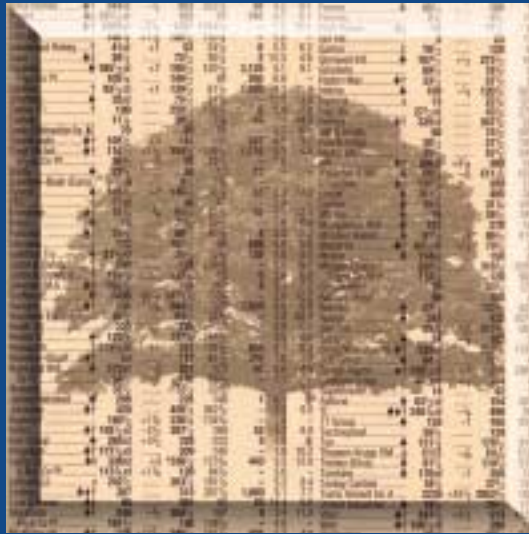


FINSBURY GROWTH TRUST PLC



Interim Report

For the six months to 31 March 2002



Close Finsbury



Finsbury Growth Trust PLC Interim Report 2002

Company Summary

Performance Statistics

	31 March 2002	30 September 2001	% Change
Total assets less current liabilities	£79.0m	£69.8m	+13.1
Shareholders' funds	£79.0m	£69.8m	+13.1
Net Asset Value per share	203.2p	179.7p	+13.1
Share price	180.0p	162.0p	+11.1
Discount	11.4%	9.8%	n/a
Market capitalisation	£69.9m	£62.9m	+11.1
FTSE All-Share Index	2,557.4	2,340.5	+9.3

Investment Objective

Finsbury Growth Trust PLC invests in the shares of larger UK companies 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.

Interim Dividend

An interim dividend of 1.2p per share (2001: 1.2p) will be paid on 31 May 2002 to shareholders on the register of members on 24 May 2002.

Capital Structure

At 31 March 2002 the Company had 38,856,430 25p Ordinary shares in issue.



Finsbury Growth Trust PLC Interim Report 2002

Chairman's Statement

I am pleased to be able to report that in the first six months of the current financial year your Company's investment portfolio outperformed its benchmark, the FTSE All-Share Index, and performed in the top quartile of our peer group of competitor trusts. This outperformance was reflected in an increase in the net asset value per share of 13.1% and in the increase of 11.1% in the market price of your Company's shares in the six months to 31 March 2002. In that period the FTSE All-Share Index increased by 9.3%.

Return and Dividends

The Statement of Total Return is set out on page 10.

An interim dividend of 1.2p is being declared. This equates to the interim dividend of 1.2p declared for the six months to 31 March 2001. The interim dividend will be paid on 31 May 2002 to shareholders registered at the close of business on 24 May 2002.

Investments

Our investment adviser Nick Train of Lindsell Train has completed the restructuring of the portfolio.

The largest sector weightings in the portfolio continue to be Media and Financial stocks with the holding in the HBOS Group, comprising both ordinary and preference shares, accounting for the largest single position as at 31 March 2002 (14.6%). The portfolio includes a balance of defensive and more volatile media stocks, the latter of which should benefit from any upturn in the communications and technology sectors.

Details of the Company's portfolio are set out on pages 6 to 8 and are accompanied by commentary by our investment adviser.

Borrowings

In December 2001 we made early repayment of the £20m 7.95% Senior Notes to take advantage of lower interest rates and to increase flexibility of borrowing. In its place we now have a £10m revolving credit facility and a £10m term loan facility both of which are for a fixed term expiring in December 2008 and in respect of which the interest rate can be fixed should we so wish. As at 31 March 2002 we had drawn down £8m of the revolving credit facility upon which the current variable interest rate is 5.01%. Gearing at that date was 10.0%.

It is our intention in due course to utilise the whole of these facilities at least from time to time and at least in part to fix the rate of interest at an appropriate time.



Finsbury Growth Trust PLC Interim Report 2002

Chairman's Statement *(continued)*

Outlook

Although our investment strategy is not one aimed at tracking the FTSE All-Share Index, as we invest in larger UK companies, our performance cannot but be affected by that of the market as a whole. The FTSE-All Share index is still well below the level at which it peaked a couple of years ago, although in recent months it has recovered some of what it had lost. There are clouds hanging over it on the international front and corporate profits are under pressure. There have been too many large corporate upsets both here and in the United States.

The outlook must therefore be uncertain. However your Board believes that the investment strategy being implemented by our investment adviser, concentrating as it does on a restricted portfolio of larger UK companies exhibiting durability, a high prospective return on equity and low capital intensity/high free cash generation, will succeed in achieving the exceptional returns we seek in the long term. This strategy has so far enabled us to outperform against our benchmark and peer group. As markets recover your Board believes that this strategy will generate satisfactory gains in total return.

Michael Reeve *Chairman*

16 May 2002



Review of Investments

We aim to make money for shareholders of Finsbury Growth Trust by establishing large holdings in a limited number of investments, then maintaining these positions for very long periods. Three implications arise from this approach. First and most important, the companies we select must command our confidence, for the very long term. We know that we will make mistakes on the timing of the purchases, because mistakes are unavoidable and we discuss some below, but we believe that the higher the quality of the companies we choose and the longer we hold them, the less these errors of timing should matter. Second, we intend to hold our investments through most fluctuations in stock markets or economies. Therefore, such views as we might develop about short-term trends for the global or UK economies or guesses that we might make about the next move in the UK stock market, and these are always guesses, are both somewhat irrelevant. Finally, our style should reduce transaction costs, which we regard as a tax on the Company and largely avoidable.

Reviewing these implications in reverse order, we first note that transactions have indeed fallen markedly over the past six months, as our restructuring of the portfolio has effectively come to an end. We intend to limit the portfolio to approximately 30 holdings and do not anticipate establishing many new holdings. We continue to add to existing positions as opportunities present themselves and retain significant flexibility, relative to the borrowing facility, to increase market exposure.

Next, as regards our analysis of the investment scene, such as we permit ourselves, we have a number of observations. Although the UK stock market is often described as expensive, we find a sufficient number of securities that strike us as attractive. The UK still appears to us a good place to do business, with inflation likely to remain low, perhaps surprisingly low. The gilt market appeals to us relative to this inflation outlook. We see no reason why the UK stock market should not return to generating a 6% per annum real return for investors, as it has for the last 100 years, or with inflation, in our view likely to average between -1% and +1% per annum, a nominal average return of 5-7% per annum. Finally, we expect investor enthusiasm for the so-called "New Economy" to revive at some stage, perhaps into 2003 although the worst has probably already been experienced, and that this enthusiasm should drive the next major leg in the equity market.

Most important, we are enthused by the major positions we have established for the Company and are pleased that some, but by no means all, have begun to generate satisfactory returns for shareholders. Gratifying performances include Wolverhampton & Dudley, which has appreciated over 50% since purchase, mostly since it escaped the clutches of a predator last year (a bid which we rejected). The shares now account for 6.0% of Finsbury Growth Trust's portfolio and still offer a dividend yield of 3.75%, supported by the reliable cash flows from its constituency of Midlands pub-goers. Another significant and so far rewarding commitment for your Company, is HBOS, the combination of Halifax and Bank of Scotland. We own both HBOS ordinary shares and its preference shares, to the tune of 14.6% of the portfolio. This hefty exposure results partly from the



Finsbury Growth Trust PLC Interim Report 2002

Review of Investments *(continued)*

good price gains delivered by both classes of stock. We intend to reduce the exposure somewhat, but believe that the ordinary shares, yielding 3.6%, way above current rates of UK inflation, will deliver dividend growth in excess of the market average and that the 6.2% yield on the preference shares is very safe and therefore very valuable for the Company. HBOS will remain a major holding. Cadbury Schweppes has also added value for shareholders, as investors have come to recognize the security of its confectionary business in the UK and Commonwealth and we think, the real growth opportunity for the beverage stream in the US. Here consumers' satiety with colas strengthens Cadbury's hand, as the largest non-cola soft drink purveyor in the Americas. We agree with the market consensus that forecasts Cadbury to earn approximately 29.0p to December 2002, however, we disagree that the current valuation of the company, at 17 times these earnings, is appropriate.

Less successful commitments have been made to Reuters, EMI and Schroders, where we register book losses on already quite substantial holdings. These losses do not, in our view, mean that these companies are poor businesses, nor even that they represent poor investments, they simply tell us that we invested too early. We have taken advantage of the subsequent declines to acquire more stock and thus reduce our average cost of entry. Reuters and EMI are both representatives of the UK media sector, which is, as an industry group, the second largest exposure we have for the Company. We believe that the eventual return to growth and, subsequently, investment favour of the communications and technology sectors, will stimulate good gains in UK media companies, amongst which are numbered some world class franchises. One of our major holdings in this area, Reed International, some 4.6% of the portfolio, has already proven a profitable investment, with its earnings and stock market valuation driven by its use of, of all unfashionable things, the Internet. We shall be surprised and disappointed if our media shares are not among the best wealth creators in the portfolio over the next five years.

Nick Train
Lindsell Train Limited, *Investment Adviser*
Close Finsbury Asset Management Limited, *Investment Manager*
16 May 2002



Finsbury Growth Trust PLC Interim Report 2002

Investment Portfolio

as at 31 March 2002

Investment	Market Value £'000	% of Investments
Cadbury Schweppes	7,538	8.7
HBOS	6,970	8.1
Halifax (non-cum preference)	5,643	6.5
Wolverhampton & Dudley Brewery	5,186	6.0
Bradford & Bingley	4,755	5.5
Reed International	3,950	4.6
Reuters	3,772	4.4
Barr (A.G.)	3,737	4.3
Shell Transport & Trading	3,724	4.3
Schroders	3,645	4.2
Top 10 investments	48,920	56.6
EMI Group	3,625	4.2
Vodafone	3,260	3.8
BP	3,125	3.6
Glenmorangie 'A'	2,971	3.4
Lloyds TSB Group	2,194	2.5
Pearson	2,030	2.4
Fuller Smith & Turner	1,909	2.2
Centrica	1,706	2.0
Halima	1,640	1.9
Glenmorangie 'B'	1,639	1.9
Top 20 investments	73,019	84.5
Daily Mail & General Trust 2.5% Exch Bond	1,553	1.8
Manchester United	1,388	1.6
Euromoney	1,331	1.5
Lindsell Train Investment Trust	1,215	1.4
Young & Co Brewery	1,187	1.4
Sage Group	1,187	1.4
Daily Mail & General Trust 'A'	1,184	1.4
Metal Bulletin	956	1.1
London Stock Exchange	866	1.0
Diageo	689	0.8
Top 30 investments	84,575	97.9
Capital Radio	626	0.7
Abbey National	597	0.7
Virt-X	380	0.5
Mallett	110	0.1
Instinet	80	0.1
Total investments	86,368	100.0



Finsbury Growth Trust PLC Interim Report 2002

Sector Analysis of Portfolio

as at 31 March 2002

Comparison of sector weightings with the FTSE All-Share Index

	Finsbury Growth %	FTSE All-Share Index %	Finsbury Growth Under/over weight %
Resources			
Mining	0.0	2.9	-2.9
Oil & gas	7.9	14.0	-6.1
	7.9	16.9	-9.0
Basic Industries			
Chemicals	0.0	0.9	-0.9
Construction & building materials	0.0	2.1	-2.1
Forest & paper	0.0	0.0	0.0
Steel & other materials	0.0	0.2	-0.2
	0.0	3.2	-3.2
General Industrials			
Aerospace & defence	0.0	1.4	-1.4
Diversified industrials	0.0	0.0	0.0
Electronic & electrical equipment	0.0	0.5	-0.5
Engineering & machinery	1.9	0.7	1.2
	1.9	2.6	-0.7
Cyclical Consumer Goods			
Automobiles	0.0	0.3	-0.3
Household goods & textiles	0.0	0.0	0.0
	0.0	0.3	-0.3
Non-cyclical Consumer Goods			
Beverages	10.5	2.9	7.6
Food producers & processors	8.7	2.2	6.5
Health	0.0	0.9	-0.9
Packaging	0.0	0.0	0.0
Personal care & household products	0.0	0.5	-0.5
Pharmaceuticals	0.0	11.5	-11.5
Tobacco	0.0	1.4	-1.4
	19.2	19.4	-0.2



Finsbury Growth Trust PLC Interim Report 2002

Sector Analysis of Portfolio *(continued)*

Comparison of sector weightings with the FTSE All-Share Index

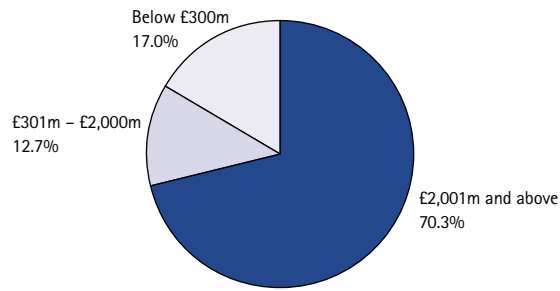
	Finsbury Growth %	FTSE All-Share Index %	Finsbury Growth Under/over weight %
Cyclical Services			
Distributors	0.0	0.0	0.0
General retailers	0.1	3.4	-3.3
Leisure entertainment & hotels	11.2	1.9	9.3
Media & photography	22.1	4.4	17.7
Support services	0.0	3.3	-3.3
Transport	0.0	1.8	-1.8
	33.4	14.8	18.6
Non-cyclical Services			
Food & drug retailers	0.0	2.1	-2.1
Telecommunications	3.8	8.4	-4.6
	3.8	10.5	-6.7
Utilities			
Electricity	0.0	2.2	-2.2
Gas distribution	2.0	1.1	0.9
Water	0.0	0.7	-0.7
	2.0	4.0	-2.0
Financials			
Banks	23.4	17.8	5.6
Insurance	0.0	0.4	-0.4
Life Assurance	0.0	3.3	-3.3
Investment companies	1.4	2.4	-1.0
Real estate	0.0	1.5	-1.5
Speciality & other finance	5.2	1.5	3.7
	30.0	26.9	3.1
Information Technology			
Information technology hardware	0.0	0.4	-0.4
Software & computer services	1.8	1.0	0.8
	1.8	1.4	0.4



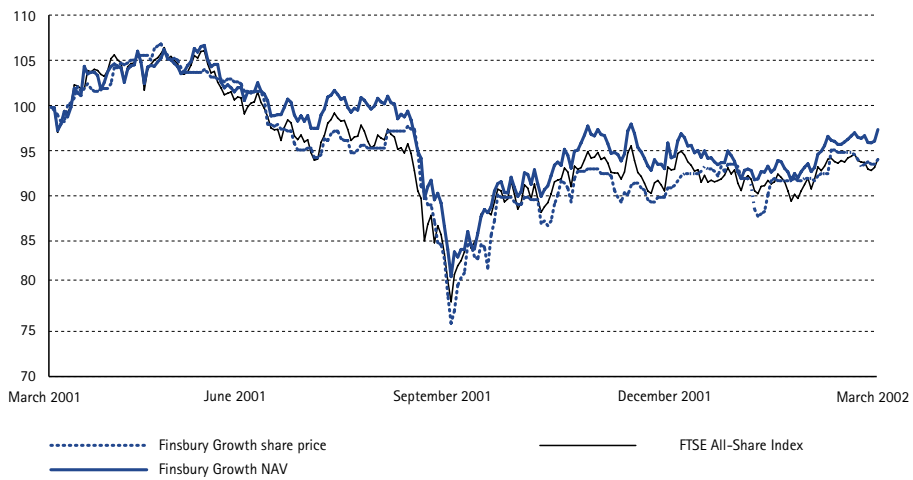
Finsbury Growth Trust PLC Interim Report 2002

Portfolio Distribution by Market Capitalisation

as at 31 March 2002



Performance Graph



All figures are capital only and are rebased to 100 as at 31 March 2001
Source: Close Finsbury Asset Management Limited



Finsbury Growth Trust PLC Interim Report 2002

Consolidated Statement of Total Return

Incorporating the revenue account for the six months ended 31 March 2002

	(Unaudited)			(Unaudited)			(Audited)					
	Six months ended 31 March 2002	Revenue £'000	Capital £'000	Total £'000	Six months ended 31 March 2001	Revenue £'000	Capital £'000	Total £'000	Year ended 30 September 2001	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	-	9,605	9,605	-	(11,566)	(11,566)	-	(22,155)	(22,155)			
Income (note 2)	1,410	-	1,410	631	-	631	2,142	-	2,142			
Exchange gains on currency balances	-	-	-	-	-	-	-	10	10			
Investment management fees (note 3)	(85)	(173)	(258)	(120)	(243)	(363)	(212)	(431)	(643)			
Other expenses	(215)	-	(215)	(287)	-	(287)	(459)	-	(459)			
Net return/(deficit) before finance costs and taxation	1,110	9,432	10,542	224	(11,809)	(11,585)	1,471	(22,576)	(21,105)			
Interest payable and similar charges (note 3)	(311)	(631)	(942)	(274)	(555)	(829)	(547)	(1,111)	(1,658)			
Return/(deficit) on ordinary activities before taxation	799	8,801	9,600	(50)	(12,364)	(12,414)	924	(23,687)	(22,763)			
Taxation on ordinary activities	-	-	-	-	-	-	-	-	-			
Return/(deficit) on ordinary activities after taxation	799	8,801	9,600	(50)	(12,364)	(12,414)	924	(23,687)	(22,763)			
Dividends on Ordinary shares (equity)	(466)	-	(466)	(454)	-	(454)	(1,230)	-	(1,230)			
Transfer to/(from) reserves	333	8,801	9,134	(504)	(12,364)	(12,868)	(306)	(23,687)	(23,993)			
Return/(deficit) per Ordinary share – pence (note 5)	2.06p	22.65p	24.71p	(0.13p)	(31.76p)	(31.89p)	2.38p	(60.90p)	(58.52p)			



Finsbury Growth Trust PLC Interim Report 2002

Consolidated Balance Sheet

as at 31 March 2002

	(Unaudited) 31 March 2002 £'000	(Unaudited) 31 March 2001 £'000	(Audited) 30 September 2001 £'000
Fixed asset investments	86,368	76,642	76,886
Current assets			
Debtors	820	1,498	660
Cash at bank	369	25,818	13,660
	1,189	27,316	14,320
Creditors			
Amounts falling due within one year	(8,592)	(3,071)	(21,375)
Net current (liabilities)/assets	(7,403)	24,245	(7,055)
Total assets less current liabilities	78,965	100,887	69,831
Creditors			
Amounts falling due after more than one year	-	(19,931)	-
Net assets	78,965	80,956	69,831
Capital and reserves			
Called up share capital	9,714	9,714	9,714
Share premium account	13,160	13,160	13,160
Capital redemption reserve	3,353	3,353	3,353
Capital reserve – realised	48,871	53,030	53,270
Capital reserve – unrealised	2,138	501	(11,062)
Revenue reserve	1,729	1,198	1,396
Total shareholders' funds	78,965	80,956	69,831
Net asset value per Ordinary share	203.2p	208.3p	179.7p



Finsbury Growth Trust PLC Interim Report 2002

Consolidated Cash Flow Statement

For the six months ended 31 March 2002

	(Unaudited) Six months ended 31 March 2002 £'000	(Unaudited) Six months ended 31 March 2001 £'000	(Audited) Year ended 30 September 2001 £'000
Net cash flow from operating activities	666	960	2,028
Servicing of finance			
Loan and bank overdraft interest paid	(1,439)	(801)	(1,602)
Taxation			
Income tax recovered	8	-	-
Financial investment			
Purchase of investments	(13,211)	(55,931)	(70,850)
Sale of investments	13,423	82,692	85,651
Net cash inflow from financial investment	212	26,761	14,801
Equity dividends paid	(777)	(953)	(1,418)
Financing			
Net repayment of loans	(11,961)	-	-
Purchase of own shares	-	(4,944)	(4,944)
(Decrease)/increase in cash	(13,291)	21,023	8,865



Finsbury Growth Trust PLC Interim Report 2002

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 2002 £'000	6 months ended 31 March 2001 £'000	Year ended 30 September 2001 £'000
Investment income	1,317	891	2,045
Bank interest	93	244	800
Underwriting commission	-	-	2
Dealing loss	-	(504)	(705)
Total	1,410	631	2,142

3. Investment management fees

	6 months ended 31 March 2002 £'000	6 months ended 31 March 2001 £'000	Year ended 30 September 2001 £'000
Investment management fee	220	309	549
Performance fee	-	-	-
Irrecoverable VAT thereon	38	54	94
Total	258	363	643

4. Interest Payable and Similar Charges*

	6 months ended 31 March 2002 £'000	6 months ended 31 March 2001 £'000	Year ended 30 September 2001 £'000
Interest payable on £20m 7.95%			
Senior Loan Notes	355	795	1,590
Early redemption fee on £20m 7.95%			
Senior Loan Notes	409	-	-
Amortisation of issue expenses of			
Senior Loan Notes	39	28	58
Interest payable on AIB revolving credit facility	108	-	-
Arrangement fee for AIB facilities	30	-	-
Other bank interest	1	6	10
Total	942	829	1,658

*The £20m 7.95% Senior Loan Notes due June 2002 were pre-paid on 21 December 2001. A £10m revolving credit facility and a £10m term loan facility with AIB were arranged in replacement of the loan notes on 12 December 2001.



Finsbury Growth Trust PLC Interim Report 2002

Notes to the Interim Financial Statements *(continued)*

5. Return per Ordinary share

The revenue return/(deficit) per Ordinary share is calculated by dividing the net revenue return of £799,000 (six months ended 31 March 2001: deficit of £50,000, 30 September 2001: return of £924,000) by 38,856,430 (six months ended 31 March 2001: 38,931,389, 30 September 2001: 38,893,807), being the weighted average number of Ordinary shares in issue. The capital return/(deficit) per Ordinary share is calculated by dividing the net capital return available for Ordinary shareholders of £8,801,000 (six months ended 31 March 2001: £12,364,000 deficit, 30 September 2001: £23,687,000 deficit) by the weighted average number of Ordinary shares in issue, as above.

6. Comparative information

The figures and financial information for the year ended 30 September 2001 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 2001.



Finsbury Growth Trust PLC Interim Report 2002

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

Close Finsbury Asset Management Limited
(Novated from AFIM Limited on 27 February 2002)
12 Appold Street, London EC2A 2AW

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 ISA, Savings Scheme and PEP

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

Professional Advisers Helpline

Telephone: 020 7426 4372
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www.closefinsbury.com

Internet Addresses

Close Finsbury www.closefinsbury.com
TrustNet www.trustnet.com

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 2002

The Close Finsbury Range

Close Finsbury Asset Management Limited a member of the Close Brothers Group plc, is a specialist investment house managing the following investment trusts:

Finsbury Growth Trust PLC invests in the shares of larger UK companies 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 invests worldwide in pharmaceutical and biotechnology companies with the aim of achieving a high level of capital growth.

Finsbury Technology Trust PLC 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 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 invests in smaller UK quoted companies to achieve a high level of total return.

Close Finsbury EuroTech Trust PLC 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 0800 169 6968.

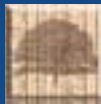
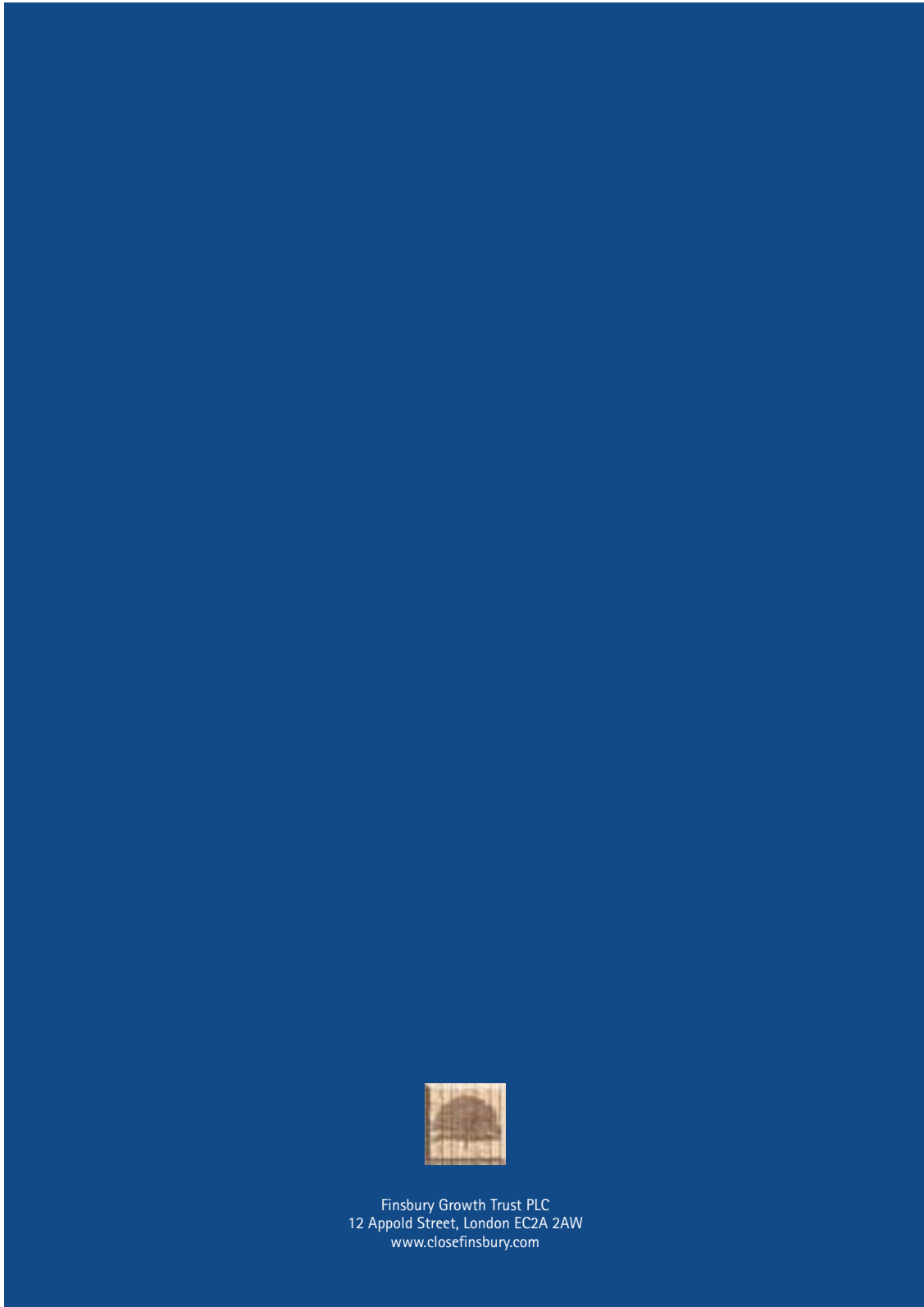
Close Finsbury now offers on-line dealing and account management at www.closefinsbury.com

Should you require copies of any Close Finsbury literature, again please call our Investor Helpline on 0800 169 6968 or e-mail to info@closefinsbury.com
www.closefinsbury.com

This page has been approved for the purposes of the Financial Services and Markets Act 2000 by Close Finsbury Asset Management Limited which is regulated by The Financial Services Authority.







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