JPMorgan Income & Growth Investment Trust plc

Annual Report & Accounts for the year ended 31st January 2016

J.P.Morgan
Asset Management

Features

Objectives

The Company's investment objectives are to meet the final capital entitlement of the Income shareholders and to provide them with a regular quarterly income as well as to provide capital growth for Capital shareholders.

Investment Policy

In order to manage risk, the Company invests in a diversified portfolio, typically comprising 50 to 70 UK equities and a range of other assets. The investments are primarily UK equities, however, the Company has the flexibility to vary the allocation between UK equities and other assets in order to seek the best total returns.

Benchmark

The FTSE 350 Total Return Index.

Capital Structure

At 31st January 2016 the Company's share capital comprised 61,747,803 Income shares of 1p each, and 64,527,781 Capital shares of 1p each.

Life of the Company

The Company has a fixed life, and will be wound up voluntarily on or around 30th November 2016.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF is approved by the Financial Conduct Authority and delegates the management of the Company's portfolio to JPMorgan Asset Management ('JPMAM').

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Income & Growth Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so until the Company is wound-up voluntarily on or around 30th November 2016.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

AIC

The Company is a member of the Association of Investment Companies.

Website

The Company's website, which can be found at www.jpmincomeandgrowth.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

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Financial Results

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 31ST JANUARY 2016

-3.0%
Unit net asset value total return[1]
(2015: +9.0%)

-100.0%
Capital share net asset value total return[1]
(2015: 142.2%)

+4.6%
Income share net asset value total return[1]
(2015: +4.8%)

-0.9%
Unit share price total return
(2015: +2.6%)

-48.9%
Capital share price total return
(2015: -21.1%)

+6.9%
Income share price total return[2]
(2015: +5.3%)

-4.0%
Shareholders' Funds total return
(2015: +8.9%)

-4.9%
FTSE 350 Total Return Index[3]
(2015: +7.3%)

Cumulative Performance

A glossary of terms and definitions is provided on page 64.

[1] Source: J.P. Morgan.
[2] Source: Morningstar. Share price change plus dividends received.
[3] Source: FTSE.

CHAIRMAN'S STATEMENT

The Company's final full year was a more difficult period than each of the previous five years. Shareholders' funds fell by 4%; though this was nearly 1% ahead of the benchmark (the FTSE 350 index). Over five years the annualised total return on shareholders funds has been 8.9%, versus 5.4% for the benchmark. As Capital shares represent a geared exposure to markets, a small fall in total shareholders' funds leaves Capital shares with no intrinsic value. The Company was listed just before the financial crisis; this explains the poor long-term performance of the Capital shares.

The total return disguises a continued run of good relative returns from the underlying portfolios. The U.K. Equity portfolio, which is 70% of the investment assets, actually returned +0.5%; the rest of the portfolio, held for diversification of income sources, was down but ahead of the benchmark. The negative return is largely explained by the costs of gearing and the management costs of running the trust. These are relatively high because the portfolio sub-scale, and because we have included our best estimate of the cost of liquidation in November. The attribution analysis is shown on page 5.

The Managers' Report gives a full explanation for the weakness in markets. It is seven years since the nadir of markets in 2009, so we should not be surprised that markets have stepped back from highs reached last April. After many years of reliance on central banks to generate growth, investors have finally started to question their credibility. Monetary policy is a powerful tool, but it cannot solve the problem of excess debt or force businesses to invest.

The Board has been considering options when the Company winds up in accordance with its Articles of Association in November. We do not believe that the Company is of a sufficient size to justify offering a stand-alone roll-over option. We do, however, believe that we must offer a roll-over option so that investors are not forced to crystallise capital gains; and so that shareholders can have continued exposure to the stock market and the attractive yield our portfolio generates.

We have announced that the Company had agreed to offer shareholders the option of rolling over some or all of their investment into an existing investment trust, JPMorgan Elect. This offers flexibility, with capital, income and cash shares to choose from, and continuity, given that the same investment team runs the portfolio. There is no obligation for shareholders to roll over, as a cash exit at NAV less costs will also be offered, but many of you will wish to maintain exposure to the stock market and a good investment team, and not to be forced to trigger capital gains tax this year.

The Board has discussed the investment portfolio with our managers. As shareholders will read in the Investment Managers' Report, they remain positive about markets between now and November this year. We shall remain fully invested with gearing maintained at £20 million over the remaining months of the Company's life. This guidance should allow shareholders to make investment decisions with full knowledge of the exposure of JPMorgan Income and Growth. In extraordinary circumstances the Board will reconsider this position. We shall announce any meaningful changes in asset allocation.

Karl Sternberg
Chairman

20th April 2016

INVESTMENT MANAGERS' REPORT

James Elliot

Katy Thorneycroft

Sarah Emly

John Baker

Market Review

Global financial markets had a challenging 12 months to 31st January 2016, with sentiment dominated by worries over the Greek debt crisis, concern over the impact of a Chinese slowdown on global growth and most recently, the risk of a U.S. recession. The MSCI World Index was down 0.8%. Global fixed income markets fared better, as investors searched for a safe haven given increased stock volatility. Our index, the UK FTSE 350 was down 4.9%, underperforming the world index.

A major theme in the period was speculation over the timing and pace of US interest rate rises by the Federal Reserve (Fed). Expectations for the first rate rise were repeatedly pushed back as a result of a lack of inflationary pressure. The Fed's eventual decision to raise interest rates by 0.25% at its December meeting, for the first time since 2006, was greeted positively by markets.

In contrast to the move towards monetary policy tightening in the US, continued economic weakness in the eurozone at the start of the period saw the European Central Bank (ECB) undertake further stimulus measures. Nevertheless, the region slipped back into deflation in September, and growth remained uneven and fragile. The Bank of Japan (BoJ) also continued its quantitative easing programme, targeting annual asset purchases worth JPY 80 trillion in order to boost the Japanese economy.

Monetary policy speculation also dominated in the UK. Expectations for the first interest rate rise since July 2007 were pushed back throughout the period, with continued disinflationary pressures and weakness in the global economy reinforcing the view that the Bank of England would keep rates on hold until mid-2016.

Portfolio Review

The Income and Growth portfolio is managed with the objectives of meeting the final capital entitlement of the Income shareholders, as well as providing them with a regular income, and of providing capital growth for the Capital shareholders. Any asset allocation or portfolio construction decisions that we make are judged on the needs of both the Income and Capital shareholders.

Shareholders' funds fell by 4.0%, which is ahead of the Company's benchmark return of -4.9%, as measured by the FTSE 350 index.

During the past 12 months the allocation to UK equities ranged between 74% and 77%, reflecting the robust outperformance of this part of the portfolio. Global high yield bond holdings were increased from 4.7% to 6.5%. The allocation to the JPM Multi-Asset Income Fund, which invests in both equities and corporate bonds, decreased from 18.1% to 11.9%.

	1 Yr	3 Yrs pa	5 Yrs pa
Income & Growth	-4.0	6.6	8.9
Benchmark	-4.9	3.8	5.4

Source: Bloomberg, J. P. Morgan Asset Management. Fund is shareholders funds and benchmark is FTSE 350 Total Return Net

CONTRIBUTIONS TO TOTAL RETURNS AS AT 31ST JANUARY 2016		Contribution to Performance %
Benchmark total return (FTSE 350 Index)		**-4.9**
UK Equities	+4.0	
JPMorgan Multi-Asset Income Fund	0.0	
JPMorgan Global High Yield Bond Fund	-0.1	
JPMorgan Europe Strategic Dividend Fund	+0.1	
Gearing	-0.9	
Investment Manager contribution		**-1.8**
Management fees / Finance costs and other expenses	-1.9	
Provision for cost of liquidation	-0.3	
Other effects		**-2.2**
Shareholders' funds		**-4.0**

Source: JPMAM.

All figures are on a total return basis. Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

UK Equity Portfolio Review

The UK equity portfolio outperformed the Company's benchmark, delivering an absolute return of +0.5 versus -4.9 for the index.

We have held positions in several of the UK's largest housebuilders for some time now and these contributed materially to the positive portfolio returns over the year. Berkeley Group which builds largely in the South East of the UK continues to deliver results ahead of expectations. Demand remains strong whilst profitability is benefiting from utilising development land bought judiciously at attractive prices during the downturn. ITV notched up another year of strong performance as programme-making (think Poldark, Downton Abbey, etc.) is becoming an increasingly important driver of profit growth.

Commodity price weakness led to weak share price performances from two holdings: iron ore producer, Rio Tinto; and paper and packaging group, Mondi. The equipment rental group, Ashtead was also weak as there were fears that its large US division was likely to experience a slow down in growth.

We introduced several new names into the portfolio over the course of the year. We bought Card Factory, which is a retailer of 'value' greeting cards through a 750-strong network of stores across the UK. Strong trading and cash generation means the company is in a position to increase total pay outs via special dividends. We also bought Costain, a UK focused infrastructure group. The outlook for this company is strong due to planned increases in the road, rail and water infrastructure of the UK. The price comparison website

INVESTMENT MANAGERS' REPORT *CONTINUED*

owner, Moneysupermarket, was another new entrant. The company's market leading position is driving strong growth whilst its cash generative business model is supporting 10% dividend growth. Other purchases included wholesale food distribution company, Booker, while we also increased existing positions in DCC, BAE and WPP.

Conversely, we sold Glencore and BHP Biliton - two of the portfolio's mining holdings. The prices of commodities such as iron ore and copper experienced precipitous falls over the course of the year as investment activity in China slowed. Despite comments from the companies managements that maintaining dividends was their top priority it became increasingly apparent as the year went on that balance sheet risks were increasing. Both companies cut their payouts. We also sold our position in Prudential as growth in the company's Asian operations appeared to slow and regulatory uncertainty in the UK & US increased. Other sales included several of our holdings in engineering companies such as Bodycote, GKN and Spirax Sarco as industrial production growth decelerated in North America.

JPM Multi-Asset Income fund

The fund returned -4.3% during the 12 month period. The largest detractors to performance were the relatively large allocations to global and European equities and high yield debt, as these markets reacted to volatility in the oil price.

We reduced risk over the period. The Fund holds lower allocations to international equities compared to early in the period. We retain our positive view on European corporations and continue to find opportunities in preferred equity and global REITs. In fixed income, we have selectively added to high yield and US Investment Grade Corporates in recent months.

JPM Global High Yield Bond Fund

The Fund was a negative contributor to overall return, delivering -6.5% for the period. Sentiment within high yield eroded in 2015 as a result of continued global growth uncertainty, geopolitical turmoil, further declines in energy and commodity-related prices and deteriorating supply and demand dynamics.

Security selection in metals & mining, oil field services and healthcare sectors enhanced Fund performance. Alternatively, relative contributions from telecommunications, retailers and banking hindered Fund performance. At 31st January 2016, relative to benchmark, the Fund was overweight in technology, gaming and healthcare due to our view of the relative value opportunities within those sectors and underweight in the banking/financials, metals & mining and home construction sectors. We do not find these sectors attractive due to challenging fundamental outlooks or rich valuations.

JPM Europe Strategic Dividend Fund

The Fund delivered a negative return in sterling terms; however, it was a positive contributor overall, outperforming its MSCI Europe benchmark -1.6% versus -3.9%.

At the sector level, stock selection in the utilities sector was the largest positive contributor to relative returns. Stock selection in insurance and consumer durables & apparel also contributed positively. The largest detractor was an underweight position in software & services. An underweight position in food, beverage & tobacco was also harmful, although this was partially offset by positive stock selection. Stock selection in energy was another detractor from relative returns.

Outlook

While there is greater uncertainty regarding the global economic outlook and efficacy of central bank policy, we would still on balance expect a modestly positive return from equity markets for the remainder of the life of the Trust. We expect global growth to run at a satisfactory pace (at least in developed economies) and do not see a significant risk of a recession in the US in 2016.

We maintain our large allocation to UK equities and in addition to European equities which are particularly attractive given the compelling dividend yield. We expect European equities to benefit as the European economies continue to recover.

Our view is that US high yield bond prices are indicating a recession which is unlikely to materialise. We believe the fundamental characteristics of high yield issuers remain sound, aside from the lower quality and commodities names, with healthy balance sheets and low anticipated default rates. While the past 12 months have been a difficult period for high yield bonds, the yield that the Income & Growth portfolio has received has been of benefit. Looking forward, we would expect positive returns from high yield bonds and at the time of writing have increased the weight in the portfolio.

James Elliot
Katy Thorneycroft
Sarah Emly
John Baker
Investment Managers

20th April 2016

FINANCIAL DATA FOR THE YEAR ENDED 31ST JANUARY 2016

	2016	2015	% change
Income shares:			
Net assets attributable (£'000)	66,058	65,954	+0.2
Net asset value per share (p)	106.98	106.81	+0.2
Share price (p)	96.75	95.00	+1.8
Share price discount to net asset value per share (%)	9.56	11.06	
Capital shares:			
Net assets attributable (£'000)	–	5,187	N/A
Net asset value per share (p)	–	8.04	N/A
Share price (p)	5.75	11.25	-48.9
Share price premium to net asset value per share (%)	N/A	39.93	
Units:			
Shareholders' funds	66,058	71,141	-7.1
Net asset value per unit (p)	106.98	114.85	-6.9
Share price (p)	100.75	106.25	-5.2
Share price discount to net asset value per unit (%)	5.82	7.49	
Revenue for the year:			
Gross revenue (£'000)	4,210	3,733	+12.8
Net revenue attributable to Income shareholders (£'000)	3,564	3,079	+15.8
Return per Income share (p)	5.77	4.99	+15.6
Dividend per Income share (p)	4.80	4.40	+9.1
Gearing (%)	**27.2**	**27.1**	
Ongoing Charges (%)	**1.28**	**1.29**	

A glossary of terms and definitions is provided on page 64.

FINANCIAL RECORD FROM 20TH DECEMBER 2006 (THE LAUNCH DATE) TO DATE

At 31st January	2006[1]	2008	2009	2010	2011	2012	2013	2014	2015	2016
Income shares										
Net assets (£'000)	64,747	66,894	39,010	47,777	54,012	52,909	61,173	65,591	65,954	66,058
Net asset value per share (p)	103.4	106.8	61.5	76.3	87.4	85.7	99.1	106.2	106.8	107.0
Share price (p)	104.50	92.00	57.50	68.00	73.25	73.50	86.50	94.50	95.00	96.75
Premium/(discount) (%)	1.1	(13.9)	(11.8)	(10.9)	(16.2)	(14.2)	(12.7)	(11.0)	(11.1)	(9.6)
Capital shares										
Net assets (£'000)	29,117	5,498	–	–	–	–	–	2,144	5,187	–
Net asset value per share (p)	46.5	8.6	–	–	–	–	–	3.3	8.0	–
Share price (p)	50.00	20.50	9.50	8.00	8.50	4.50	9.25	14.25	11.25	5.75
Premium (%)	7.5	138.4	N/A	N/A	N/A	N/A	N/A	329.2	39.9	N/A

Year ended 31st January		2008[2]	2009	2010	2011	2012	2013	2014	2015	2016
Gross revenue (£'000)	N/A	6,362	5,274	3,077	3,293	3,834	3,419	3,551	3,733	4,210
Revenue return attributable to Income shareholders (£'000)	N/A	5,059	3,472	2,462	2,744	3,276	2,727	2,878	3,079	3,564
Total dividends declared (£'000)	N/A	4,321	3,903	2,521	2,487	2,902	2,716	2,716	2,716	2,964
Revenue return per Income share (p)	N/A	8.08	5.53	3.89	4.40	5.30	4.41	4.66	4.99	5.77
Total dividends declared per Income share (p)	N/A	6.9	6.2	4.0	4.0	4.2	4.4	4.4	4.4	4.8
Special dividend declared per Income share (p)	N/A	–	–	–	–	0.5	–	–	–	–
Gearing (%)	N/A	14.8	35.0	34.8	42.8	35.3	30.7	28.9	27.1	27.2
Ongoing Charges (%)	N/A	1.53	1.53	1.40	1.24	1.31	1.32	1.30	1.29	1.28

Rebased to 100 at 20th December 2006 Year ended 31st January	2006[1]	2008[2]	2009	2010	2011	2012	2013	2014	2015	2016
Unit net asset value total return	100.0	76.9	45.5	58.8	70.5	72.2	89.0	103.1	112.4	109.0
Unit price total return	100.0	70.7	48.9	57.4	65.6	64.5	83.5	101.9	104.5	103.6
Income share net asset value total return	100.0	105.8	65.5	88.1	106.5	108.9	134.3	149.9	157.1	164.3
Income share price total return	100.0	90.7	61.8	79.1	90.6	96.3	120.9	138.7	146.1	156.2
Capital share net asset value return	100.0	18.5	–	–	–	–	–	–	142.2	–
Capital share price return	100.0	41.0	19.0	16.0	17.0	9.0	18.5	28.5	34.5	17.6
Benchmark return	100.0	96.7	70.2	93.2	110.1	109.9	127.6	139.9	150.1	142.7

A glossary of terms and definitions is provided on page 64.

[1] 20th December 2006.

[2] Covers the period from 20th December 2006 (the date the Company began investing) to 31st January 2008.

TEN LARGEST INVESTMENTS AT 31ST JANUARY 2016

Company	Sector	2016 Valuation £'000	2016 %[1]	2015 Valuation £'000	2015 %[1]
JPMorgan Multi-Asset Income Fund	Diversified Assets	10,209	12.0	15,149	16.8
JPMorgan Global High Yield Bond	Diversified Assets	5,564	6.5	3,637	4.0
JPMorgan Europe Strategic Dividend Fund	Diversified Assets	4,058	4.8	5,279	5.9
British American Tobacco	Consumer Goods	3,553	4.2	2,810	3.1
Royal Dutch Shell	Oil & Gas	3,303	3.9	4,787	5.3
HSBC	Financials	3,149	3.7	3,899	4.3
GlaxoSmithKline	Health Care	3,021	3.5	2,480	2.7
Imperial Brands[2]	Consumer Goods	2,861	3.4	2,199	2.4
BP	Oil & Gas	2,692	3.2	2,840	3.1
BT[2]	Telecommunications	2,283	2.7	1,968	2.2
Total[3]		**40,693**	**47.9**		

[1] Based on total investments of £85.0m (2015: £90.3m).

[2] Not included in the ten largest investments at 31st January 2015.

[3] At 31st January 2015, the value of the ten largest investments amounted to £45.8m representing 50.7% of total investments.

PORTFOLIO ANALYSIS

Asset Breakdown	At 31st January 2016 %[1]	At 31st January 2015 %[1]
UK Direct Equities	76.7	73.3
Diversified Assets	16.8	22.7
Bond Fund	6.5	4.0
Total	**100.0**	**100.0**

[1] Based on total investments of £85.0m (2015: £90.3m).

UK DIRECT EQUITY ANALYSIS

	At 31st January 2016		At 31st January 2015	
	Portfolio[1]	FTSE 350 Index[2]	Portfolio[1]	FTSE 350 Index[2]
Sector Breakdown	%	%	%	%
Financials	26.9	24.0	27.6	24.3
Consumer Goods	18.1	17.9	14.6	15.5
Consumer Services	16.7	12.8	11.2	11.7
Oil & Gas	9.2	11.1	11.5	12.4
Health Care	8.0	9.1	8.3	9.0
Telecommunications	7.1	5.7	7.9	5.1
Industrials	6.4	9.8	8.1	9.5
Utilities	4.7	4.1	3.4	4.1
Basic Materials	2.9	4.0	6.7	7.0
Technology	–	1.5	0.7	1.4
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total UK Direct Equities of £65.1m (2015: £66.2m).

[2] Source: FTSE.

LIST OF INVESTMENTS AT 31ST JANUARY 2016

Company	Value £'000
Financials	
HSBC	3,149
Barclays	1,192
	5,936
Beazley Group	1,287
Novae Group	1,069
	3,875
Man Group	1,063
Intermediate Capital Group	788
	3,468
Aviva	1,411
Legal & General	657
	3,246
	999
Total Financials	**17,524**
Consumer Goods	
British American Tobacco	3,553
	6,414
Berkeley	1,546
Headlam	486
Persimmon	1,212
	5,372
Total Consumer Goods	**11,786**

Company	Value £'000
Consumer Services	
ITV	1,860
Moneysupermarket.com	947
Informa	577
	5,415
Card Factory	632
	3,166
easyJet	585
	1,535
Booker Group	732
	732
Total Consumer Services	**10,848**
Oil & Gas	
BP	2,692
Total Oil & Gas	**5,995**
Health Care	
GlaxoSmithKline	3,021
Total Health Care	**5,214**
Telecommunications	
KCOM	911
	3,194
	1,437
Total Telecommunications	**4,631**

Company	Value £'000
Industrials	
Ashtead	830
DCC	899
	2,068
	983
DS Smith	597
	597
	543
Total Industrials	**4,191**
Utilities	
Severn Trent	1,025
Total Utilities	**3,028**

Company	Value £'000
Basic Materials	
	1,151
Mondi	763
	763
Total Basic Materials	**1,914**
UK Direct Equities	**65,131**
Diversified Assets	
JPMorgan Global High Yield Bond	5,564
Total Diversified Assets	**19,831**
Total Investments[1]	**84,962**

[1] Total investments comprises £79,398,000 in equity shares, £5,564,000 in bonds.

CAPITAL STRUCTURE OF THE COMPANY

Introduction

The Company was launched in December 2006 as a split-capital investment trust with two classes of shares, Capital shares and Income shares which have different entitlements to participate in the earnings and capital of the Company. The Company's investment objectives are both to provide the Income shareholders with a regular quarterly income and to achieve the Net Asset Value (NAV) of the defined final capital entitlement of 103.4p of the Income shareholders, and thereafter to provide capital growth in the Company's NAV for the benefit of the Capital shareholders. It aims to enhance stock market yield and capital returns by the use of gearing and to beat the FTSE 350 share index. Around 40% of the capital can be invested outside UK equities in pursuit of these objectives.

The Company has a fixed life which ends on or around 30th November 2016.

At 31st January 2016, the Company's share capital comprised 61,747,803 Income shares of 1p each and 64,527,781 Capital shares of 1p each.

Under accounting standards, the Income share class is classified in the financial statements as a liability due to the rights attached to that share class. The Capital share class, which is the subordinate class of shares, is classified as equity. This means that the Statement of Financial Position of the Company will show zero net assets unless the assets increase to a level in excess of the final entitlement of the Income shares. At the year end, the total assets of the Company amounted to £66,058,000 including the balance of revenue available for dividends amounting to £2,769,000. Net assets attributable to Capital shares amounted to £nil at the year end.

Income shares

Characteristics and Entitlements
The Income shares offer a dividend yield and first call on capital up to a predetermined capital entitlement on winding up.

Income shares will have a maximum capital entitlement of 103.4p per share on any winding-up of the Company. They are also entitled to any undistributed revenue available for dividend payments.

Income shares are entitled to such dividends as the Directors may determine to distribute in respect of each financial period. Such dividends will take the form of quarterly dividends to be declared in February, May, August and November, and paid in March, June, September and December respectively.

Revenue available for dividend payments
At 31st January 2016, undistributed revenue amounted to £2,769,000 (before payment of the fourth quarterly dividend) and has been allocated in the financial statements to the Income shares. Further details on the movement in the revenue available for dividend payments are given in note 16 on page 49.

Voting Rights
Each holder of Income shares present in person at a general meeting will have one vote on a show of hands and, on a poll, each holder present in person or by proxy will have one vote for each Income share held. Income and Capital shares rank pari passu with respect to voting rights.

Capital shares

Characteristics and Entitlements
Generally by virtue of their effective gearing and their lack of yield, Capital shares have limited protection against adverse market movements and are therefore classed as high risk securities. Conversely, they are potentially attractive securities to investors seeking a geared exposure to the capital performance of investment markets.

Capital shares are entitled to be paid an amount, on any winding up of the Company, representing all the surplus net assets after repaying the bank loans and any other obligations and meeting the final entitlement of the Income shares. The Capital shares have no entitlement to revenue available for dividends.

Voting Rights
Each holder of Capital shares present in person at a general meeting will have one vote on a show of hands and, on a poll, each holder present in person or by proxy will have one vote for each Capital share held. Income and Capital shares rank pari passu with respect to voting rights.

Units

Characteristics and Entitlements
A Unit share comprises one Capital share and one Income share. On application to the Company's Registrar, these shares may be separated into Income shares and Capital shares.

Unit shareholders have the same entitlements and voting rights as if they held separately the Income shares and Capital shares comprised in their Units.

BUSINESS REVIEW

Investment Policies and Objectives

The Company invests in a diversified portfolio of investments, typically comprising 50 to 70 UK equities and a range of other assets. JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') has been appointed to actively manage the portfolio which was valued at £85.0 million as at 31st January 2016 of which 76.7% was invested in UK equities.

The objectives are to meet the final capital entitlement of the Income shareholders and to provide them with a regular quarterly income as well as to provide capital growth for Capital shareholders.

Investment Limits and Restrictions

The Board has imposed a number of limits and restrictions on the Manager including:

- It will not invest more than 40% of the portfolio in non-UK equities (non-UK equities as at 31st January 2016: 23.3%).
- It will not invest more than 15% of the portfolio in any individual investment apart from collective investment vehicles (Largest investment as at 31st January 2016: 4.2%).
- It will not invest more than 15% of its gross assets in other UK listed investment companies (as at 31st January 2016: 0.0%).
- The Company will use derivatives (including options, futures and interest rate swaps) within conditions and limits set by the Board.

Borrowings

The Company has a three year £20 million revolving credit facility in place which is due to mature on 16th November 2016 and was fully drawn at 31st January 2016. The interest rate for half of the facility has been fixed to shield against the effects of rising interest rates.

Although the Company has the power under its Articles to borrow up to an amount equal to 60% of its Net Asset Value at the time of the drawdown, the Directors have set this limit at 35% of Net Asset Value at the time of the drawdown (as at 31st January 2016: 30.3%).

Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index**

Performance

FIGURES HAVE BEEN REBASED TO 100 AT THE TIME OF THE LAUNCH OF THE COMPANY

Source: Morningstar/FTSE.

— JPMorgan Income & Growth - unit price.

— JPMorgan Income & Growth - net asset value per unit.

— Benchmark.

Performance Relative to Benchmark

FIGURES HAVE BEEN REBASED TO 100 AT THE LAUNCH OF THE COMPANY

Source: Morningstar.

— JPMorgan Income & Growth - unit price.

— JPMorgan Income & Growth - net asset value per unit.

— The Benchmark is represented by the grey dotted line.

- **Performance attribution**
  The purpose of the performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. The Board reviews a detailed attribution analysis schedule at every Board meeting. Details of the attribution analysis for the year ended 31st January 2016 are given in the Investment Managers' Report on page 5.

- **Share price discount to net asset value ('NAV') per share**
  The Board has a share repurchase policy which seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby seek to manage the volatility and

BUSINESS REVIEW *CONTINUED*

absolute level of the discount or premium to NAV per share at which the Company's shares trade. The Board reviews the level of discount or premium to NAV per share on a regular basis and did not feel the need to repurchase any shares during the year.

In the year to 31st January 2016, Units in the Company's shares traded between a premium of 1.4% and a discount of 11.4%, the Income shares traded between a discount of 4.4% and 11.9% and the Capital shares traded at a range of extremely high premia, reflecting the low level of net assets attributable to that share class.

Unit Premium (+)/Discount (-)

Source: Morningstar.

—— JPMorgan Income & Growth - Discount (month end data).

- **Ongoing Charges**
  The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average daily net assets attributable to income shareholders during the year. The ongoing charges for the year ended 31st January 2016 was 1.28% (2015: 1.29%). The Board reviews the ongoing charges of the Company regularly and on an annual basis compares its ongoing charges against other companies with similar investment objectives and policies. The charges for the year under review were considered reasonable and no further action was considered necessary.

Capital structure of the Company

The Company's capital structure is detailed on page 14.

The Company has the authority to repurchase shares in the market for cancellation and issue shares.

The Company has not issued or repurchased any Income shares or Capital shares during the year or since the end of the year.

A resolution to renew the Company's issuance powers will be put to shareholders for approval at the Annual General Meeting. The full text of this resolution is set out in the Notice of Meeting on page 61.

A resolution to renew the Company's authority to repurchase shares at a discount to NAV will be put to shareholders at the forthcoming Annual General Meeting. The full text of this resolution is set out in the Notice of Meeting on page 61.

Life of the Company

The Company has a fixed life and will be wound up voluntarily on or around 30th November 2016.

Structure of the Company

JPMorgan Income & Growth Investment Trust plc is an investment trust company that has a premium listing on the London Stock Exchange. In seeking to achieve its objectives, the Company employs JPMF which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited ('JPMAM'), to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the FTSE 350 Total Return Index.

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure and Transparency Rules, taxation law and the Company's own Articles of Association.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 31st January 2013 and future years. The Directors have no reason to believe that approval will not continue to be obtained. The Company is not a close company for taxation purposes.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board. At 31st January 2016, there were four male Directors and one female Director on the Board.

Employees, Social, Community and Human Rights Issues

The Company is managed by JPMF. Therefore, the Company itself has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the JPMAM policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

Social, Environmental and Human Rights

Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request.

Greenhouse Gas Emissions

The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. *The Company's manager, JPMAM, is a signatory to the Carbon Disclosure Project and JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.*

Principal Risks

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly under the following categories:

- Investment and Strategy: An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark index and peer companies. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported on by the Manager. JPMAM provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and reviews data that show statistical measures of the Company's investment exposure and risk profile. The Investment Managers employ the Company's gearing tactically, within a strategic range set by the Board. The Board holds a separate meeting devoted to strategy each year.
- Market: Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Manager. The Board monitors the implementation and results of the investment process with the Investment Managers.
- Accounting, Legal and Regulatory: Should the Company breach Section 1158 ('Section 1158') of the Corporation Tax Act 2010, it may lose investment trust status and as a consequence gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure and Transparency Rules ('DTRs') issued by the FCA. A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. A breach of the UKLA Listing Rules or DTRs may result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, and its professional advisers to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules and DTRs.
- Corporate Governance and Shareholder Relations: The Board regularly reviews and considers corporate governance issues and the Company's Shareholder views and relations. Details of the Company's compliance with respect to Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 24 to 25.
- Operational: Disruption to, or failure of the Manager's accounting, dealing or payments systems or the depositary's or the custodian's records may prevent accurate reporting and monitoring of the Company's financial position. On 1st July 2014, the Company appointed BNY Mellon & Depositary (UK) Limited to act as its depositary, responsible for overseeing the operation of the custodian, JPMorgan Chase Bank, N.A., and the Company's cash flow. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included within the Risk Management and Internal Control section of the Corporate Governance report on page 25.
- Financial: The financial risks faced by the Company include market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. Further details are disclosed in note 24 on pages 54 to 58.

Viability Statement

Taking account of the Company's current position, the principal risks that it faces and their potential impact on its future developments and prospects, the Directors have assessed the viability of the Company, to the extent that they are able to do so, over the remaining months of its fixed life to around 30th November 2016. The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due in the period of assessment up to the expiry of the Company's life on or around 30th November 2016.

By order of the Board
Divya Amin, for and on behalf of
JPMorgan Funds Limited
Secretary

20th April 2016

Governance

BOARD OF DIRECTORS

Karl Sternberg (Chairman of the Board and Nomination Committee)
A Director since 2006.

Last reappointed to the Board: 2015.

Current remuneration: £30,000.

He is a Director of Lowland Investment Company, Monks Investment Trust, Clipstone Logistics REIT, Herald Investment Trust, Alliance Trust and Railway Pension Investments. He is formerly the Chief Investment officer of Deutsche Asset Management Ltd and he was the Chief Executive of Oxford Investment partnership. He is also a Fellow of St Catherine's College Oxford.

Connections with Manager: None.

Shared directorships with other Directors: None.

Current shareholding in Company: 6,825 Capital shares, 23,000 Income shares and 3,479 units.

Nicholas Craig Harvey (Chairman of the Audit Committee)
A Director since 2006.

Last reappointed to the Board: 2015.

Current remuneration: £24,500.

He is currently a Director of Lainston Investment Services Limited. He was formerly a Director of Hambros Bank plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Current shareholding in Company: 13,310 Capital shares and 4,760 units.

Jane Tozer OBE
A Director since 2006.

Last reappointed to the Board: 2015.

Current remuneration: £22,000.

Jane worked for IBM in technical and marketing roles, before becoming CEO of a software company. She is currently the Senior Independent Director of F&C Global Smaller Companies plc, and a non-executive director of StatPro Group plc, Citizens Advice Service in Three Rivers, Asthma UK and Nominet UK. She is also co-founder of the Information and TMT Non-Executives Association and a member of the Advisory Board of Warwick University Business School.

Connections with Manager: None.

Shared directorships with other Directors: None.

Current shareholding in Company: 44,592 Capital shares, 61,063 Income shares and 21,869 units.

David Watts
A Director since 2006.

Last reappointed to the Board: 2015.

Current remuneration: £22,000.

He was formerly the joint Chief Executive and Chief Investment Officer of Gartmore Investment Management Limited. He is a Director of Lord Wandsworth College Trust and Stern Farms Limited. He was previously a Director of Martin Currie Investment Management Limited. He was formerly Chairman of the Investment Committee of Merchant Navy Ratings Pension Fund Trustees Limited.

Connections with Manager: None.

Shared directorships with other Directors: None.

Current shareholding in Company: 251,507 Income shares.

Ian Scott-Gall
A Director since 2010.

Last reappointed to the Board: 2015.

Current remuneration: £22,000.

Ian, a Chartered Accountant and former CEO has had over 24 years public company experience as a CEO and a Finance Director with Vislink plc and Blick plc. He was formerly a Non-Executive Director of Control Instruments Group Ltd, listed on the Johannesburg stock exchange and a Director of Framlington Innovative Growth Trust Plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Current shareholding in Company: 20,000 Capital shares and 26,200 Income shares.

All Directors are members of the Audit and Nomination Committees and are considered independent of the Manager.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31st January 2016.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'). JPMF is employed under a contract terminable on six months notice. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

JPMF is a wholly-owned subsidiary of JPMorgan Chase & Co which, through other subsidiaries, also provides accounting, banking, dealing and custodian services to the Company.

The Board conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Manager, performance against the benchmark over the long term and the support that the Company receives from JPMF. The latest evaluation of the Manager was carried out in January 2016. As a result of that process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment process and performance of the Manager, noting the improvement, both in absolute terms and relative to the benchmark, and the support that the Company receives from JPMF.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). JPMF has been approved as an AIFM by the Financial Conduct Authority ('FCA'). For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed BNY Mellon Trust and Depositary (UK) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmincomeandgrowth.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on page 60.

Management Fee

The annual management fee is paid monthly at the annualised rate of 0.8% of the Company's net assets. The rate reduces to 0.7% of the Company's net assets over £65 million. Funds managed or advised by JPMAM or any of its associated companies that charge an underlying fee, that are held in the Company's portfolio of assets are excluded from the calculation and therefore attract no additional fee.

Going Concern

Given that the Company has a fixed life and will be wound up voluntarily on or around 30th November 2016, the Directors believe that it would not be reasonable to adopt the going concern basis in preparing the financial statements. Therefore, the financial statements have been prepared under the 'break-up' basis after including a provision for the liquidation of the Company based on estimated costs to liquidate the Company.

Directors

The Directors of the Company who held office at the end of the year are as detailed on pages 18 and 19.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 28. No changes have been reported to the Directors' shareholdings since the year end.

In accordance with the Company's Articles of Association and UK Corporate Governance Code, Karl Sternberg, David Watts, Jane Tozer and Nicholas Craig Harvey will retire at the forthcoming Annual General Meeting as they have served as Directors for a period of more than nine years. Being eligible, they will all stand for re-election at the forthcoming Annual General Meeting. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms they continue to be effective and demonstrate commitment to the role and the Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as Auditor to the Company and resolutions proposing their reappointment, and authorising the Directors to determine their remuneration for the ensuing year, will be put to shareholders at the Annual General Meeting.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure
The Company's capital structure is summarised on the inside front cover of this report.

Voting Rights in the Company's shares
Details of the voting rights in the Company's shares at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 61.

Notifiable Interests in the Company's Voting Rights

As at 31st January 2016, the following had declared a notifiable interest in the Company's issued share capital:

Shareholders	Share Class	Number of shares held	%
JPMorgan Asset Management	Income	5,856,618	4.64
	Capital	12,287,351	9.73
Investec Wealth &	Income	13,783,968	10.91
Investment Limited	Capital	324,612	0.26
Rathbone Brothers plc	Income	6,551,279	5.19
	Capital	1,207,439	0.96
Citigroup	Capital	4,690,000	3.71
Nortrust Nominees Limited	Capital	2,800,000	2.22

The Company is also aware that approximately 7.56% of the Company's total voting rights are held by individuals through savings products managed by JPMAM and registered in the name of Chase Nominees Limited. If those voting rights are not exercised by the beneficial holders, in accordance With the terms and conditions of the savings products, under certain circumstances JPMAM has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

Since the year end date, Rathbone Brothers plc has disclosed that it holds 2,835,265 (2.25%) Income shares and 1,117,561 (0.89%) Capital shares.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stock broker, bank manager, solicitor, or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

DIRECTORS' REPORT *CONTINUED*

(i) Authority to repurchase the Company's shares for cancellation (resolution 9)

At the General Meeting held on 28th May 2015, shareholders gave authority to the Board to enable repurchases of up to 14.99% of the then issued share capital. A resolution will be proposed at the Annual General Meeting that the Company be authorised to purchase in the market up to 14.99% of the Company's issued share capital as at the date of the passing of this resolution.

The Directors consider that the renewal of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying net asset value ('NAV') enhances the NAV of the remaining shares and helps to control the discount and its volatility. Resolution 9 gives the Company authority to buyback its own issued shares in the market as permitted by the Companies Act 2006 (the 'Act').

The full text of the resolution is set out in the Notice of Meeting on page 61. Repurchases will be made at the discretion of the Board and will only be made at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

The Company currently does not hold any shares in the capital of the Company in Treasury.

Recommendation (resolution 9)

The Board considers that resolution 9 is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommended that you vote in favour of the resolution as they intend to do in respect of their own beneficial holdings which amount in aggregate to 506,713 shares representing 0.40% of the voting rights in the Company.

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 30, indicates how the Company has applied the principles of good governance of the Financial Reporting Council UK Corporate Governance Code[1] (the 'UK Corporate Governance Code') and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of Corporate Governance and the Company has complied with the best practice provisions of the UK Corporate Governance Code, in so far as they are relevant to the Company's position being an externally managed investment company, and the AIC Code, other than in respect of the provision relating to a senior independent director, throughout the year under review.

Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, brokerage, administration, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board has procedures in place to deal with potential conflicts of interest and, following the introduction of the Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

Board Composition

The Board consists of five non-executive directors, all of whom are regarded by the Board as independent of the Company's Manager.

The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on pages 18 and 19. The Chairman is deemed to be independent by the Board and there have been no changes to the Chairman's other significant commitments during the year under review.

[1] Copies of the UK Corporate Governance Code and the AIC Code may be found on the respective organisations' websites: www.frc.org.uk and www.theaic.co.uk.

The Board does not believe that it would be appropriate to adopt a policy whereby Directors serve for a limited period of time. However, in order to provide a balance of skills, experience, length of service and ages, it is the Board's policy to introduce new Directors to provide an orderly succession over time.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below and on page 24.

The Board has considered whether a senior independent director should be appointed. As the Board comprises entirely of non-executive directors, the appointment of a senior independent director is not considered necessary. However, the Chairman of the Audit Committee leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be appointed by shareholders. Thereafter, a Director's appointment will run for a term of three years. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for the Director to seek an additional term. A Director's continuing appointment is subject to reappointment by shareholders on retirement by rotation in accordance with the Company's Articles of Association, which require that one third of the Board must retire by rotation each year.

Any Director who has served for a period of more than nine years will stand for annual re-election thereafter. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its committees.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of the membership of committees are shown with the Directors' profiles on pages 18 and 19.

The table below lists the number of Board and committee meetings attended by each Director. During the period there were five Board meetings, including a private meeting of the Directors to evaluate the Manager and a separate meeting devoted to strategy, two Audit Committee meetings and a meeting of the Nomination Committee.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination Committee Meetings Attended
Karl Sternberg	5	2	1
Nicholas Craig Harvey	4	1	1
Jane Tozer	5	2	1
David Watts	5	2	1
Ian Scott-Gall	5	2	1

Board Committees

Nomination Committee

The Nomination Committee, chaired by Karl Sternberg, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. The appointment process takes account of the benefits of diversity including gender.

The Board's policy on diversity, including gender, is to take account of the benefits of these during the appointment process. However, the Board remains committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity. Therefore, no targets have been set against which to report. There were no new Directors appointed during the year.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees, The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together. Online questionnaires, drawn up by the Board, with the assistance of JPMF and a firm of independent consultants

DIRECTORS' REPORT *CONTINUED*

Lintstock Limited (with whom the Company has no other relationships), are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chairman. The Chairman of the Audit Committee, Nicholas Craig Harvey leads the evaluation of the Chairman's performance.

The Committee also reviews Directors' fees and makes recommendations to the Board as and when required in relation to remuneration policy.

Audit Committee

The Audit Committee, chaired by Nicholas Craig Harvey, comprises all of the Directors and meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Audit Committee.

The Audit Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code.

The Audit Committee examines the effectiveness of the Company's internal control systems, receives information from the Manager's Compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. In the Directors' opinion the Auditors are independent.

The Audit Committee has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report & Accounts were considered and also engage with Directors as and when required.

During its review of the Company's financial statements for the year ended 31st January 2016, the Audit Committee considered the following significant issues, in particular those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1(c) to the accounts on page 40. 100% of the portfolio can be verified against daily published prices. The Board monitors significant movements in the underlying portfolio.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(e) to the accounts on page 41. The Board reviews the Company's income, including the treatment of any special dividends, throughout the year.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st February 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.
Fixed life of the Company and winding up in November 2016	Preparation of financial statements on a break-up basis and Board review of the provision for the liquidation of the Company based on estimated costs to liquidate the Company.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 31st January 2016, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 30.

Having reviewed the performance of the external Auditors, including assessing the quality of work, independence, timing of communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting. The current audit firm has audited the Company's financial statements since its launch in 2006. The Company's year ended 31st January 2016 is the current Audit Partner's fourth of a five year maximum term.

Terms of Reference

Both the Nomination Committee and the Audit Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection on request at the Company's registered office, on the Company's website and on request at the Company's registered office and at the Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders quarterly each year by way of the annual report and accounts, the half yearly report and two interim management statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet with and answer shareholders' questions. In addition, a presentation is given by the investment managers reviewing the Company's performance. During the year the Company's broker, the investment managers and JPMF hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 67.

The Company's Annual Report and Accounts are published in time to give shareholders at least 20 clear working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 67.

Details of the proxy voting on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by JPMF and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. Whilst the Company does not have an internal audit function of its own, the Board considers that it is sufficient to rely on the internal audit department of the Manager. This arrangement is kept under review. The key elements designed to provide effective risk management and internal control are as follows:

Financial Reporting - Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management and Depositary Agreements - Appointment of a manager and depositary regulated by the Financial Conduct Authority (FCA), whose responsibilities are clearly defined in written agreements.

Management Systems - The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by the Manager's compliance department which regularly monitors compliance with FCA rules and reports to the Board.

Investment Strategy - Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- Reviews the terms of the management agreement and receives regular reports from the Manager's compliance department;
- Reviews the independently produced report on the risk management and internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed;
- The Directors review on a regular basis an independent report on the risk management and internal controls and the operations of the Manager; and
- reviews quarterly reports from the Company's depositary.

By means of the procedures set out above, which accord with the Turnbull guidance on internal controls, the Board confirms that it has reviewed the effectiveness of the Company's system of internal control for the year ended 31st January 2016, and to the date of approval of this annual report and accounts.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not impact the Company.

DIRECTORS' REPORT *CONTINUED*

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to the Manager. The following is a summary of the Manager's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on pages 16 and 17.

Corporate Governance
JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting
JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement
JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: www.jpmorganassetmanagement.co.uk/institutional/CommentaryAndAnalysis/CorporateGovernance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Divya Amin, for and on behalf of
JPMorgan Funds Limited,
Secretary

20th April 2016

DIRECTORS' REMUNERATION REPORT

The Board presents the Directors' Remuneration Report for the year ended 31st January 2016, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 31 to 35.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has decided to seek annual approval and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote is intended to take effect immediately upon its approval and is set out in full below. It is currently in force.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than other Directors, reflecting the greater time commitment involved in fulfilling those roles.

Reviews are based on information provided by the Manager, JPMAM, and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore no consultation of employees is required and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending the Company's business.

Directors' fees were last increased with effect from 1st February 2014 and in the year under review, Directors' fees were paid at the following rates: Chairman £30,000; Chairman of the Audit Committee £24,500; and other Directors £22,000.

The Company's Articles of Association stipulate that aggregate fees must not exceed £175,000 per annum. Any increase in this the maximum aggregate amount requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and will take account of those views.

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 23.

The Company's Remuneration policy also applies to new Directors.

Directors' Remuneration Policy Implementation Report

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 31st January 2015 and no changes are proposed for the year ending 31st January 2016.

At the Annual General Meeting held on 28th May 2015, of votes cast, 99.3% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) both, the remuneration report and the remuneration policy and 0.7% voted against. Abstentions were received from less than 1.0% of the votes cast.

DIRECTORS' REMUNERATION REPORT *CONTINUED*

Single total figure of remuneration

The total figure of remuneration for the Board for the year ended 31st January 2016 was £120,500. The total remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

	Total amount of salary and fees 2016 £	2015 £
Karl Sternberg	30,000	30,000
Nicholas Craig Harvey	24,500	24,500
Jane Tozer	22,000	22,000
David Watts	22,000	22,000
Ian Scott-Gall	22,000	22,000
Total	**120,500**	**120,500**

[1] Audited information.

A table showing the total remuneration for the Chairman over the five years ended 31st January 2016 is below:

Remuneration for the Chairman over the five years ended 31st January 2016

Year ended 31st January	Fees	Performance related benefits received as a percentage of maximum payable
2016	£30,000	n/a
2015	£30,000	n/a
2014	£29,000	n/a
2013	£27,500	n/a
2012	£25,000	n/a

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors' beneficial shareholdings are detailed below.

Capital	31st January 2016	1st February 2015
Karl Sternberg	6,825	6,825
Nicholas Craig Harvey	13,310	13,310
Jane Tozer	44,592	44,592
David Watts	–	–
Ian Scott-Gall	20,000	20,000

Income	31st January 2016	1st February 2015
Karl Sternberg	23,000	23,000
Nicholas Craig Harvey	–	–
Jane Tozer	61,063	61,063
David Watts	251,507	251,507
Ian Scott-Gall	26,200	26,200

Units	31st January 2016	1st February 2015
Karl Sternberg	3,479	3,479
Nicholas Craig Harvey	4,760	4,760
Jane Tozer	21,869	21,869
David Watts	–	–
Ian Scott-Gall	–	–

[1] Audited information.

A graph showing the Company's unit share price total return compared with its benchmark index the FTSE 350 Total Return Index, is shown below.

Unit price and benchmark total return performance for seven years to 31st January 2016

Source: Morningstar/FTSE.

— Unit price total return.

— Benchmark.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 31st January	
	2016	2015
	£	£
Remuneration paid to all Directors	120,500	120,500
Distribution to shareholders		
– by way of dividend	2,964,000	2,716,000
– by way of share repurchases	nil	nil

For and on behalf of the Board
Karl Sternberg
Chairman

20th April 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and accounts are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. For reasons stated in the Directors' Report and note 1(a), the financial statements of the Company have been prepared on a break-up basis as the Company is not a going concern.

and the Directors confirm that they have done so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmincomeandgrowth.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company;
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- The Directors confirm that, taken as a whole, the annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders to assess the performance, business model and strategy of the Company.

For and on behalf of the Board
Karl Sternberg,
Chairman

20th April 2016

Independent Auditor's Report

Our opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31st January 2016 and of the Company's net loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006:

What we have audited

JPMorgan Income & Growth Investment Trust plc's financial statements comprise:

Statement of Comprehensive Income for the year ended 31st January 2016.

Statement of Changes in Equity for the year ended 31st January 2016.

Statement of Financial Position as at 31st January 2016.

Statement of Cash Flows for the year ended 31st January 2016.

Related notes 1 to 25 to the financial statements.

The financial statements have been prepared on a break-up basis as disclosed in note 1(a).

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Overview of our audit approach

Risks of material misstatement	• Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment. • Going concern and the fixed life of the Company. • Incorrect valuation and existence of the investment portfolio.
Audit scope	• We performed an audit of JPMorgan Income & Growth Investment Trust plc.
Materiality	• Materiality of £659,000 which represents 1% of net assets attributable to income shareholders (2015: £711,000).

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those with the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk:	**Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment** (as described on page 24 in the Report of the Audit Committee). The investment income receivable by the Company during the period directly drives the Company's ability to make a dividend payment to shareholders. The investment income receivable for the year to 31st January 2016 was £4.2 million (as disclosed in note 4 to the financial statements). If the Company is not entitled to receive the investment income recognised in the financial statements or the income recognised does not relate to the current financial year, this will impact the extent of the profits available to fund dividend distributions to shareholders. The accounting treatment adopted has a direct impact on the profits available for distribution to shareholders of the Company by way of dividends.

Risk *continued*:	Given the judgemental aspect of allocating special dividends between revenue and capital and the risk of management override from processing of topside journals, we consider this an area warranting specific audit focus. From our review, the Company received 22 special dividends during the year, amounting to £660,000, of which 20 were treated as revenue (£505,000) and one as capital (£134,000) and one dividend (£21,000) was split between revenue and capital. Five of the special dividends received during the year were material, four of which was treated as revenue and one which was treated as capital.
Our response to the risk:	We have performed the following procedures: We agreed a sample of dividends to the corresponding announcement made by the investee company and agreed cash received to bank statements. We agreed, for a sample of investee companies, the dividend declarations made by the investee company from an external third party source to the income entitlements recorded by the Company. We agreed all accrued dividends to third party source and to post year end bank statements to assess the recoverability of these amounts. We reviewed the recognition criteria applied to the special dividends received during the year and assessed the appropriateness of the conclusion on the relevant treatment as documented by the administrator.
What we concluded to the Audit Committee:	The results of our procedures are: We noted no issues in agreeing the sample of dividend receipts to and from an independent source and to the bank statements. We noted no issues in agreeing the sample of dividend declarations to the income entitlements recorded by the Company. We noted no issues in agreeing the sample of accrued dividend receipts to an independent source and to the bank statements. We ensured that the accounting treatment adopted for the special dividends was consistent with the evidence provided and our understanding of the underlying circumstances giving rise to the related dividends.
Risk:	**Going concern and the fixed life of the Company** (as described on page 24 in the Report of the Audit Committee). Given the expectation that the Company will terminate within 12 months of the date of approval of the financial statements, we do not consider that the going concern basis is appropriate for the current financial year and, therefore, the financial statements have been prepared on a break up basis.
Our response to the risk:	We have performed the following procedures: We have discussed the process for winding the Company up in 2016 with the Directors. We have considered the impact of any changes to the strategy of the Company. We have reviewed the financial statements to ensure that appropriate adjustments have been made to reflect the break up basis of accounting. We reviewed the appropriateness and adequacy of the estimates for the costs of winding up the Company.
What we concluded to the Audit Committee:	The results of our procedures are: We noted no issues in the planned process for winding up the Company. We noted no issues in the adjustments made to the financial statements due to using the break up basis of accounting, including the raising of the provision for anticipated liquidation costs.
Risk:	**Incorrect valuation and existence of the investment portfolio** (as described on page 24 in the Report of the Audit Committee). The valuation of the assets held in the investment portfolio is the key driver of the Company's investment return. The value of the Company's investment portfolio at 31st January 2016 was £85.0 million, consisting of £65.2 million of listed equities and £19.8 million of mutual funds (movements in the investment portfolio are shown in note 11 to the financial statements).

	Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.
Our response to the risk:	We have performed the following procedures: We have used our bespoke asset pricing tool to value 100% of the investment portfolio. We agreed the number of shares held in each security to a confirmation of legal title received from both the Company's custodian and depositary as at 31st January 2016.
What we concluded to the Audit Committee:	The results of our procedures are: For all investments, we noted no material differences in market value. We noted no differences between the custodian and depositary confirmations and the Company's underlying financial records.

In the current year, we recognise a risk of material misstatement in relation to the recognition of revenue. We have assessed this as both a fraud risk and a significant risk in the current year, as investment income receivable by the Company during the period directly affects the Company's ability to pay a dividend to shareholders and judgement is used in allocating special dividends between revenue and capital. Potentially, these factors could give those charged with governance both the incentive and the opportunity to misstate the revenue of the Company in order to meet shareholder expectations. In addition, we continue to recognise a risk of material misstatement in relation to valuation and existence of the investment portfolio and we have also considered the fixed life of the Company and the presentation of the financial statements under a break up basis. We have re-assessed the inclusion of the calculation of management fees and compliance with s1158 requirements in our auditor's report. Although each of these areas represents a potential risk of material misstatement, we have determined the likelihood of a material misstatement occurring as lower relative to other areas. Given the non-complex nature of the calculations we have no longer included reference to these in our audit report.

The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls and changes in the business environment when assessing the level of work to be performed. The Company is a single component and we perform a full audit on this Company.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined planning materiality for the Company to be £659,000 (2015: £711,000), which is 1% of net assets attributable to income shareholders. This provided a basis for determining the nature, timing and extent of our risk assessment procedures, identifying and assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We derived our materiality calculation from a proportion of net assets attributable to income shareholders as we consider that to be the most important financial metric on which shareholders judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of planning materiality, being £495,000 (2015: £533,000). Our objective in adopting this approach was to ensure that total undetected and uncorrected audit differences in all accounts did not exceed our planning materiality level. We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £33,000 (2015: £18,000) for the revenue column of the Statement of Comprehensive Income, being 5% of the revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered to be clearly trivial.

We agreed with the audit committee that we would report all audit differences in excess of £33,000 (2014: £35,000) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 30 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

ISAs (UK & Ireland) reporting

We are required to report to you if, in our opinion, financial and non-financial information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.

We have no exceptions to report.

Companies Act 2006 reporting

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report.

Listing Rules review requirements

We are required to review:

- the Directors' statement in relation to going concern set out on page 20, and longer-term viability, set out on page 17; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review

We have no exceptions to report.

Statement on the Directors' assessment of the Principal Risks that would threaten the solvency or liquidity of the entity

ISAs (UK & Ireland) reporting

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing material to add or to draw attention to.

Michael-John Albert (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
London

20th April 2016

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST JANUARY 2016

	Notes	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015[1] Revenue £'000	2015[1] Capital £'000	2015[1] Total £'000
(Losses)/gains on investments held at recoverable value	3	–	(4,844)	(4,844)	–	3,855	3,855
Net foreign currency gains		–	–	–	–	6	6
Income from investments	4	4,209	–	4,209	3,729	–	3,729
Other income	4	1	–	1	4	–	4
Gross return/(loss)		**4,210**	**(4,844)**	**(634)**	**3,733**	**3,861**	**7,594**
Management fee	5	(169)	(395)	(564)	(167)	(389)	(556)
Other administrative expenses	6	(343)	–	(343)	(341)	–	(341)
Provision for liquidation	6	–	(248)	(248)	–	–	–
Net return/(loss) on ordinary activities before finance costs and taxation		**3,698**	**(5,487)**	**(1,789)**	**3,225**	**3,472**	**6,697**
Finance costs	7	(131)	(304)	(435)	(145)	(338)	(483)
Dividends paid on Income shares[2]	8	(2,902)	–	(2,902)	(2,716)	–	(2,716)
Shortfall due to Income shareholders		–	558	558	–	–	–
Net return/(loss) on ordinary activities before taxation		**665**	**(5,233)**	**(4,568)**	**364**	**3,134**	**3,498**
Taxation	9	(3)	–	(3)	(1)	–	(1)
Net return/(loss) on ordinary activities after taxation		**662**	**(5,233)**	**(4,571)**	**363**	**3,134**	**3,497**
Allocation to Income Shareholders		**(662)**	**–**	**(662)**	**(363)**	**–**	**(363)**
		–	**(5,233)**	**(5,233)**	**–**	**3,134**	**3,134**
Other comprehensive income							
Movement in fair value of interest rate swap		–	46	46	–	(91)	(91)
Total comprehensive income		**–**	**(5,187)**	**(5,187)**	**–**	**3,043**	**3,043**
Return/(loss) per class of share	10						
Return per Income share		**5.77p**	–	**5.77p**	**4.99p**	–	**4.99p**
(Loss)/return per Capital share		–	**(8.11)p**	**(8.11)p**	–	**4.86p**	**4.86p**

[1] Certain comparatives have been amended to be in line with the current presentation adopted. There was no impact on the comparative net return or net assets as a result of the new presentation.

[2] Dividends paid during the year ended 31st January 2016 of 4.7p amounting to £2,902,000 (2015: 4.4p per Income share, amounting to £2,716,000).

No operations were acquired or discontinued in the year.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The notes on pages 40 to 59 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST JANUARY 2016

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Total £'000
At 31st January 2014	**646**	**456**	**28,535**	**18**	**(27,511)**	**2,144**
Net Capital return on ordinary activities	–	–	–	–	3,134	3,134
Movement in fair value of interest rate swap	–	–	–	–	(91)	(91)
At 31st January 2015	**646**	**456**	**28,535**	**18**	**(24,468)**	**5,187**
Net Capital return on ordinary activities	–	–	–	–	(5,233)	(5,233)
Movement in fair value of interest rate swap	–	–	–	–	46	46
At 31st January 2016	**646**	**456**	**28,535**	**18**	**(29,655)**	**–**

The notes on pages 40 to 59 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31ST JANUARY 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	–	90,277
		–	90,277
Current assets			
Investments held at recoverable value	11	84,962	–
Debtors	12	370	342
Cash and cash equivalents	12	2,063	698
		87,395	**1,040**
Creditors: amounts falling due within one year			
Creditors	13	(1,044)	(85)
Provision for liquidation	13	(248)	–
Derivative financial liabilities	14	(45)	–
Bank loan	15	(20,000)	–
Net assets attributable to the Income shareholders	16, 19	(66,058)	–
Net current assets		–	**955**
Total assets less current liabilities		–	**91,232**
Creditors: amounts falling due after more than one year			
Derivative financial liabilities	14	–	(91)
Bank loan	15	–	(20,000)
Net assets attributable to the Income shareholders	16, 19	–	(65,954)
Net assets		–	**5,187**
Capital and reserves			
Called up share capital	17	646	646
Share premium	18	456	456
Other reserve	18	28,535	28,535
Capital redemption reserve	18	18	18
Capital reserves	18	(29,655)	(24,468)
Total equity shareholders' funds		–	**5,187**
Net asset value per share	19		
Income share		**107.0p**	**106.8p**
Capital share		–	**8.0p**

The financial statements on pages 36 to 59 were approved and authorised for issue by the Directors on 20th April 2016 and were signed on their behalf by:

Karl Sternberg
Director

The notes on pages 40 to 59 form an integral part of these financial statements.

Company registration number: 5973571

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST JANUARY 2016

	Notes	2016 £'000	2015 £'000
Net cash outflow from operations before dividends and interest	20	(907)	(881)
Dividends received		3,951	3,410
Interest received		250	231
Interest paid		(342)	(483)
Overseas tax recovered		76	109
Net cash inflow from operating activities		**3,028**	**2,386**
Purchases of investments		(23,446)	(16,185)
Sales of investments		24,684	16,806
Net cash inflow from investing activities		**1,238**	**621**
Dividends paid		(2,902)	(2,716)
Net cash outflow from financing activities		**(2,902)**	**(2,716)**
Increase in cash and cash equivalents		**1,364**	**291**
Cash and cash equivalents at the start of the year		698	406
Exchange movements		1	1
Cash and cash equivalents at the end of the year		2,063	698
Increase in cash and cash equivalents		**1,364**	**291**
Cash and cash equivalents consist of:			
Cash and short term deposits		2,063	698
Total		**2,063**	**698**

The notes on pages 40 to 59 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2016

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') including FRS 102 'Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014.

The Company has a fixed life and will be wound up voluntarily on or around 30th November 2016. Therefore, these financial statements have been prepared under the 'break-up' basis. Fixed assets have been reclassified as current assets. The market value for investments is deemed to be a proxy for recoverable value. Creditors falling due after more than one year have been reclassified as current liabilities.

(b) Transition to FRS 102

This set of financial statements, in accordance with the SORP includes changes arising from the adoption of FRS 102 which the Company is required to comply with for the first time for the year ended 31st January 2016.

Aside from amendments to the disclosure of fair value hierarchy information and presentational aspects relating to the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows, no significant changes have arisen from the adoption of the new standards. Where changes have arisen, they are substantially in relation to presentation, disclosure and non-quantifiable aspects - there has been no impact to financial position or financial performance and no comparative figures require restating.

(c) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are treated by the Company as 'held at fair value through profit or loss' (FVTPL). They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets which we also deemed to be the recoverable amounts of the investments. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

Derivatives are classified at FVTPL and are measured at fair value using the Discounted Cash Flow ('DCF') valuation technique. Unrealised movements in the valuation of derivatives are recognised in the Statement of Comprehensive Income except where the derivative meets the criteria as a hedging instrument.

Realised gains and losses on sales of investments are recognised in the Statement of Comprehensive Income and are transferred to capital reserves within 'Gains and losses on sales of investments' and represent the excess of sales proceeds over the carrying value at the previous balance sheet date. Increases and decreases in the valuation of investments held at the year end are recognised in the Statement of Comprehensive Income and are transferred to capital reserves within 'Holding gains and losses on investments'.

All purchases and sales are accounted for on a trade date basis.

(d) Accounting for reserves

Gains and losses on sales of investments and realised gains or losses on derivatives, including any related foreign exchange gains and losses, realised gains and losses on foreign currency, management fee and finance costs charged to capital and any other capital charges are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments and derivatives'.

Increases and decreases in the valuation of investments and derivatives held at the year end, including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Holding gains and losses on investments and derivatives'.

(e) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is taken to capital.

UK dividends are accounted for net of tax credits and unfranked income is included gross of any income tax. Overseas dividends are included gross of any withholding tax.

Deposit interest receivable on cash and short term deposits is taken to revenue on an accruals basis.

Underwriting commission is recognised in income where it relates to shares that the Company is not required to take up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of commission received is deducted from the cost of the shares taken up, with the balance taken to income.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue with the following exceptions:

- the management fee is allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the Company's investment portfolio.
- expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise stamp duty and brokerage commission. Details of transaction costs are given in note 11 on page 47.

(g) Finance costs

Finance costs are accounted for using the effective interest method.

Finance costs are allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the Company's investment portfolio.

Dividends paid to Income shareholders are classified as finance costs because the Income shares are classified in the financial statements as liabilities. Dividends payable are included in the financial statements in the year in which the Company enters into an obligation to make the dividend payment. Dividends payable are allocated wholly to revenue as to allocate any portion to capital would affect the rights and benefits attributable to the Capital shareholders.

The fourth quarterly and any special dividends are included in finance costs in the year in which the Company enters into an obligation to pay them.

(h) Financial instruments

Cash and cash equivalents may comprise cash (including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value) as well as cash equivalents.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, which is also deemed to be their recoverable amounts for debtors and settlement amounts for creditors.

The bank loan is classified as a financial liability and is measured at amortised cost. It was initially measured as proceeds and subsequently measured at amortised cost.

The Company uses an interest rate swap to hedge the cash flow risk arising from interest rate fluctuations. The swap is measured at fair value through profit or loss and has been treated as a highly effective cash flow hedge in accordance with the provisions of FRS 102. Gains or losses arising on the fair value of the cash flow hedge during the year are recognised through other comprehensive income.

The Income share class is classified in the financial statements as a liability due to the rights and obligations attached to that share class. Accordingly, dividends payable in respect of the Income shares are classified as an expense and recognised in the Statement of Comprehensive Income. Holders of the Income shares are entitled to the accumulated retained revenue of the Company plus a capital value equivalent of 103.4p per share. Therefore, the carrying value of the Income shares is presented in the Statement of Financial Position as the aggregate value of the retained revenue of the Company and a residual capital entitlement that is capped at 103.4p per share.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

1. Accounting policies *continued*

(h) Financial instruments *continued*

In the event that the net assets of the Company are not sufficient to meet the income and capital entitlements of the income shareholders, a charge is made to capital reserves to reflect the amount by which the net assets of the Company need to increase in value in order to meet the capital entitlement of the Income shares. The net assets of the Company are only ascribed to holders of the Capital shares once this hurdle has been reached.

(i) Foreign currency

The Company is required to identify a functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature. Gains and losses on investments arising from a change in exchange rates are included in 'Holding gains and losses on investments' for investments still held at year end, and in 'Gains and losses on sales of investments' for investments sold during the year.

(j) Taxation

Current tax is provided at the amounts expected to be paid or recovered.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences, but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

Tax relief on expenses charged to capital is calculated on the 'marginal basis' in accordance with the recommendations of the SORP.

(k) Value Added Tax ('VAT')

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(l) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

2. Significant accounting judgements and estimates

The preparation of the Company's financial statements on occasion requires management to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

Apart from the provision for the liquidation of the Company, management do not believe that any accounting judgements or estimates have been applied to this set of financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3. Gains/(losses) on investments held at recoverable value

	2016 £'000	2015 £'000
Gains on sales of investments based on historical cost[1]	3,752	4,043
Amounts recognised as investment holding gains and losses in the previous year in respect of investments sold during the year	(6,330)	(4,766)
Losses on sales of investments based on the carrying value at previous balance sheet date	(2,578)	(723)
Net movement in investment holding gains and losses	(2,263)	4,581
Other capital charges	(3)	(3)
Capital (losses)/gains on investments held at recoverable value	**(4,844)**	**3,855**

[1]Includes £151,000 (2015: £492,000) of special dividends treated as capital.

4. Income

	2016 £'000	2015 £'000
Income from investments		
UK dividends	2,761	2,691
UK special dividends	492	249
UK unfranked investment income from OEICs and REITs	359	298
Interest received	249	231
Overseas dividends	323	184
Overseas special dividends	25	76
Total income from investments	4,209	3,729
Other income		
Deposit interest	1	–
Underwriting commission	–	4
Total other income	1	4
Total income	**4,210**	**3,733**

5. Management fee

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Management fee	169	395	564	167	389	556

Details of the management fee are given in the Directors' Report on page 20.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

6. Other administrative expenses

	2016 £'000	2015 £'000
Administration expenses	189	188
Directors' fees[1]	121	121
Auditor's remuneration for audit services[2]	33	32
	343	**341**

[1] Full disclosure is given in the Directors' Remuneration Report on pages 28 and 29.
[2] Includes £5,000 (2015: £5,000) irrecoverable VAT.

A provision for the liquidation of the Company has been included in the financial statements to allow for financial advisers and lawyers fees, and other costs incurred during the liquidation process.

7. Finance costs

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Interest on bank loans and overdrafts	**131**	**304**	**435**	**145**	**338**	**483**

8. Dividends payable on Income shares

(a) Dividends paid and proposed

	2016 £'000	2015 £'000
2015 fourth quarterly dividend of 1.1p (2014: 1.1p)	679	679
First quarterly dividend of 1.2p (2015: 1.1p)	741	679
Second quarterly dividend of 1.2p (2015: 1.1p)	741	679
Third quarterly dividend of 1.2p (2015: 1.1p)	741	679
Total dividends paid in the year	2,902	2,716
Fourth quarterly dividend declared of 1.2p (2015: 1.1p)	**741**	**679**

The fourth quarterly dividend has been declared in respect of the year ended 31st January 2016 and was paid on 24th March 2016.

(b) Dividends declared for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 of the Corporation Tax Act 2010 are considered on the basis of dividends paid and declared in respect of the year as follows. The revenue available for distribution by way of dividend for the year is £3,564,000 (2015: £3,079,000). The brought forward income available for distribution after allowing for the prior year fourth quarterly dividend amounted to £1,428,000. The carried forward income available for distribution after allowing for the fourth quarterly dividend declared amounts to £2,028,000. Details of the movement in the revenue reserve are given in note 16 on page 49.

	2016 £'000	2015 £'000
First quarterly dividend of 1.2p (2015: 1.1p)	741	679
Second quarterly dividend of 1.2p (2015: 1.1p)	741	679
Third quarterly dividend of 1.2p (2015: 1.1p)	741	679
Fourth quarterly dividend of 1.2p (2015: 1.1p)	741	679
Total dividends paid and declared of 4.8p (2015: 4.4p)	**2,964**	**2,716**

9. Taxation

(a) Analysis of tax charge for the year

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Overseas withholding tax	3	–	3	1	–	1
Total tax charge for the year	3	–	3	1	–	1

(b) Factors affecting total tax charge for the year

The tax assessed for the year is higher (2015: lower) than the Company's applicable rate of corporation tax for the year of 20.16% (2015: 21.32%). The factors affecting the total tax charge for the year are as follows:

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Net return/(loss) on ordinary activities before taxation	665	(5,791)	(5,126)	364	3,134	3,498
Net return/(loss) on ordinary activities before taxation multiplied by the applicable rate of corporation tax of 20.16% (2015: 21.32%)	134	(1,168)	(1,034)	78	668	746
Effects of:						
Non taxable capital losses/(gains)	–	977	977	–	(823)	(823)
Non taxable UK dividend income	(656)	–	(656)	(627)	–	(627)
Non taxable overseas dividend income	(70)	–	(70)	(55)	–	(55)
Overseas withholding tax	3	–	3	1	–	1
Dividends paid on income shares	585	–	585	579	–	579
Disallowed expenses	–	50	50	–	–	–
Unrelieved expenses and charges	7	141	148	25	155	180
Total tax charge for the year	3	–	3	1	–	1

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £1,531,000 (2015: £1,385,000) based on a prospective corporation tax rate of 20% (2015: 20%). The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, and the fact that the financial statements are prepared on the 'break up' basis, it is not likely that the Company will be able to utilise this asset in the foreseeable future and therefore no asset has been recognised in the financial statements.

Given the Company's intention to meet the conditions required to retain approval as an investment trust company, no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

10. Return/(loss) per share

Return per Income share

Return per Income share is based on the weighted average number of Income shares in issue during the year of 61,747,803 (2015: 61,747,803) and the following figures:

	2016 £'000	2015 £'000
Return attributable to Income shareholders	662	363
Add back dividends on Income shares	2,902	2,716
Net return attributable to Income shareholders	**3,564**	**3,079**
Return per Income share (pence)	**5.77**	**4.99**

(Loss)/return per Capital share[1]

(Loss)/return per Capital share is based on the weighted average number of Capital shares in issue during the year of 64,527,781 (2015: 64,527,781) and the following figures:

	2016 £'000	2015 £'000
Net (loss)/return attributable to Capital shareholders	(5,233)	3,134
(Loss)/return per Capital share (pence)	**(8.11)**	**4.86**

[1] Not including the effect of the cash flow hedge.

11. Investments

	2016 £'000	2015 £'000
Investments held at recoverable value	84,962	90,277

	2016 Total £'000	2015 Total £'000
Opening book cost	73,104	69,631
Opening investment holding gains	17,173	17,358
Opening valuation	90,277	86,989
Purchases at cost	24,311	16,185
Sales - proceeds	(24,785)	(16,755)
Losses on sales of investments based on the carrying value at the previous balance sheet date	(2,578)	(723)
Net movement in investment holding gains and losses	(2,263)	4,581
	84,962	90,277
Closing book cost	76,382	73,104
Closing investment holding gains	8,580	17,173
Total investments held at recoverable value	**84,962**	**90,277**

During the year, prior year investment holding losses amounting to £6,330,000 (2015: £4,766,000) were transferred to gains and losses on sales of investments as disclosed in note 18 on page 50.

Transaction costs on purchases during the year amounted to £116,000 (2015: £92,000) and on sales during the year amounted to £14,000 (2015: £9,000). These costs comprise brokerage commission and stamp duty.

Investments held at recoverable value were classified as fixed assets in the prior year, and have been reclassified as current assets in the current year as disclosed in note 1(a).

12. Current assets

Debtors

	2016 £'000	2015 £'000
Securities sold awaiting settlement	99	–
Taxation recoverable	142	143
Dividends receivable	115	184
Other debtors	14	15
	370	**342**

The Directors consider that the carrying amount of debtors represents their recoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprises bank balances and short term deposits. The carrying amount of these represents their fair value and recoverable amounts. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

13. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Securities purchased awaiting settlement	865	–
Loan interest payable	93	–
Other creditors and accruals	86	85
Provision for liquidation	248	–
	1,292	85

The Directors consider that the carrying amount of all creditors falling due within one year approximates to their fair value and settlement amounts.

14. Derivative financial liabilities

	2016 £'000	2015 £'000
Interest rate swap contract held at fair value through profit or loss	45	91

Derivative financial liabilities were classified as long term liabilities in the prior year, and have been reclassified as current liabilities in the current year as disclosed in note 1(a).

15. Creditors: Bank loan

	2016 £'000	2015 £'000
Bank loan	20,000	20,000

The bank loan has been reclassified as a current liability as at 31st January 2016. As at the previous year end it was classified as a long term liability.

On 31st January 2014 a revolving facility was arranged for the Company with National Australia Bank for £20 million sterling, which is maturing on 16th November 2016. Interest is payable on this facility at a margin of 1.25% per annum over Labor as offered in the market for the term of the advance, plus 'mandatory costs', which are the lender's cost of complying with certain regulatory requirements of the Bank of England and Financial Conduct Authority. The facility is unsecured but is subject to covenants and restrictions which are customary for a credit facility of this nature.

The Company has been fully drawn on the £20 million facility through out the year. At the year end, the interest rate on the facility was 1.84%. A swap contract entered into in the year fixes the interest payable on £10 million of the loan at 1.30% for the whole term of the facility. Changes in the fair value of the swap contract are recognised in note 18. Changes in interest rates will affect this fair value and consequently affect the net assets.

16. Net assets attributable to the Income shareholders

	2016		2015	
	£'000	£'000	£'000	£'000
Opening balance		65,954		65,591
Net revenue return on ordinary activities after taxation attributable to the Income shareholders	3,564		3,079	
Dividends paid on Income shares	(2,902)		(2,716)	
Net revenue return		662		363
Decrease in assets available for Income shareholders		(558)		–
Closing balance		**66,058**		**65,954**

Net assets attributable to the Income shareholders were classified as long term liabilities in the prior year, and have been reclassified as current liabilities in the current year as disclosed in note 1(a).

	2016	2015
	£'000	£'000
Net assets attributable to the Income shareholders comprises:		
Revenue reserve available for distribution	2,769	2,107
Capital reserve	63,289	63,847
Closing balance	**66,058**	**65,954**

Movement in revenue reserve available for distribution

The Income shareholders are entitled to receive dividend distributions paid in the year and, on a winding up of the Company, are entitled to the undistributed balance available for dividend payments. The movement in revenue available for distribution during the year is as follows:

	2016	2015
	£'000	£'000
Opening balance	2,107	1,744
Fourth quarterly dividend paid	(679)	(679)
Opening balance after allowing for fourth quarterly dividend	1,428	1,065
Revenue available for distribution	3,564	3,079
First quarterly dividend paid	(741)	(679)
Second quarterly dividend paid	(741)	(679)
Third quarterly dividend paid	(741)	(679)
Closing balance	2,769	2,107
Fourth quarterly dividend payable	(741)	(679)
Closing balance after allowing for fourth quarterly dividend	**2,028**	**1,428**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

17. Called up share capital

	2016 £'000	2015 £'000
Issued and fully paid		
Income shares of 1p each		
Opening and closing balance of 61,747,803 (2015: 61,747,803) shares	617	617

The Income shares are classified in the financial statements as a liability due to the rights and obligations attached to that share class. Thus the called up share capital relating to the Income shares is included in the Statement of Financial Position as a liability.

	2016 £'000	2015 £'000
Issued and fully paid		
Capital shares of 1p each		
Opening and closing balance of 64,527,781 (2015: 64,527,781) shares	646	646

The characteristics and entitlements, and voting rights of the Income and Capital shares are as detailed under Capital Structure of the Company on page 14.

18. Capital and reserves

					Capital reserves		
	Called up share capital £'000	Share premium[1] £'000	Other reserve[2] £'000	Capital redemption reserve[3] £'000	Gains and losses on sales of investments and derivatives £'000	Holding gains and losses on investments and derivatives £'000	Total £'000
Opening balance	646	456	28,535	18	(41,550)	17,082	5,187
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	(2,578)	–	(2,578)
Net movement in investment holding gains and losses	–	–	–	–	–	(2,263)	(2,263)
Movement in fair value of swap contract	–	–	–	–	–	46	46
Transfer on disposal of investments	–	–	–	–	6,330	(6,330)	–
Management fee and finance costs charged to capital	–	–	–	–	(699)	–	(699)
Other capital charges - handling fees	–	–	–	–	(3)	–	(3)
Shortfall transfer - income Shareholders	–	–	–	–	–	558	558
Provision for liquidation	–	–	–	–	–	(248)	(248)
Closing balance at 31st January 2016	646	456	28,535	18	(38,500)	8,845	–

[1] The share premium reserve records the amount above the nominal value received for shares sold, less transaction costs.
[2] The share premium was cancelled in February 2007 and the 'Other reserve' created for the purpose of financing share buy backs.
[3] The capital redemption reserve records the nominal value of shares repurchased by the Company.

19. Net asset value per share

	2016		2015	
	Net asset value per share	Net assets attributable £'000	Net asset value per share	Net assets attributable £'000
Income shares	**107.0p**	**66,058**	106.8p	65,954
Capital shares	**–**	**–**	8.0p	5,187

The net asset values per share are based on 61,747,803 (2015: 61,747,803) Income shares and 64,527,781 (2015: 64,527,781) Capital shares.

The final entitlement of the Income Shares of 103.4p is increased by the distributable reserves attributable to Income Shares. Further details can be found in note 16.

20. Reconciliation of total (loss)/return on ordinary activities before finance costs and taxation to net cash outflow from operations before dividends and interest

	2016 £'000	2015 £'000
Net (loss)/return on ordinary activities before finance costs and taxation	(1,789)	6,697
Less capital loss/(return) before finance costs and taxation	5,487	(3,472)
Decrease/(increase) in accrued income and debtors	70	(19)
Increase in accrued expenses	–	8
Tax on unfranked investment income	(78)	(69)
Management fee charged to capital	(395)	(389)
Dividends received	(3,951)	(3,410)
Interest received	(250)	(231)
Realised (loss)/gain on foreign exchange transactions	(1)	4
Net cash outflow from operations before dividends and interest	**(907)**	**(881)**

21. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

22. Related party transactions

Details of the management contract are set out in the Directors' Report on page 20. The management fee payable to the Manager for the year was £564,000 (2015: £556,000), of which £nil was outstanding at the year end (2015: £nil).

Safe custody fees and other charges amounting to £1,000 (2015: £1,000) were payable to JPMorgan Chase, of which £nil (2015: £nil) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable in the year was £13,000 (2015: £2,000) of which £nil (2015: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £3,000 (2015: £3,000) were payable to JPMorgan Chase during the year of which £1,000 (2015: £nil) was outstanding at the year end.

The Company holds an investment in the JPMorgan Multi-Asset Income Fund which is managed by JPMF. At 31st January 2016 this investment was valued at £10.2 million (2015: £15.1 million) and represented 12.0% (2015: 16.8%) of the Company's investment portfolio. During the year, the Company made no purchases of this investment (2015: £nil) and sales amounting to £3.9 million (2015: £1.0 million). Income amounting to £522,000 (2015: £601,000) was received from this investment during the year.

The Company holds an investment in the JPMorgan Global High Yield Bond Fund which is managed by JPMF. At 31st January 2016 this investment was valued at £5.6 million (2015: £3.6 million) and represented 6.5% (2015: 4.0%) of the Company's investment portfolio. During the year, the Company made purchases amounting to £2.7 million of this investment (2015: £nil) and sales amounting to £0.4 million (2015: £0.2 million). Income amounting to £249,000 (2015: £231,000) was received from this investment during the year.

The Company holds an investment in the JPMorgan Europe Strategic Fund which is managed by JPMF. At 31st January 2016 this investment was valued at £4.1 million (2015: £5.3 million) and represented 4.8% (2015: 5.8%) of the Company's investment portfolio. During the year, the Company made no purchases of this investment (2015: £nil) and sales amounting to £1.0 million (2015: £0.7 million). Income amounting to £174,000 (2015: £92,000) was received from this investment during the year.

At the year end, a bank balance of £2,063,000 (2015: £698,000) was held with JPMorgan Chase. A net amount of interest of £1,000 (2015: £nil) was receivable by the Company during the year from JPMorgan Chase, of which £nil (2015: £nil) was outstanding at the year end.

Details of Directors' transactions in the Company's shares and Directors' fees are included in the Directors' Remuneration Report on page 28.

23. Disclosures regarding financial instruments measured at fair value

The fair value hierarchy disclosures required by FRS 102 are given below.

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and derivative financial instruments.

The investments are categorised into a hierarchy consisting of the following three levels:

(A) Quoted prices for identical instruments in active markets

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

(B) Prices of recent transactions for identical instruments

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

(C) Valuation techniques using observable market value

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(c) on page 40.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 31st January.

	2016		2015	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices for identical instruments in active markets	65,131	–	66,212	–
Prices of recent transactions for identical instruments	19,831	–	24,065	–
Valuation techniques using observable market value	–	(45)	–	(91)
Total	**84,962**	**(45)**	**90,277**	**(91)**

There have been no transfers between Level A, B or C during the year (2015: nil). As a result of the transition from old UK GAAP to FRS 102, JPMorgan Multi-Asset Income Fund, JPMorgan Europe Strategic Dividend Fund and JPMorgan Global High Yield Bond which were categorised as Level 1 (or A) in the prior year, have been amended to accord with current year methodology. A reconciliation of the fair value measurements in Level C is set out below.

	2016 Interest rate swap contract £'000	2015 Interest rate swap contract £'000
Valuation techniques using observable market value		
Opening balance	(91)	–
Change in fair value of swap contract during the year	46	(91)
Closing balance	**(45)**	**(91)**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

24. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These risks include market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy. The Company has no significant exposure to foreign currencies.

The Company's financial instruments may comprise the following:

- investments in UK equities and other securities, which are held in accordance with the Company's investment objective;
- short term debtors, creditors and cash arising directly from the Company's operations;
- a sterling denominated revolving loan facility, the purpose of which is to finance the Company's operations;
- derivative transactions comprising an interest rate swap contract; and
- the amount attributable to Income shareholders, the purpose of which is to finance the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. Information to enable an evaluation of the nature and extent of the two elements of market price risk is given in parts (i) and (ii) to this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits, the interest payable on variable rate cash borrowings, and the fair values of derivatives.

Management of currency risk

The Company finances part of its activities through borrowings on a loan facility at levels approved and monitored by the Board. The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when borrowing on the loan facility. The Company uses an interest rate swap to hedge the cash flow risk arising from interest fluctuations.

Interest rate exposure

The exposure to floating rates of interest, giving cash flow interest rate risk when rates are reset, are shown below.

	2016 £'000	2015 £'000
Exposure to floating interest rates:		
Cash and short term deposits	2,063	698
Creditors: amount falling due within one year - bank loan	(10,000)	–
Creditors: amount falling due after more than one year - bank loan	–	(10,000)
Total exposure	**(7,937)**	**(9,302)**

Interest receivable on cash balances is at a margin below LIBOR.

The bank loan exposure takes into account the cash flow hedge. The total loan amount of £20 million is off set by the £10 million that is hedged.

The above year end amounts are not representative of the exposure to interest rates during the year due to the fluctuation in the level of cash balances held.

Details of the bank loan are given in note 15 on page 48.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2015: 1%) increase or decrease in interest rates in regards to the Company's monetary fixed assets and liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis includes the impact on the Company's cash and loan balances held at the balance sheet date, with all other variables held constant.

	2016		2015	
	1% increase in rate £'000	1% decrease in rate £'000	1% increase in rate £'000	1% decrease in rate £'000
Statement of Comprehensive Income - return after taxation				
Revenue return	(9)	9	(23)	23
Capital return	(70)	70	(70)	70
Total return after taxation for the year	(79)	79	(93)	93
Net assets attributable to Income shareholders	**(79)**	**79**	**–**	**–**
Net assets attributable to Capital shareholers	**–**	**–**	**(93)**	**93**

The increase or decrease in the total return after taxation for the current year will have an effect on net assets attributable to Income shareholders as they are currently £0.6 million below the final entitlement of the Income shareholders.

At the prior year end the impact was limited to the amount shown above, as they were £5.2 million above the predetermined capital entitlement of the Income shareholders.

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuation in the level of cash balances and drawings on the loan facility.

(ii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of equity investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The Manager has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that the portfolio of investments meets an acceptable risk/reward profile.

Other price risk exposure

The Company's total exposure to other changes in market prices at 31st January 2016 comprises its investment portfolio:

	2016 £'000	2015 £'000
Investments held at recoverable value	**84,962**	**90,277**

The above data is broadly representative of the exposure to other price risk during the current and comparative years.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

24. Financial instruments' exposure to risk and risk management policies *continued*

(ii) Other price risk *continued*

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 12 and 13. This shows that the majority of the investments' value is listed in the UK. Accordingly there is a concentration of exposure to that country. However, it should be noted that an investment may not necessarily be wholly exposed to the economic conditions in its country of domicile.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2015: 20%) in market values. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's total investments, adjusting for changes in the management fee, but with all other variables held constant.

	2016		2015	
	20% increase in fair value £'000	20% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Statement of Comprehensive Income - return after taxation				
Revenue return - attributable to Income shareholders	(36)	36	(38)	38
Capital return - attributable to Capital or Income shareholders	16,909	(16,855)	17,967	(17,967)
Total return after taxation	16,873	(16,819)	17,929	(17,929)
Net assets attributable to Capital shareholders	**16,315**	**–**	**17,929**	**(5,187)**

The impact of the increase or decrease in the total return after taxation for the year on net assets attributable to Capital shareholders is limited to the amount shown above, as the fund is currently £0.6 million below (2015: £5.2 million above) the final entitlement of the Income shareholders.

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities. The Board's policy is for the Company to remain fully invested in normal market conditions and that borrowings be used to manage short term liabilities and working capital and to gear the Company as appropriate. Details of the Company's loan facility are given in note 15 on page 48.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required by the lender are shown in the table below. As the financial statements have been prepared on the 'break-up' basis, all liabilities are deemed to be contractually repayable within one year:

	2016			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors: amounts falling due within one year				
Bank loan including interest	184	20,202	–	20,386
Securities purchased awaiting settlement	865	–	–	865
Other creditors	86	–	–	86
Provision for liquidation	–	248	–	248
Derivative financial instrument	–	45	–	45
Final entitlement of the Income shareholders	–	66,058	–	66,058
	1,135	**86,553**	**–**	**87,688**

	2015			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors: amounts falling due within one year				
Bank loan interest	89	272	–	361
Other creditors	85	–	–	85
Creditors: amounts falling due after more than one year				
Derivative financial instrument	–	–	91	91
Bank loan including interest	–	–	20,287	20,287
Final capital entitlement of the Income shareholders	–	–	65,954	65,954
	174	**272**	**86,332**	**86,778**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

24. Financial instruments' exposure to risk and risk management policies *continued*

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in a loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash

Counterparties are subject to ongoing credit analysis by the Manager and trades can only be placed with counterparties that have been approved by both the JPMorgan Counterparty Risk Group and the Board.

Custody

BNY Mellon Trust & Depositary (UK) Limited ('BNY'), as the Company's appointed depositary, is responsible for the appointment of the custodian and its network of subcustodians. Under the terms of the depositary agreement BNY has strict liability for the loss or misappropriation of assets held at custody.

JPMorgan Chase is the custodian of the Company's assets. The custody agreement grants a general lien over the securities credited to the securities account. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore, these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. However, no absolute guarantee can be given to investors on the protection of all the assets of the Company.

Credit risk exposure

The following table shows amounts extracted from the Statement of Financial Position and the related maximum exposure to credit risk at the current and comparative year end. None of the debtors are past due or impaired.

	2016		2015	
	£'000	Maximum exposure £'000	£'000	Maximum exposure £'000
Fixed assets - investments held at fair value through profit or loss	–	–	90,277	–
Current assets				
Investments held at recoverable value	84,962	–	–	–
Debtors	370	370	342	342
Cash and short term deposits	2,063	2,063	698	698
	87,395	**2,433**	**91,317**	**1,040**

(d) Recoverable values of financial assets and financial liabilities

All financial assets are included in the Statement of Financial Position at their recoverable amounts which is deemed to be their fair value, or an amount that is a reasonable approximation of fair value.

All financial liabilities are included in te Statement of Financial Position at their settlement amounts.

25. Capital management policies and procedures

The Company's capital management objectives are to maximise the income and capital return to the Income and Capital shareholders respectively through an appropriate balance of capital and debt.

The Company has the power under its Articles to borrow up to an amount equal to 60% of its net assets attributable to shareholders at the time of the drawdown.

The Company's debt and capital structure comprises the following:

	2016 £'000	2015 £'000
Debt for gearing purposes:		
Bank loan	20,000	20,000
Less: Cash and short term deposits	(2,063)	(698)
Total net debt for gearing purposes	**17,937**	**19,302**
Equity for gearing purposes:		
Share capital	–	5,187
Reserves	66,058	65,954
Total equity for gearing purposes	**66,058**	**71,141**
Gearing	**27.2%**	**27.1%**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This includes a review of:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back shares for cancellation, which takes into account the share price discount or premium;
- the opportunity for issues of new shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 31st January 2016, which gives the following figures:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	144.27%	132.20%

JPMF Remuneration

JPMF is the authorised manager of the Company and is part of the J.P. Morgan Chase & Co. group of companies. In this disclosure, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This disclosure has been prepared in accordance with the AIFMD, the European Commission Delegated Regulation supplementing the AIFMD, the 'Guidelines on Sound Remuneration Policies' under the AIFMD issued by the European Securities and Markets Authority and the Financial Conduct Authority Handbook (SYSC 19B: The AIFM Remuneration Code and FUND 3.3).

JPMF Remuneration Policy

The current remuneration policy for the EMEA Global Investment business of J.P. Morgan can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/adv/emea-remuneration-policy. This policy includes details of the alignment with risk management, the financial and non-financial criteria used to evaluate performance and the measures adopted to avoid or manage conflicts of interest.

JPMF Quantitative Disclosures

The table below provides an overview of the aggregate 2015 total remuneration paid to J.P. Morgan staff that can be reasonably attributed to the Company. These figures include the remuneration of all staff of JPMorgan Asset Management (UK) Limited (the relevant employing entity) and the number of beneficiaries, both apportioned to the Company on an assets under management ('AUM') weighted basis.

It is not possible to provide a further breakdown of remuneration attributable to the Company in a relevant or reliable way. However, for context, JPMF manages 34 alternative investment funds ('AIFs') (with 40 sub-funds) and 2 UCITS funds (with 41 sub-funds), with a combined AUM as at 31st December 2015 of £9,293 million and £10,645 million respectively.

	Fixed	Variable	Number of beneficiaries
All staff (USD'000s)	17,269	11,734	135

The 'Identified Staff' of JPMF are those employees whose actions have a material impact on the risk profile of JPMF or the AIFs it manages, including the Company. The aggregate 2015 total remuneration paid to this group was USD27,884,080. Given the size of JPMF, in particular the number of senior management and other Identified Staff, compensation information for these two groups has been aggregated.

For the purposes of the above disclosures, where portfolio management activities have been formally delegated, remuneration for the relevant employees has been excluded.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the ninth Annual General Meeting of JPMorgan Income & Growth Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Tuesday, 14th June 2016 at 3.00 p.m. for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditor's Report for the year ended 31st January 2016.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st January 2016.
4. To re-elect Karl Sternberg a Director of the Company.
5. To re-elect David Watts a Director of the Company.
6. To re-elect Jane Tozer a Director of the Company.
7. To re-elect Nicholas Craig Harvey a Director of the Company.
8. To reappoint Ernst & Young LLP as auditors to the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to repurchase the Company's shares for cancellation – Special Resolution

9. THAT the Company be generally and, subject as herein after appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued Capital and Income Shares on such terms and in such manner as the Directors may from time to time determine.

   PROVIDED ALWAYS THAT

   (i) the maximum number of Capital shares hereby authorised to be purchased shall be 9,672,714 or if less, that number of Capital shares which is equal to 14.99% of the Capital issued share capital as at the date of the passing of this Resolution;

   (ii) the maximum number of Income Shares hereby authorised to be purchased shall be 9,255,996 or if less, that the number of Income Shares which is equal to 14.99% of the Income issued Share Capital as at the date of passing of this Resolution;

   (iii) the minimum price which may be paid for any Capital or Income share is 0.01p in each case;

   (iv) the maximum price which may be paid for a Capital or Income share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for a Capital or Income share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

   (v) any purchase of Capital or Income shares will be made in the market for cash at prices below the prevailing net asset value per Capital or Income share (as determined by the Directors) at the date following not more than seven days before the date of purchase;

   (vi) the authority hereby conferred shall expire on the expiry of the Company's life unless the authority is renewed at a general meeting prior to such time; and

   (vii) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

By order of the Board
Divya Amin, for and on behalf of
JPMorgan Funds Limited,
Secretary

25th April 2016

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.

3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the meeting or adjourned meeting.

6. Entry to the Meeting will be restricted to shareholders, with guests admitted only by prior arrangement.

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representatives(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative(s) may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditor of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.

10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The

rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmincomeandgrowth.co.uk

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hardcopy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Instruction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 20th April 2016 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 61,747,802 Income shares and 64,527,781 Capital shares, carrying one vote each. Therefore the total voting rights in the Company are 126,275,584.

Electronic appointment - CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

GLOSSARY OF TERMS AND DEFINITIONS

Capital Share Price Total Return
Return to the investor based on the change in the Capital share mid-market price.

Income Share Price Total Return
Return to the investor based on the change in the Income share mid-market price and assuming all dividends quoted ex-dividend during the year were reinvested, without transaction costs, into Income shares at the time the shares were quoted ex-dividend.

Unit Share Price Total Return
Return to the investor based on the change in the Unit mid-market price and assuming all dividends quoted ex-dividend in respect of a Unit during the year were reinvested, without transaction costs, into Units at the time the Units were quoted ex-dividend.

Capital Net Asset Value ('NAV') Total Return
Return to the investor based on the change in the NAV per Capital share.

Income Share NAV Total Return
Return to the investor based on the change in the NAV per Income share and assuming all dividends quoted ex-dividend during the year were reinvested, without transaction costs, into Income shares at the NAV per Income share at the time the shares were quoted ex-dividend.

Unit NAV Total Return
Return to the investor based on the change in the NAV per Unit and assuming all dividends quoted ex-dividend in respect of a Unit during the year were reinvested, without transaction costs, into Units at the NAV per Unit at the time the Units were quoted ex-dividend.

Benchmark Total Return
Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/(Net Cash)
The excess amount above shareholders' funds of total asset less cash and cash equivalents, expressed as percentage of shareholders' funds. If the amount so calculated is negative, this is shown as a 'net cash' position.

Leverage
For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and is calculated on a gross and a commitment method, in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

Ongoing Charges
The Ongoing Charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average daily net assets during the year.

Share Price Discount/Premium to NAV Per Share
If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

Shareholders' Funds
Shareholders' funds are the aggregate value of the total net assets attributable to both the Capital and Income shareholders.

Shareholders' Funds Total Return
Return to the investors based on the change in shareholders' funds and assuming that the cost of all dividends quoted ex-dividend in respect of the Income shareholders during the year were added back, without transaction costs, to the value of the shareholders' funds at the end of the month in which the dividends were quoted ex-dividend.

WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

Savings Plan

The Company participates in the J.P. Morgan Investment Trusts Savings Plan, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Savings Plan should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within J.P. Morgan's Stocks & Shares ISA. For the 2016/17 tax year, from 6th April 2016 and ending 5th April 2017, the total ISA allowance is £15,240. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk

There are a number of ways that you can buy shares in investment trust companies; you can invest through J.P. Morgan Online or on the following:

Fund supermarkets:

AJ Bell	James Brearley
Alliance Trust Savings	James Hay
Barclays Stockbrokers	Stocktrade
Charles Stanley Direct	TD Direct
Halifax Share Dealing Service	The Share Centre
Hargreaves Lansdown	Tilney Bestinvest
Interactive Investor	Transact

Alternatively you can invest through an Investment Professional (e.g. a Financial Adviser) on the following 3rd party platforms:

Ascentric	Nucleus
Avalon	Praemium
Axa Elevate	Transact
Novia	

Please note that these websites are third party websites and J.P. Morgan Asset Management does not endorse or recommend any of them. This list is not exhaustive and is subject to change. Please observe each site's privacy and cookie policies as well as their platform charges structure.

You can also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority ('FCA') adviser charging and commission rules, visit www.fca.org.uk.

Notes

Information about the Company

FINANCIAL CALENDAR (Final year of life)

	2016
Financial year end	31st January
Final results announced	April
Half year end	31st July
Half year results announced	September
Annual General Meeting	June
General Meetings and Wind up	November

History and life of the Company

The Company was incorporated on 20th October 2006 and began investing on 20th December 2006. The Company has a fixed life and will be wound up voluntarily on or around 30th November 2016.

Company Numbers

Company registration number: 5973571
London Stock Exchange codes:
Capital B1G3N00, Income B1G3N11, Units B1G3N22.
ISIN numbers: Capital GB00B1G3N007, Income GB00B1G3N114, Units GB00B1G3N221.
Bloomberg Codes:
Capital JIGC LN, Income JIGI LN, Units JIGU LN.
Reuters Codes:
Capital GJICx.L, Income JGICix.L, Units JGIC.U.L.

Market Information

The net asset value ('NAV') per share of each share class is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and share prices are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan website at www.jpmincomeandgrowth.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmincomeandgrowth.co.uk.

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account and J.P. Morgan ISA. These products are all available on the online service at www.jpmorgan.co.uk/online

Manager and Company Secretary

JPMorgan Funds Limited
Company's Registered Office
60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

For company secretarial and administrative matters, please contact Divya Amin.

Depositary

BNY Mellon Trust & Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Equiniti Limited
Reference 3081
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2342

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1078.

Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

Ernst & Young LLP
Statutory Auditor
25 Churchill Place
Canary Wharf
London E14 5EY

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Savings Product Administrators

For queries on the J.P. Morgan Investment Account and J.P. Morgan ISA see contact details on the back cover of this report.

A member of the AIC

www.jpmincomeandgrowth.co.uk

J.P. Morgan Helpline

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday, 9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.

GB A116 04/16

J.P.Morgan
Asset Management