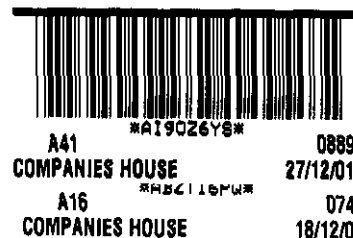


F&C Income Growth Investment Trust PLC

Company Registration Number: 2895991



Section 272 Accounts –

Interim Accounts for the Six Months to 30 September 2001 (Unaudited)

(incorporating the Revenue Account)*

		6 months to 30 September 2001			Year ended 31 March 2001			
Revenue	Capital	Revenue	Capital	Total	Revenue	Capital	Total	
Notes	Notes	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
	11	Gains and losses on investments	–	(4,906)	(4,906)	–	1,938	1,938
	19	Warrants purchased for cancellation	–	–	–	–	1	1
3		Income	1,188	–	1,188	2,136	–	2,136
4		Management fee	(109)	(109)	(218)	(216)	(216)	(432)
5		Other expenses	(126)	(1)	(127)	(233)	(2)	(235)
		Net return before finance costs and taxation	953	(5,016)	(4,063)	1,687	1,721	3,408
6		Interest payable and similar charges	(1)	(1)	(2)	(15)	(15)	(30)
		Return on ordinary activities before taxation	952	(5,017)	(4,065)	1,672	1,706	3,378
8		Taxation on ordinary activities	–	–	–	–	–	–
		Return attributable to equity shareholders	952	(5,017)	(4,065)	1,672	1,706	3,378
9		Dividends on ordinary shares (equity)	(660)	–	(660)	(1,568)	–	(1,568)
19	19	Amount transferred to reserves	291	(5,017)	(4,725)	104	1,706	1,810
10	10	Return per ordinary share – pence	2.39	(12.62)	(10.23)	4.16	4.24	8.40
10	10	Return per ordinary share (diluted) – pence	2.34	+	+	4.09	4.17	8.26

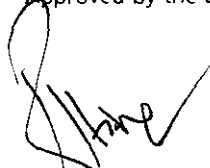
All revenue and capital items in the above statement derive from continuing operations.

Unaudited Balance Sheet

at 30 September 2001 and 31 March 2001

Notes	30 September 2001		31 March 2001	
	£'000s	£'000s	£'000s	£'000s
	Fixed assets			
11	Investments			
	Listed in Great Britain		53,860	58,925
	Current assets			
12	Debtors		435	459
	Taxation Recoverable		-	0
	Cash at bank and short-term deposits		1,080	577
			1,515	1,036
	Current liabilities			
13	Creditors: amounts falling due within one year		(540)	(780)
	Net current (liabilities)/assets		975	(256)
	Net assets		54,835	59,181
	Capital and reserves:			
14	Called up share capital		10,002	9,907
15	Share premium		8,738	8,321
16	Capital redemption reserve		1,020	1,020
17	Special reserve		16,373	16,373
18	Warrant reserve		1,339	1,472
19	Capital reserves		16,676	21,693
19	Revenue reserve		687	395
			44,833	49,274
20	Total equity shareholders' funds		54,835	59,181
20	Net asset value per ordinary share			
	Basic – pence		137.06	149.34
	Diluted – pence		135.42	146.36

Approved by the Board on 12 November 2001



R.A.E. Herbert

Notes on the Accounts (Unaudited)

1 ACCOUNTING PERIOD

The accounts cover the six months ended 30 September 2001. The comparatives cover the year ended 31 March 2001: the report of the auditors thereon was unqualified and did not contain a statement under Section 237 of the Companies' Act 1985.

2 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include fixed asset investments at valuation, and in accordance with accounting standards applicable in the United Kingdom and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (SORP). The principal accounting policies are set out below.

(b) Valuation of investments

As an investment trust, the Company treats all transactions on realisation and the revaluation of investments held as transactions on the capital account. These items, whether profits or losses, are not part of, and are not reflected in the revenue account but are charged or credited to capital reserves. Listed investments are shown at middle market value.

(c) Income

Income from quoted equity shares is brought into the revenue account (except where, in the opinion of the directors, their nature indicates they should be recognised as capital) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment.

Franked dividends are accounted for in accordance with Financial Reporting Standard 16 (FRS16) 'Current Taxation' on the basis of the income actually receivable, without adjustment for the tax credit attaching to the dividends.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital reserve.

(d) Expenses

All expenses are charged to the revenue account, except:

- expenses which are incidental to the acquisition or disposal of investments are charged to capital reserve realised; and
- 50% of management fees, including related VAT, and interest expense are allocated to capital reserve realised, in accordance with the board's long-term expected split of returns from the investment portfolio of the Company.

All expenses are accounted for on an accruals basis.

(e) Taxation

Deferred tax is provided in full on any material timing differences expected to crystallise in the foreseeable future. The tax effect of expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective tax rate for the year.

(f) Capital reserves

Capital Reserve Realised

The following are accounted for in this reserve:

- gains and losses on the realisation of investments
- realised exchange differences of a capital nature
- other capital charges and credits charged or credited to this account in accordance with the above policies.

Capital Reserve Unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of fixed assets held at the year end
- unrealised exchange differences of a capital nature.

3 INCOME

	6 months to 30 September 2001 £'000s	Year ended 31 March 2001 £'000s
Income from investments		
UK franked dividends	1,123	2,017
UK unfranked interest	47	99
Scrip dividends	—	—
	1,170	2,116
Other income		
Interest on cash and short-term deposits	18	20
Total income	1,188	2,136

Total income comprises:

Dividends	1,123	2,017
Interest from investments	47	99
Other income	18	20
	1,188	2,136

Income from investments:

Listed UK	1,123	2,116
	1,123	2,116

4 MANAGEMENT FEE

	6 months to 30 September 2001 £'000s	Year ended 31 March 2001 £'000s
Management fee	186	368
Irrecoverable VAT thereon	32	64
	218	432
Less: allocated to Capital Reserve Realised (see note 19)	(109)	(216)
	109	216

The Manager provides investment management and general administrative services to the Company for a quarterly fee payable in arrears equal to 0.15% of the funds under management. The management agreement may be terminated upon one year's notice given by either party.

5 OTHER EXPENSES

	6 months to 30 September 2001 £'000s	Year ended 31 March 2001 £'000s
AITC "its" campaign contribution	11	38
Auditors' remuneration:		
For audit services	8	14
For non-audit services	2	4
Directors' emoluments – fees	30	49
Irrecoverable VAT	13	16
Sundry expenses	62	112
	126	233

6 INTEREST PAYABLE AND SIMILAR CHARGES

	6 months to 30 September 2001 £'000s	Year ended 31 March 2001 £'000s
On overdrafts, repayable within one year	2	30
Less: allocated to Capital Reserve Realised (see note 19)	(1)	(15)
	1	15

7 DIRECTORS' REMUNERATION AND CONTRACTS

Remuneration

The Company had no employees during the period.

The amounts paid by the Company to the Directors of the Company were as follows:

	6 months to 30 September 2001	Year ended 31 March 2001
	£	£
Robin Herbert (Chairman)*	7,500	12,500
Michael Beckett	5,000	8,750
The Viscount Churchill	5,000	8,750
Oliver Dawson	2,282	8,750
John Emly	5,000	1,667
Peter Wilmot-Sitwell	5,000	8,750
	29,782	49,167

No contract of significance to which the Company is a party and in which a Director is or was materially interested subsisted during the period.

*Highest paid director.

8 TAXATION ON ORDINARY ACTIVITIES

	6 months to 30 September 2001	Year ended 31 March 2001
	£'000s	£'000s
Corporation tax at 30% (31 March 2001: same)	-	-

9 DIVIDENDS ON ORDINARY SHARES

	6 months to 30 September 2001			Year ended 31 March 2001		
	pence per share	£'000s	Shares in issue	pence per share	£'000s	Shares in issue
1st quarter payable 21 September 2001	0.80	317	39,629,396			
2nd quarter payable 20 December 2001	0.85	340	40,008,437			
1st quarter payable 20 September 2000				0.80	320	40,029,396
2nd quarter paid 20 December 2000				0.80	320	40,029,396
3rd quarter paid 16 March 2001				0.80	317	39,629,396
Final paid 27 June 2001				1.55	615	39,629,396
Adjustment in respect of share buy backs				-	(4)	
	1.65	657		3.95	1,568	

10 RETURN PER ORDINARY SHARE

The basic and diluted revenue returns per share are based on the revenue return attributable to equity shareholders of £952,000 (31 March 2001: £1,672,000).

The basic and diluted capital returns per share are based on the capital loss attributable to equity shareholders of £5,017,000 (31 March 2001: £1,706,000 profit).

	6 months to 30 September 2001	Year ended 31 March 2001
	£'000s	£'000s
Weighted average number of ordinary shares in issue – for basic return calculation	39,757,814	40,215,171
Dilutive potential shares	880,172	712,125
Weighted average number of ordinary shares in issue – for diluted return calculation	40,637,986	40,927,296

11 INVESTMENTS

	Listed Total £'000s
Cost at 1 April 2001	44,387
Unrealised appreciation at 1 April 2001	14,538
Valuation at 1 April 2001	58,925
Movements in the year:	
Purchases at cost	2,402
Sales – proceeds	(2,561)
– realised net losses on sales	(128)
Decrease in unrealised appreciation	(4,778)
Valuation at 30 September 2001	53,860
Cost at 30 September 2001	44,099
Unrealised appreciation at 30 September 2001	9,761
	53,680

12 DEBTORS

	30 September 2001 £'000s	31 March 2001 £'000s
Prepayments and accrued income	435	459
	435	459

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2001 £'000s	31 March 2001 £'000s
Dividend on ordinary shares	340	615
Accruals	200	165
	540	780

The Company has a committed loan facility of £8 million, expiring on 10 September 2002, upon which commitment commission of 0.1% per annum is charged on any undrawn amounts.

14 EQUITY SHARE CAPITAL

	Authorised Number	Nominal £'000s	Issued and fully paid Number	Nominal £'000s
Equity share capital				
Ordinary shares of 25p each at 1 April 2001	383,200,000	95,800	40,008,437	10,002
Balance carried forward	383,200,000	95,800	40,008,437	10,002

*No ordinary shares were purchased during the period.

15 SHARE PREMIUM

	30 September 2001 £'000s	31 March 2001 £'000s
Balance brought forward	8,321	8,185
Premium on new shares issued on conversion of warrants	284	93
Transfer from warrant reserve on conversion of warrants	133	43
Balance carried forward	8,738	8,321

16 CAPITAL REDEMPTION RESERVE

	30 September 2001 £'000s	31 March 2001 £'000s
Balance brought forward	1,020	655
Buy back of shares (transferred from equity share capital)	-	365
Balance carried forward	1,020	1,020

17 SPECIAL RESERVE

	30 September 2001 £'000s	31 March 2001 £'000s
Balance brought forward	16,373	18,184
Buy back of shares	-	(1,811)
Balance carried forward	16,373	16,373

18 WARRANT RESERVE

	30 September 2001 £'000s	31 March 2001 £'000s
Balance brought forward	1,472	1,533
Warrants purchased for cancellation	-	(18)
Transfer to share premium account on conversion of warrants	(133)	(43)
Balance carried forward	1,339	1,472

On 30 September 2001 there were 3,823,891 (31 March 2001: 4,202,932) warrants outstanding.

Warrant holders have the right to subscribe for one ordinary share per warrant at £1 on the later of 30 days after the date on which the audited accounts are despatched to the shareholders or 31 July, in any of the years 2000 to 2003.

19 OTHER RESERVES

	Capital reserves Total £'000s	Revenue reserve £'000s
Realised gains and losses on investments	(128)	-
Management fees and related VAT	(109)	(109)
Interest expense	(1)	-
Other capital charges and credits	(1)	-
Increase in unrealised depreciation on investments	(4,778)	-
Amount transferred to revenue reserve	-	292
	(5,017)	183
Balance brought forward	21,693	395
Balance carried forward	16,676	687

20 NET ASSET VALUE PER ORDINARY SHARE

The movements during the period in the total net assets attributable to ordinary shares, used in the calculation of both basic and diluted net asset value per ordinary share, were as follows :

	Ordinary shares £'000s
Total net assets brought forward	59,181
Total recognised gains and losses for the period	(4,065)
Conversion of Warrants	379
Dividends	(660)
Total net assets at 30 September 2001	54,835

The diluted net asset values per ordinary share have been calculated in accordance with FRS14, under which the Company's outstanding warrants are considered dilutive only if the exercise price is lower than the market price of the ordinary shares at the period end. The dilution is calculated by reference to the additional number of ordinary shares which warrant holders would have received on exercise as compared with the number of ordinary shares which the subscription proceeds would have purchased in the open market ("dilutive potential shares").

	30 September 2001	31 March 2001
Ordinary shares for basic net asset value calculation	40,008,437	39,629,396
Dilutive potential shares	484,248	806,623
Ordinary shares for diluted net asset value calculation	40,492,685	40,436,019

21 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	6 months to 30 September 2001 £'000s	Year ended 31 March 2001 £'000s
Revenue return on ordinary activities after taxation	952	1,672
Dividends	(660)	(1,568)
Capital surplus/(deficit)	(5,017)	1,706
Premium on warrants conversion	284	(18)
Warrants exercised	95	124
Buy back of shares	-	(1,811)
Net movement in equity shareholders' funds	(4,346)	105
Equity shareholders' funds brought forward	59,181	59,076
Equity shareholders' funds carried forward	54,835	59,181