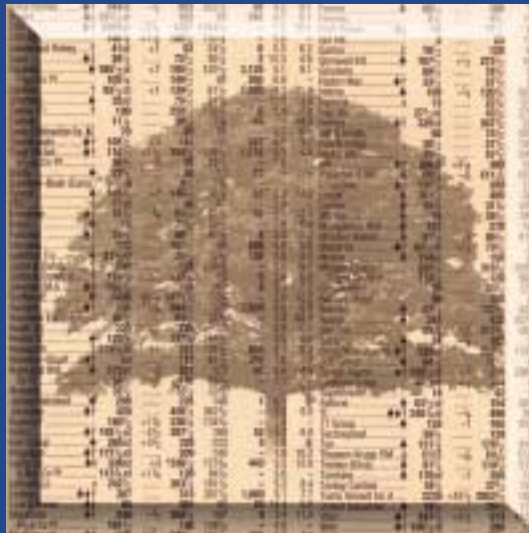




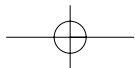
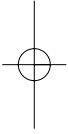
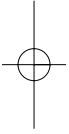
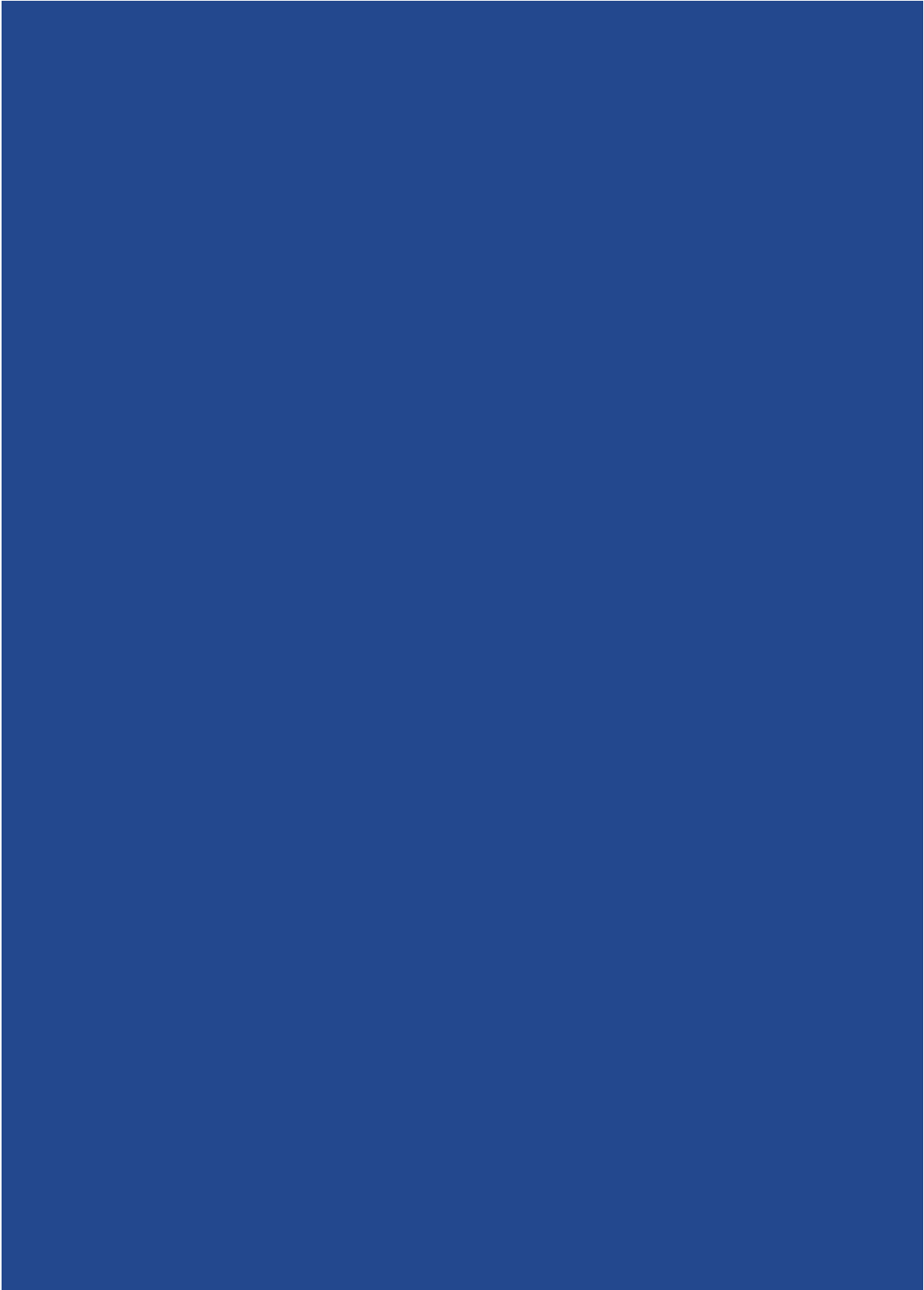
FINSBURY GROWTH TRUST PLC



Interim Report

For the six months to 31 March 2001





Finsbury Growth Trust PLC Interim Report 2001

Company Summary

Performance statistics

	31 March 2001	30 September 2000	% Change
Total Assets Less Current Liabilities*	£100.9m	£114.8m	-12.1%
Shareholders' Funds*	£81.0m	£94.9m	-14.6%
Net Asset Value per share*	208.3p	241.0p	-13.6%
Share price	191.0p	202.5p	-5.7%
Discount	8.3%	16.0%	-
Market Capitalisation*	£74.2m	£79.7m	-6.9%
FTSE All Share Index (total return)	2,628.7	2,902.4	-9.4%

*In the six months ended 31 March 2001 the Company repurchased 1.3 per cent of the current issued share capital at a cost of £1,048,000.

Investment policy

Finsbury Growth Trust PLC invests in larger UK company shares with the objective of achieving capital growth and providing a total return in excess of that of the FTSE All-Share Index.

Benchmark

Performance is measured against the FTSE All-Share Index (total return).

Interim dividend

An interim dividend of 1.2p per share (2000: 1.8p) will be paid on 30 June 2001 to shareholders on the register of members on 1 June 2001.

Capital Structure

At 31 March 2001 the Company had 38,856,430 25p ordinary shares in issue.

Finsbury Growth Trust PLC Interim Report 2001

Chairman's Statement

I reported at the Annual General Meeting last December that Lindsell Train Limited had been appointed our new investment advisers with effect from 11 December 2000. AFIM Limited remain our investment managers and, following the termination of the joint venture agreement with Artemis Investment Management Limited ("Artemis"), AFIM Limited is now a wholly owned subsidiary of Close Brothers Group. Nick Train, who is a director of our new investment advisers, has assumed responsibility for our investment portfolio in place of Artemis. He is an experienced and highly regarded fund manager and we believe he will add long term value to the portfolio.

The portfolio is being restructured and in future it is envisaged that it will consist of 25 to 35 stocks, a substantial reduction in the number previously held. In view of recent market conditions our investment adviser has taken a cautious approach to reinvesting the cash raised in the restructuring process and at 31 March 2001 approximately 25% of the portfolio was held in cash.

Following the appointment of Lindsell Train Limited, your board approved a 5% investment at a cost of £1,000,000 in The Lindsell Train Investment Trust plc, which in turn owns 25% of Lindsell Train Limited.

Shareholders were advised in the Annual Accounts that the Company had amended its investment objective and that in future the Company would seek to achieve capital growth and provide a total return in excess of that of the FTSE All-Share Index. Shareholders should be aware that this change, combined with current market conditions, will lead to a reduction in the level of dividends paid by the Company.

Performance

In the six months to 31 March 2001 the Net Asset Value per ordinary share ("NAV") declined from 241.0p to 208.3p, a decrease of 13.6%. This compares with a fall of 9.4% in the FTSE All-Share Index (total return), which is our benchmark index.

The share price has declined from 202.5p to 191.0p, a reduction of 5.7%. Over the period the discount of the share price to NAV narrowed from 16.0% to 8.3%.

Total return

The Statement of Total Return is set out on page 11. The total deficit per ordinary share for the period was 31.89p (2000: return of 26.53p) made up of a revenue deficit of 0.13p (2000: return of 2.09p) and a capital deficit of 31.76p (2000: return of 24.44p). The revenue deficit was substantially caused by a loss of £504,000 incurred by our dealing subsidiary prior to the appointment of our new investment adviser. In the comparable period last year the dealing subsidiary made a profit of £426,000. At the current time active dealing is not being undertaken by the subsidiary.

The capital deficit was related to the market decrease in share prices which reached a low point near the end of March.



Finsbury Growth Trust PLC Interim Report 2001

Chairman's Statement

Interim dividends

An interim dividend of 1.2p is being declared. This compares to the interim dividend of 1.8p declared last year against the background of special dividends and dealing profits in the subsidiary, neither of which factors are currently applicable.

The interim dividend will be paid on 30 June 2001 to shareholders registered at the close of business on 1 June 2001.

Repurchase of ordinary shares

In the six months to 31 March 2001 the Company repurchased a further 517,570 shares, which is equivalent to 1.3% of the current issued share capital. These shares were repurchased at an average discount of 17.2%. The effect of these share buy-backs was to increase NAV by 0.5%.

In the six months to 31 March 2000 the Company repurchased 6.7% of the issued share capital at an average discount of 20.2%, which increased NAV by 1.3%.

Investment Management Fee

A change in the basis on which AFIM limited is remunerated was also announced on 11 December 2000. The basic fee was changed from an annual fee of 0.75% of the gross asset value of the Company to an annual fee of 0.65% of the average market capitalisation of the Company over the year. In addition to the basic fee, the investment manager is entitled to a performance fee amounting to 15% of the increase in the Company's market capitalisation in any year, but only after the attainment of an absolute return hurdle, which will be the sum of the increase in the Retail Price Index in the year, plus a fixed return of 6.0%. The basic and performance fee total payable in any one year is capped at 1.25% of the year-end market capitalisation. Any outperformance, that would have resulted in a higher fee being paid had there been no cap, will be carried forward into the calculation of future years' fees. Similarly, in the case of underperformance against the hurdle, any underperformance will have to be made up in future years before a performance fee becomes payable in those years. Your board believes that these changes result in a closer alignment between the investment manager's remuneration and the interests of shareholders.

Outlook

Investors in the London equity market are still coming to terms with the eclipse of the "New Economy" boom that illuminated the close of the last century. Losing money is one thing, but losing faith in the firmly held convictions that sustain a boom has another and more pernicious effect. It will take time before confidence is restored and for new leadership within the stock market to be established.

Whilst bear markets are a painful experience for investors, the recent market decline will enable the Company to re-invest the cash raised during the re-structuring process at attractive valuations.

Michael Reeve *Chairman*

9 May 2001



Finsbury Growth Trust PLC Interim Report 2001

Review of Investments

Lindsell Train Limited were appointed Investment Advisers to the Company with effect from 11 December 2000. Under the new management arrangements – which are detailed in the Chairman’s Statement – the fees received by the Investment Manager are linked to the share price. We believe this direct alignment with the interests of shareholders to be healthy.

Portfolio

There has been a substantial restructuring of the portfolio since the year-end, with approximately half of the stocks being sold in December and early January. We believed it was important to act decisively following the change in Investment Adviser as we were concerned by stock market levels, particularly in the technology and telecommunications sub sectors. As investors know, our concerns were justified.

We have begun to build new positions in a number of favoured companies. However, in view of market conditions, we have taken a cautious approach to reinvesting the money raised in the restructuring process, with approximately 25% of the investment portfolio still being held in cash at 31 March 2001.

Strategy

We intend to give a comprehensive account of our investment principles and current strategy at the end of the year, once the portfolio restructuring is complete and there is a fuller consistency between what we say and do. However, we here outline what owners of the Company can expect.

Our policy is to manage a concentrated portfolio, typically consisting of between 25 and 35 “good” companies. The characteristics of “good” companies, as we define them, are, first and foremost, durability of commercial franchise, followed by high prospective return on equity, a cash-generative business model and growth potential. When we find a company that combines these qualities of predictability and high returns, with a self-evident under-valuation – and we do not find many of them – we are likely to make a substantial and, preferably, permanent commitment to it.

In our experience, the “good” companies we seek are located most often in just four sectors, broadly defined. These sectors are Branded Consumer Goods, Media (especially



Finsbury Growth Trust PLC Interim Report 2001

Review of Investments

copyright owners), Computer Software and Retail Financial Services (especially asset management). We are unlikely to invest extensively outside these sectors and will doubtless miss opportunities as a result. In particular, we will tend to miss out on most companies whose value is dependent on the successful development of a new product or process, when such development is uncertain, or, literally, speculative.

Investors can observe the current shape of their portfolio and its emerging consistency with the approach outlined above. Three major new holdings have been initiated in what we regard as pre-eminently “good” companies, namely Cadbury Schweppes, Reuters and Halifax. Other important positions are being established in Glenmorangie, Reed Elsevier, Sage and Schroders.

Outlook

The year to date has been a painful one for investors with UK equity markets entering a bear phase. It is foolhardy to try to call the bottom, however we are confident that at current price levels the Company is acquiring some excellent investments at attractive long term valuations.

Nick Train

AFIM Limited, Investment Manager

Lindsell Train Limited, Investment Adviser

9 May 2001



Finsbury Growth Trust PLC Interim Report 2001

Investments

As at 31 March 2001

Investments	Market Value £'000	% of Investments
Halifax Group (ordinary)	6,175	8.1%
Cadbury Schweppes	5,693	7.4%
Reuters	4,925	6.4%
Vodaphone Group	4,825	6.3%
EMI Group	4,318	5.6%
Bradford & Bingley	4,260	5.6%
Wolverhampton & Dudley Brewery	4,086	5.3%
BP AMOCO	3,492	4.6%
Schroders	3,482	4.5%
Shell Transport & Trading	3,264	4.3%
Top 10 investments	44,520	58.1%
Reed International	3,134	4.1%
A.G. Barr	2,619	3.4%
GlaxoSmithKline	2,495	3.2%
Centrica	2,370	3.1%
Lloyds TSB Group	2,075	2.7%
Halifax Group (non cumulative preference)	1,694	2.2%
Bank of Scotland	1,594	2.1%
Euromoney Institutional Investor	1,550	2.0%
Abbey National	1,349	1.8%
Halma	1,290	1.7%
Top 20 investments	64,690	84.4%



Finsbury Growth Trust PLC Interim Report 2001

Investments

As at 31 March 2001

Investments	Market Value £'000	% of Investments
Glenmorangie (A ordinary)	1,282	1.7%
Manchester United	1,257	1.6%
Daily Mail & General (A non voting)	1,160	1.5%
Lindsell Train Investment Trust	1,140	1.5%
Pearson	1,125	1.5%
Daily Mail & General (2.5% Exchequer)	1,080	1.4%
Sage Group	988	1.3%
Glenmorangie (B ordinary)	853	1.1%
Royal Bank of Scotland Group	799	1.0%
Fuller Smith & Turner (A ordinary)	766	1.0%
Top 30 investments	75,140	98.0%
Young & Co Brewery (non voting)	691	0.9%
Capital Radio	585	0.8%
St James Place Capital	185	0.2%
Spirax-Sarco Engineering	41	0.1%
Total investments	76,642	100.0%
Cash	25,818	–
Total	102,460	–

Finsbury Growth Trust PLC Interim Report 2001

Analysis of Portfolio

As at 31 March 2001

	<u>Finsbury Growth</u>	<u>FTSE All Share</u>	<u>Under/over weight</u>
Resources			
Mining	0.0%	2.5%	-2.5%
Oil & gas	8.9%	12.6%	-3.7%
	8.9%	15.1%	-6.2%
Basic Industries			
Chemicals	0.0%	0.8%	-0.8%
Construction & building materials	0.0%	1.8%	-1.8%
Forest & paper	0.0%	0.0%	0.0%
Steel & other materials	0.0%	0.1%	-0.1%
	0.0%	2.7%	-2.7%
General industrials			
Aerospace & defence	0.0%	1.3%	-1.3%
Diversified industrials	0.0%	0.0%	0.0%
Electronic & electrical equipment	0.0%	0.6%	-0.6%
Engineering & machinery	1.7%	0.6%	1.1%
	1.7%	2.5%	-0.8%
Cyclical consumer goods			
Automobiles	0.0%	0.4%	-0.4%
Household goods & textiles	0.0%	0.0%	0.0%
	0.0%	0.4%	-0.4%
Non-cyclical consumer goods			
Beverages	6.2%	2.3%	3.9%
Food producers & processors	7.4%	2.0%	5.4%
Health	0.0%	0.7%	-0.7%
Packaging	0.0%	0.1%	-0.1%
Personal care & household products	0.0%	0.3%	-0.3%
Pharmaceuticals	3.3%	11.7%	-8.4%
Tobacco	0.0%	1.1%	-1.1%
	16.9%	18.2%	-1.3%



Finsbury Growth Trust PLC Interim Report 2001

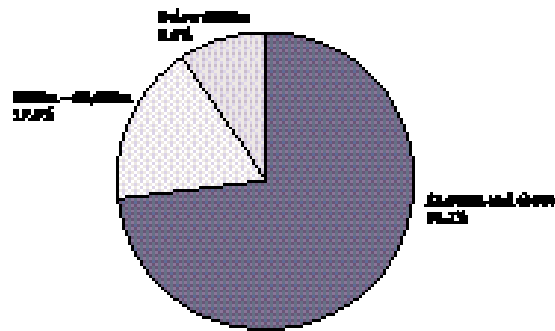
Analysis of Portfolio

	<u>Finsbury Growth</u>	<u>FTSE All Share</u>	<u>Under/over weight</u>
Cyclical services			
Distributors	0.0%	0.3%	-0.3%
General retailers	0.0%	2.9%	-2.9%
Leisure entertainment & hotels	8.9%	2.4%	6.5%
Media & photography	23.3%	5.5%	17.8%
Support services	0.0%	1.9%	-1.9%
Transport	0.0%	1.8%	-1.8%
	<u>32.2%</u>	<u>14.8%</u>	<u>17.4%</u>
Non-cyclical services			
Food & drug retailers	0.0%	2.1%	-2.1%
Telecommunications	6.3%	11.7%	-5.4%
	<u>6.3%</u>	<u>13.8%</u>	<u>-7.5%</u>
Utilities			
Electricity	0.0%	2.2%	-2.2%
Gas distribution	3.1%	0.9%	2.2%
Water	0.0%	0.6%	-0.6%
	<u>3.1%</u>	<u>3.7%</u>	<u>-0.6%</u>
Financials			
Banks	23.4%	16.1%	7.3%
Insurance	0.0%	0.6%	-0.6%
Life Assurance	0.2%	3.3%	-3.1%
Investment companies	1.5%	2.6%	-1.1%
Real estate	0.0%	1.5%	-1.5%
Speciality & other finance	4.5%	1.4%	3.1%
	<u>29.6%</u>	<u>25.5%</u>	<u>4.1%</u>
Information technology			
Information technology hardware	0.0%	1.2%	-1.2%
Software & computer services	1.3%	2.1%	-0.8%
	<u>1.3%</u>	<u>3.3%</u>	<u>-2.0%</u>

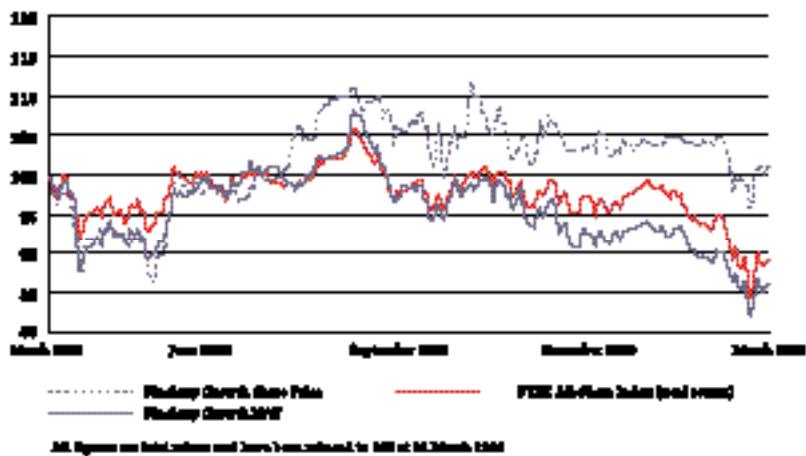
Finsbury Growth Trust PLC Interim Report 2001

Analysis of Portfolio

Market capitalisation analysis



Performance Graph



Finsbury Growth Trust PLC Interim Report 2001

Consolidated Statement of Total Return

Incorporating the revenue account for the six months ended 31 March 2001

	(Unaudited) Six months ended 31 March 2001		(Unaudited) Six months ended 31 March 2000		(Audited) Year ended 30 September 2000	
	Revenue £'000	Total Capital £'000	Revenue £'000	Total Capital £'000	Revenue £'000	Total Capital £'000
(Losses)/gains on investments	-	(11,566)	11,801	11,801	-	9,264
Income	631	-	1,647	-	3,146	-
Investment management fees	(120)	(243)	(200)	(400)	(361)	(734)
Other expenses	(287)	-	(206)	(30)	(349)	-
Net return before finance costs and taxation	224	(11,809)	1,241	11,371	2,436	8,530
Interest payable and similar charges	(274)	(555)	(307)	(530)	(558)	(1,131)
(Deficit)/return on ordinary activities before taxation	(50)	(12,364)	934	10,841	1,878	7,399
Taxation charge on ordinary activities	-	-	-	-	-	-
(Deficit)/return on ordinary activities after taxation	(50)	(12,364)	934	10,841	1,878	7,399
Dividends in respect of non-equity shares	-	-	(6)	-	(6)	-
(Deficit)/return attributable to equity shareholders	(50)	(12,364)	928	10,841	1,872	7,399
Dividends on ordinary shares (equity)	(454)	-	(767)	-	(1,732)	-
Transfer (from)/to reserves	(504)	(12,364)	161	10,841	140	7,399
(Deficit)/return per ordinary share – pence	(0.13)p	(31.76)p	2.09p	24.44p	4.52p	17.87p

Finsbury Growth Trust PLC Interim Report 2001

Consolidated Balance Sheet

As at 31 March 2001

	(Unaudited) 31 March 2001 £'000	(Unaudited) 31 March 2000 £'000	(Audited) 30 September 2000 £'000
Fixed asset investments	76,642	121,654	113,083
Current assets			
Debtors	1,498	695	2,654
Investments	-	3,006	1,422
Cash at bank	25,818	3,416	4,795
	27,316	7,117	8,871
Creditors			
Amounts falling due within one year	(3,071)	(3,830)	(7,179)
Net current assets	24,245	3,287	1,692
Total assets less current liabilities	100,887	124,941	114,775
Creditors			
Amounts falling due after more than one year	(19,931)	(19,889)	(19,903)
Net assets	80,956	105,052	94,872
Capital and reserves			
Called up share capital	9,714	10,656	9,843
Share premium account	13,160	13,160	13,160
Capital redemption reserve	3,353	2,186	3,224
Capital reserve - realised	53,030	63,891	58,947
Capital reserve - unrealised	501	12,851	7,996
Revenue reserve	1,198	2,308	1,702
Total shareholders' funds	80,956	105,052	94,872
Net asset value per ordinary share	208.3p	246.5p	241.0p



Finsbury Growth Trust PLC Interim Report 2001

Consolidated Cash Flow Statement

For the six months ended 31 March 2001

	(Unaudited) Half Year ended 31 March 2001 £'000	(Unaudited) Half Year ended 31 March 2000 £'000	(Audited) Year ended 30 September 2000 £'000
Net cash flow from operating activities	960	1,908	2,236
Servicing of finance			
Loan and bank overdraft interest paid	(801)	(307)	(1,632)
Preference dividend paid	-	(6)	(6)
Financial investment			
Purchase of investments	(55,931)	(65,088)	(91,359)
Sale of investments	82,692	69,985	95,274
Net cash inflow from financial investment	26,761	4,897	3,915
Equity dividends paid	(953)	(1,274)	(2,041)
Management of liquid resources	-	-	(283)
Financing			
Purchase of own shares	(4,944)	-	(8,413)
Increase/(decrease) in cash	21,023	5,218	(6,224)

Finsbury Growth Trust PLC Interim Report 2001

Notes to the Interim Financial Statements

1. Revenue Account

The revenue column of the Consolidated Statement of Total Return represents the revenue account of the Group.

2. Income

	6 months ended 31 March 2001 £'000	6 months ended 31 March 2000 £'000	Year ended 30 September 2000 £'000
Investment income	891	1,115	2,383
Bank interest	244	106	213
Underwriting commission	-	-	14
Dealing (loss)/profit	(504)	426	536
Total	631	1,647	3,146

3. Return per ordinary share

The revenue (deficit)/return per ordinary share is calculated by dividing the net revenue deficit of £50,000 (six months ended 31 March 2000: return of £928,000) by 38,931,389 (six months ended 31 March 2000: 44,355,327) being the weighted average number of ordinary shares. The capital (deficit)/return per ordinary share is calculated by dividing the net capital deficit available for ordinary shareholders of 12,364,000 (six months ended 31 March 2000: 10,841,000 gain) by the weighted average number of ordinary shares, as above.

4. Investment management fees

	6 months ended 31 March 2001 £'000	6 months ended 31 March 2000 £'000	Year ended 30 September 2000 £'000
Investment management fee	309	511	932
Performance fee	-	-	-
Irrecoverable VAT thereon	54	89	163
Total	363	600	1,095

5. Repurchase of ordinary shares

During the six months ended 31 March 2001 the Company repurchased for cancellation a total of 517,500 ordinary shares. Following these repurchases the Company has 38,856,430 ordinary shares in issue.

6. Comparative information

The figures and financial information for the year ended 30 September 2000 are an extract from the latest published financial statements and do not constitute statutory financial statements for that year. Those financial statements have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985. The interim financial statements have been neither audited nor reviewed by the Company's auditors. They have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 September 2000.



Finsbury Growth Trust PLC Interim Report 2001

Company Information

Directors

Michael Reeve, Chairman
John Allard
Vanessa Renwick
Anthony Townsend
Stewart Urry
Giles Warman

Secretary

Close Finsbury Asset Management Limited
12 Appold Street, London EC2A 2AW
Telephone 020 7426 4000

Registered Office

50 Lothian Road
Festival Square
Edinburgh EH3 9BY

Company Number

SC13958 (Registered in Scotland)

Investment Manager

AFIM Limited
12 Appold Street, London EC2A 2AW
Investor Helpline: Freephone 0800 169 6968
Professional Advisers Helpline: 020 7426 4372
E-Mail: info@closefinsbury.co.uk
Website: www.closefinsbury.co.uk

Please contact Close Finsbury to obtain information and literature concerning the Company or the other Close Finsbury investment trusts.

Investment Adviser

Lindsell Train Limited
35 Thurloe Street, London SW7 2LQ

Registrars

Capita IRG plc
Balfour House
390/398 High Road
Ilford, Essex IG1 1NQ
Telephone: 020 8639 2000

Please contact the Registrars if you have a query about a certificated holding in the Company's shares.

Close Finsbury PEP

(until 31 July 2001 for existing investors)
Bank of Scotland PEP & ISA Department
PO Box 17122, 600 Gorgie Road
Edinburgh EH11 3WA
Freephone: 0131 442 8271
(for new investors and from 1 August 2001 for existing investors)
Close Finsbury Asset Management Limited
3 Finsbury Avenue
London EC2M 2NB
Telephone: 0800 169 6968

Close Finsbury ISA

(until 31 July 2001 for existing investors)
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Edinburgh EH11 3WA
Freephone: 0131 442 8271
(for new investors and from 1 August 2001 for existing investors)
Close Finsbury Asset Management Limited
3 Finsbury Avenue
London EC2M 2NB
Telephone: 0800 169 6968

Close Finsbury Savings Scheme

Close Finsbury Asset Management Limited
3 Finsbury Avenue
London EC2M 2NB
Freephone: 0800 169 6968
Please contact Close Finsbury Asset Management Limited if you have any query concerning a Close Finsbury Savings Scheme, PEP or ISA account.

Professional Advisers Helpline

Telephone: 020 7426 4372
Email: info@closefinsbury.co.uk
Website: www.closefinsbury.co.uk

Internet addresses

Close Finsbury www.closefinsbury.co.uk
Trustnet www.trustnet.co.uk
Interactive Investor www.iii.co.uk

Share Price Listings

The price of your shares can be found in the Financial Times under the heading Investment Companies and in The Daily Telegraph under the heading Investment Trusts.



Finsbury Growth Trust PLC Interim Report 2001

Investing through Close Finsbury

Close Finsbury Asset Management Limited and AFIM Limited, which are members of the Close Brothers Group, are specialist investment house managing the following investment trusts:

Finsbury Trust PLC which invests in a portfolio of special situations intended to add value over the medium to long term.

Finsbury Growth Trust PLC invests in larger UK company shares with the objective of achieving capital growth and providing a total return in excess of that of the FTSE All-Share Index.

Finsbury Worldwide Pharmaceutical Trust PLC which invests worldwide in pharmaceutical and biotechnology companies with the aim of achieving a high level of capital growth.

Finsbury Technology Trust PLC which invests principally in equity securities of quoted technology companies on a worldwide basis with the aim of achieving long term capital growth.

Finsbury Life Sciences Investment Trust PLC which invests in life science companies based in the UK, Western Europe (including Scandinavia) and Israel, with particular emphasis on biotechnology, with the aim of achieving long term capital growth.

Finsbury Smaller Quoted Companies Trust PLC which invests in smaller UK quoted companies to achieve a high level of total return.

Close Finsbury EuroTech Trust PLC which invests primarily in the equity securities of quoted European technology companies with the aim of achieving long term capital growth.

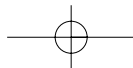
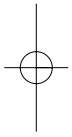
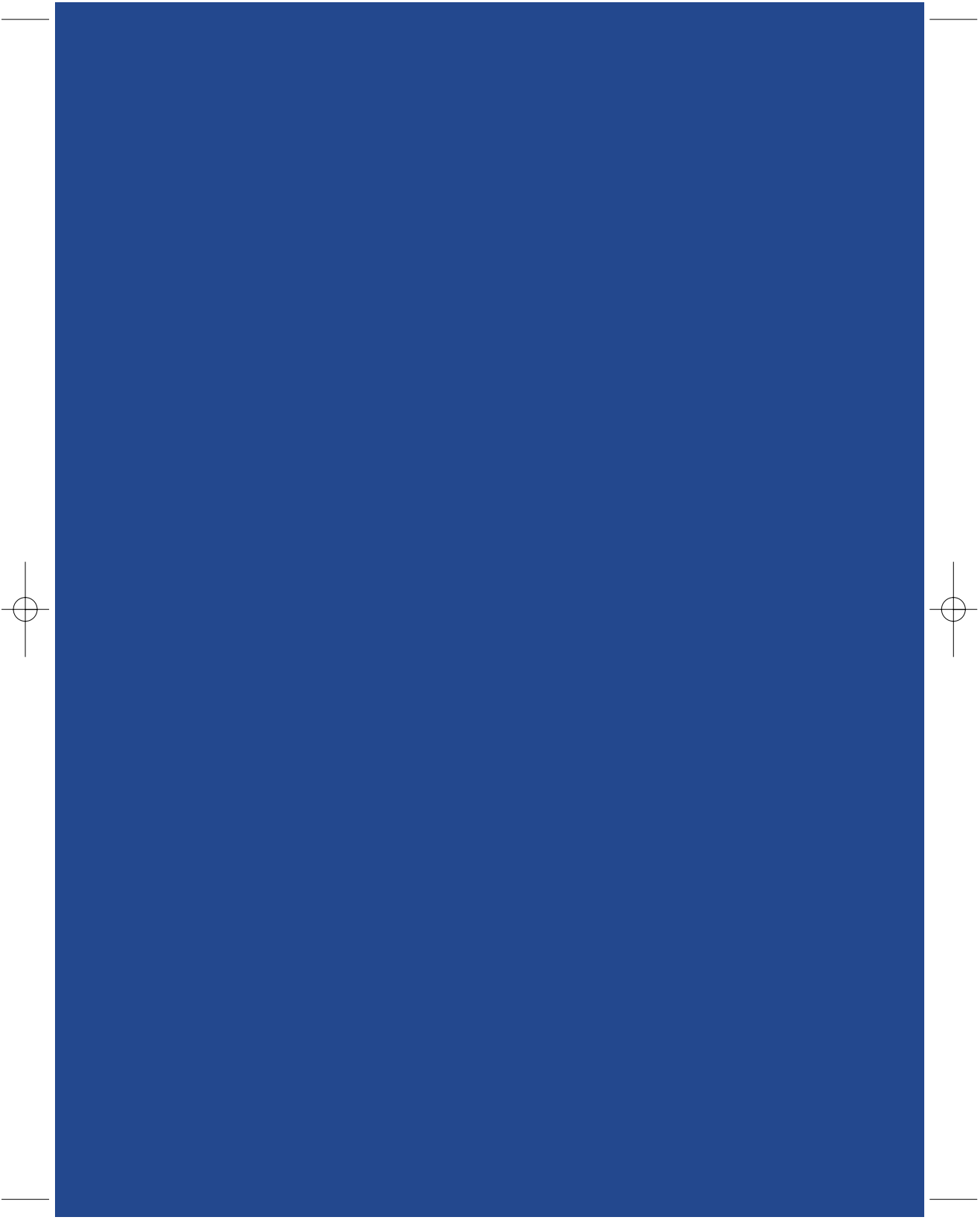
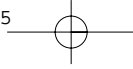
Private Investor Plans

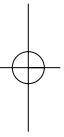
Finsbury Growth Trust PLC and all the Close Finsbury investment trusts participate in the **Close Finsbury Individual Savings Account (ISA)** and the **Close Finsbury Investment Trust Savings Scheme**. For full details of these investment schemes please contact our Investor Helpline on Freephone 0800 169 6968.

Should you require copies of any Close Finsbury literature, again please call our Investor Helpline on Freephone 0800 169 6968 or e-mail to info@closefinsbury.co.uk
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This page has been approved for the purposes of the Financial Services Act 1986 by Close Finsbury Asset Management Limited which is regulated by IMRO.







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