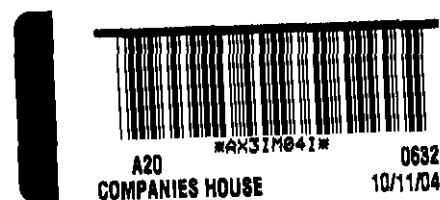


# F&C Income Growth Investment Trust PLC

Company Registration Number: 2895991

Section 272 Accounts - Interim Accounts for the period ended  
30 September 2004 (Unaudited)



# Unaudited Statement of Total Return

(incorporating the Revenue Account)\*

for the half-year to ended 30 September 2004

Revenue Notes	Capital Notes	Period to 30 September 2004			Year ended 31 March 2004			
		Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
	10	Gains on investments	-	2,127	2,127	-	10,669	10,669
3		Income	1,258	-	1,258	2,406	-	2,406
4	19	Management fee	(106)	(106)	(212)	(198)	(198)	(396)
5	19	Other expenses	(163)	(2)	(165)	(279)	(3)	(282)
Net return before finance costs and taxation			989	2,019	3,008	1,929	10,468	12,397
Interest payable and similar charges			-	-	-	-	-	-
Return on ordinary activities before taxation			989	2,019	3,008	1,929	10,468	12,397
7		Taxation on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders			989	2,019	3,008	1,929	10,468	12,397
8		Dividends on ordinary shares (equity)	(801)	-	(801)	(1,904)	-	(1,904)
19	19	Amount transferred to reserves	188	2,019	2,207	25	10,468	10,493
9	9	Return per ordinary share – pence	2.21	4.52	6.73	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).

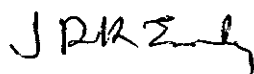
All revenue and capital items in the above statement derive from continuing operations.

# Unaudited Balance Sheet

at 30 September 2004

Notes	30 September 2004		31 March 2004	
	£'000s	£'000s	£'000s	£'000s
<b>Fixed assets</b>				
10 Investments				
Listed in Great Britain		61,735		58,911
<b>Current assets</b>				
11 Debtors	463		664	
Cash at bank and short-term deposits	7		693	
	470		1,357	
<b>Current liabilities</b>				
12 Creditors: amounts falling due within one year	(1,215)		(931)	
<b>Net current (liabilities)/assets</b>		(745)		426
<b>Net assets</b>		60,990		59,337
<b>Capital and reserves:</b>				
13 Called up share capital		11,074		11,189
14 Share premium	12,623		12,623	
15 Capital redemption reserve	1,135		1,020	
16 Special reserve	15,819		16,373	
17 Warrant reserve	-		-	
18 Non-distributable reserve	1,202		1,202	
19 Capital reserves	18,556		16,537	
19 Revenue reserve	581		393	
		49,916		48,148
21 <b>Total equity shareholders' funds</b>		60,990		59,337
<b>20 Net asset value per ordinary share</b>				
Basic - pence		137.68		132.57

Approved by the Board on 8 November 2004



J R K Emly

# Notes on the Accounts (Unaudited)

## 1 ACCOUNTING PERIOD

The results for the period 1 April 2004 to 30 September 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 30 September 2004 £'000s	Year ended 31 March 2004 £'000s
<i>Income from investments</i>		
UK franked dividends	1,194	2,179
UK unfranked interest	49	98
Scrip dividends	-	38
	1,243	2,315
<i>Other income</i>		
Interest on cash and short-term deposits	15	87
Other	-	4
	15	91
<b>Total income</b>	<b>1,258</b>	<b>2,406</b>
 Total income comprises:		
Dividends	1,194	2,217
Interest	64	185
Other	-	4
	1,258	2,406
 Income from investments:		
Listed UK	1,243	2,315
	1,243	2,315

## 4 MANAGEMENT FEE

	Period ended 30 September 2004 £'000s	Year ended 31 March 2004 £'000s
Management fee	181	337
Irrecoverable VAT thereon	31	59
	212	396
Less: allocated to Capital Reserve Realised (see note 19)	(106)	(198)
	106	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 30 September 2004 £'000s	Year ended 31 March 2004 £'000s
Auditors' remuneration:		
For audit services	8	15
For non-audit services	2	4
Directors' emoluments – fees	30	59
Registrars' fees	12	15
Directors' and Officers' liability insurance	6	15
Printing and postage	14	31
Marketing	31	44
Irrecoverable VAT	16	22
Sundry expenses	44	74
	163	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 30 September 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)*	6,154	10,000
M E Beckett	5,000	10,000
Viscount Churchill	5,000	10,000
N R Dunford	5,000	3,756
P S Wilmot-Sitwell	5,000	10,000
	<b>30,308</b>	<b>58,756</b>

\*Highest paid director.

## 7 TAXATION ON ORDINARY ACTIVITIES

### Analysis of tax charge for the period

	Period ended 30 September 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 30 September 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 payable	0.90	398	44,297,328			
2nd quarter paid	-	-	-	0.90	403	44,757,328
3rd quarter paid	-	-	-	0.90	403	44,757,328
Final quarter paid	-	-	-	1.65	738	44,757,328
	<b>1.80</b>	<b>801</b>		<b>4.30</b>	<b>1,904</b>	

## 9 RETURN PER ORDINARY SHARE

The basic and diluted revenue returns per share are based on the revenue return attributable to equity shareholders of £989,000 (31 March 2004: £1,929,000).

The basic capital return per share is based on the capital return attributable to equity shareholders of £2,019,000 (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 30 September 2004.

# 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	3,748
Sales – proceeds	(3,051)
– realised net profits on sales	(158)
Increase in unrealised appreciation	2,285
Valuation at 30 September 2004	61,735
Cost at 30 September 2004	47,803
Unrealised appreciation at 30 September 2004	13,932
	61,735

### Gains and losses on investments

	Period ended 30 September 2004 £'000s	Year ended 31 March 2004 £'000s
Realised (losses)/gains based on historical cost	(158)	117
Less: amounts recognised as unrealised (gains)/losses in previous years	115	1,610
Realised (losses)/gains based on carrying value at previous balance sheet date	(43)	1,727
Net movement in unrealised appreciation for the period	2,170	8,942
Gains on investments	2,127	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 30 September 2004 £'000s	As at 31 March 2004 £'000s
Investment debtors	107	-
Prepayments and accrued income	356	664
	463	664

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 30 September 2004 £'000s	As at 31 March 2004 £'000s
Investment creditors	88	-
Dividend on ordinary shares	398	738
Share buybacks	551	-
Other accrued expenses	178	193
	1,215	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				
At 31 March 2004	383,200,000	95,800	44,757,328	11,189
Transfer to capital redemption reserve on purchase of ordinary shares	-	-	(460,000)	(115)
Balance at 30 September 2004	383,200,000	95,800	44,297,328	11,074

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 30 September 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 30 September 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	1,020	1,020
Transfer from share capital on purchase of ordinary shares	115	-
Balance carried forward	1,135	1,020

## 16 SPECIAL RESERVE

	As at 30 September 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 30 September 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 30 September 2004 £'000s	As at 31 March 2004 £'000s
Balance brought forward	1,202	-
Transfer from warrant reserve	-	1,202
<b>Balance carried forward</b>	<b>1,202</b>	<b>1,202</b>

## 19 OTHER RESERVES

	Capital Reserves £'000s	Revenue reserve £'000s
Realised losses on investments	(43)	-
Management fees and related VAT	(106)	-
Other capital charges and credits	(2)	-
Movement in unrealised appreciation on investments	2,170	-
Amount transferred from revenue reserve	-	188
	2,019	188
Balance brought forward	16,537	393
<b>Balance carried forward</b>	<b>18,556</b>	<b>581</b>

## 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	3,008
Dividends	(801)
Cost of purchase of ordinary shares	(554)
<b>Total net assets at 30 June 2004</b>	<b>60,990</b>

The warrants were all exercised during the year ended 31 March 2004. There is therefore no dilution of net assets as at 30 June 2004 (31 March 2004: same).

	As at 30 September 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 30 September 2004 £'000s	Year ended 31 March 2004 £'000s
Revenue return on ordinary activities after taxation	989	1,929
Dividends	(801)	(1,904)
Capital surplus	2,019	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	1,653	14,553
Equity shareholders' funds brought forward	59,337	44,784
Equity shareholders' funds carried forward	60,990	59,337