

Finsbury Growth & Income Trust PLC  
(Company Number: SCO13958)

Half Year Report & Financial Statements  
for the six months ended 31 March 2017



## Financial Statements/Income Statement

For the six months ended 31 March 2017

	(Unaudited)			(Unaudited)		
	Six months ended 31 March 2017	Six months ended 31 March 2017	Six months ended 31 March 2017	Six months ended 31 March 2016	Six months ended 31 March 2016	Six months ended 31 March 2016
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments designated at fair value through profit or loss	-	60,260	60,260	-	62,236	62,236
Exchange differences	-	(59)	(59)	-	(77)	(77)
Income (note 2)	8,330	-	8,330	6,450	-	6,450
AIFM and Portfolio Management fees (note 3)	(974)	(1,978)	(2,952)	(736)	(1,495)	(2,231)
Other expenses	(534)	(32)	(566)	(454)	-	(454)
<b>Return on ordinary activities before finance charges and taxation</b>	<b>6,822</b>	<b>58,191</b>	<b>65,013</b>	<b>5,260</b>	<b>60,664</b>	<b>65,924</b>
Finance charges	(123)	(249)	(372)	(105)	(213)	(318)
<b>Return on ordinary activities before taxation</b>	<b>6,699</b>	<b>57,942</b>	<b>64,641</b>	<b>5,155</b>	<b>60,451</b>	<b>65,606</b>
Taxation on ordinary activities	(11)	-	(11)	(149)	-	(149)
<b>Return on ordinary activities after taxation</b>	<b>6,688</b>	<b>57,942</b>	<b>64,630</b>	<b>5,006</b>	<b>60,451</b>	<b>65,457</b>
<b>Return per share – basic (note 4)</b>	<b>4.5p</b>	<b>39.3p</b>	<b>43.8p</b>	<b>4.0p</b>	<b>47.9p</b>	<b>51.9p</b>

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

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

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

## Financial Statements/Statement of Changes in Equity

For the six months ended 31 March 2017

<b>(Unaudited)</b> <b>Six months ended 31 March 2017</b>	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 2016	35,579	463,833	3,453	12,424	403,417	17,316	936,022
Net return from ordinary activities	–	–	–	–	57,942	6,688	64,630
Second interim dividend (7.0p per share) for the year ended 30 September 2016*	–	–	–	–	–	(9,982)	(9,982)
Issue of shares	2,232	55,401	–	–	–	–	57,633
Cost of share issuance	–	(89)	–	–	–	–	(89)
<b>At 31 March 2017</b>	<b>37,811</b>	<b>519,145</b>	<b>3,453</b>	<b>12,424</b>	<b>461,359</b>	<b>14,022</b>	<b>1,048,214</b>

**(Unaudited)**

**Six months ended 31 March 2016**

At 30 September 2015	30,241	341,188	3,453	12,424	273,166	13,218	673,690
Net return from ordinary activities	–	–	–	–	60,451	5,006	65,457
Second interim dividend (6.6p per share) for the year ended 30 September 2015*	–	–	–	–	–	(8,008)	(8,008)
Issue of shares	2,335	46,756	–	–	–	–	49,091
Cost of share issuance	–	(108)	–	–	–	–	(108)
<b>At 31 March 2016</b>	<b>32,576</b>	<b>387,836</b>	<b>3,453</b>	<b>12,424</b>	<b>333,617</b>	<b>10,216</b>	<b>780,122</b>

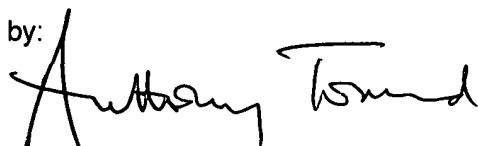
\* All dividends paid during the period have been funded from the revenue reserve.

## Financial Statements/Statement of Financial Position

as at 31 March 2017

	(Unaudited) 31 March 2017 £'000	(Audited) 30 September 2016 £'000
<b>Fixed assets</b>		
Investments designated at fair value through profit or loss	1,074,496	956,592
<b>Current assets</b>		
Debtors	2,940	3,284
Cash and cash equivalents	5,977	12,198
	8,917	15,482
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	(699)	(1,552)
Bank loan	–	(34,500)
	(699)	(36,052)
<b>Net current assets/(liabilities)</b>	8,218	(20,570)
<b>Total assets less current liabilities</b>	1,082,714	936,022
<b>Creditors: amounts falling due after one year</b>		
Bank loan	(34,500)	–
<b>Net assets</b>	1,048,214	936,022
<b>Capital and reserves</b>		
Share capital	37,811	35,579
Share premium account	519,145	463,833
Capital redemption reserve	3,453	3,453
Special reserve	12,424	12,424
Capital reserve	461,359	403,417
Revenue reserve	14,022	17,316
<b>Total shareholders' funds</b>	1,048,214	936,022
<b>Net asset value per share – basic and diluted (note 5)</b>	693.1p	657.7p

Signed by:



Anthony Townsend  
Chairman

3 May 2017

## Financial Statements/Statement of Cash Flows

for the six months ended 31 March 2017

	(Unaudited) 31 March 2017 £'000	(Unaudited) 31 March 2016 £'000
<b>Net cash inflow from operating activities before interest (note 7)</b>	<b>4,612</b>	<b>3,175</b>
Interest paid	(372)	(318)
<b>Net cash inflow from operating activities</b>	<b>4,240</b>	<b>2,857</b>
<b>Investing activities</b>		
Purchase of investments	(58,553)	(56,260)
Sale of investments	–	3,148
<b>Net cash outflow from investing activities</b>	<b>(58,553)</b>	<b>(53,112)</b>
<b>Financing activities</b>		
Equity dividends paid	(9,982)	(8,008)
Shares issued	58,222	50,063
Drawdown of loans	–	2,000
Cost of share issuance	(89)	(108)
<b>Net cash inflow from financing activities</b>	<b>48,151</b>	<b>43,947</b>
<b>Decrease in cash and cash equivalents</b>	<b>(6,162)</b>	<b>(6,308)</b>
Exchange movements	(59)	(77)
Cash and cash equivalents at 1 October	12,198	8,440
<b>Cash and cash equivalents at 31 March</b>	<b>5,977</b>	<b>2,055</b>

## Financial Statements/Notes to the Financial Statements

### 1. Basis of preparation

The condensed Financial Statements for the six months to 31 March 2017 have been prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with FRS 104 'Interim Financial Reporting' and with the AIC's Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts issued January 2017.

The accounting policies used for the year ended 30 September 2016 have been applied.

#### Fair Value

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

Level 1 – quoted prices in active markets

Level 2 – prices of recent transactions for identical instruments

Level 3 – valuation techniques using observable and unobservable market data.

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

As at 31 March 2017

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total
Equity investments	1,072,911	–	–	1,072,911
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,000	1,000
AIFM Capital contribution (Frostrow Capital LLP)	–	–	480	480
Preference shares investment	105	–	–	105
	1,073,016	–	1,480	1,074,496

As at 30 September 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total
Equity investments	955,100	–	–	955,100
Limited liability partnership interest (Frostrow Capital LLP)	–	–	1,000	1,000
AIFM Capital contribution (Frostrow Capital LLP)	–	–	420	420
Preference shares investment	72	–	–	72
	955,172	–	1,420	956,592

### 2. Income

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
<b>Income from investments</b>		
Franked investment income		
– dividends	7,278	5,441
Unfranked investment income		
– overseas dividends	1,031	990
– limited liability partnership – priority profit-share on AIFM Capital Contribution	21	19
<b>Total income</b>	<b>8,330</b>	<b>6,450</b>

### 3. AIFM and Portfolio Management fees

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
AIFM fee	764	584
Portfolio management fee	2,188	1,647
<b>Total fees</b>	<b>2,952</b>	<b>2,231</b>

### 4. Return per share

The total return per share is based on the total return attributable to equity shareholders of £64,630,000 (six months ended 31 March 2016: return of £65,457,000) and on 147,584,316 shares (six months ended 31 March 2016: 126,322,532), being the weighted average number of shares in issue during the period.

The revenue return per share is calculated by dividing the net revenue return of £6,688,000 (six months ended 31 March 2016: return of £5,006,000) by the weighted average number of shares in issue as above.

The capital return per share is calculated by dividing the net capital return attributable to shareholders of £57,942,000, (six months ended 31 March 2016: return of £60,451,000) by the weighted average number of shares in issue as above.

### 5. Net asset value per share

The net asset value per share is based on net assets attributable to shares of £1,048,214,000 (30 September 2016: £936,022,000) and on 151,245,712 shares in issue (30 September 2016: 142,318,212).

### 6. Transaction costs

Purchase transaction costs for the six months ended 31 March 2017 were £259,000 (six months ended 31 March 2016: £300,000).

These comprise of stamp duty costs of £215,000 (31 March 2016: £246,000) and commission of £44,000 (31 March 2016: £54,000).

Sales transaction costs for the six months ended 31 March 2017 were £nil (six months ended 31 March 2016: £3,000). These comprise solely of commission.

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

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

	(Unaudited) Six months ended 31 March 2017 £'000	(Unaudited) Six months ended 31 March 2016 £'000
Total return before finance charges and taxation	65,013	65,924
Less: capital return before finance charges and taxation	(58,191)	(60,664)
Net revenue before finance costs and taxation	6,822	5,260
Increase in accrued income and prepayments	(165)	(523)
Increase in creditors	56	38
Taxation – irrecoverable overseas tax paid	(91)	(105)
AIFM and portfolio management fees charged to capital	(1,978)	(1,495)
Other expenses charged to capital	(32)	–
<b>Net cash inflow from operating activities</b>	<b>4,612</b>	<b>3,175</b>

### 8. 2016 accounts

The figures and financial information for the year to 30 September 2016 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for the year.

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