

F&C Income Growth Investment Trust PLC

Company Registration Number: 2895991

Section 272 Accounts - Interim Accounts for the period 1 April 2003 to 3 March 2004 (Unaudited) ✓



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Unaudited Statement of Total Return

(incorporating the Revenue Account)*

for the period ended 3 March 2004 and the year ended 31 March 2003

		1 April 2003 to 3 March 2004			Year ended 31 March 2003			
Revenue Notes	Capital Notes	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
	10	Gains and losses on investments	-	11,961	11,961	-	(16,677)	(16,677)
3		Income	1,972	-	1,972	2,062	-	2,062
4		Management fee	(181)	(181)	(362)	(173)	(173)	(346)
5		Other expenses	(247)	(3)	(250)	(219)	(3)	(222)
		Net return before finance costs and taxation	1,544	11,777	13,321	1,670	(16,853)	(15,183)
		Interest payable and similar charges	-	-	-	-	-	-
		Return on ordinary activities before taxation	1,544	11,777	13,321	1,670	(16,853)	(15,183)
7		Taxation on ordinary activities	-	-	-	-	-	-
		Return attributable to equity shareholders	1,544	11,777	13,321	1,670	(16,853)	(15,183)
8		Dividends on ordinary shares (equity)	(1,904)	-	(1,904)	(1,697)	-	(1,697)
19	19	Amount transferred (from)/to reserves	(360)	11,777	11,417	(27)	(16,853)	(16,880)
9	9	Return per ordinary share – pence	3.55	27.08	30.63	4.14	(41.75)	(37.61)
9	9	Revenue return per ordinary share (diluted) – pence	n/a			4.08		

* 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 3 March 2004 and 31 March 2003

Notes	3 March 2004		31 March 2003	
	£'000s	£'000s	£'000s	£'000s
Fixed assets				
10 Investments				
Listed in Great Britain		58,517		44,761
Current assets				
11 Debtors	296		567	
Cash at bank and short-term deposits	2,740		261	
	3,036		828	
Current liabilities				
12 Creditors: amounts falling due within one year	(1,292)		(805)	
Net current assets		1,744		23
Net assets		60,261		44,784
Capital and reserves:				
13 Called up share capital		11,189		10,200
14 Share premium	12,623		9,552	
15 Capital redemption reserve	1,020		1,020	
16 Special reserve	16,373		16,373	
17 Warrant reserve	-		1,202	
18 Non-distributable reserve	1,202		-	
19 Capital reserves	17,846		6,069	
19 Revenue reserve	8		368	
		49,072		34,584
21 Total equity shareholders' funds		60,261		44,784
20 Net asset value per ordinary share				
Basic – pence		134.64		109.77
Diluted – pence		n/a		108.61

Approved by the Board on 9 March 2004

R.A.E.Herbert



Notes on the Accounts (Unaudited)

1 ACCOUNTING PERIOD

The results for the period 1 April 2003 to 31 March 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 2003. 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 Company has adopted the recommendations contained in the SORP issued in January 2003. This has not resulted in a change to an accounting policy and therefore the prior year figures have not been restated. 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 accordance with FRS19 on all timing differences that have originated but not reversed, by the balance sheet date.

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
- 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.

Notes on the Accounts (Unaudited) (continued)

3 INCOME

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Income from investments		
UK franked dividends	1,758	1,857
UK unfranked interest	90	98
Scrip dividends	38	69
	1,886	2,024
Other income		
Interest on cash and short-term deposits	83	34
Other	3	4
	86	38
Total income	1,972	2,062
Total income comprises:		
Dividends	1,796	1,926
Interest from income	173	132
Other income	3	4
	1,972	2,062
Income from investments:		
Listed UK	1,886	2,024
	1,886	2,024

4 MANAGEMENT FEE

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Management fee	308	294
Irrecoverable VAT thereon	54	52
	362	346
Less: allocated to Capital Reserve Realised (see note 19)	(181)	(173)
	181	173

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 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
AITC Promotional activity	2	3
Auditors' remuneration:		
For audit services	13	14
For non-audit services	1	5
Directors' emoluments – fees	53	55
Irrecoverable VAT	20	20
Sundry expenses	158	122
	247	219

Notes on the Accounts (Unaudited) (continued)

6 DIRECTORS' REMUNERATION AND CONTRACTS

a) Remuneration

The Company had no employees during the period.

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

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Robin Herbert (Chairman)*	14	15
Michael Beckett	9	10
The Viscount Churchill	9	10
John Emly	9	10
Peter Wilmot-Sitwell	9	10
Neil Dunford**	3	-
	53	55

*Highest paid director.

** Appointed 14 November 2003

b) Directors' interests in shares and warrants

The beneficial interest of the Directors in the ordinary shares and warrants of the Company were as follows:

	Ordinary shares	3 March 2004 Warrants	Ordinary shares	31 March 2003 Warrants
Robin Herbert (Chairman)	12,936	-	11,789	1,000
Michael Beckett	5,000	-	5,000	1,000
The Viscount Churchill	16,822	-	16,002	2,400
John Emly	5,064	-	-	-
Peter Wilmot-Sitwell	14,400	-	12,000	2,400
Neil Dunford	10,000	-	-	-

There have been no changes in any of the Directors' holdings detailed above since 3 March 2004.

c) Directors' interests in contracts

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.

7 TAXATION ON ORDINARY ACTIVITIES

a) Analysis of tax charge for the period

	Period ended 3 March 2004			Year ended 31 March 2003		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Corporation tax at 30% (31 March 2003: 30%)	-	-	-	-	-	-

Notes on the Accounts (Unaudited) (continued)

7 TAXATION ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting the current tax charge for the period

	Period ended 3 March 2004			Year ended 31 March 2003		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
Return on ordinary activities before tax	1,544	11,777	13,321	1,670	(16,853)	(15,183)
Return on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	463	3,533	3,996	501	(5,056)	(4,555)
Effects of:						
Franked investment income*	(527)	-	(527)	(557)	-	(557)
Capital gains not taxed*	-	(3,585)	(3,585)	-	5,003	5,003
Scrip dividends*	(11)	-	(11)	(21)	-	(21)
Expenses disallowed	19	-	19	16	-	16
Expenses not utilised	56	52	108	61	53	114
Current tax charge for the year (note 7a)	-	-	-	-	-	-

*These items are not subject to corporation tax within an investment trust company.

The deferred tax asset of £853,000 in respect of unutilised expenses at 3 March 2004 (31 March 2003: £745,000) has not been recognised as it is unlikely that these expenses will be utilised.

8 DIVIDENDS ON ORDINARY SHARES

	Period ended 3 March 2004			Year ended 31 March 2003		
	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 22 August 2003	0.85	351	41,324,789	-	-	-
2nd quarter paid 19 December 2003	0.90	403	44,757,328	-	-	-
3rd quarter payable 17 March 2004	0.90	403	44,757,328	-	-	-
Final quarter payable 2 April 2004	1.65	738	44,757,328	-	-	-
1st quarter paid 20 September 2002	-	-	-	0.85	343	40,399,789
2nd quarter paid 20 December 2002	-	-	-	0.85	343	40,399,789
3rd quarter paid 14 March 2003	-	-	-	0.85	346	40,699,789
Final quarter paid 30 June 2003	-	-	-	1.63	665	40,799,789
	4.30	1,904		4.18	1,697	

9 RETURN PER ORDINARY SHARE

The basic return is based on the revenue return attributable to equity shareholders of £1,544,000 (basic and diluted revenue return at 31 March 2003: £1,670,000)

The warrants in issue were all exercised during the period ended 3 March 2004. There is therefore no dilution of the revenue return at 3 March 2004 and there are no further dilutive events.

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Weighted average number of ordinary shares in issue – for basic return calculation	43,486,582	40,366,491
Dilutive potential shares	-	609,073
Weighted average number of ordinary shares in issue – for diluted return calculation	43,486,582	40,975,565

Notes on the Accounts (Unaudited) (continued)

10 INVESTMENTS

	Listed Total £'000s
Cost at 1 April 2003	43,665
Unrealised appreciation at 1 April 2003	1,096
Valuation at 1 April 2003	44,761
Movements in the period:	
Purchases at cost	8,383
Sales – proceeds	(6,588)
– realised net profits on sales	1,473
Increase in unrealised appreciation	10,488
Valuation at 3 March 2004	58,517
Cost at 3 March 2004	45,499
Unrealised appreciation at 3 March 2004	13,018
	58,517

Gains and losses on investments

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Realised gains/(losses) based on historical cost	40	(974)
Less: amounts recognised as unrealised gains/(losses) in previous years	1,433	(345)
Realised gains/(losses) based on carrying value at previous balance sheet date	1,473	(1,319)
Net movement in unrealised appreciation/(depreciation) for the period	10,488	(15,358)
Gains/(losses) on investments	11,961	(16,677)

Investments managed or advised by the Company's Manager

Investments include £nil (2003: £nil) of funds managed by the Company's Manager, F&C Management Limited (FCM), representing nil% (2003: nil%) of the net assets of the Company.

11 DEBTORS

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Prepayments and accrued income	296	452
Proceeds of share issue	-	115
	296	567

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Dividend on ordinary shares	1,141	665
Other accrued expenses	151	140
	1,292	805

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				
Balance brought forward at 1 April 2003	383,200,000	95,800	40,799,789	10,200
Issue of new shares	-	-	525,000	131
Issued on conversion of warrants	-	-	3,432,539	858
Balance carried forward at 3 March 2004	383,200,000	95,800	44,757,328	11,189

*No ordinary shares were purchased during the period.

On 28 April 2003, 525,000 shares were issued at £1.195 each.

On 31 July 2003, 540 holders of the Company's warrants exercised their right to subscribe for a total of 2,168,683 ordinary shares at a fixed subscription price of £1 per share.

On 5 August 2003, the Trustee of the Company's remaining warrants exercised the rights to subscribe for a total of 1,263,856 ordinary shares at a fixed subscription price of £1 per share, with an effective date of 31 July 2003. These were then sold on the open market and the proceeds (less the Trustees' fees and expenses) passed to warrant holders.

14 SHARE PREMIUM

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Balance brought forward	9,552	8,738
Premium on new shares	496	384
Premium on new shares issued on conversion of warrants	2,575	293
Transfer from warrant reserve on conversion of warrants	-	137
Balance carried forward	12,623	9,552

15 CAPITAL REDEMPTION RESERVE

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Balance brought and carried forward	1,020	1,020

16 SPECIAL RESERVE

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Balance brought and carried forward	16,373	16,373

17 WARRANT RESERVE

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Balance brought forward	1,202	1,339
Transfer to non-distributable reserve on conversion of warrants	(1,202)	-

Notes on the Accounts (Unaudited) (continued)

	As at 3 March 2004 £'000s	As at 31 March 2003 £'000s
Ordinary shares for basic net asset value calculation	44,757,328	40,799,789
Dilutive potential shares	-	434,688
Ordinary shares for diluted net asset value calculation	44,757,328	41,234,477

21 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Period ended 3 March 2004 £'000s	Year ended 31 March 2003 £'000s
Revenue return on ordinary activities after taxation	1,544	1,670
Dividends	(1,904)	(1,697)
Capital surplus/(deficit)	11,777	(16,853)
Premium on new shares issued on conversion of warrants	2,575	293
Issue of shares on conversion of warrants	858	98
Issue of new shares	627	484
Net movement in equity shareholders' funds	15,477	(16,005)
Equity shareholders' funds brought forward	44,784	60,789
Equity shareholders' funds carried forward	60,261	44,784