



F&C Income Growth Investment Trust PLC

Company Registration Number: 2895991

Section 272 Accounts - Interim Accounts for the nine months ended
31 December 2004 (Unaudited)

Unaudited Statement of Total Return

(incorporating the Revenue Account)*

for the nine months ended 31 December 2004

Revenue Notes	Capital Notes	Period to 31 December 2004			Year ended 31 March 2004			
		Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
	10	Gains on investments	-	7,164	7,164	-	10,669	10,669
3		Income	1,606	-	1,606	2,406	-	2,406
4	19	Management fee	(162)	(162)	(324)	(198)	(198)	(396)
5	19	Other expenses	(242)	(2)	(244)	(279)	(3)	(282)
Net return before finance costs and taxation			1,202	7,000	8,202	1,929	10,468	12,397
Interest payable and similar charges			(2)	(2)	(4)	-	-	-
Return on ordinary activities before taxation			1,200	6,998	8,198	1,929	10,468	12,397
7		Taxation on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders			1,200	6,998	8,198	1,929	10,468	12,397
8		Dividends on ordinary shares (equity)	(1,200)	-	(1,200)	(1,904)	-	(1,904)
19	19	Amount transferred to reserves	-	6,998	6,998	25	10,468	10,493
9	9	Return per ordinary share – pence	2.69	15.71	18.40	4.43	24.02	28.45
9	9	Revenue return per ordinary share (diluted) – pence	n/a			4.40		

* The revenue column of this statement is the profit and loss account of the Company.

n/a - There is no dilution (see note 9).

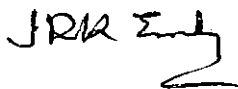
All revenue and capital items in the above statement derive from continuing operations.

Unaudited Balance Sheet

at 31 December 2004

Notes	31 December 2004		31 March 2004	
	£'000s	£'000s	£'000s	£'000s
Fixed assets				
10 Investments				
Listed in Great Britain		65,731		58,911
Current assets				
11 Debtors	275		664	
Cash at bank and short-term deposits	392		693	
	667		1,357	
Current liabilities				
12 Creditors: amounts falling due within one year	(617)		(931)	
Net current assets		50		426
Net assets		65,781		59,337
Capital and reserves:				
13 Called up share capital		11,189		11,189
14 Share premium	12,623		12,623	
15 Capital redemption reserve	1,020		1,020	
16 Special reserve	15,819		16,373	
17 Warrant reserve	-		-	
18 Non-distributable reserve	1,202		1,202	
19 Capital reserves	23,535		16,537	
19 Revenue reserve	393		393	
		54,592		48,148
21 Total equity shareholders' funds		65,781		59,337
20 Net asset value per ordinary share				
Basic – pence		148.50		132.57

Approved by the Board on 18 February 2005



J R K Emly

Notes on the Accounts (Unaudited)

1 ACCOUNTING PERIOD

The results for the period 1 April 2004 to 31 December 2004, which are unaudited, constitute non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 March 2004. 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 basis of accounting, 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), issued in January 2003. 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.

Dividends are accounted for in accordance with Financial Reporting Standard 16 (FRS16) 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 differences in the value of the shares received compared with 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 on all timing differences that have originated but not reversed by the balance sheet date other than those regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

(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; and
- 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; and
- unrealised exchange differences of a capital nature.

Notes on the Accounts (Unaudited) (continued)

3 INCOME

	Period ended 31 December 2004 £'000s	Year ended 31 March 2004 £'000s
Income from investments		
UK franked dividends	1,518	2,179
UK unfranked interest	74	98
Scrip dividends	-	38
	1,592	2,315
Other income		
Interest on cash and short-term deposits	14	87
Other	-	4
	14	91
Total income	1,606	2,406
Total income comprises:		
Dividends	1,518	2,217
Interest	88	185
Other	-	4
	1,606	2,406
Income from investments:		
Listed UK	1,592	2,315
	1,592	2,315

4 MANAGEMENT FEE

	Period ended 31 December 2004 £'000s	Year ended 31 March 2004 £'000s
Management fee	276	337
Irrecoverable VAT thereon	48	59
	324	396
Less: allocated to Capital Reserve Realised (see note 19)	(162)	(198)
	162	198

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. Management fees have been allocated 50% to capital reserve realised in accordance with the accounting policy.

5 OTHER EXPENSES

	Period ended 31 December 2004 £'000s	Year ended 31 March 2004 £'000s
Auditors' remuneration:		
For audit services	11	15
For non-audit services	3	4
Directors' emoluments – fees	44	59
Registrars' fees	17	15
Directors' and Officers' liability insurance	10	15
Printing and postage	24	31
Marketing	45	44
Irrecoverable VAT	22	22
Sundry expenses	66	74
	242	279

Notes on the Accounts (Unaudited) (continued)

6 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, which were for services as non-executive Directors and which did not include any payments or rights to pensions were as follows:

	Period ended 31 December 2004 £	Year ended 31 March 2004 £
R A E Herbert (Chairman – resigned on 09/07/04)	4,154	15,000
J R K Emly (appointed as Chairman from 09/07/04)*	9,904	10,000
M E Beckett	7,500	10,000
Viscount Churchill	7,500	10,000
N R Dunford	7,500	3,756
P S Wilmot-Sitwell	7,500	10,000
	44,058	58,756

*Highest paid director.

7 TAXATION ON ORDINARY ACTIVITIES

Analysis of tax charge for the period

	Period ended 31 December 2004			Year ended 31 March 2004		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Corporation tax at 30% (31 March 2004: 30%)	-	-	-	-	-	-

8 DIVIDENDS ON ORDINARY SHARES

	Period ended 31 December 2004			Year ended 31 March 2004		
	Pence per share	£'000s	Shares in issue	Pence per share	£'000s	Shares in issue
Adjustment in respect of new shares issued	-	-	-	-	9	-
1st quarter paid	0.90	403	44,757,328	0.85	351	41,324,789
2nd quarter paid	0.90	398	44,297,328	0.90	403	44,757,328
3rd quarter payable	0.90	399	44,297,328			
3rd quarter paid	-	-	-	0.90	403	44,757,328
Final paid	-	-	-	1.65	738	44,757,328
	2.70	1,200		4.30	1,904	

9 RETURN PER ORDINARY SHARE

The basic and diluted revenue returns per share are based on the revenue return attributable to equity shareholders of £1,200,000 (31 March 2004: £1,929,000).

The basic capital return per share is based on the capital return attributable to equity shareholders of £6,998,000 (31 March 2004: £10,468,000).

The warrants were all exercised during the year ended 31 March 2004. There is therefore no diluted revenue return for the period ended 31 December 2004.

Basic return per share is based on the weighted average number of 44,554,928 ordinary shares in issue during the period

(31 March 2004: 43,583,797). Shares in treasury have been excluded from the weighted average number of shares in issue with effect from the date of purchase.

Notes on the Accounts (Unaudited) (continued)

10 INVESTMENTS

	Listed Total
	£'000s
Cost at 1 April 2004	47,263
Unrealised appreciation at 1 April 2004	11,648
Valuation at 1 April 2004	58,911
Movements in the period:	
Purchases at cost	4,212
Sales – proceeds	(4,556)
– realised profits on sales	149
Increase in unrealised appreciation	7,015
Valuation at 31 December 2004	65,731
Cost at 31 December 2004	47,134
Unrealised appreciation at 31 December 2004	18,597
	65,731

Gains and losses on investments

	Period ended 31 December 2004 £'000s	Year ended 31 March 2004 £'000s
Realised gains based on historical cost	215	117
Less: amounts recognised as unrealised (gains)/losses in previous years	(66)	1,610
Realised gains based on carrying value at previous balance sheet date	149	1,727
Net movement in unrealised appreciation for the period	7,015	8,942
Gains on investments	7,164	10,669

Investments managed or advised by the Company's Manager

Investments include £nil (2004: £nil) of funds managed by the Company's Manager, F&C Management Limited (FCM), representing nil% (2004: nil%) of the net assets of the Company.

11 DEBTORS

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Prepayments and accrued income	275	664
	275	664

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Dividend on ordinary shares	399	738
Other accrued expenses	218	193
	617	931

Notes on the Accounts (Unaudited) (continued)

13 SHARE CAPITAL

Share capital	Authorised Number	Nominal £'000s	Issued and fully paid Number	Nominal £'000s
Ordinary shares of 25p each				
Total in issue at 31 March 2004 and 31 December 2004	383,200,000	95,800	44,757,328	11,189
Purchase of ordinary shares not for cancellation, held in treasury			(460,000)	-
Total ordinary shares in issue excluding shares held in treasury at 31 December 2004			44,297,328	11,189

On 2 September 2004, 460,000 shares were purchased at 119.50 pence each and placed in Treasury. Since the period end, no purchases of ordinary shares have been made.

14 SHARE PREMIUM

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	12,623	9,552
Premium on new shares issued on conversion of warrants	-	2,575
Premium on new shares issued	-	496
Balance carried forward	12,623	12,623

15 CAPITAL REDEMPTION RESERVE

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward and carried forward	1,020	1,020

16 SPECIAL RESERVE

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	16,373	16,373
Cost of purchase of ordinary shares	(554)	-
Balance carried forward	15,819	16,373

17 WARRANT RESERVE

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	-	1,202
Transfer to non-distributable reserve on conversion of warrants	-	(1,202)
Balance carried forward	-	-

Notes on the Accounts (Unaudited) (continued)

18 NON-DISTRIBUTABLE RESERVE

	As at 31 December 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	1,202	-
Transfer from warrant reserve	-	1,202
Balance carried forward	1,202	1,202

19 OTHER RESERVES

	Capital Reserves £'000s	Revenue reserve £'000s
Realised gains on investments	149	-
Management fees and related VAT	(162)	-
Other capital charges and credits	(2)	-
Interest payable and similar charges	(2)	-
Movement in unrealised appreciation on investments	7,015	-
Amount transferred to revenue reserve	-	-
	6,998	-
Balance brought forward	16,537	393
Balance carried forward	23,535	393

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 basic net asset value per ordinary share, were as follows :

	Ordinary Shares £'000s
Total net assets at 31 March 2004	59,337
Total recognised gains for the period	8,198
Dividends	(1,200)
Cost of purchase of ordinary shares	(554)
Total net assets at 31 December 2004	65,781

The warrants were all exercised during the year ended 31 March 2004. There is therefore no dilution of net assets as at 31 December 2004 (31 March 2004: same).

	As at 31 December 2004	As at 31 March 2004
Ordinary shares for basic net asset value calculation	44,297,328	44,757,328

Notes on the Accounts (Unaudited) (continued)

21 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Period ended 31 December 2004 £'000s	Year ended 31 March 2004 £'000s
Revenue return on ordinary activities after taxation	1,200	1,929
Dividends	(1,200)	(1,904)
Capital surplus	6,998	10,468
Cost of purchase of ordinary shares	(554)	-
Premium on new shares issued on conversion of warrants	-	2,575
Issue of shares on conversion of warrants	-	858
Issue of new shares	-	627
Net movement in equity shareholders' funds	6,444	14,553
Equity shareholders' funds brought forward	59,337	44,784
Equity shareholders' funds carried forward	65,781	59,337