely useful to the Company; he knew the companies in our portfolio well and he took particular interest in the Company's discount control mechanism of which he was proud. Importantly, Giles was always willing to challenge the status quo, often to the considerable benefit of the Company.

His fellow Directors, Nick Train, our Investment Manager and the senior management of Frostrow Capital all feel that they have not just lost a much admired and respected colleague, but they have lost a very special man who was a good friend to them all. He was a delightful colleague to work with and we shall all miss him greatly.

December 2013

Giles was involved in helping young people to find their first job in life, and his friends and family have set up the Giles Warman Foundation in his memory. Further information can be found at https://www.mydonate.bt.com/fundraisers/thegileswarmanfoundation

A tribute by Nick Train entitled "The World's Greatest Stockbroker" can be found on the Company's website at www.finsburygt.com.

The Composition of the Board – A Personal View from the Chairman

The impetus for this piece was a meeting that our Senior Independent Director, David Hunt, and I had earlier this year with the fund manager and head of corporate governance of one of our principal institutional shareholders. I had quite fairly been taken to task by this shareholder for not adequately explaining our apparent non-compliance when the board recommended last year the re-election as directors of John Allard, Vanessa Renwick and Giles Warman, each of whom had already served for more than nine years. That impetus received a tragic stimulus from the sudden and wholly unexpected death of Giles Warman on 24 May; I had already discussed with the board the idea of writing this piece and I knew that Giles was keen that it should be seen in print. Shareholders will find our tribute to Giles on page 17.

During the course of my 40 years plus career in the City I have had the good fortune to work closely with a considerable number of plc chairmen. Some of them were truly inspirational, some considerably less so, but each of them brought in their own way some highly individual skills and techniques to the directing of a company's business from the chair; I have attempted to learn from all of them. One of the great lessons I have learnt is that the co-operative working, or what some like to call the "chemistry", of a board is a precious but delicate matter. Get it right and great things can be achieved – get it wrong and at its worst the board can be completely dysfunctional; I know, I have seen it!

When my colleagues did me the honour of asking me to take the chair of Finsbury Growth & Income Trust in 2008 I had already served with them for several years. I felt I knew them well but as a new and independent chairman I was keen to adopt a fresh approach. They all had very relevant skills and experience, but I did not think we were using them to maximum advantage. Accordingly I had separate sessions with each of them during which I explained that I wanted more direct participation from each of them. My mantra was and is "silence is not an option"! Whenever we have an important decision to be made I insist that each of them gives me their carefully considered opinion and I have to give them all great credit for rising to that challenge. They and our newer colleagues take this responsibility very seriously and I take comfort from knowing that when we make a decision it incorporates all the collective skills and experience grouped round the table. That doesn't mean we always get it right or even that we have unanimity but we do have total "buy-in" to whatever we eventually decide.

I take our annual board evaluation process very seriously and I do it myself. Third party consultants and detailed score sheets have their supporters but I find one on one in depth discussions with each of my colleagues, using a fairly simple but standardised template, are far more productive. My Directors concentrate on the areas about which they have strong views and I come away from the process, which I record in our minutes in some detail every year, feeling that I have a very accurate assessment of how well our board is functioning and what and where we might do better. The three long-serving Directors, now sadly two, who we put forward for re-election last year, play a key role in this and I draw heavily on the relevant experience and knowledge they bring to the table. I know from calibrated, first hand, experience how valuable each one of our Directors is to our deliberations; they participate in them fully and demonstrate amply the independent judgment they bring to the process. The different walks of life from which they come mean they often see issues from varying perspectives so I like to think that we analyse boardroom matters from all angles that we can.

The words the various corporate governance edicts concentrate on is "avoiding staleness" in a board of Directors; I contend that "refreshment" is not necessarily the best, and in my view certainly not the only, way of avoiding it. The AIC Code of Corporate Governance to which we adhere specifically recognises the value that long knowledge of an investment company's business can provide. As I explained to our institutional shareholders, I do find it difficult to see what totally new members of the board, with no prior knowledge or experience of the Company, could do that would be superior to what we already have available to us.

A totally non-executive board such as ours, which is very common in the investment trust sector, has a quite different dynamic to the typical board of a commercial organisation that combines both executive and non-executive directors. The balance needs careful stewardship which I regard as my paramount responsibility and about which I care greatly. The lion's share of the credit for our very successful results over recent years does of course belong to our very talented Portfolio Manager Nick Train, but I think the board's stewardship has also played a meaningful part, quite possibly to a rather greater extent than most shareholders realise. It is our good fortune that we have an Investment Manager who regards the Finsbury board as an asset and not something to be worked round!

We will in due course hope to find another Director who can add to our skill base, hard though it will be to find someone who can contribute all that Giles Warman did, so "refreshment" will inevitably take place. I certainly do not want to give shareholders the impression that I am implacably opposed to it; I just want to be sure that we come out of the process stronger than we went into it and that is easier to say than to do. I hope shareholders will not consider it vain of me to claim it, but we do have a very strong and competent board and I want to be sure that when it becomes time for me to hand over the reins, I can do so with confidence

The Composition of the Board – A Personal View from the Chairman – continued

that I leave with a board even stronger than it was when I first took the chair. It will not therefore surprise shareholders that we are again strongly recommending the re-election of our long serving Directors Vanessa Renwick and John Allard to the board this year; I consider them to be very valuable Directors and I firmly believe it is in shareholders' best interests that we hang on to them! Following our decision that all Directors should stand for re-election every year, I should point out that we do of course recommend the re-election of our newer Directors with equal enthusiasm; I would not wish them to think I value them any less highly.

Anthony Townsend
12 December 2013

Report of the Directors

The Directors present their report and the financial statements for the year ended 30 September 2013.

Business and Status of the Company

The Company is registered as a public limited company in Scotland (Registered Number SCO13958) and is an investment company within the terms of Section 833 of the Companies Act 2006. Its shares are listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange. The Company has received approval from HM Revenue & Customs as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 ("CTA 2010"), for the year ended 30 September 2012. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. In the opinion of the Directors, the Company continues to direct its affairs so as to enable it to continue to qualify for such approval. In accordance with recent changes to CTA 2010, the Company has obtained ongoing approval from HM Revenue & Customs for all accounting periods from 1 October 2012.

The Company's shares are eligible for inclusion in the following: Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs.

Investment Objective

The Company's investment objective is to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index.

Investment Policy

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

The portfolio will normally comprise approximately 30 investments. Unless driven by market movements, securities in FTSE 100 companies, and comparable companies listed on 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.

Further details concerning the Company's investment policy can be found in the Strategic Report on page 6.

Results and Dividends

The results attributable to shareholders for the year are shown on page 38. Details of the Company's dividend record can be found on pages 7 and 46.

Fixed Asset Investments

The fair value of the Company's investments at 30 September 2013 was £409,997,000 (2012: £266,915,000) showing a gain since acquisition of £173,510,000 (2012: gain £100,286,000). Taking these investments at this valuation, the net assets attributable to each share at 30 September 2013 amounted to 476.1p (2012: 370.7p).

Share Capital

At the Annual General Meeting held on Wednesday, 30 January 2013, authority to allot up to 7,393,622 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 have been issued and the Company held a General Meeting on Friday, 30 July 2013 where shareholder authority was obtained to issue a further 8,098,655 shares on the same basis. A prospectus has also been published in order to obtain admission to the Official List maintained by the UK Listing Authority of any shares issued pursuant to the authority obtained.

During the year, 14,568,176 new shares were issued by the Company at a minimum premium of 0.7% 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 the date of this report, a further 3,090,000 new shares have been issued under the same issuance criteria. No shares were repurchased by the Company during the year.

Capital Structure

As at 30 September 2013 there were 83,136,557 shares of 25p each in issue (2012: 68,568,381), each share having one vote;

Details of the substantial shareholders in the Company are listed on page 23;

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 on pages 60 and 61;

Report of the Directors – continued

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.

Company Management

Investment Management Agreement: Under the terms of the Investment Management Agreement, Lindsell Train provides discretionary investment management services to the Company for a periodic fee equal to 0.45% per annum of the Company's market capitalisation. The Investment Management Agreement may be terminated by either party giving notice of not less than 12 months. The Investment Manager under the terms of the Agreement 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;
- advising the Company in relation to trends, market movements and other matters which may affect the investment policy of the Company; and
- marketing.

Management, Secretarial Services and Administrative Agreement: Management, Secretarial, Administrative and other services are provided to the Company by Frostrow.

Under the terms of the Management, Secretarial Services and Administrative Agreement Frostrow receives a periodic fee at a rate of 0.15% per annum of the Company's market capitalisation plus a fixed fee of £70,000 per annum calculated monthly and payable monthly in arrears.

The notice period on the Management, Company Secretarial and Administration Agreement with Frostrow is 12 months and may be terminated by either party.

Frostrow, under the terms of the Management, Secretarial Services and Administrative Agreement provides *inter alia* the following services:

- marketing and shareholder services;
- company secretarial and administrative services;
- advice and guidance in respect of corporate governance requirements;
- performance measurement reports;
- maintenance of adequate accounting records and management information;
- preparation and despatch of the audited annual financial statements, the unaudited half year report and the interim management statements; and
- attending to general tax affairs where necessary.

Performance Fee: In the year under review, no performance fee was accrued or paid (30 September 2012: Nil).

Dependent on the level of performance achieved, Lindsell Train and Frostrow are also entitled to the payment of a performance fee. The calculation basis of the performance fee is by reference to the annual increase in the Company's adjusted market capitalisation per share, but only after attainment of an absolute return hurdle, which is the sum of the increase in the Retail Price Index ("RPI") in the year, plus a fixed return of 6%. The performance fee is calculated annually and is based on 15% of the outperformance per share over the absolute return hurdle. Lindsell Train receives 85% and Frostrow receives 15% of the performance fee. During the year the RPI rose by 3.15%, therefore the performance fee hurdle, as at 30 September 2013, was 602.18p per share, being 9.15% above the hurdle at 30 September 2012. The Company's adjusted market capitalisation per share as at 30 September 2013 was 488.81p. The total fixed, periodic and performance fees payable in any one year to Lindsell Train and Frostrow are capped at 1.25% of the Company's market capitalisation. Any outperformance, that would have resulted in a higher fee being paid had there been no cap, is carried forward into the calculation of future years' fees. Similarly, in the case of underperformance, any underperformance has to be made up in future years before a performance fee becomes payable in those years.

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 Investment 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.

Report of the Directors – continued

The Company also acquired a 10% interest in Frostrow at a cost 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 11.

Investment Manager, Manager Evaluation and Re-Appointment

The review of the performance of Lindsell Train as Investment Manager and Frostrow Capital as Manager is a continuous process carried out by the Board with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by the Investment Manager and the 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.

The Board believes the continuing appointment of the Investment Manager and the Manager, under the terms described on the previous page, is in the best interests of shareholders as a whole. In coming to this decision it also took into consideration the following additional reasons:

– the quality and depth of experience allocated by the Investment 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; and

– the quality and depth of experience of the management, company secretarial, administrative and marketing team that the Manager allocates to the management of the Company.

Political Donations

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

Directors

Directors' and Officers' Liability Insurance Cover

Directors' and Officers' liability insurance cover was maintained by the Board during the year ended 30 September 2013. It is intended that this policy will continue for the year ended 30 September 2014 and subsequent years.

Directors' Indemnities

As at the date of this report, indemnities are 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 Capital LLP 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 and also of Nick Train, the individual with responsibility for managing the Company's portfolio at Lindsell Train and Alastair Smith, Managing Partner at Frostrow Capital, and their families, were as set out below:

	Number of shares held	
	30 September 2013	30 September 2012
Anthony Townsend	179,468	127,968
John Allard	26,348	19,604
Neil Collins	23,786	21,986
David Hunt	23,500	23,500
Vanessa Renwick	29,080	18,514
	282,182	211,572
Alastair Smith	49,507	43,621
Nick Train	206,873	153,486
	256,380	197,107
Total	**538,562**	**408,679**

Mr Allard purchased a further 548 of the Company's shares between 30 September 2013 and the date of this report.
Mr Train purchased a further 8,450 of the Company's shares between 30 September 2013 and the date of this report.
None of the Directors were granted or exercised rights over shares during the year. None of the Directors has any contract (including service contracts) with the Company.

Report of the Directors – continued

Substantial Share Interests

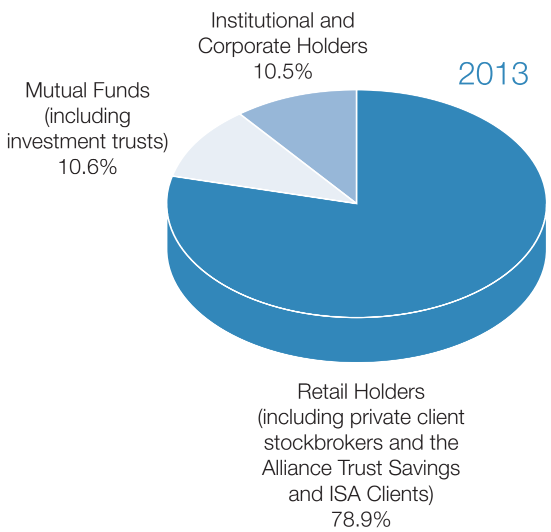
The Company was aware of the following substantial interests in the voting rights of the Company:

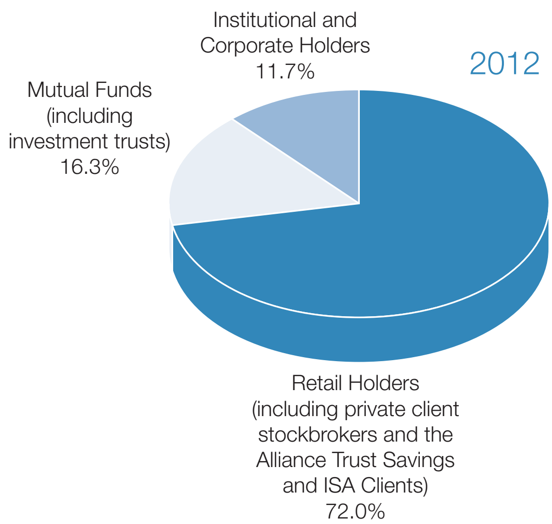
Fund manager	Registered holder	30 September 2013 Number of shares	30 September 2013 % of shares	30 November 2013 Number of shares	30 November 2013 % of shares
Brewin Dolphin	Various Nominee Accounts	10,277,155	12.36	10,467,696	12.27
Alliance Trust Savings	Alliance Trust Savings Nominees	8,768,170	10.55	9,198,106	10.79
Rathbones	Various Nominee Accounts	5,254,365	6.32	5,288,275	6.20
Investec Wealth & Investment	Various Nominee Accounts	4,864,423	5.85	4,862,209	5.70
Hargreaves Lansdown	Various Nominee Accounts	4,758,957	5.72	5,285,082	6.20
Charles Stanley	Rock Nominees	3,474,349	4.18	3,545,740	4.16
Brewin Dolphin (non-discretionary clients)	Various Nominee Accounts	3,457,038	4.16	3,451,978	4.05
Scottish Widows	Various Nominee Accounts	2,851,644	3.43	2,840,681	3.33
JP Morgan Asset Management	Chase Nominees	2,530,545	3.04	2,526,345	2.96

As at 30 September 2013 the Company had 83,136,557 shares in issue. As at 30 November 2013 the Company had 85,276,557 shares in issue.

Shareholder Analysis

% of Shares held on 30 September





Report of the Directors – continued

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, Capita Registrars, or to the Company directly.

The Bribery Act 2010

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.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's anti-bribery and corruption policy can be found on its website at www.finsburygt.com.

Auditor

Grant Thornton UK LLP have indicated their willingness to continue to act as Auditor to the Company and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

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 Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), (including those within our underlying investment portfolio).

By order of the Board

Frostrow Capital LLP
Company Secretary

12 December 2013

Statement of Directors' Responsibilities

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year. The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations. In preparing these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable UK accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements 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 Directors are responsible for ensuring that the Report of the Directors and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website (website address: www.finsburygt.com) and via the website of the Manager (website address: www.frostrow.com). The maintenance and integrity of these websites, so far as it relates to the Company, is the responsibility of the Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of these websites and, accordingly, the Auditor accepts 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 United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Going Concern

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

Audit Information

So far as the Directors are aware, there is no relevant information of which the Auditor is unaware. The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of such information.

Responsibility Statement under the Disclosure and Transparency Rules

The Directors, whose details can be found on page 16, confirm to the best of their knowledge that:

- the Financial Statements, within this Annual Report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the return for the year ended 30 September 2013;
- the Chairman's Statement, Strategic Report and the Report of the Directors include a fair review of the information required by 4.1.8R to 4.1.11R of the FCA's Disclosure and Transparency Rules; and
- the annual report and financial statements taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Company's performance, business model and strategy.

On behalf of the Board

Anthony Townsend
Chairman

12 December 2013

Corporate Governance

Compliance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"), both of which can be found on the AIC website www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code published in October 2012 (the "UK Governance 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, and by reference to the AIC Guide (which incorporates the UK Governance Code), will provide better information to shareholders. A copy of the UK Governance Code can be found at www.frc.org.uk.

The Board considers that it has managed its affairs throughout the year ended 30 September 2013 in compliance with the recommendations of the AIC Code and the relevant provisions of the UK Governance Code, except as set out below:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function;
- the Chairman of the Company continuing in the Chair at Board meetings when Directors' remuneration matters are considered (see page 28); and
- the need for a separate nomination committee (see page 28).

The Board considers the first three provisions are not relevant to the position of the Company, being an externally managed investment trust. 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.

Board Independence, Composition and Tenure

The Board is responsible to shareholders for the overall management of the Company's affairs and currently consists of five non-executive Directors. The Chairman is responsible for the leadership of the Board and ensuring its effectiveness on all aspects of its role. The Directors' biographical details, set out on page 16, demonstrate a breadth of investment, commercial and professional experience. David Hunt is the Senior Independent Director, who can act as a sounding board for the Chairman and as an intermediary for the other Directors when necessary.

The Company's Articles of Association provide that a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting and that all Directors are required to submit themselves for re-election at least once every three years. While the Company is not a FTSE 350 company the Board has implemented the provisions of the UK Governance Code whereby all Directors of the Company stand for re-election on an annual basis.

All of the Directors are considered independent of the Investment Manager and have no relationship or conflicts which are likely to affect their independent judgment. 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 and it does not consider that a Director's tenure necessarily reduces his or her ability to act independently. 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 at the forthcoming Annual General Meeting for the following reasons:

Mr Townsend, who has been Chairman of the Company since January 2008 and a Director since rejoining the Board in February 2005, brings a wealth of experience to the Board through his long City career. He has been in the investment trust industry for over 25 years and was Chairman of the Association of Investment Companies from 2001-2003.

Mr Allard, who has been a Director since December 2000, has extensive experience of the investment management industry and was previously a fund manager with M & G for over 20 years, specialising in equity income stocks. He has detailed knowledge of the markets in which the Company invests and takes a keen interest in all aspects of the Company's portfolio.

Mr Collins joined the Board in January 2008. A financial journalist, he was City Editor of the Daily Telegraph for 19 years and currently writes a weekly column for the Financial Times. He has followed most of the companies in the Company's portfolio for many years and is a passionate advocate of shareholders' interests.

Mr Hunt, who has been a Director since 2006, is Senior Independent Director and Chairman of the Audit Committee. He is a Chartered Accountant with over thirty years' experience at partner level of advising quoted companies with Binder Hamlyn, Andersen and Smith & Williamson; his contribution to the Company's Audit Committee is particularly respected by his colleagues.

Corporate Governance – continued

Mrs Renwick, who joined the Board in 2000, has over 20 years' experience at Laing & Cruickshank and UBS Warburg in corporate finance and marketing. She has specialist knowledge of investment product distribution throughout UK markets which is of great benefit to the Company.

None of the Directors has a service contract with the Company. New Directors are appointed with the expectation that they will serve for a minimum period of three years and the terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the offices of Frostrow Capital LLP and will be available at the Annual General Meeting. When a new Director is appointed to the Board, he/she is provided with all relevant information regarding the Company and his/her duties and responsibilities as a Director. In addition, a new Director will also spend time with representatives of the Manager and Investment Manager in order to learn more about their processes and procedures. The Chairman also regularly reviews the training and development needs of each Director. (Please see the Chairman's view on the composition of the Board on pages 18 and 19).

The Board also receives regular briefings from, amongst others, the Auditor and the Company Secretary regarding any proposed developments or changes in laws and regulatory requirements that could affect the Company and/or the Directors.

The Board's Responsibilities

The Board meets regularly and five scheduled Board meetings were held during the year to deal with the stewardship of the Company and other matters. There is a formal schedule of matters specifically reserved for decision by the Board; it 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 investment policy which is set out on page 6 of this annual report. It also has responsibility for all corporate strategy issues, dividend policy, share buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

There is an agreed procedure for Directors, in the furtherance of their duties, to take independent professional advice if necessary at the Company's expense. The Directors have access to the advice and services of the Company Secretary, through its appointed representative, who is responsible to the Board for ensuring that Board procedures are followed.

Performance Evaluation

Since the year-end the performance of the Board, committees and individual Directors (including each Director's independence) was evaluated through a formal assessment process led by the Chairman. This involved the circulation of a Board effectiveness checklist, tailored to suit the nature of the Company, followed by discussions between the Chairman and each of the Directors. The performance of the Chairman was evaluated by the other Directors under the leadership of David Hunt.

Conflicts of Interest

Directors have a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict").

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. He or she must request authorisation from the Board as soon as he or she becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether they should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from performing his or her duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at each Board meeting, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

Corporate Governance – continued

Committees of the Board

During the year the Board delegated certain responsibilities and functions to committees. Due to the Company's size and to avoid the need to establish separate committees, the Nominations and Remuneration function is carried out by the full Board under the Chairmanship of the Chairman of the Company. The Board considers it appropriate for the Chairman of the Company to preside over Directors' remuneration matters due to his independence and also his knowledge and experience of the investment trust industry. The Audit and Management Engagement Committees continue in operation and copies of their full Terms of Reference can be obtained from the Company Secretary, will be available at the Annual General Meeting and can be found on the Company's website at www.finsburygt.com and via the website of the Manager at www.frostrow.com.

The Audit Committee is chaired by David Hunt. All Directors of the Company, including the Chairman of the Company, are members of this Committee to enable them to be kept fully informed of any issues that may arise. The Directors believe that Mr Hunt, a Chartered Accountant, has relevant financial knowledge and experience to enable him to chair this Committee effectively. The Management Engagement Committee is chaired by Anthony Townsend. Again, all Directors of the Company are members of this Committee to enable them to be kept fully informed of any issues that may arise.

Audit Committee

The Company's Audit Committee met on three occasions during the year. It meets representatives of the Manager and the Investment Manager and their Compliance Officers who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company, the Manager and the Investment Manager operate. The Audit Committee also monitors the performance, objectivity and independence of the external Auditor and agrees both the terms of engagement letter and the fees payable for the audit on behalf of the Board. In addition, the Committee also reviews the need for non-audit services and authorises such on a case by case basis having given consideration to the cost effectiveness of the services and the independence and objectivity of the auditors. The Committee meets with the external Auditor, without representatives of the Manager and the Investment Manager being present, at least once a year. Further information on the work of the Audit Committee during the year can be found in the Audit Committee Report beginning on page 30.

Management Engagement Committee

The Management Engagement Committee meets at least once per year. The Management Engagement Committee is responsible for the regular review of the terms of the management and investment management agreements with, and the performance of, the Manager and Investment Manager and also the Company's other service providers. The Committee last met in October 2013, at which time it was agreed that no amendments to the agreements were required. The agreements are reviewed on a periodic basis as necessary.

Internal Controls

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. The Company has outsourced all its activities and has obtained assurances and information from its various service providers

Type and number of meetings held in the year to 30 September 2013	Board (5)	Audit Committee (3)	Management Engagement Committee (1)
Anthony Townsend	5	3	1
John Allard	5	3	1
Neil Collins	5	3	1
David Hunt	5	3	1
Vanessa Renwick	5	3	1
Giles Warman (passed away on 24 May 2013)	3	2	–

Other ad hoc meetings of the Board and Committees are held in connection with specific events as and when necessary. All of the Directors attended the Annual General Meeting held on 30 January 2013.

The table above details the number of Board and Committee meetings attended by each Director. During the year there were five Board meetings, three Audit Committee meetings and one meeting of the Management Engagement Committee.

Corporate Governance – continued

relating to their internal systems and controls to enable the Board to make an appropriate risk and control assessment.

In accordance with guidance issued to directors of listed companies, the Directors confirm that they have carried out a review of the effectiveness of the system of risk management and internal financial control during the year.

Relations with Shareholders

The Board, the Investment Manager and the Manager consider maintaining good communications with shareholders and engaging with larger shareholders through meetings and presentations a key priority. Shareholders are being informed by the publication of annual and half year reports which include financial statements. These reports are supplemented by interim management statements, the daily release of the net asset value per share to the London Stock Exchange and the publication of monthly factsheets. All this information including interviews with the Investment Manager is available on the Company's website at www.finsburygt.com.

The Board is also keen that the Annual General Meeting (AGM) be a participative event for all shareholders. The Investment Manager makes a presentation and shareholders are encouraged to attend. The Chairmen of the Board and of the Committees attend the AGM and are available to respond to queries and concerns from shareholders. Twenty working days notice of the AGM has been given to shareholders and separate resolutions are proposed in relation to each substantive issue. Shareholders may submit questions for the AGM in advance of the meeting or make general enquiries of the Company via the company secretary at the registered office of the Company. The Directors make themselves available after the AGM to meet shareholders.

Where the vote is decided on a show of hands, the proxy votes received are relayed to the meeting and subsequently published on the Company's website. Proxy forms have a 'vote withheld' option. The Notice of Meeting sets out the business of the AGM together with the full text of any special resolutions.

The Company has made arrangements for investors through the Alliance Savings Scheme to receive all Company communications and have the ability to direct the casting of their votes. The Company has also made arrangements with its registrar for shareholders, who own their shares direct rather than through a nominee or share scheme, to view their account over the Internet at www.capitashareportal.com. Other services are also available via this service.

The Board monitors the share register of the Company; it also reviews correspondence from shareholders at each meeting and maintains regular contact with major shareholders. Shareholders who wish to raise matters with a Director may do so by writing to them at the registered office of the Company.

Proxy Voting and Stewardship

The Board has instructed the Investment Manager to take into account the published corporate governance policy and the environmental practices and policies of the companies in which they invest on behalf of the Company. The Company has delegated responsibility for voting to the Investment Manager.

The Board has considered the Investment Manager's Stewardship Code and Proxy Voting Policy and the Investment Manager reports to the Board, on the application of the Stewardship Code and Voting Policy. The Investment Manager's Stewardship Code and Voting Policy can be found on the Investment Manager's website in the corporate information section.

Nominee Share Code

Where shares are held in a nominee company name, where the beneficial owner of the shares is unable to vote in person, the Company nevertheless undertakes:

– to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance;

– to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available; and

– that investors in the Alliance Trust Savings Scheme or ISA are automatically sent shareholder communications, including details of general meetings, together with a form of direction to facilitate voting and to seek authority to attend.

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

By order of the Board

Frostrow Capital LLP
Company Secretary

12 December 2013

Audit Committee Report

for the year ended 30 September 2013

Responsibilities

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

1. **To review the Company's half-year and final financial statements** together with announcements and other filings relating to the financial performance of the Company and issues of the Company's shares. In particular, the Committee considered whether the financial statements are fair, balanced and understandable, allowing shareholders to more easily assess the Company's strategy, investment policy, business model and financial performance.
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 again reviewed the appropriateness of the Company's anti-bribery and corruption policy.
3. **To recommend the appointment of external auditors,** and agreeing the scope of their work and their remuneration, reviewing their independence and the effectiveness of the audit process.
4. **To consider any non-audit work to be carried out by the auditors.** Other than their review of the half-year report and tax compliance services, the external auditor carried out no other non-audit work during the year.
5. **To consider the need for an internal audit function.** Since the Company delegates its day-to-day operations to third parties and has no employees, the Committee has determined there is no requirement for such a function.

The Committee's terms of reference are available for review on the Company's website at www.finsburygt.com

Meetings and business

The Committee, which consists of all the Directors of the Company, met twice during the year and also on 1 October 2013, this meeting having been rescheduled from its original date of 25 September 2013. Attendance by each Director is shown in the table on page 28.

The following matters were dealt with at these meetings:

December 2012:

- Review of the preliminary results
- Approval of the annual report and financial statements
- Review of risk management and compliance

May 2013:

- Review of the Committee's terms of reference
- Approval of the half-year report
- Review of risk management and compliance
- Review of the Manager's internal control framework

October 2013:

- Review of the auditor's plan for the 2013 audit
- Consider the implications of the 2012 UK Corporate Governance Code and the required changes to the Company's annual report and financial statements

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 25. The Board looks to the Audit Committee to advise them in relation to the financial statements both as regards their form and content, issues which might arise and on any specific areas requiring judgment.

With the introduction of the Strategic Report this year, we have deliberately sought to make the narrative of the annual report clearer and more concise. We hope we have achieved this objective and would welcome any feedback. The Strategic Report should be regarded as a standalone section of the annual report and so some duplication is inevitable!

The Committee considered certain significant issues in relation to the financial statements. These issues, and how they were addressed, were:

Accounting Policies

The current accounting policies, as set out on pages 42 and 43, have been applied consistently throughout the last two years. In light of no unusual transactions during the year or other possible reasons, the Committee has found no reason to change the policies.

The Committee recognises that the introduction of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' in 2015 may have implications for the Company's accounting policies and as a result will shortly carry out a review.

Going Concern

The Committee is satisfied that it is appropriate for the Board to prepare the financial statements on the going concern basis.

Audit Committee Report – continued

Recognition of Revenue from Investments

The Committee wished to receive assurance that all dividends receivable, including special dividends, had been accounted for correctly. They received the necessary confirmation.

Valuation of the Company's Partnership Interest in Frostrow Capital LLP

The Committee reviewed the consistently applied valuation methodology of the Company's partnership interest in Frostrow Capital LLP. The proposed valuation, based upon a discounted multiple of revenue, was accepted.

External auditor

Meetings:

This year the nature and scope of the audit together with Grant Thornton's audit plan were considered by the Committee on 1 October 2013 without the auditors being present.

As Chairman of the Committee, I met the audit partner, Julian Bartlett, and his audit manager on 19 November 2013 to discuss the outcome of the audit and the draft 2013 annual report and accounts. The Committee then met Grant Thornton on 4 December 2013 to review the outcome of the audit and to discuss the limited issues that arose.

Given the changes to narrative reporting which are incorporated in the annual report for the first time, we have also discussed the presentation of the annual report with the auditor and sought their perspective.

Independence and Effectiveness:

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

– the senior audit personnel in the audit plan for the year,

– the auditor's arrangements concerning any conflicts of interest,

– the extent of any non-audit services, and

– the statement by the auditor that they remain independent within the meaning of the regulations and their professional standards.

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

– the auditor's fulfilment of the agreed audit plan,

– the report arising from the audit itself,

– feedback from the Manager, and

– a report from the FRC's Audit Quality Review Team.

The Committee is satisfied with the auditor's independence and the effectiveness of the audit process, together with the degree of diligence and professional scepticism brought to bear.

Appointment:

The Committee has noted that Grant Thornton (taken together with Robson Rhodes which merged into Grant Thornton in 2007) has been in place for many years during which time no audit tender has taken place. The audit partner has changed periodically in accordance with professional and regulatory standards and to protect independence and objectivity. The current audit partner Mr Julian Bartlett will shortly have completed his five-year term (a period specified by auditing standards).

Whilst the Committee has recommended to the Board that Grant Thornton be reappointed at the forthcoming Annual General Meeting, after careful deliberation it has also concluded that, in the interests of good governance, it is appropriate for a tender process to be carried out in respect of the audit appointment in 2014.

David Hunt, FCA

Chairman of the Audit Committee

12 December 2013

Directors' Remuneration Report

for the year ended 30 September 2013

Statement from the Chairman

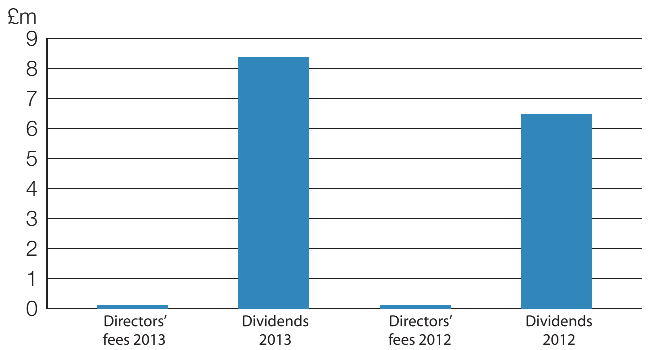
I am pleased to present the Directors' Remuneration Report to shareholders. This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The law requires the Company's auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the auditor's audit opinion is included in its report to shareholders on pages 35 to 37. The Remuneration Policy Report on pages 33 and 34 forms part of this report.

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 the most recent review, held on 1 October 2013, it was agreed to increase the fees paid to the Directors by 5% with effect from 1 October 2013 (the last increase having taken effect from with 1 October 2011) as follows: Chairman £31,500, Chairman of the Audit Committee £24,150 and £21,000 for each other Director. As at 30 September 2013, the Directors' fees were paid at the following annual rates: Mr Anthony Townsend (Chairman) £30,000, Mr John Allard £20,000, Mr Neil Collins £20,000, Mr David Hunt £23,000, Mrs Vanessa Renwick £20,000. Mr Giles Warman passed away on 24 May 2013 and received £13,000 until that date.

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution for 2012 and 2013.

Relative Cost of Directors' Remuneration



Source: Frostrow Capital LLP

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

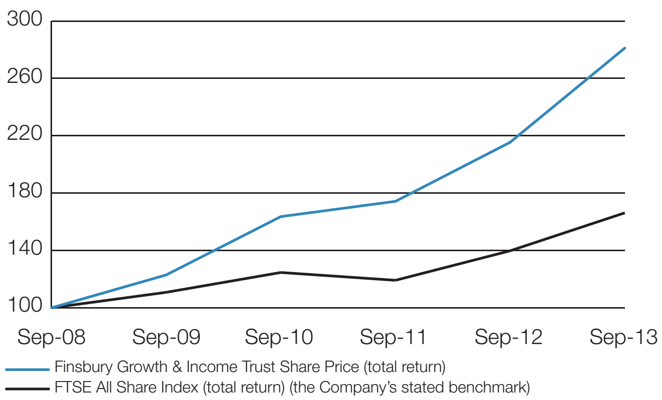
At the Annual General Meeting held in January 2013 the results in respect of the resolution to approve the Directors' remuneration were as follows:

Percentage of votes cast For	Percentage of votes cast Against	Number of votes withheld
97.83	2.17	358,548

At that time a resolution to approve the Company's remuneration policy was not required. However, an additional resolution to approve the Company's remuneration policy will be considered by shareholders at the forthcoming Annual General Meeting.

The graph set out below compares, on a cumulative basis, the total return (assuming all dividends are reinvested) to shareholders compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the FTSE All-Share Index (total return) (the Company's stated benchmark) is calculated.

Five Year Total Shareholder Return to 30 September 2013



Source: Morningstar
Rebased to 100 at 30 September 2008

Directors' Remuneration Report – continued

Audited Information

Directors' Fees

The Directors, as at the date of this report, and who (save for Mr Warman) all served throughout the year, received the fees listed in the table overleaf. These exclude any employers' national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and so fees represent the total remuneration of each Director.

Directors' Emoluments for the Year (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	Date of Appointment to the Board	Fees 2013	Fees 2012
Anthony Townsend (Chairman)	1 February 2005	£30,000	£30,000
John Allard	11 October 2000	£20,000	£20,000
Neil Collins	30 January 2008	£20,000	£20,000
David Hunt*	6 July 2006	£23,000	£23,000
Vanessa Renwick	11 October 2000	£20,000	£20,000
Giles Warman**	29 December 1988	£13,000	£20,000
		£126,000	£133,000

* Chairman of the Audit Committee and Senior Independent Director
** Passed away on 24 May 2013

Directors' Interest in Ordinary Shares

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

	Number of shares held 30 September 2013	30 September 2012
Anthony Townsend	179,468	127,968
John Allard	26,348	19,604
Neil Collins	23,786	21,986
David Hunt	23,500	23,500
Vanessa Renwick	29,080	18,514
Giles Warman	n/a	78,540
Total	282,182	290,112

Mr Allard purchased a further 548 of the Company's shares between 30 September 2013 and the date of this report.
None of the Directors were granted or exercised rights over shares during the year.
None of the Directors has any contract (including service contracts) with the Company.

Approval

This Directors' Remuneration Report was approved by the Board on 12 December 2013 and signed on its behalf by

Anthony Townsend
Chairman

Policy on Directors' Fees

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 2014 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 amount currently being £200,000 per annum, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The current and projected Directors' fees for 2013 and 2014 are shown in the following table.

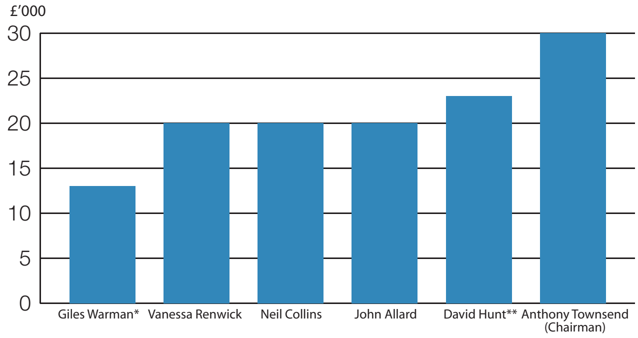
Directors' Fees Current and Projected

	Fees 2014	Fees 2013
Anthony Townsend	£31,500	£30,000
John Allard	£21,000	£20,000
Neil Collins	£21,000	£20,000
David Hunt*	£24,150	£23,000
Vanessa Renwick	£21,000	£20,000

*Chairman of the Audit Committee and Senior Independent Director

Directors' Remuneration Report – continued

Directors' Remuneration Year Ended 30 September 2013



* Passed away on 24 May 2013
** Chairman of the Audit Committee and Senior Independent Director

Source: Frostrow Capital LLP

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.

No communications have been received from shareholders regarding Directors' remuneration.

It is the Board's intention that the remuneration policy will be considered by shareholders at the Annual General Meeting at least once every three years.

An Ordinary Resolution for the approval of this policy will be considered by shareholders at the forthcoming Annual General Meeting.

Approval

This Remuneration Policy Report was approved by the Board on 12 December 2013 and signed on its behalf by

Anthony Townsend
Chairman

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

We have audited the financial statements of Finsbury Growth & Income Trust PLC ('the Company') for the year ended 30 September 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focused on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgment of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £2.0 million which is 0.5% of the Company's net assets. Due to the significance of the Company's net assets compared to the amounts in the revenue column of the Income Statement, we calculated a separate materiality for the revenue column of the Income Statement of £0.5 million.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £0.1 million. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgment, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

Investments

The Company's business is investing in financial assets with a view to profit from the total return in the form of revenue and capital gains. Accordingly, the investment portfolio is a significant, material item in the financial statements. The recognition and measurement of the investment portfolio is therefore a risk that requires particular audit attention.

Independent Auditor's Report to the Members of Finsbury Growth & Income Trust PLC – continued

Our audit work included, but was not restricted to, understanding management's process to recognise and measure investments including ownership of those investments, obtaining a confirmation of investments held at the year end directly from the independent custodian, testing the reconciliation of the custodian records to the records maintained by the Company's administrator, testing a selection of investment additions and disposals shown in the Company's records to supporting documentation and agreeing the valuation of quoted investments to an independent source of market prices.

The Company's accounting policy on the valuation of quoted investments is included in note 1, and its disclosures about investments held at the year end are included in note 9.

Investment income

Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, the recognition of investment income is a risk that requires particular audit attention.

Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with the United Kingdom Generally Accepted Accounting Practice, obtaining an understanding of management's process to recognise revenue in accordance with the stated accounting policy, testing whether a sample of income transactions has been recognised in accordance with the policy, and for a sample of investments held in the period confirming that income that should have been received has been received and recorded, and assessing whether any of the dividends should have been treated as capital receipts.

The Company's accounting policy on the recognition of income is shown in note 1 and the components of that revenue are included in note 2.

Management over-ride of internal controls

Under ISAs (UK & Ireland), for all of our audits we are required to consider the risk of management override of financial controls. Due to the unpredictable nature of this risk we are required to assess it as a significant risk requiring special audit consideration.

Our audit work included, but was not restricted to, specific procedures responding to this risk that are required by ISA 240 (UK & Ireland) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'. This included tests of journal entries, the evaluation of judgments and assumptions in any management estimates and tests of any significant transactions outside the normal course of business. These tests were also performed in the context of the functions provided by, and the controls designed and implemented at, the relevant third party service providers.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other reporting responsibilities

Opinion on other matters prescribed by the Companies Act 2006.

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 26 to 29 with respect to internal controls and risk management systems in relation to financial reporting processes is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

Independent Auditor's Report to the Members of Finsbury Growth & Income Trust PLC – continued

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable, and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 25, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Julian Bartlett
(Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

12 December 2013

Income Statement

for the year ended 30 September 2013

	Notes	Revenue £'000	Capital £'000	2013 Total £'000	Revenue £'000	Capital £'000	2012 Total £'000
Gains on investments designated at fair value through profit or loss	9	–	77,323	77,323	–	37,685	37,685
Exchange difference		–	(36)	(36)	–	(39)	(39)
Income	2	11,300	–	11,300	8,083	–	8,083
Investment management and management fees	3	(735)	(1,493)	(2,228)	(479)	(974)	(1,453)
Other expenses	4	(603)	–	(603)	(543)	(5)	(548)
Return on ordinary activities before finance charges and taxation		9,962	75,794	85,756	7,061	36,667	43,728
Finance charges	5	(121)	(244)	(365)	(131)	(267)	(398)
Return on ordinary activities before taxation		9,841	75,550	85,391	6,930	36,400	43,330
Taxation on ordinary activities	6	(184)	–	(184)	(138)	–	(138)
Return on ordinary activities after taxation		9,657	75,550	85,207	6,792	36,400	43,192
Return per share	7	12.7p	99.4p	112.1p	10.8p	58.0p	68.8p

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.

The notes on pages 42 to 54 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2013

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2012	17,142	86,458	3,453	12,424	128,685	6,047	254,209
Net return from ordinary activities	–	–	–	–	75,550	9,657	85,207
Second interim dividend (5.2p per share) for the year ended 30 September 2012	–	–	–	–	–	(3,579)	(3,579)
First interim dividend (4.8p per share) for the year ended 30 September 2013	–	–	–	–	–	(3,647)	(3,647)
Issue of shares	3,642	60,121	–	–	–	–	63,763
Cost of share issuance	–	(114)	–	–	–	–	(114)
Year ended 30 September 2013	**20,784**	**146,465**	**3,453**	**12,424**	**204,235**	**8,478**	**395,839**

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2011	14,309	50,253	3,453	12,424	92,285	4,894	177,618
Net return from ordinary activities	–	–	–	–	36,400	6,792	43,192
Second interim dividend (4.8p per share) for the year ended 30 September 2011	–	–	–	–	–	(2,740)	(2,740)
First interim dividend (4.6p per share) for the year ended 30 September 2012	–	–	–	–	–	(2,899)	(2,899)
Issue of shares	2,833	36,321	–	–	–	–	39,154
Cost of share issuance	–	(116)	–	–	–	–	(116)
Year ended 30 September 2012	**17,142**	**86,458**	**3,453**	**12,424**	**128,685**	**6,047**	**254,209**

The notes on pages 42 to 54 form part of these financial statements.

Balance Sheet

as at 30 September 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	409,997	266,915
Current assets			
Debtors	10	1,348	2,343
Cash at bank		5,943	2,224
		7,291	4,567
Current liabilities			
Creditors		(1,249)	(2,023)
Bank loan		(20,200)	(15,250)
	11	(21,449)	(17,273)
Net current liabilities		(14,158)	(12,706)
Total net assets		**395,839**	**254,209**
Capital and reserves			
Share capital	12	20,784	17,142
Share premium account		146,465	86,458
Capital redemption reserve		3,453	3,453
Special reserve		12,424	12,424
Capital reserve	13	204,235	128,685
Revenue reserve		8,478	6,047
Equity shareholders' funds		**395,839**	**254,209**
Net asset value per share	14	**476.1p**	**370.7p**

The financial statements on pages 38 to 54 were approved by the Board of Directors on 12 December 2013, and were signed on its behalf by:

Anthony Townsend
Chairman

The notes on pages 42 to 54 form part of these financial statements.

Company Registration Number 13958 (Registered in Scotland)

Cash Flow Statement

for the year ended 30 September 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	17	8,262	5,956
Net cash outflow from servicing of finance		(359)	(310)
Financial investment			
Purchase of investments		(76,004)	(42,666)
Sale of investments		9,368	2,865
Net cash outflow from financial investment		(66,636)	(39,801)
Equity dividends paid		(7,226)	(5,639)
Net cash outflow before financing		**(65,959)**	**(39,794)**
Financing			
Shares issued		64,878	38,007
Drawdown of loans		4,950	1,700
Cost of share issuance		(114)	(116)
Net cash inflow from financing		69,714	39,591
Increase/(decrease) in cash	18	3,755	(203)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash resulting from cashflows		3,755	(203)
Increase in debt		(4,950)	(1,700)
Exchange movements		(36)	(39)
Movement in net debt		(1,231)	(1,942)
Net debt at 1 October 2012		(13,026)	(11,084)
Net debt at 30 September 2013	18	**(14,257)**	**(13,026)**

The notes on pages 42 to 54 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

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 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 January 2009.

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

(b) Investments

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 designated 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 exchange on which they are quoted.

Unquoted investments are valued by the Directors using primary valuation techniques such as discounted multiple of revenue, in accordance with IPEVCA guidelines.

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 "gains or losses on investments designated at fair value through profit or loss".

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 capital column of the Income Statement. The total of such expenses, showing the total amounts included in disposals and acquisitions are disclosed in note 9 on page 47, as recommended by the SORP.

(c) 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 Reconciliation of Movements in Shareholders' Funds.

(d) Investment Income

Dividends receivable on equity shares are recognised on the ex-dividend date.

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.

LLP profit share is recognised in the financial statements when the entitlement to the income is established.

(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 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 investment management fee, management fee and finance costs are taken to the capital reserve;

(3) performance fees are charged 100% to capital.

Notes to the Financial Statements – continued

1. Accounting Policies continued

(f) Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

Any tax relief obtained in respect of management and investment 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) Nature and purpose of reserves

Special reserve

The Special reserve arose following Court approval in July 2002 to transfer £13.16 million from the Share Premium account. This reserve is distributable and has historically been used to fund any share buy-backs by the Company.

Capital redemption reserve

This reserve arose when Ordinary Shares were redeemed by the Company and subsequently cancelled, at which point the an amount equal to the par value of the Ordinary Share capital was transferred from the Ordinary Share capital to the capital redemption reserve.

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; and
- expenses which are capital in nature as disclosed in note I(e).

Revenue reserve

This reserve reflects all income and expenditure which are recognised in the revenue column of the income statement.

(h) Cash at bank

Cash at bank comprises cash in hand and on demand deposits.

2. Income

	2013 £'000	2012 £'000
Income from investments		
Franked investment income		
– dividends	9,739	6,901
Unfranked investment income		
– limited liability partnership profit-share	138	149
– overseas dividends	1,423	1,033
Total income	**11,300**	**8,083**

Notes to the Financial Statements – continued

3. Investment Management and Management Fees

	Revenue 2013 £'000	Capital 2013 £'000	Total 2013 £'000	Revenue 2012 £'000	Capital 2012 £'000	Total 2012 £'000
Investment management fee	505	1,026	1,531	322	656	978
Management fee	192	389	581	131	265	396
VAT on management fees	38	78	116	26	53	79
Total fees	735	1,493	2,228	479	974	1,453

4. Other Expenses

	Revenue 2013 £'000	Capital 2013 £'000	Total 2013 £'000	Revenue 2012 £'000	Capital 2012 £'000	Total 2012 £'000
Directors' fees	126	–	126	133	–	133
Fees payable to the Company's auditor – statutory annual audit	24	–	24	23	–	23
Fees payable to the Company's auditor – audit related assurance services	4	–	4	4	–	4
Fees payable to the Company's auditor – taxation compliance services	3	–	3	3	–	3
Printing	57	–	57	40	–	40
Bank and custody fees	47	–	47	31	–	31
Marketing costs	41	–	41	65	–	65
Other expenses	301	–	301	244	5	249
Total expenses	603	–	603	543	5	548

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

Details of the amounts paid to Directors are included in the Directors' Remuneration Report on pages 32 to 34.

5. Finance Charges

	Revenue 2013 £'000	Capital 2013 £'000	Total 2013 £'000	Revenue 2012 £'000	Capital 2012 £'000	Total 2012 £'000
On bank loans wholly repayable within five years	114	231	345	113	229	342
Arrangement fees	–	–	–	8	17	25
Loan facility expenses	7	13	20	10	21	31
	121	244	365	131	267	398

Notes to the Financial Statements – continued

6. Taxation on Ordinary Activities

	Revenue 2013 £'000	Capital 2013 £'000	Total 2013 £'000	Revenue 2012 £'000	Capital 2012 £'000	Total 2012 £'000
(a) Analysis of charge for the year						
Irrecoverable overseas tax	184	–	184	138	–	138

	Revenue 2013 £'000	Capital 2013 £'000	Total 2013 £'000	Revenue 2012 £'000	Capital 2012 £'000	Total 2012 £'000
(b) Factors affecting tax charge for year						
Return on ordinary activities before taxation	9,841	75,550	85,391	6,930	36,400	43,330
Return on ordinary activities multiplied by corporation tax of 23.5%^ (2012: 25%)	2,313	17,754	20,067	1,732	9,100	10,832
Effects of:						
Overseas tax	229	–	229	159	–	159
Overseas tax recoverable	(45)	–	(45)	(21)	–	(21)
Franked investment income not subject to corporation tax	(2,288)	–	(2,288)	(1,725)	–	(1,725)
Overseas dividends not taxable	(334)	–	(334)	(258)	–	(258)
Excess expenses unutilised	309	–	309	251	–	251
Amounts charged to capital	–	409	409	–	311	311
Expenses not deductible for tax purposes	–	8	8	–	10	10
Capital return not subject to tax*	–	(18,171)	(18,171)	–	(9,421)	(9,421)
Current tax charge for the year (note 6(a))	184	–	184	138	–	138

^Under the Finance Act 2013, the rate of corporation tax was lowered to 23% from 24%. An average rate of 23.5% was applicable for the year ended 30 September 2013.

*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 2013, the Company has not recognised a deferred tax asset of £8,976,000 (2012: £8,869,000) arising principally as a result of excess 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.

Notes to the Financial Statements – continued

7. Return per Share

	Revenue 2013	Capital 2013	Total 2013	Revenue 2012	Capital 2012	Total 2012
Return per Share	12.7p	99.4p	112.1p	10.8p	58.0p	68.8p

The total return per share is based on the total return attributable to equity shareholders of £85,207,000 (2012: £43,192,000), and on 75,974,098 (2012: 62,788,996) shares, being the weighted average number of shares in issue during the year.

Revenue return per share is based on the net revenue on ordinary activities after taxation of £9,657,000 (2011: £6,792,000).

Capital return per share is based on the net capital profit for the year of £75,550,000 (2011: £36,400,000).

8. Dividends

	Ex-Div Date	Register Date	Payment Date	2013 £'000	2012 £'000
2013:					
First interim dividend of 4.8p per share (2012: 4.6p)	3 April 2013	5 April 2013	2 May 2013	3,647	2,899
Second interim dividend of 5.7p per share (2012: 5.2p)	9 October 2013	11 October 2013	8 November 2013	4,748	3,579

The second interim dividend of 5.7p per share (2012: 5.2p) 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:

	2013 £'000
Revenue available for distribution by way of dividend for the year	9,657
2013: First interim dividend of 4.8p per share paid on 2 May 2013	(3,647)
2013: Second interim dividend of 5.7p per share paid on 8 November 2013	(4,748)
Net addition to revenue reserves	1,262

Notes to the Financial Statements – continued

9. Investments

Analysis of portfolio movements

	2013 £'000	2012 £'000
Opening book cost	166,629	127,437
Opening investment holding gains	100,286	60,810
Valuation at 30 September 2012	266,915	188,247
Movements in the year:		
Purchases at cost	75,127	43,848
Sales		
– proceeds	(9,368)	(2,865)
– Gain/(loss) on sales	4,099	(1,791)
Net movement in investment holding gains	73,224	39,476
Valuation at 30 September 2013	409,997	266,915
Closing book cost	236,487	166,629
Investment holding gains at 30 September 2012	173,510	100,286
Valuation at 30 September 2013	409,997	266,915

Investment holding gains

	2013 £'000	2012 £'000
Gains/(losses) based on historical cost	4,099	(1,791)
Amounts recognised as investment holding (gains)/losses in previous year	(1,862)	2,583
Gain based on carrying values at previous year's balance sheet date	2,237	792
Net movement in investment holding gains in the year	75,086	36,893
Gains on investments during the year	77,323	37,685

Transaction costs on the acquisition and sale of investments totaled £448,000 and £19,000 respectively (2012: £211,000 and £nil) and are included within the gains/(losses) on investments within the Income Statement.

10. Debtors

	2013 £'000	2012 £'000
Prepayments and accrued income	864	744
Amount due from broker in respect of shares issued by the Company	484	1,599
	1,348	2,343

Notes to the Financial Statements – continued

11. Creditors

Amounts falling due within one year

	2013 £'000	2012 £'000
Bank loan with Scotiabank Europe PLC*	20,200	15,250
Amounts due to brokers	811	1,688
Other creditors and accruals	438	335
	21,449	17,273

*Further details on the loan facility can be found in note 16.

12. Share Capital

	2013 £'000	2012 £'000
Allotted, issued and fully paid:		
83,136,557 (2012: 68,568,381) shares of 25p each	20,784	17,142

During the year 14,568,176 new shares were issued for consideration of £63,763,000 being an average price of 437.7p per share. At the year-end there was a debtor of £484,000 (2012: £1,598,000) in relation to shares issued but not settled until after the year-end. At the year-end the Company held no shares in treasury (2012: Nil).

13. Capital Reserve

	Capital Reserves Realised £'000	Capital Reserve Investment Holding Gains Unrealised £'000	Total £'000
At 1 October 2012	28,399	100,286	128,685
Transfer on disposal of investments	1,862	(1,862)	–
Net gains on investments	2,237	75,086	77,323
Expenses charged to capital	(1,737)	–	(1,737)
Foreign currency exchange difference	(36)	–	(36)
At 30 September 2013	30,725	173,510	204,235

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

14. Net Asset Value per Share

The net asset value per share is based on net assets of £395,839,000 (2012: £254,209,000) and on 83,136,557 (2012: 68,568,381) (excluding treasury shares) shares in issue at the year end. As at 30 September 2013 the Company held no shares in treasury (2012: Nil).

Notes to the Financial Statements – continued

15. Related Parties

Details of the relationship between the Company and Lindsell Train Limited are disclosed in the Report of the Directors on pages 21 to 22. During the year ended 30 September 2013, Lindsell Train Limited received £1,531,000 (2012: £978,000) in respect of Investment Management fees, of which £150,000 (2012: £95,000) was outstanding at the year end.

The Company has an investment in The Lindsell Train Investment Trust plc with a book cost of £1,000,000 (2012: £1,000,000) and a fair value of £3,450,000 (2012: £2,770,000) as at 30 September 2013. The Lindsell Train Investment Trust plc is managed by the Company's Investment Manager.

16. 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 6. 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 profits available for distribution.

The Company's financial instruments comprise mainly of equity investments, cash balances, borrowings and 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 page 14.

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 2013, the fair value of the Company's assets exposed to market price risk was £409,997,000 (2012: £266,915,000) (see page 11). If the fair value of the Company's investments at the balance sheet date increased or decreased by 20%, while all other variables remained constant, the capital return and net assets attributable to shareholders for the year ended 30 September 2013 would have increased or decreased by £81,999,000 or 98.6p per share (2012: £53,383,000 or 77.9p per share).

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

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 at bank and on deposit
- the fair value of investments of fixed rate securities

The Company's main exposure to interest rate risk during the year ended 30 September 2013 was through its £25,000,000 secured multicurrency committed revolving credit facility with Scotiabank Europe PLC. Borrowings varied throughout the year as part of the Board's endorsed policy. Borrowings at the year-end amounted to £20,200,000 (2012: £15,250,000) at an interest rate of 1.87% (LIBOR plus 1.35%).

Notes to the Financial Statements – continued

16. Risk Management Continued

If the above level of borrowing was maintained for a year a 1% increase/decrease in LIBOR would decrease/increase the revenue return by £67,000, would decrease/increase the capital return by £135,000, and would decrease/increase the net assets by £202,000 (2012: decrease/increase the revenue return by £50,000, decrease/increase the capital return by £102,000 and decrease/increase the net assets by £152,000).

The weighted average interest rate, during the year, on borrowings under the above mentioned revolving credit facility provided by Scotiabank Europe PLC was 1.89% (2012: 2.34%).

At the year-end, the Company's financial assets and liabilities exposed to interest rate risk were as follows:

	2013 Within one year £'000	2012 Within one year £'000
Exposure to floating rates:		
Cash at bank	5,943	2,224
Creditors: amount falling due within one year		
– borrowings under the loan facility	20,200	15,250
Exposure to fixed rates:		
Investments designated at fair value through profit or loss#	64	54

#Comprises holdings in Celtic 6% cumulative convertible preference (2012: Celtic 6% cumulative preference) as set out on page 11.

Currency risk

The financial statements are presented in sterling, which is the functional currency and presentational currency of the Company. At 30 September 2013, the Company's investments, with the exception of five, were priced in sterling. The five exceptions, Thomson Reuters, listed in Canada, Heineken, listed in the Netherlands, and Dr Pepper Snapple, Kraft Foods Group and Mondelez International, all listed in the United States, represent 15.4% of the portfolio (see page 11).

The Investment Manager and 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 Investment 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.

At 30 September 2013 the Company held £24,177,000 (2012: £15,293,000) of investments denominated in U.S. dollars and £8,770,000 (2012: £4,705,000) in Canadian dollars and £30,309,000 (2012: £21,118,000) Euros.

The following table details the sensitivity of the Company's capital or revenue return after taxation for the year to a 5% increase and decrease in sterling against foreign currency (2012: 5% increase and decrease).

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

	2013 US$ £'000	2013 Canadian$ £'000	2013 Euro £'000	2012 US$ £'000	2012 Canadian$ £'000	2012 Euro £'000
Increase in revenue return	2	–	–	5	–	1
Increase in capital return	537	121	703	805	237	1,099
Total return after tax/increase in shareholders' funds	539	121	703	810	237	1,100

Notes to the Financial Statements – continued

16. Risk Management Continued

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

	2013 US$ £'000	2013 Canadian$ £'000	2013 Euro £'000	2012 US$ £'000	2012 Canadian$ £'000	2012 Euro £'000
Decrease in revenue return	(2)	–	–	(4)	–	(1)
Decrease in capital return	(514)	(117)	(671)	(728)	(214)	(995)
Total return after tax/decrease in shareholders' funds	(516)	(117)	(671)	(732)	(214)	(996)

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 Investment 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 Investment Manager and the 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 Aa3 (Moodys) and A+ (S&P).

Scotiabank Europe PLC, the provider of the Company's loan facility, has established a first fixed and floating charge over the assets of the Company as security against any funds drawn down by the Company under the loan facility.

As at 30 September 2013, the exposure to credit risk was £7,355,000 (2012: £4,621,000), comprising:

	2013 £'000	2012 £'000
Fixed assets:		
Non-equity investments (preference shares)	64	54
Current assets:		
Other receivables (amounts due from brokers, dividends and interest receivable)	1,348	2,343
Cash at bank	5,943	2,224
Total exposure to credit risk	7,355	4,621

Liquidity Risk

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 that are readily realisable, and are significantly in excess of its financial liabilities.

Fair value of financial assets and financial liabilities

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

Notes to the Financial Statements – continued

16. Risk Management Continued

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 – valued using quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included within Level 1.
- Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out fair value measurements of financial instruments as at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

Financial assets at fair value through profit or loss at 30 September 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	409,283	–	650	409,933
Preference share investments	64	–	–	64
	409,347	–	650	409,997

Financial assets at fair value through profit or loss at 30 September 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	266,391	–	470	266,861
Preference share investments	54	–	–	54
	266,445	–	470	266,915

The valuation techniques used by the company are explained in the accounting policies note on page 42.

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

	2013 £'000	2012 £'000
Opening fair value	470	470
Total gains or losses included in gains on investments in the Income Statement		
– on assets held at the end of the year	180	–
Closing fair value	650	470

Notes to the Financial Statements – continued

16. Risk Management Continued

Capital management objectives, policies and procedures

The structure of the Company's Capital is described in note 12 to the financial statements and details of the Company's reserves are shown in the Reconciliation of Movements in Shareholders' Funds on page 39. Details of the Company's net debt, representing 3.6% (2012: 5.1%) of net assets, can be found on the Balance Sheet on page 40.

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 capital and debt.

The Board, with the assistance of the Investment Manager and 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 and the Investment Manager on the market; and
- the extent to which revenue reserves should be retained or utilised.

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.

17. Reconciliation of Net Return Before Finance Charges and Taxation to Net Cash Inflow from Operating Activities

	2013 £'000	2012 £'000
Total return before finance charges and taxation	85,756	43,728
Less: capital return before finance charges and taxation	(75,794)	(36,667)
Net revenue before finance charges and taxation	9,962	7,061
Increase in accrued income and prepayments	(129)	(30)
Increase in creditors	96	63
Taxation – irrecoverable overseas tax paid	(174)	(159)
Investment management and management fees charged to capital	(1,493)	(974)
Other expenses charged to capital	–	(5)
Net cash inflow from operating activities	8,262	5,956

Notes to the Financial Statements – continued

18. Analysis of Changes in Net Debt

	At 1 October 2012 £'000	Cashflow £'000	Exchange Movement £'000	At 30 September 2013 £'000
Cash at bank	2,224	3,755	(36)	5,943
Debt falling due within 1 year	(15,250)	(4,950)	–	(20,200)
Net debt	(13,026)	(1,195)	(36)	(14,257)

19. Substantial Interests

The Company holds interests in 3% or more of any class of capital in the following entities:

Company or Limited Liability Partnership	Shares held	Fair value £'000	% of issued share capital or Limited Liability Partnership interest
A.G. Barr	4,340,802	22,811	3.7
Frostrow Capital LLP (unquoted)	–	650	10.0
The Lindsell Train Investment Trust*	10,000	3,450	5.0
Young & Co's Brewery	1,014,865	6,749	3.5

*Also managed by Lindsell Train Limited who receive an Investment Management fee of 0.65% per annum of the company's adjusted market capitalisation.

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Finsbury Growth & Income Trust PLC will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday, 29 January 2014 at 12 noon, for the following purposes:

Ordinary Business

1. To receive and consider the audited accounts and the Report of the Directors for the year ended 30 September 2013.
2. To re-elect Anthony Townsend as a Director of the Company.
3. To re-elect John Allard as a Director of the Company.
4. To re-elect Neil Collins as a Director of the Company.
5. To re-elect David Hunt as a Director of the Company.
6. To re-elect Vanessa Renwick as a Director of the Company.
7. To receive and approve the Directors' Remuneration Report for the year ended 30 September 2013.
8. To receive and approve the Remuneration Policy.
9. To reappoint Grant Thornton UK LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider, and if thought fit, pass the following resolutions of which resolutions 11, 12, 13 and 14 are proposed as special resolutions:

Authority to Allot Shares

10. THAT in substitution of all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to a maximum aggregate nominal amount of £2,155,663 being 10% of the issued share capital at 12 December 2013 and representing 8,622,655 shares of 25p each in the Company (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed) provided that this authority share expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of Pre-emption Rights

11. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 12 set out in the notice convening the Annual General Meeting at which this resolution is proposed ("Notice of Annual General Meeting")) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 10 set out in the Notice of Annual General Meeting or otherwise as if Section 561(1) of the Act did not apply to any such allotment:

    (a) pursuant to an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25p each in the Company ("Shares") are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

    (b) provided that (otherwise than pursuant to sub-paragraph (a) above) this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £2,155,663, being 10% of the issued share capital of the Company as at 12 December 2013 and representing 8,622,655 shares or, if changed, the number representing 10% of the issued share

Notice of the Annual General Meeting – continued

capital of the Company at the date of the meeting at which this resolution is passed, and provided further that (i) the number of equity securities to which this power applies shall be reduced from time to time by the number of treasury shares which are sold pursuant to any power conferred on the Directors by resolution 12 set out in the Notice of Annual General Meeting and (ii) no allotment of equity securities shall be made under this power which would result in Shares being issued at a price which is less than the higher of the Company's cum or ex income net asset value per Share as at the latest practicable date before such allotment of equity securities as determined by the Directors in their reasonable discretion,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

Treasury Shares

12. THAT in substitution of all existing powers (but in addition to any power conferred on them by resolution 11 set out in the Notice of Annual General Meeting) the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to sell relevant shares (within the meaning of Section 560 of the Act) if, immediately before the sale, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act ("treasury shares")), for cash as if Section 561(1) of the Act did not apply to any such sale provided that:

(a) where any treasury shares are sold pursuant to this power at a discount to the then prevailing net asset value of ordinary shares of 25p each in the Company ("Shares"), such discount must be (i) lower than the discount to the net asset value per Share at which the Company acquired the Shares which it then holds in treasury and (ii) not greater than 5% to the prevailing net asset value per Share at the latest practicable time before such sale (and for this purpose the Directors shall be entitled to determine in their reasonable discretion the discount to their net asset value at which such Shares were acquired by the Company and the net asset value per Share at the latest practicable time before such Shares are sold pursuant to this power); and

(b) this power shall be limited to the sale of relevant shares having an aggregate nominal value of £2,155,663, being 10% of the issued share capital of the Company as at 12 December 2013 and representing 8,622,655 Shares or, if changed, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed, and provided further that the number of relevant shares to which power applies shall be reduced from time to time by the number of Shares which are allotted for cash as if Section 561(1) of the Act did not apply pursuant to the power conferred on the Directors by resolution 11 set out in the Notice of Annual General Meeting,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might otherwise require treasury shares to be sold after such expiry and the Directors may sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Notice of the Annual General Meeting – continued

Authority to Repurchase Shares

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("Shares") (either for retention as treasury shares for future reissue, resale, transfer or cancellation) provided that:

    (i) the maximum aggregate number of Shares authorised to be purchased is 12,925,360 or, if changed, the number representing 14.99% of the issued share capital of the Company at the date of the meeting at which this resolution is proposed;

    (ii) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;

    (iii) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemption for buyback programmes and stabilisation of financial instruments);

    (iv) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

    (v) the Company may make a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

General Meetings

14. THAT as permitted by the EU Shareholders' Rights Directive (2007/36/EC) any General Meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the Articles of Association of the Company provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of the resolution.

By order of the Board

Frostrow Capital LLP
Company Secretary

12 December 2013

Registered office
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Notice of the Annual General Meeting – continued

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

3. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon on Monday, 27 January 2014.

4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.

6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "Register of Members") at 5.30 p.m. on Monday, 27 January 2014 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

9. As at 12 December 2013 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 86,226,557 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 December 2013 are 86,226,557.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).

15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras).

17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Notice of the Annual General Meeting – continued

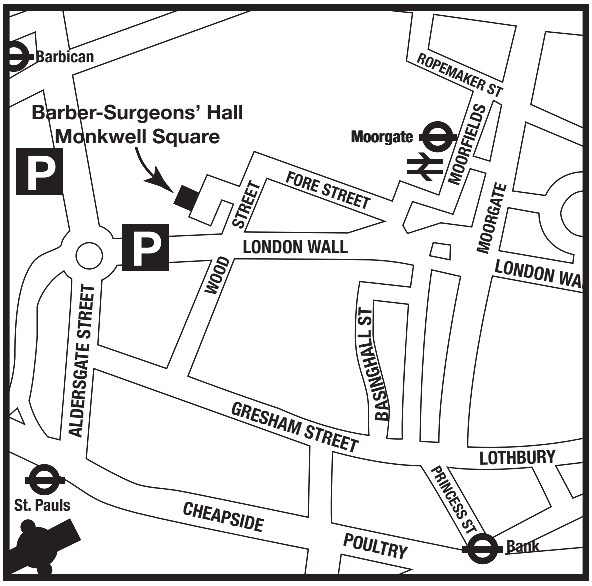
Notes (continued)

18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

19. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke its proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.

Location of the Annual General Meeting

to be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday, 29 January, 2014 at 12 noon.



Explanatory Notes to the Resolutions

Resolution 1 – To receive the Annual Report and Accounts

The Annual Report and Accounts for the year ended 30 September 2013 will be presented to the AGM. These accounts accompanied this Notice of Meeting and shareholders will be given an opportunity at the meeting to ask questions.

Resolutions 2 to 6 – Re-election of Directors

Resolutions 2 to 6 deal with the re-election of each Director. Biographies of each of the Directors can be found on page 16 of the Annual Report.

The Board has confirmed, following a performance review, that the Directors standing for re-election continue to perform effectively.

Resolutions 7 to 8 – Remuneration Policy and Remuneration Report

It is now mandatory for all listed companies to put both their Report on Directors' Remuneration and their Remuneration Policy to a shareholder vote. The Report on Directors' Remuneration is set out in full in the Annual Report on pages 32 to 34.

Resolution 9 – Re-appointment of auditors

Resolution 9 relates to the re-appointment of Grant Thornton UK LLP as the Company's independent auditors to hold office until the next AGM of the Company and also authorises the Directors to set their remuneration.

Resolutions 10 to 12

Ordinary Resolution No. 10 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £2,155,663 (equivalent to 8,622,655 shares, or 10% of the Company's existing issued share capital on 12 December 2013, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution No. 11 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 12 December 2013 (reduced by any treasury shares sold by the Company pursuant to Resolution No. 12, as described below), as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution No. 10. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

Under Section 724 of the Companies Act 2006 ('s724') the Company is permitted to buy back and hold shares in treasury and then sell them at a later date for cash, rather than cancelling them. It is a requirement of s724 that such sale be on a pre-emptive, pro rata, basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued share capital on a non pre-emptive basis pursuant to Resolution No. 11, Special Resolution No. 12, if passed, will give the Directors authority to sell shares held in treasury on a non pre-emptive basis. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares. Any re-sale of treasury shares would only take place at a narrower discount to the ex-income net asset value per share than that at which they had been bought into treasury, and in any event at a discount no greater than 5% to the prevailing ex-income net asset value per share, and this is reflected in the text of Resolution No. 12. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The number of treasury shares which may be sold pursuant to this authority is limited to 10% of the Company's existing share capital on 12 December 2013 (reduced by any equity securities allotted for cash on a non-pro rata basis pursuant to Resolution No. 12, as described above). This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier.

The Directors intend to use the authority given by Resolutions Nos. 10, 11 and 12 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 13

The Directors wish to renew the authority given by shareholders at the previous Annual General Meeting. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the

Explanatory Notes to the Resolutions – continued

Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution No. 13 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 12 December 2013, being the nearest practicable date prior to the signing of this Report, (amounting to 12,925,360 shares). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 14

Special Resolution No. 14 seeks shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) at 14 clear days' notice.

Recommendation

The Board considers that the resolutions relating to the above 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 above resolutions to be proposed at the forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totaling 282,730 shares.

Glossary of Terms

AIFM
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). There is a one-year transition period within which alternative funds must comply with the provisions of the Directive.

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

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Gearing
Gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.

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

Net Asset Value Total Return
The 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.

Ongoing Charges
Ongoing charges are calculated by taking the Company's annualised expenses, excluding performance fees and exceptional items, and dividing by the average net asset value of the Company over the year.

The publishing of ongoing charges information rather than a total expense ratio (TER) is advocated by the Association of Investment Companies who believe that using a single methodology to calculate ongoing charges will help reduce inconsistencies and allow investors and advisers to compare investment companies more easily with open-ended funds.

Share Price Total Return
The change in capital value of a company's shares over a given period, plus dividends received, expressed as a percentage of the opening value.

Total Assets
Total Assets less current liabilities (before deducting prior charges). Prior charges includes all loans for investment purposes.

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.

How to Invest

Investment Platforms

Investment Platforms

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

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

Capita Asset Services – Share Dealing Service

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

Type of trade	Online	Telephone
Share certificates	1% of the value of the deal (Minimum £21.00, max £125.00)	1.5% of the value of the deal (Minimum £28.50, max £175.00)

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

To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your share certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

For further information on this service please contact: www.capitadeal.com (online dealing) or 0871 664 0364† (telephone dealing)

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

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

The Share Dealing Service is provided by Capita IRG Trustees Limited which has issued and approved the preceding paragraphs. Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU is registered in England and Wales with number 2729260. Capita IRG Trustees Limited is authorised and regulated by the Financial Conduct Authority and is also authorised to conduct cross-border business in the EEA under the provisions of the EU Markets in Financial Investments Directive.

How to Invest

Investment Platforms – continued

Risk Warnings

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

Company Information

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

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

Website
www.finsburygt.com

Company Registration Number
13958 (Registered in Scotland)

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

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

Authorised and regulated by the Financial Conduct Authority.

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

Authorised and regulated by the Financial Conduct Authority.

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

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

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

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

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

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

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

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

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

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

Identification Codes

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

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

Disability Act

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, Capita Registrars, 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.

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