



Invesco Income Growth Trust plc
ANNUAL FINANCIAL REPORT
YEAR ENDED 31 MARCH 2014

The Board believes that many investors will be attracted by the prospect of income and capital growth superior to that of the UK stock market and by dividends paid quarterly that, over time, grow above the rate of inflation.

Highlights

	2014	2013
Net asset value total return [†]	+14.2%	+23.7%
FTSE All-Share Index total return [†]	+8.8%	+16.8%
Share price total return [†]	+16.7%	+19.7%
Dividend	+3.1%	+3.8%

[†] Source: Thomson Reuters Datastream

Nature of the Company

The Company is a public listed UK investment company whose shares are traded on the London Stock Exchange. The business of the Company consists of investing the pooled funds of its shareholders, according to a specified investment objective and policy (set out on page 9), with the aim of spreading investment risk and generating a return for shareholders. The Company may use bank borrowings, the proceeds from which can also be invested with the aim of enhancing returns to shareholders. Such additional investment increases the potential risk to shareholders should the value of the investments fall.

The Company has contracted with an external investment manager, Invesco Asset Management Limited (the 'Manager'), to manage its investments and for the Company's general administration. Other administrative functions are contracted to external service providers. The Company has a Board of non-executive directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment policy is adhered to. The Company has no employees.

The Company's shares qualify to be considered as a mainstream investment product suitable for promotion to retail investors.

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Investment Objective

The Company's investment objective is to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation.

Principal Investment Aims

The Company aims to:

- have a portfolio yielding more than the FTSE All-Share Index in order to generate sufficient income;
- provide shareholders with dividend growth in excess of inflation over the longer term;
- achieve capital growth in excess of the FTSE All-Share Index over the longer term;
- reduce risk by diversifying investments across a wide range of companies and sectors; and
- enhance returns by utilising borrowings, when appropriate.

Manager's Investment Approach

The Manager aims to exploit stock market inefficiencies. A strong emphasis is placed on:

- Analysis – focusing on the fundamentals of a company; its business model, sales growth, pricing power, market position, profit margins, financial characteristics and management strategy, including dividend outlook;
- Valuation – to ensure a stock offers an appropriate investment opportunity at its current share price.

Borrowings

Gearing is provided by a bank overdraft facility and will never exceed 25% of the net asset value of the Company.

ISA Eligibility

The ordinary shares of the Company are eligible for investment in an ISA.

The Company is a member of

aic

The Association of
Investment Companies

If you have any queries about Invesco Income Growth Trust plc, or any of the other specialist funds managed by Invesco Perpetual, please contact our Investor Services Team on

☎ 0800 085 8677

🌐 Website:- www.invescopetual.co.uk/investmenttrusts

FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

Performance Statistics

Terms marked† are defined in the Glossary on page 55

	AT 31 MARCH 2014	AT 31 MARCH 2013	% CHANGE
Net asset value† per ordinary share:			
– per Balance Sheet	289.5p	263.0p	+10.1
– after deducting proposed dividends	285.9p	259.5p	+10.2
FTSE All-Share Index	3,556	3,381	+5.2
Mid-market price per ordinary share	276.0p	245.5p	+12.4
Discount† per ordinary share	4.7%	6.7%	
Gearing			
Gross gearing† – excluding the effect of cash	9.9%	8.6%	
Net gearing† – including the effect of cash	9.9%	8.6%	

	YEAR ENDED 31 MARCH 2014	YEAR ENDED 31 MARCH 2013
Total Return† <i>(includes net dividends reinvested)</i>		
Net asset value† per ordinary share	+14.2%	+23.7%
FTSE All-Share Index	+8.8%	+16.8%
Mid-market price per ordinary share	+16.7%	+19.7%
Source: Thomson Reuters Datastream		

Revenue and Dividends

Net revenue after tax (£'000)	5,786	5,545	+4.3
Revenue return per ordinary share	9.9p	9.5p	+4.3
Dividends:			
– first interim	2.05p	2.00p	
– second interim	2.05p	2.00p	
– third interim	2.10p	2.00p	
– final	3.65p	3.55p	
	9.85p	9.55p	+3.1
Retail Price Index	2.5%	3.3%	
Ongoing charges ratio†	0.89%	0.95%	

FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

Ten Year Historical Information

YEAR	REVENUE				CAPITAL			
	To 31 March	Income £'000	Net revenue available for ordinary shareholders £'000	Dividends on ordinary shares Cost £'000	Rate p	Shareholders' funds £'000	Diluted net asset value per ordinary share p	Mid-market price per ordinary share p
2005		4,587	3,295 ⁽¹⁾	3,245	5.80	108,768 ⁽¹⁾	189.8 ⁽¹⁾	167.0
2006		5,222	3,940	3,895	7.05 ⁽²⁾	135,441	229.5 ⁽³⁾	204.8
2007		5,789	4,598	4,483	7.75	158,078	262.8 ⁽⁴⁾	240.0
2008		6,128	4,855	4,831	8.25	124,552	212.7 ⁽⁵⁾	199.0
2009		5,913	5,401	5,064	8.65	81,315	138.9	122.5
2010		5,422	4,703	5,182	8.85	114,817	196.1	174.0
2011		5,346	4,538	5,269	9.00	121,767	208.0	191.3
2012		6,369	5,510	5,387	9.20	129,831	221.7	213.8
2013		6,447	5,545	5,592	9.55	153,971	263.0	245.5
2014		6,783	5,786	5,767	9.85	169,530	289.5	276.0

⁽¹⁾ Restated following the adoption of new UK Accounting Standards effective for accounting periods commencing on or after 1 January 2005.

⁽²⁾ Includes special dividend of 0.9p per share.

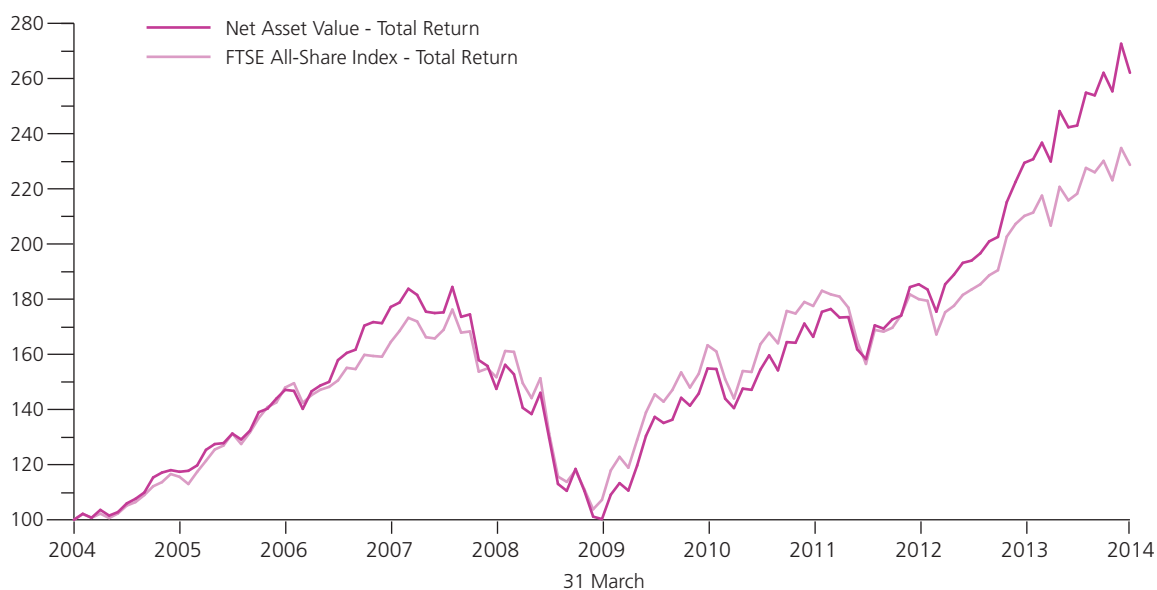
⁽³⁾ During the year 492,000 ordinary shares were bought back leaving 55,443,724 ordinary shares in issue.

⁽⁴⁾ All the CULS were converted into ordinary shares in the year ended 31 March 2007. Thereafter the diluted Net Asset Value (NAV) is the same as the basic NAV. During the year 6,935,249 ordinary shares were bought back leaving 60,162,036 ordinary shares in issue.

⁽⁵⁾ During the year 1,610,506 ordinary shares were bought back leaving 58,551,530 ordinary shares in issue.

Ten Year Total Returns

Rebased to 100 at 31 March 2004



FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

Net Asset Value, Share Price and FTSE All-Share Total Return Performance

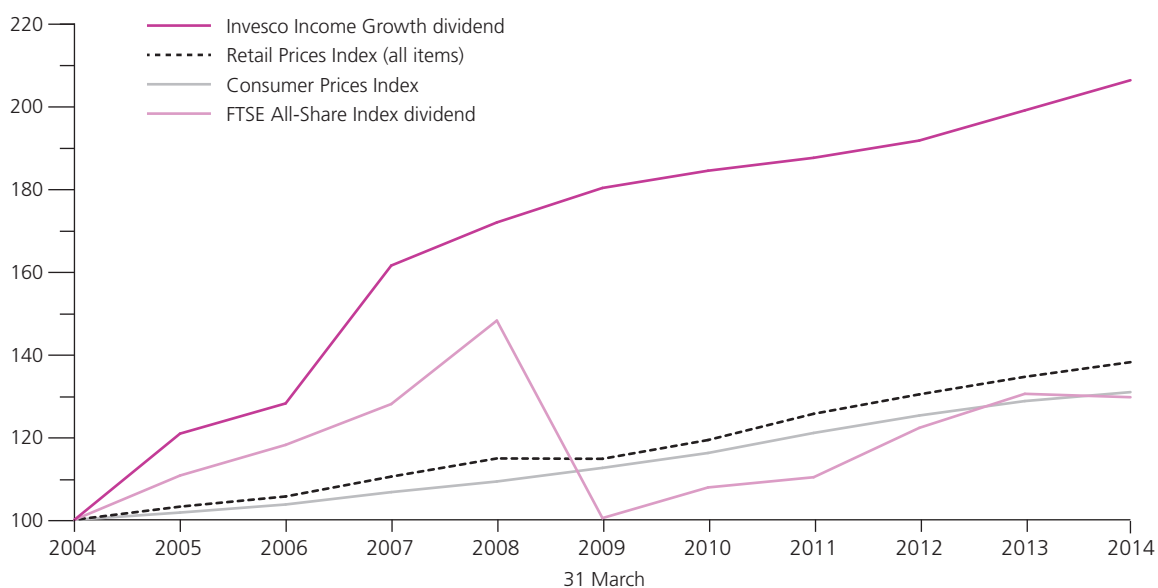
Total Returns to 31 March 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	3yr	5yr	10yr
NAV per ordinary share %	17.4	25.3	20.4	-16.8	-32.0	54.5	7.4	11.5	23.7	14.2	57.6	161.4	162.1
FTSE All-Share %	15.6	28.0	11.1	-7.7	-29.3	52.3	8.7	1.4	16.8	8.8	28.8	113.3	128.7
Share Price %	19.8	26.7	19.4	-11.6	-35.2	52.7	13.3	17.0	19.7	16.7	63.5	182.8	193.6

Source: Thomson Reuters Datastream.

Ten Year Company Dividend, FTSE All-Share Dividend, RPI and CPI Growth

Rebased to 100 at 31 March 2004



CHAIRMAN'S STATEMENT



Performance

In my interim statement, I voiced some concerns that the level of returns seen in recent years may be harder to achieve in the second half of the year, and although there was continued volatility in the UK equity market, the improving economic news helped the market to advance. As a consequence, I am delighted to be able to report that the total return on our net assets for the year to 31 March 2014 was 14.2% which comfortably exceeded the equivalent return of our benchmark index of 8.8%. Indeed our share price's total return was even higher at 16.7%, as a result of the discount to NAV narrowing to 4.7% at the end of the year from 6.7% last year. The credit for this must go to our Portfolio Manager, Ciaran Mallon, who has been responsible for the Company's portfolio since 2005 and is establishing an excellent long term performance record for the Company with our NAV total return again having outperformed our benchmark over three, five and ten years as can be seen on page 4. This is no mean achievement and Ciaran gives greater detail in his report as to how he has achieved this with his careful stock selection and judicious use of gearing.

Revenue and Dividends

During the year, earnings per share increased to 9.9p per share from 9.5p, helped by an increase in special dividends received compared with last year. We have been increasing the interim dividend payments made during the year in line with our longer term objective to grow them in real terms, as well as a desire to better balance the interim payments against the final one. In consequence, we are now recommending a final dividend of 3.65p which, together with aggregate interim dividends paid of 6.2p, gives a total dividend per share for the year of 9.85p (2013: 9.55p), an increase of 3.1%. This exceeds the annualised inflation rate for the year to 31 March 2014 of 2.5% (as measured by the RPI Index) and is consistent with our objective of growing the dividend at above the rate of inflation. If approved by shareholders, the final dividend will be paid on 24 July 2014 to shareholders on the register on 27 June 2014.

Regulatory Issues

Regulations in one form or another are an increasing feature of all our lives, including this Company, and as has been much debated in recent weeks, an increasing number of these emanate from our European masters in Brussels. Shareholders will not be surprised when I report that the Board is having to devote an increasing amount of time to dealing with regulatory issues. This past year has been particularly busy as we have had to deal with the Alternative Investment Fund Managers Directive from Brussels which is resulting in our having to appoint an Alternative Investment Fund Manager and a Depositary. I would struggle in the space available to me in this report to explain the differences in responsibilities but we have decided to appoint Invesco Perpetual, our existing investment manager, as our AIFM and BNY Mellon, our existing custodian, as our depositary. Whilst the additional cost of the depositary appointment will not be significant, it is a further unwelcome addition to our cost base. The additional bureaucracy involved in administering the Company is similarly unwelcome. Another change, which I am sure many shareholders will immediately notice, has arisen out of the latest UK reporting requirements and affects the layout and contents of our annual report, particularly with the inclusion of a Strategic Report. In reality the changes from our previous annual reports are mostly a re-ordering of the information that we have previously provided.

Outlook

At the risk of being accused of becoming boringly repetitive, I find myself having to run this risk by again repeating my concern that the level of returns which we have seen in recent years may be harder to achieve in the year ahead. The world, both economically and politically, remains challenging and many markets are near their highs. However, there are, as Ciaran highlights in his report, still attractive companies to invest in and I remain confident that he will continue to find them for our portfolio and so meet our longer term investment objectives.

CHAIRMAN'S STATEMENT

Annual General Meeting (AGM)

This year's AGM will be held at Invesco Perpetual's offices on the first floor of 43-45 Portman Square, London W1H 6LY. The Notice of the AGM of the Company, which is to be held on Monday, 21 July 2014 is on pages 49 to 52 and a summary of the resolutions is set out in the Directors' Report on pages 27 and 28. Whilst I urge all shareholders to vote in favour of these resolutions by returning their completed voting papers or voting on-line, I do hope that as many shareholders as possible will attend the AGM in person and have the opportunity of hearing from Ciaran about the portfolio and his views on the outlook, as well as meeting my fellow directors and myself.

Hugh Twiss MBE

Chairman

17 June 2014

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014



PORTFOLIO MANAGER'S REPORT

Portfolio Strategy and Review

The UK equity market, as measured by the FTSE All-Share index, delivered a total return of 8.8% in the year to 31 March, but saw significant swings in sentiment over the period. The market grappled with a slowing China, tapering of the US Quantitative Easing programme, international earnings downgrades and a strengthening UK currency; but it also reacted favourably to persistent increases in UK economic growth forecasts, rising consumer confidence and an increasingly buoyant housing market. The final quarter saw increased merger and acquisition activity but also witnessed rising tension in Ukraine, further economic slowdown in China and problems in previously strong performers such as Brazil and Turkey. Overall the period was notable for a revaluation of equities in preference to fixed interest or cash, confirming the attraction of the equity asset class.

Over the 12 months to 31 March 2014, the Company's net asset value again outperformed its benchmark, the FTSE All-Share Index, delivering a total return, including reinvested dividends, of 14.2%. Part of the outperformance came from having a modest level of gearing in place in a rising stock market, but the key to the value added was, once again, strong stock selection. I continue to focus on individual companies, not sectors, and if there are no companies that meet my selection criteria within a given sector then the portfolio will have no exposure to that sector. As a result there is currently no exposure to the Mining sector, which benefited the portfolio's performance over the year relative to the benchmark index. By contrast, the portfolio remains overweight in the Tobacco, Healthcare and Utilities sectors, reflecting the large number of attractive long term investment opportunities I continue to find there.

The portfolio's outperformance was driven by a broad spread of its holdings. BT Group again delivered a significant positive contribution, vindicating my long held optimism with regard to its dominant position in the UK broadband and fibre optic markets, its scope to continue cutting costs through natural attrition and digitisation and the ever increasing consumer and business demand for greater download speeds and video content. The company's most recent results were accompanied by a 13% increase in the dividend, whilst the company confirmed that its BT Sport TV channel had made a "confident start".

The holdings in the pharmaceutical sector performed well over the year, delivering a flow of positive news on the drugs pipeline. Subsequent to the year end, AstraZeneca confirmed market rumours that it had received a bid approach from Pfizer. Whilst the bid did not ultimately proceed, the approach confirms our view of the under valuation of the pharmaceutical sector, with AstraZeneca in particular set to benefit from an improving drug approval process and pipeline.

Next and N Brown both continued to deliver very strong share price performances. Trading in the clothing retail sector remains challenging, but both companies have continued to deliver revenue growth above expectations, with internet sales a particularly strong feature.

The holding in Whitbread performed well over the period, with Costa Coffee and Premier Inns continuing to expand successfully, building market share. Another notable positive contribution came from the holding in GKN. The engineering firm, whose Driveline division manufactures auto components such as constant velocity joint (CVJ) systems and axles, benefited from improved US and UK car sales.

Toward the end of the reporting period Vodafone announced a cash return to shareholders, as part of the US\$130 billion deal to dispose of its 45% stake in its joint venture with Verizon. 71% of the proceeds, US\$23.9 billion in cash and US\$60.2 billion in Verizon shares, were returned to shareholders. The Verizon shares received have been sold.

AZ Electronic Materials, a new investment made earlier in the year and which manufactures products found in Apple's iPads and Samsung flat screen TVs, was the subject of a cash bid from German chemical group Merck at a 50% premium to the share price.

As mentioned above, the portfolio is heavily invested in the tobacco sector. This faced some headwinds in 2013, notably concerns over the possible impact of e-cigarettes, plain packaging and emerging market exposure. Headwinds are, of course, nothing new for this sector and the sector has rallied strongly in 2014, as results from the companies have served to remind the stock market of their ability to deliver profit and dividend increases against a backdrop of declining cigarette volumes.

The holdings in Wm Morrison Supermarkets, which has been sold since the year end, and Tesco delivered sharply negative returns over the period. Investors focused on concerns about increasing competition, supermarket price wars and a more price conscious consumer, arguably losing sight of the sector's defensive qualities and the compensating high dividend yields now on offer.

There was disappointing news from G4S. The company warned first that its operating profit margin would contract and then announced the departure of its Chief Executive, Nick Buckles, followed by a rights issue to strengthen its balance sheet. I expect much improved performance under its new CEO, Ashley Almanza.

Outlook

The stock market's rise in the past two years, fuelled by monetary stimulus and central bank policy initiatives, has not been matched by an increase in forecast companies' earnings growth for the current financial year and beyond. Equity valuations are therefore no longer as cheap as previously.

That said, within the market as a whole, I continue to find pockets of decent value, especially amongst the higher dividend payers. Indeed my guarded optimism with regard to portfolio prospects is reflected in the fact that the Company remains modestly geared, the portfolio being 108% invested at the time of writing, using our short-term flexible borrowing facility. My investment strategy remains intact - I am seeking companies with strong fundamentals, with sensible management whose interests are aligned with shareholders, and a low risk balance sheet. The UK stock market, as measured by the FTSE All-Share Index, has very nearly doubled over the last five years. Whilst I would not expect such performance to be repeated over the next five, I nevertheless feel confident that the current portfolio looks well placed to provide good long term returns for shareholders.

Ciaran Mallon

Portfolio Manager

17 June 2014

STRATEGIC REPORT

BUSINESS REVIEW

Invesco Income Growth Trust plc is a UK investment company and its investment objective is set out below. The strategy the Board follows to achieve that objective is to set investment policy and risk guidelines, together with investment limits, and to monitor how they are applied. These are also set out below and have been approved by shareholders.

The business model the Company has adopted to achieve its objective has been to contract the services of Invesco Asset Management Limited (the 'Manager') to manage the portfolio in accordance with the Board's strategy and under its oversight. The Manager also provides company secretarial, marketing and general administration services. The portfolio manager responsible for the day to day management of the portfolio is Ciaran Mallon.

Investment Policy

The Company's investment objective, principal investment aims, investment policy and risk and investment limits combine to form the 'Investment Policy' of the Company.

Investment Objective

The Company's investment objective is to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation.

Principal Investment Aims

The Company aims to:

- have a portfolio yielding more than the FTSE All-Share Index in order to generate sufficient income;
- provide shareholders with dividend growth in excess of inflation over the longer term;
- achieve capital growth in excess of the FTSE All-Share Index over the longer term;
- reduce risk by diversifying investments across a wide range of companies and sectors; and
- enhance returns by utilising borrowings, when appropriate.

Investment Policy and Risk

The Company invests principally in quoted UK equities and equity-related securities of UK companies selected from any market sector.

At certain times some exposure to fixed interest securities may be considered desirable by the Manager whereby the main criteria for inclusion will be income, liquidity and credit quality.

The Company utilises borrowings when appropriate in order to seek to enhance its returns but the associated risks will be mitigated by limiting the maximum amount of borrowings that can be utilised and by investing predominantly in liquid investments so that any gearing can be managed in a timely way.

One of the Company's principal characteristics is that it diversifies its investments across a wide range of companies and sectors, so minimising the risks associated with having too much invested in one stock or sector. The Manager's aim is to have a broad cross-section of the best-performing stocks that he can find consistent with this characteristic.

Investment Limits

The Board has prescribed limits on the Investment Policy, among which are the following:

- no more than 10% of gross assets will be held in a single investment;
- no more than 15% of gross assets will be held in other listed investment companies;
- no more than 5% of gross assets will be held in unquoted investments; and
- borrowings may be used to raise market exposure up to a maximum of 25% of net assets.

Except for borrowings, all of the above limits are measured at the time of investment.

STRATEGIC REPORT

Performance

Key Performance Indicators

The Board and Manager work closely together to achieve the Company's investment objective. To help shareholders understand how this is achieved and monitored, the following key performance indicators are used:

- the income available to be paid as dividends compared to Retail Price Inflation (RPI);
- the net asset value performance;
- the Company's total return performance compared to inflation, its benchmark & its peer group;
- the premium or discount to net asset value at which the Company's shares trade; and
- ongoing charges (the total cost to shareholders incurred by the Company).

Dividends

The Board aims to pay a sustainable level of base dividend that grows at least in line with the Company's investment objective to provide shareholders with real long-term growth in dividends. Additional dividend payments above the sustainable level may be paid on a case by case basis as special dividends.

For the year ended 31 March 2014, three interim dividends have been paid and shareholder approval is being sought at this year's AGM to pay a final dividend of 3.65p (2013: 3.55p) per share. The first two interim dividends were of 2.05p (2013: 2p) each per share and were paid on 31 October 2013 and 31 December 2013. The third interim dividend was 2.1p (2013: 2p) and was paid on 14 March 2014. If approved by shareholders, the final dividend will be paid to shareholders on 24 July 2014. Therefore, the Directors have declared aggregate dividends of 9.85p, an increase of 3.1% over the previous year. Further details on the dividend payment history can be found on page 3.

The Board keeps under review the income generated by the portfolio. It is anticipated that the yield premium of the portfolio to the yield on the FTSE All-Share Index will normally fall into the range of 10% to 30%. The average yield of the portfolio during the year was approximately 3.8%. The average yield of the FTSE All-Share Index over the same period was 3.4%.

Asset Performance

On 31 March 2014, the mid-market price and the net asset value (NAV) per share were 276p and 289.5p respectively. The comparable figures for 31 March 2013 were 245.5p and 263.0p.

In reviewing the performance of the Company the Board monitors the NAV and its performance relative, principally to that of the FTSE All-Share Index, which is the Company's benchmark, but also against other indices. The NAV total return of the Company for the year was 14.2% compared with a total return of 8.8% for the FTSE All-Share Index, 9.1% for the FTSE All-Share 5% Capped Index, 6.7% for the FTSE 100 Share Index and 8.8% for the FTSE 350 High Yield Index.

Peer Group Performance

There were 22 investment trusts in the AIC UK Equity Income (formerly UK Growth and Income) sector at 31 March 2014. The Board monitors the performance of the Company in relation to both the sector as a whole and, as this sector is quite diverse in its objectives and structures, to those companies within it which the Board consider to be the peer group that most closely matches it.

As at 31 March 2014, out of the investment trusts ranked within the AIC UK Equity Income sector, the Company was ranked 11th over one year, 5th over three years and 8th over five years by NAV performance (source: JPMorgan Cazenove).

Premium/Discount

The Board monitors the premium/discount at which the Company's shares trade in relation to its assets and how this compares to other investment trusts in the peer group. During the year the Company's shares traded at a discount between 1.9% and 7.6%. At the year end the discount was 4.7% (2013: 6.7%). As at 31 March 2014, the average discount of the investment trusts in the AIC UK Equity Income sector was 0.5% (2013: 1.8%) (source: JPMorgan Cazenove).

The Board and Manager closely monitor movements in the Company's share price and dealings in the Company's shares. In order to avoid significant overhang or shortage of shares in the market, the Board asks shareholders to approve resolutions every year authorising the repurchase of shares (for cancellation or to be

STRATEGIC REPORT

held as treasury shares) and also their issuance. This may assist in the management of the discount. These authorities were not utilised in the year.

The Company does not currently hold shares in treasury. However, should the Board consider it to be in shareholders' interests to do so, then it is the Board's policy to sell shares held as treasury shares on terms that are in the best interests of shareholders.

Ongoing Charges Ratio

The expenses of managing the Company are reviewed by the Board at every meeting. The Board aims to minimise the ongoing charges ratio, which provides a guide to the effect on performance of all annual operating costs of the Company. The ongoing charges ratio is calculated by dividing the annualised ongoing charges, including those charged to capital, by average undiluted net asset value during the year.

Ongoing charges for the year totalled £1,470,000 (2013: £1,293,000) and at the year end the ongoing charges ratio was 0.89% (2013: 0.95%)

Financial Position

At 31 March 2014, the Company's total net assets were £170 million (2013: £154 million). The portfolio consisted of equity investments, fixed rate securities and cash.

Due to the readily realisable nature of the Company's assets, cash flow does not have the same significance as for an industrial or commercial company. The Company's principal cash flows arise from the purchase and sales of investments and the income from investments, against which must be set the costs of borrowing and management expenses. The Company's use of financial instruments is disclosed in note 1(c) and note 16 to the financial statements.

The Company has a one-year uncommitted overdraft facility with The Bank of New York Mellon of up to the lesser of £25 million and 25% of the adjusted net asset value of the Company. The facility is due for renewal on 21 September 2014. As at 31 March 2014, drawings on the facility were £16.9 million (2013: £13.3 million). The rate of interest applicable to drawings under the facility is 0.85% per annum over the Bank of England's Base Rate.

Future Trends

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Portfolio Manager's Report section of this Strategic Report on pages 7 and 8. Further details as to the risks affecting the Company are set out below under 'Principal Risks and Uncertainties'.

Principal Risks and Uncertainties

Investment Objective

There can be no guarantee that the Company will meet its investment objective.

Market Risk

As at 31 March 2014, all of the Company's investments were traded on the London Stock Exchange. The prices of securities and the income derived from them are influenced by many factors such as general economic conditions, interest rates, inflation, political events and government policies, as well as by supply and demand reflecting investor sentiment. In addition, there continues to be a risk that European policy makers fail to implement an effective and lasting solution to the Eurozone travails. Such factors are outside the control of the Board and Manager and may give rise to high levels of volatility in the prices of investments held by the Company.

Investment Risk

Any poor performance of individual investments is mitigated by the diversification of the portfolio and the continual analysis of all holdings by the portfolio manager. The Board has established guidelines to ensure that the Investment Policy of the Company is pursued by the portfolio manager.

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Shares

The market value of the shares in the Company may not reflect their underlying net asset value (NAV) and they may trade at a discount to it. The Board and the Manager monitor the market rating of the Company's shares and both share repurchase and issuance powers that can be used to help in its management are in place and are intended to be renewed at the AGM. As at 31 March 2014 shares in the Company traded at a discount of 4.7% (2013: 6.7%).

The value of an investment in the Company and the income derived from that investment may go down as well as up and an investor may not get back the amount invested.

While it is the intention of the Directors to pay dividends to shareholders quarterly, the ability to do so will depend upon the level of income received from securities and the timing of receipt of such income by the Company. Accordingly, the amount of quarterly dividends paid to shareholders may fluctuate.

Gearing Arising from Borrowings

Whilst the use of borrowings by the Company should enhance the total return on the shares where the return on the Company's underlying securities is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the shares.

Regulatory

The Company is subject to various laws and regulations by virtue of its status as a public limited company registered under section 833 of the Companies Act 2006, its status as an investment trust, and its listing on the Official List of the UK Listing Authority.

Loss of investment trust status could lead to the Company being subject to tax on the realised capital profits on the sale of its investments. A serious breach of other regulatory rules could lead to suspension from the Official List, a fine or a qualified audit report. Other control failures, either by the Manager or any other of the Company's service providers, could result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager reviews compliance with tax and other financial regulatory requirements on a daily basis. All transactions, income and expenditure are reported to the Board. The Board regularly considers all perceived risks and the measures in place to control them. The Board ensures that satisfactory assurances are received from service providers. The Manager's Compliance and Internal Audit Officers produce reports regularly for review by the Company's Audit Committee.

Reliance on Third Party Service Providers

The Company has no employees and the Directors are all appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Manager performs services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its Investment Policy.

The Manager may be exposed to reputational risks, in particular, the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not it is valid, will harm its reputation. Any damage to the reputation of the Manager could result in potential counterparties and third parties being unwilling to deal with the Manager and by extension the Company.

Further details of the risk management policies and procedures as they relate to the financial assets and liabilities of the Company are detailed in note 16 to the financial statements.

Board Diversity

The Company's policy on diversity is set out on page 22. The Board comprises five non-executive directors of whom one is a woman, thereby constituting 20% female representation. Summary biographical details of the Directors are set out on page 17. The Company has no employees.

STRATEGIC REPORT

Social and Environmental Matters

As an investment company with no employees, property or activities outside investment, environmental policy has limited application. The Manager considers various factors when evaluating potential investments. While a company's policy towards the environment and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the Manager does not decide to, or not to, make an investment on environmental and social grounds alone. The Company does not have a human rights policy, although the Manager applies the United Nations Principles for Responsible Investment.

This Strategic Report was approved by the Board on 17 June 2014

Invesco Asset Management Limited

Company Secretary

INVESTMENTS IN ORDER OF VALUATION AT 31 MARCH 2014

UK listed ordinary shares unless otherwise stated

HOLDINGS	COMPANY	ACTIVITY BY SECTOR	VALUE £'000	% OF PORTFOLIO
248,341	British American Tobacco	Tobacco	8,282	4.5
195,942	AstraZeneca	Pharmaceuticals & Biotechnology	7,595	4.1
460,851	GlaxoSmithKline	Pharmaceuticals & Biotechnology	7,332	3.9
285,808	Imperial Tobacco	Tobacco	6,922	3.7
1,284,917	BP	Oil & Gas Producers	6,168	3.3
956,462	HSBC	Banks	5,810	3.1
1,334,688	BT	Fixed Line Telecommunications	5,065	2.7
74,026	Next	General Retailers	4,886	2.6
626,800	Young & Co.'s Brewery – Non-Voting	Travel & Leisure	4,356	2.3
185,141	Royal Dutch Shell B Shares	Oil & Gas Producers	4,333	2.3
Top ten holdings			60,749	32.5
2,042,158	Legal & General	Life Insurance	4,180	2.2
327,693	Euromoney Institutional Investor	Media	3,926	2.1
687,046	N Brown	General Retailers	3,923	2.1
368,692	Land Securities	Real Estate Investment Trusts	3,764	2.0
1,245,864	Friends Life (formerly Resolution)	Life Insurance	3,723	2.0
232,000	Bunzl	Support Services	3,703	2.0
247,350	SSE	Electricity	3,634	2.0
926,478	GKN	Automobiles & Parts	3,616	1.9
85,993	Whitbread	Travel & Leisure	3,579	1.9
386,858	Reed Elsevier	Media	3,544	1.9
Top twenty holdings			98,341	52.6
426,560	National Grid	Gas, Water & Multiutilities	3,506	1.9
397,259	Essentra	Support Services	3,458	1.9
132,078	Croda International	Chemicals	3,361	1.8
830,229	Jupiter Fund Management	Financial Services	3,323	1.8
995,507	Centrica	Gas, Water & Multiutilities	3,281	1.8
306,874	Pearson	Media	3,259	1.8
1,347,424	G4S	Support Services	3,254	1.7
344,296	Compass	Travel & Leisure	3,150	1.7
409,260	Drax	Electricity	3,129	1.7
287,190	Experian	Support Services	3,105	1.7
Top thirty holdings			131,167	70.4

INVESTMENTS IN ORDER OF VALUATION

HOLDINGS	COMPANY	ACTIVITY BY SECTOR	VALUE £'000	% OF PORTFOLIO
412,363	Pennon	Gas, Water & Multiutilities	3,062	1.6
384,258	Wood	Oil Equipment, Services & Distribution	2,947	1.6
85,805	Wolseley	Support Services	2,926	1.6
316,645	Smith & Nephew	Health Care Equipment & Services	2,877	1.5
275,675	Nichols	Beverages	2,755	1.5
246,813	Capita	Support Services	2,705	1.5
138,113	InterContinental Hotels	Travel & Leisure	2,660	1.4
1,186,378	Vodafone	Mobile Telecommunications	2,613	1.4
330,873	United Utilities	Gas, Water & Multiutilities	2,606	1.4
142,206	Severn Trent	Gas, Water & Multiutilities	2,592	1.4
Top forty holdings			158,910	85.3
230,929	AMEC	Oil Equipment, Services & Distribution	2,591	1.4
490,221	Informa	Media	2,588	1.4
863,439	Tesco	Food & Drug Retailers	2,550	1.4
196,132	Smiths	General Industrials	2,495	1.3
164,197	Synergy Health	Health Care Equipment & Services	2,264	1.2
686,331	MITIE	Support Services	2,233	1.2
708,726	Senior	Aerospace & Defence	2,179	1.2
241,977	Domino Printing Services	Electronic & Electrical Equipment	1,897	1.1
78,039	Spectris	Electronic & Electrical Equipment	1,808	1.0
99,886	Ultra Electronic	Aerospace & Defence	1,787	1.0
Top fifty holdings			181,302	97.5
745,979	Wm Morrison Supermarkets	Food & Drug Retailers	1,589	0.9
Total ordinary shares (51)			182,891	98.4
1,300,000	Barclays Bank 14% Perpetual (BBB-)*	Banks	1,757	0.9
1,027,000	Friends Life 12% 21 May 2021 (BBB+)*	Life Insurance	1,341	0.7
Total fixed income investments (2)			3,098	1.6
Total value of investments (53)			185,989	100.0

*Standard & Poor's Long Term Credit Rating; investment grade range is from BBB to AAA, non-investment (speculative) grade is BB and below.

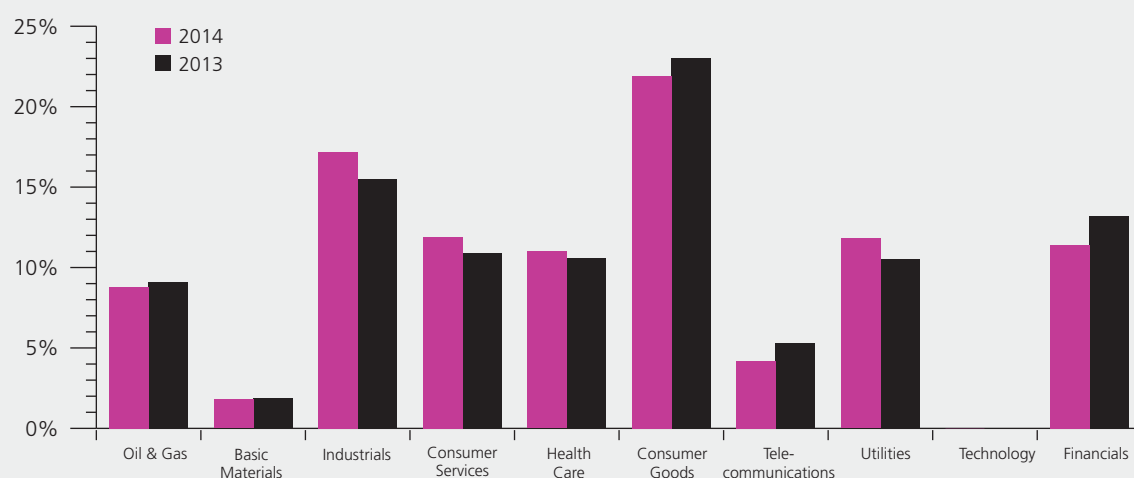
TOP TEN HOLDINGS AT 31 MARCH

All investments are UK listed ordinary shares unless otherwise stated.

COMPANY	2014		2013	
	MARKET VALUE £'000	% OF PORTFOLIO	MARKET VALUE £'000	% OF PORTFOLIO
British American Tobacco	8,282	4.5	6,995	4.2
AstraZeneca	7,595	4.1	6,461	3.9
GlaxoSmithKline	7,332	3.9	7,090	4.3
Imperial Tobacco	6,922	3.7	5,649	3.4
BP	6,168	3.3	5,909	3.6
HSBC	5,810	3.1	6,719	4.0
BT	5,065	2.7	4,836	2.9
Next	4,886	2.6	3,230	1.9
Young & Co.'s Brewery – Non-Voting	4,356	2.3	3,573	2.1
Royal Dutch Shell B Shares	4,333	2.3	4,045	2.4
Total	60,749	32.5	54,507	32.7
Total of other investments	125,240	67.5	111,923	67.3
Total value of investments	185,989	100.0	166,430	100.0

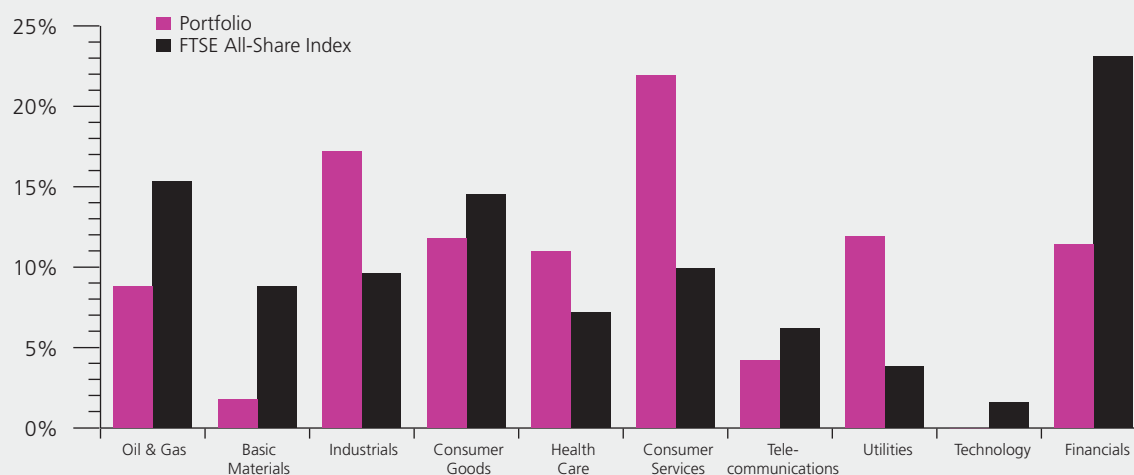
Analysis of Portfolio by Industry

At 31 March 2014 and 2013



Comparison of Portfolio to FTSE All-Share Index by Industry

At 31 March 2014



DIRECTORS

**Hugh Twiss MBE**

Mr Twiss was appointed to the Board on 23 November 2001. He became Chairman of the Company on 13 July 2012 and also chairs the Nomination Committee. He is currently Chairman of Henderson High Income Trust plc, a trustee of The Royal Navy and Royal Marines Charity, as well as

undertaking various consultancy work, including working with Trust Associates. He was formerly a Director of Fleming Investment Management for many years.

**Jonathan Silver**

Mr Silver was appointed to the Board on 1 August 2007 and is Chairman of the Audit Committee. He is Chief Financial Officer on the main Board of Laird plc, a position he has held since 1994. Prior to 1994, Mr Silver held various senior financial positions within Laird plc since he joined in 1986. He

is a member of the Institute of Chartered Accountants of Scotland.

**Davina Curling**

Ms Curling was appointed to the Board on 1 March 2011. She is a Non-Executive Director of BlackRock Greater Europe Investment Trust plc and has over 20 years experience of investment management, most recently as Managing Director and Head of Pan European Equities at Russell Investments.

Prior to this she was Head of European Equities at F&C, ISIS, Royal & SunAlliance IM and Nikko Capital Management (UK). Ms Curling started her career at Kleinwort Benson in 1987.

**Roger Walsom**

Mr Walsom was appointed to the Board on 5 May 2006. He is currently Chairman of a company related to Ashurst, the City law firm, where he was previously a partner for many years and had a wide-ranging corporate practice including advising a number of investment trusts and other funds. He was

previously a Non-Executive Director of the Pensions Regulator, St. James's Place plc and the Miller insurance broking group at Lloyds.

**Chris Hills**

Mr Hills was appointed to the Board on 11 October 1999 and is Chairman of the Management Engagement Committee. He is currently Chief Investment Officer of Investec Wealth & Investment Limited. He was formerly a Director of Baring Fund Management, where he ran a wide range of portfolios and was

a senior member of the UK policy group. He is also a Non-Executive Director of Henderson Opportunities Trust plc.

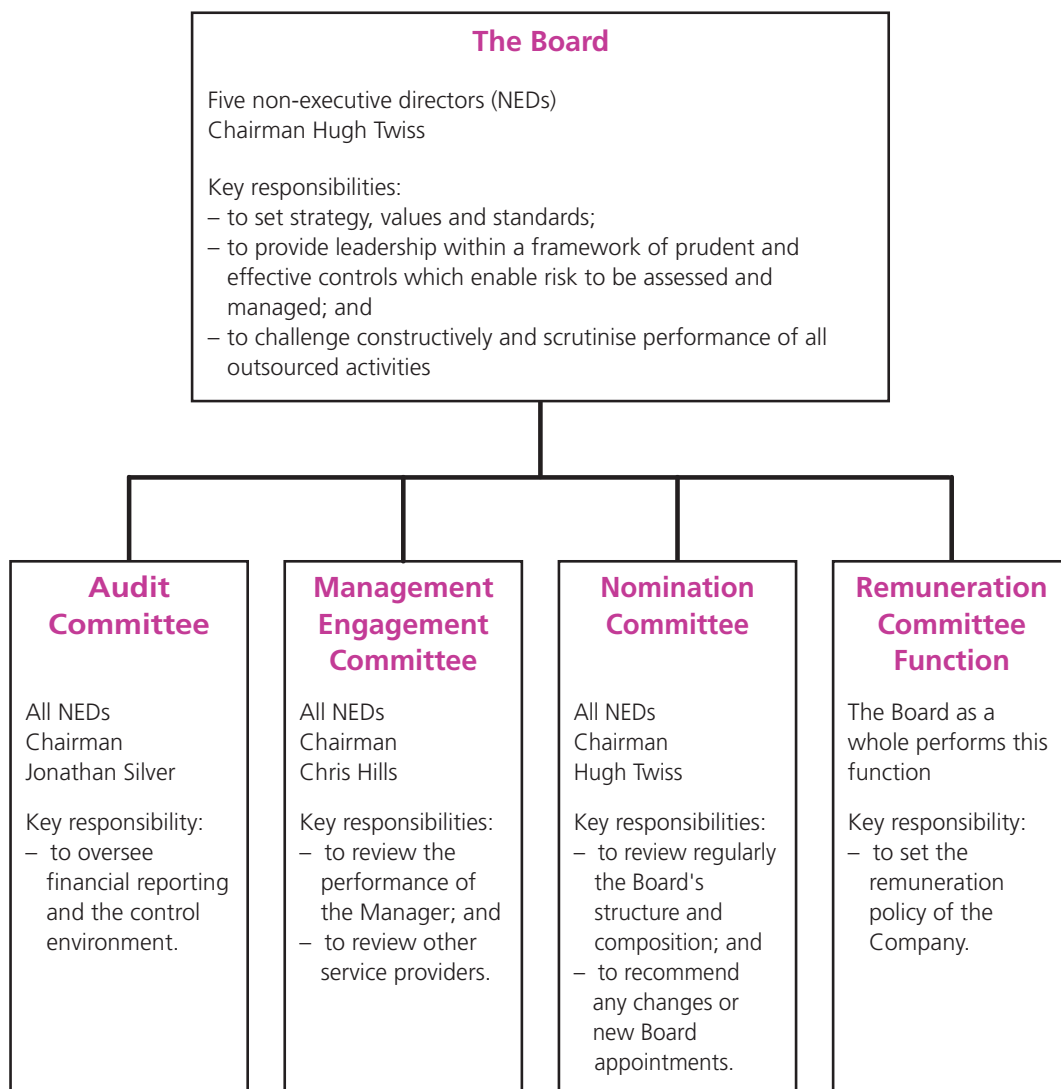
All Directors are independent and non-executive.

All Directors are members of the Audit, Management Engagement and Nomination Committees.

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

The Board and Committees

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that it is an Investment Company with no employees and outsources investment management to the Manager and administration to the Manager and other external service providers.



The Portfolio Manager

The portfolio manager, Ciaran Mallon, is based in Henley-on-Thames. He is a member of the UK Equities team in Henley and is responsible for the management of a number of UK equity portfolios.

Ciaran began his investment career in 1994, joining HSBC where he was an investment analyst before moving to United Friendly Asset Management in 1999 as a fund manager and joining Invesco Perpetual in 2005. He holds a BA (Honours) in Chemistry from Oxford University and has also gained the CFA and Securities Institute Diploma.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

Introduction

The Directors present their Report for the year ended 31 March 2014.

Business and Status

The Company was incorporated and registered in England and Wales on 22 December 1995 as a public limited company under the Companies Act 2006 (Act), registered number 3141073.

The Company is an investment company as defined by section 833 of the Act and operates as an investment trust within the meaning of the Corporation Tax Act 2010 (CTA) and the Investment Trusts (Approved Company) (Tax) Regulations 2011. HM Revenue and Customs has approved the Company's status as an investment trust and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to maintain such approval.

Corporate Governance Statement

The Board is committed to maintaining high standards of Corporate Governance and is accountable to shareholders for the governance of the Company's affairs.

The Directors have considered the principles and recommendations of the 2013 AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The AIC Code is available from the Association of Investment Companies (www.theaic.co.uk). The UK Code is available from the Financial Reporting Council website (www.frc.org.uk).

The Company has complied with the recommendations of the AIC Code and provisions of the UK Code, except the provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- nomination of a senior independent director (explained further on page 20).

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of Invesco Income Growth Trust plc, being an externally managed investment company with no executive employees and, in relation to the third, in view of the Manager having an internal audit function.

Information on how the Company has applied the principles of the AIC Code and the UK Code is provided in the Directors' Report as follows:

The composition and operation of the Board and its committees are summarised on pages 19 to 23.

The Company's approach to internal control and risk management is summarised on page 24.

The contractual arrangements with, and assessment of, the Manager are summarised on page 25.

The Company's capital structure and voting rights are summarised on page 26.

The most substantial shareholders in the Company are listed on page 27.

The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association and are discussed on page 21. There are no agreements between the Company and its directors concerning compensation for loss of office.

Amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares, which are sought annually, require shareholders approval.

The Board

The Company has a Board of five non-executive directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment policy is adhered to. Details of the Board's responsibilities, information it relies upon and the number of meetings it holds are set out below, amongst other things. Certain aspects of the Company's affairs are dealt with by the

DIRECTORS' REPORT

Directors sitting as the Nomination Committee, the Management Engagement Committee and the Audit Committee, are summarised on pages 22 and 23, each of which have written terms of reference. In view of the size of the Board and the nature of the Company, all of these committees are comprised of all of the Directors.

The Board has resolved that a remuneration committee is not appropriate for a company of this size and nature. Remuneration is therefore regarded as part of the Board's responsibilities. For information on the Directors' remuneration, please refer to the Directors' Remuneration Report on pages 30 to 32.

The Board regards all of the Directors to be wholly independent of the Company's Manager. The Directors have a range of business, financial and asset management skills as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 17.

Chairman

The Chairman of the Board is Hugh Twiss, a non-executive Director who has no conflicting relationships.

Senior Independent Director

The Board does not consider it necessary to identify a senior independent director. All the Directors are available to shareholders if they have concerns which contact through the normal channels of Chairman, Manager or Company Secretary has failed to resolve or for which such contact is inappropriate.

Board Responsibilities

The Directors have a duty to promote the success of the Company taking into consideration the likely consequences of any decision in the long-term, the need to foster the Company's business relationships with its Manager and advisers, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between stakeholders of the Company.

In order to promote the success of the Company, the Board directs and supervises its affairs within a framework of effective controls which enable risk to be assessed and managed. A formal schedule of matters reserved for the Board has been established. The schedule is reviewed annually to ensure compliance with the latest regulatory requirements, best practice and the AIC Code and is available for inspection at the registered office of the Company, at the Company's correspondence address (see page 54), on the Manager's website and will be available at the AGM. The main responsibilities of the Board include: setting policies and standards, ensuring that the Company's obligations to shareholders and others are understood and complied with, approving accounting and dividend policies, managing the capital structure, setting long-term objectives and strategy, assessing risk, reviewing investment performance, approving loans and borrowing, approving recommendations presented by the Company's respective Board Committees, controlling risks and the ongoing assessment of the Manager. The Board also seeks to ensure that shareholders are provided with sufficient information in order to understand the risk/reward balance to which they are exposed by holding their shares, through the details given in the annual and half-yearly financial reports, interim management statements, and regulatory information service announcements, including daily NAV disclosures.

The Board is committed to the prevention of corruption in the conduct of the Company's affairs and, taking account of the nature of the Company's business and operations, has put in place procedures that the Board considers adequate to prevent persons associated with it from engaging in bribery for and on behalf of the Company.

Supply of Information

To enable the members of the Board to fulfil their roles, the Manager and Company Secretary ensure that Directors have timely access to all relevant management, financial and regulatory information.

The Board meets on a regular basis six times each year, including once to specifically review strategy issues, and additional meetings are arranged as necessary. Regular contact is maintained between the Manager, the Company Secretary and the Board outside formal meetings. Board meetings follow a formal agenda, which includes a review of the investment portfolio with reports from the Manager on the current investment position and outlook, strategic direction, performance against stock market indices and the Company's peer group, asset allocation, gearing policy, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance and industry and other issues.

On being appointed to the Board, Directors are fully briefed as to their responsibilities and are continually updated throughout their term in office on industry and regulatory matters. The Manager and the Board have formulated a programme of induction training for newly appointed Directors. They have also put

DIRECTORS' REPORT

arrangements in place to address ongoing training requirements of Directors, which include briefings from key members of the Manager's staff and which ensure that Directors can keep up to date with new legislation and changing risks.

Board, Committee and Directors' Performance Appraisal

The Directors recognise the importance of the AIC Code particularly in terms of evaluating the performance of the Board as a whole, the respective Committees of the Board and individual Directors. Performance of the Board, Committees and Directors has been assessed during the year in terms of:

- attendance at Board and Committee Meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees due to the diversity of skills and experience each Director brings to meetings; and
- the Board's ability to challenge the Manager's recommendations, suggest areas of debate and fix timetables for debates on the future strategy of the Company.

The Board conducted its annual performance evaluation through discussions between the Directors and between each Director and the Chairman. The review concluded that the Board and its Committees collectively, and the Directors individually, including the Chairman, continue to be effective and that the Directors demonstrate commitment to the role.

Attendance at Board and Committee Meetings

All the Directors are considered to have a good attendance record at Board and Committee meetings of the Company. The number of scheduled meetings held during the year to 31 March 2014 and the attendance of individual Directors are shown in the table below:

	SCHEDULED BOARD MEETINGS	AUDIT COMMITTEE MEETINGS	MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS	NOMINATION COMMITTEE MEETINGS
Number of Meetings	6	3	1	1
Davina Curling	6	3	1	1
Chris Hills	6	3	1	1
Jonathan Silver	6	3	1	1
Hugh Twiss	6	3	1	1
Roger Walsom	5	2	1	1

In addition to the above, occasional meetings of sub-committees of the Board were held to deal with ad hoc items.

Appointment, Re-election and Tenure of Directors

New Directors are appointed by the Board, following recommendation by the Nomination Committee, and are then subject to election by shareholders at the first Annual General Meeting following their appointment. No Director has a contract of employment with the Company. Directors' terms and conditions of appointment are set out in letters of appointment, copies of which are on the Manager's website.

The Company's Articles of Association (Articles) require that each Director shall retire at an AGM at least every three years after appointment or (as the case may be) last reappointment, and may offer themselves for re-election. A Director's normal tenure of office will be for three terms of three years, except that the Board may determine otherwise if it is considered that the continued participation on the Board of an individual Director is in the best interests of the Company and its shareholders. Such long serving Directors will stand for re-election annually.

Davina Curling and Jonathan Silver will retire by rotation and seek re-election at this year's AGM. Due to their length of service, Hugh Twiss and Chris Hills will also seek re-election at this year's AGM. The Board confirms that each of the Directors standing for re-election continues to perform effectively and to demonstrate commitment to their respective roles and recommends that shareholders vote in favour of the resolutions, numbered 5 to 8, for their re-election. Notwithstanding their length of service, the Board considers that both Hugh Twiss and Chris Hills remain independent in character and judgement from the Company's Manager, a view which has been demonstrated by their actions on behalf of the Company.

DIRECTORS' REPORT

Nomination Committee

The Nomination Committee comprises all of the Directors and is chaired by Hugh Twiss. The main responsibilities of the Nomination Committee are to review the size, structure, diversity and skills of the Board and to make recommendations to the Board with regard to any changes considered necessary or new appointments.

The Nomination Committee has written terms of reference, which are reviewed as and when appropriate and clearly define its responsibilities and duties.

The terms of reference of the Nomination Committee are available for inspection at the registered office of the Company, at the Company's correspondence address (see page 54), on the Manager's website and will be available at the AGM.

The Board's policy on diversity is that the Board seeks to ensure that its structure, size and composition, including the skills, knowledge, diversity (including gender) and experience of the Directors, is sufficient for the effective direction and control of the Company. The Board has not set any measurable objectives in respect of this policy.

The Board has formulated a formal, rigorous and transparent procedure for the selection and appointment of new Directors to the Board. The Nomination Committee carries out the procedure with a view to making recommendations to the Board and may appoint an external search consultancy to identify potential candidates.

Management Engagement Committee

All of the Directors are members of the Management Engagement Committee, which is chaired by Chris Hills. The Committee has written terms of reference, which are reviewed as and when appropriate and clearly define its responsibilities and duties. They will be available for inspection at the AGM and can be inspected at the registered office of the Company, at the Company's correspondence address (see page 54) and on the Manager's website.

The Committee meets at least once a year to formally review all supplier services and, in particular, the performance of, and contractual arrangements with, the Manager in the roles of investment manager, company secretary and administrator. The assessment of the Manager is reported on page 25.

Audit Committee

The Audit Committee comprises all of the Directors on the Board and is chaired by Jonathan Silver. The Committee has written terms of reference that clearly define its responsibilities and duties. These can be inspected at the registered office of the Company, at the Company's correspondence address (see page 54), on the Manager's website and will be available at the AGM.

Audit Committee Responsibilities

The responsibilities of the Audit Committee include:

- reviewing the effectiveness of the internal controls and risk management systems, including reports received on the operational controls of the Company's service providers;
- reviewing the annual and half-yearly financial reports and announcements of the Company and ensuring compliance with relevant statutory and listing requirements;
- management of the relationship with the external auditor, including their appointment, and the scope, effectiveness, independence and objectivity of their audit; and
- advising the board on whether the Committee believes the annual financial report taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's performance, business model and strategy.

The Committee meets at least three times a year. At these meetings the Committee reviews the internal financial and non-financial controls, accounting policies, the contents of the half-yearly and annual financial reports to shareholders, the auditor's independence, objectivity and effectiveness, the quality of the services provided to the Company and, together with the Manager, reviews the Company's compliance with financial reporting and regulatory requirements as well as risk management processes. Representatives of the Manager's Compliance and Internal Audit Departments attend at least two meetings each year. Representatives of the auditor, Grant Thornton UK LLP, attend the Committee meeting at which the draft annual financial report is reviewed and are given the opportunity to speak to Committee members without the presence of representatives of the Manager.

DIRECTORS' REPORT

The audit programme and timetable are drawn up and agreed with the auditor in advance of the end of the financial period. At this stage, matters for audit focus are discussed and agreed. These matters are given particular attention during the audit process and, among other matters, are reported on by the auditor in the audit report to the Committee. The report is considered by the Committee and discussed with the auditor and the Manager prior to approval and signature of the financial statements.

Accounting Matters and Significant Areas

For the year end the accounting matters that were subject to specific consideration by the Committee and consultation with the auditor, where necessary, were as follows:

SIGNIFICANT AREA	HOW ADDRESSED
Portfolio Valuation and Ownership	Actively traded listed investments are valued using stock exchange prices provided by third party pricing vendors. The investments are held on behalf of the Company by the Company's custodian, The Bank of New York Mellon. The Company's records were reconciled to those of the custodian.
Income Recognition	The Manager reviewed each stock line to ensure that those marked ex-dividend in the year were included in revenue and that any special dividends were appropriately attributed to revenue or capital.

The above were satisfactorily addressed through consideration of reports provided by, and discussed with, the Manager and the auditor. Following a thorough review process, the Audit Committee is satisfied that the 2014 annual financial report, 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.

The Chairman of the Audit Committee will be present at the AGM to deal with questions relating to the financial statements.

Auditor

The Committee assesses the effectiveness of the external audit process through discussions with the Manager and the auditor and consideration of review points raised.

The Audit Committee has considered the independence of the external auditor and the objectivity of the audit process and is satisfied that Grant Thornton UK LLP has fulfilled its obligations to shareholders and as independent auditor to the Company.

The auditor is responsible for the annual statutory audit and certain tax compliance services which the Committee believes they are best placed to undertake due to their position as auditor. No other services are provided by the auditor and it is the Company's policy not to seek substantial non-audit services from its auditor. Were the provision of significant non-audit services being considered, the Committee would consider whether the particular skills of the audit firm made them a suitable supplier of those services and that there was no threat to the objectivity and independence of the audit.

The Company's appointed auditor has been Grant Thornton UK LLP since their merger in 2007 with RSM Robson Rhodes LLP, who were appointed in 1996. The Committee has reviewed the recent changes to the UK Corporate Governance and AIC Codes including the provision for FTSE 350 companies to put the external audit contract out to tender at least every ten years, and also new EU legislation that potentially requires mandatory rotation of auditors at least every twenty years, but with some transitional flexibility. In light of these the Committee expects to initiate a tender process in due course. In the meantime, following the satisfactory outcome to the Committee's regular review of auditor effectiveness, performance and independence, a resolution proposing the reappointment of Grant Thornton UK LLP as the Company's auditor for the year to 31 March 2015 and authorising the Directors to determine their remuneration has been included in the notice for the forthcoming AGM.

Internal Controls and Risk Management

The Committee assesses the risks arising in relation to the Company's operations and identifies the controls exercised to mitigate them by the Board and its delegates: the Manager and other service providers. The Committee also receives and considers, together with representatives of the Manager, reports in relation to the operational controls of the investment manager, accounting administrator, custodian, company secretary and registrar. These reviews identified no issues that impacted the Company in the last year.

DIRECTORS' REPORT

Internal Audit

Due to the nature of the Company, being an externally managed investment company with no executive employees, and in view of the Manager having an internal audit function the Company does not have its own internal audit function.

Directors

Conflicts of Interest

A Director must avoid a situation where he or she has an interest that conflicts with the Company's interests. The Articles of the Company give the Directors authority to authorise potential conflicts of interest and there are safeguards that apply when they decide whether to do so. First, only Directors who have no interest in the matter being considered are able to take the relevant decision, and second, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's register of potential conflicts, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

Disclosable Interests

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report on page 31.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end other than in respect of indemnification and insurance as set out below.

Directors' Indemnification and Insurance

The Company maintains a Directors' and Officers' liability insurance policy.

A Deed of Indemnity has been executed by the Company under the terms of which, to the extent permitted by law and the Company's Articles of Association, the Company will indemnify the Directors against liabilities incurred in connection with their office as Directors of the Company and fund reasonable expenditure incurred by them in defending proceedings brought against them in connection with their position as Directors of the Company. The indemnity does not apply in certain circumstances, including to the extent that the costs are recoverable under the Directors' and Officers' liability insurance policy maintained by the Company or from any other insurance maintained by the Director.

Internal Controls and Risk Management

The Directors acknowledge that they are responsible for ensuring that the Company maintains a sound system of internal control to safeguard shareholders' investment and the Company's assets.

The Audit Committee, on behalf of the Board, reviews, at least annually, the effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems. The Company's system of internal control is designed to manage rather than eliminate the risk of failure to adhere to the Company's Investment Policy. This system can therefore only provide reasonable and not absolute assurance against material misstatement or loss. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from its review. Past issues in relation to the Manager reflected in a Final Notice issued by the FCA on 28 April 2014 had no impact on the Company. No significant failings or weaknesses occurred during the year ended 31 March 2014 or up to the date of this annual financial report.

At its regular meetings the Board reviews financial reports and performance against revenue forecasts, stock market indices and the Company's peer group. In addition, the Manager and Custodian maintain their own systems of internal controls and the Audit Committee receives regular reports from the internal audit and compliance teams of the Manager. Formal reports are also produced on the internal controls and procedures in place for company secretarial, custodial, investment management and accounting activities, and these are reviewed at least annually by the Audit Committee.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as the Company has adequate resources to continue in operational existence for the

DIRECTORS' REPORT

foreseeable future. In reaching this conclusion, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments and the ability of the Company to meet all of its liabilities, including bank overdraft, and ongoing expenses from its assets. The Directors also considered the revenue forecasts for the forthcoming year and future dividend payments in concluding that the going concern basis is appropriate.

The Manager

Invesco Asset Management Limited (the Manager) is responsible for the management of the Company's investment portfolio and also provides administration and company secretarial services to the Company.

Investment Management Agreement

Invesco Asset Management Limited (the Manager) provides investment, administration and company secretarial services to the Company under the terms of an agreement which may be terminated on six months' written notice. The notice period can be reduced to 3 months in certain circumstances or termination can be immediate in the event of a serious breach, insolvency or change of control of the Manager.

The investment management fee is calculated and payable monthly in arrear based on the value of the funds under management before deducting borrowings, of 0.7% up to £100 million, 0.6% on the next £50 million, 0.55% on the next £50 million and if in excess of £200 million the fee will be reviewed. The average rate charged over the course of the year was 0.65% (2013: 0.67%). Further details are given in note 3 to the financial statements. This fee is allocated 50% to capital and 50% to revenue (2013: same) in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

The Alternative Investment Fund Managers Directive (AIFMD) requires the Company to appoint an Alternative Investment Fund Manager (AIFM) by 22 July 2014. The Board has taken independent legal advice in relation to the Directive and has decided to appoint Invesco Fund Managers Limited (IFML) as the Company's AIFM, pending IFML's approval as such by the Financial Conduct Authority. IFML is an associated company of Invesco Asset Management Limited (IAML), the current Manager, and it is expected that IAML will continue to manage the Company's investments under delegated authority from IFML.

The Manager's Responsibilities

The Manager is responsible for the day to day investment management activities of the Company, seeking and evaluating investment opportunities and analysing the results of investee companies. The Manager has full discretion to manage the assets of the Company in accordance with the Company's Investment Policy, as determined from time to time by the Board and approved by shareholders, with a view to achieving the Company's investment objective and meeting shareholder expectations. The Manager has discretion to make purchases and sales, make and withdraw cash deposits, enter into underwriting commitments and exercise all rights over the investment portfolio. The Manager also advises on borrowings.

The Manager also provides full company secretarial and administration services ensuring that the Company complies with all legal, regulatory and corporate governance requirements. Representatives attend and officiate at Board meetings and shareholder meetings. The Manager additionally maintains records of the Company's investment transactions, portfolio and all monetary transactions, from which the Manager prepares annual and half-yearly financial reports and interim management statements on behalf of the Company and various statistical reports and information throughout the year.

Assessment of the Manager

The performance of the Manager in the roles of investment manager, company secretary and administrator is subject to continual review by the Board and an annual review of the management contract is undertaken by the Management Engagement Committee.

The Board has formally reviewed the Manager's performance for the year ended 31 March 2014 and, taking into account the performance of the portfolio, the other services provided by the Manager and the risk and governance environment in which the Company operates, the Board considers that the continuation of the management contract is in the best interests of shareholders.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Invesco Asset Management Limited, which is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible to the Board for

DIRECTORS' REPORT

ensuring timely delivery of information and reports and that the statutory obligations of the Company are met. Additionally, the Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

Other Service Providers

In addition to the Manager, the main service providers contracted by the Company are as follows:

Registrar

The Company's share register is administered by Capita Asset Services. Contact details for the Registrar are set out on page 54.

Custodian

The majority of the Company's assets are held by a custodian on its behalf. The Company's custodian, and bank, is The Bank of New York Mellon.

Depository

The AIFMD requires the Company to appoint a depository, who will oversee the custody and cash arrangements and fulfil other AIFMD required depository responsibilities. To this end the Board has agreed, in principle, to appoint BNY Mellon Trust & Depository (UK) Limited to act as the Company's depository.

Stewardship

The Board considers that the Company has a responsibility as a shareholder towards ensuring that high standards of Corporate Governance are maintained in the companies in which it invests. The Company's stewardship functions have been delegated to the Manager, who exercises the Company's voting rights and reports back to the Board. The Manager has adopted a clear and considered policy towards its responsibility on behalf of the Company. As part of this policy, the Manager takes steps to satisfy itself about the extent to which the companies in which it invests look after shareholders' value and comply with local recommendations and practices, such as the UK Corporate Governance Code. A copy of the Manager's Policy on Corporate Governance and stewardship can be found at www.invescopetual.co.uk.

Greenhouse Gas Emissions

The Company has no employees or property, it does not combust any fuel or operate any facility. The Company does not purchase electricity, heat, steam or cooling for its own use. Accordingly, the quantifiable amount of carbon dioxide equivalent produced by the Company annually is zero tonnes. All services are outsourced on a fee basis that is independent of any energy expended on its behalf and it is not practical for the Company to attempt to quantify emissions in respect of such proxy energy use.

Capital Structure

At the year end the Company's share capital comprised 58,551,530 shares of 25p each. No shares were issued or repurchased during the year and no shares were held in treasury at the year end.

Rights Attaching to the Shares

At a general meeting of the Company every shareholder has one vote on a show of hands and on a poll one vote for each share held.

On a winding up or return of capital the assets of the Company shall be distributed rateably among shareholders according to the number of shares held.

Restrictions on Shares

The Directors may restrict voting powers and dividends where shareholders fail to provide information with respect to interests in voting rights when so requested, may refuse to register any transfer of a share in favour of more than four persons jointly and can require certain US holders of shares to transfer their shares compulsorily.

Save for the foregoing there are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

DIRECTORS' REPORT

Substantial Holdings in the Company

The Company was aware of the following holdings of 3% and over of the Company's issued share capital:

	AT 31 MAY 2014		AT 31 MARCH 2014		AT 31 MARCH 2013	
	HOLDINGS	%	HOLDINGS	%	HOLDINGS	%
Charles Stanley	5,274,437	9.0	5,236,497	8.9	4,988,278	8.5
Investec Wealth & Investment	4,749,521	8.1	4,864,908	8.3	4,953,963	8.5
Brewin Dolphin	3,900,981	6.7	3,945,431	6.7	4,233,599	7.2
EFG Harris Allday	2,713,054	4.6	2,688,295	4.6	2,634,575	4.5
Alliance Trust Savings	2,430,735	4.2	2,381,956	4.1	2,179,349	3.7
Hargreaves Lansdown	1,914,738	3.3	1,820,556	3.1	1,366,548	2.3
AXA Framlington Investment Managers	1,879,663	3.2	1,902,200	3.3	1,935,338	3.3
London & St Lawrence Investment Company	1,800,000	3.1	1,800,000	3.1	1,800,000	3.1
Legal & General Investment Management	1,671,012	2.9	1,693,022	2.9	1,907,817	3.3

Shareholder Relations

Shareholder relations are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with shareholders is through the annual and half-yearly financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the publication of interim management statements, the daily calculation of the NAV of the Company's shares, which is published via the London Stock Exchange, factsheets and the Manager's website. A presentation is made by the Manager following the main business of the AGM each year and shareholders have the opportunity to communicate directly with the Directors. All shareholders are encouraged to attend the AGM. It is the intention of the Board that the annual financial report and the notice of the AGM be published at least twenty working days before the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so, either on the reverse of the proxy card, via the Manager's website or in writing to the Company Secretary at the address given on page 54.

Shareholders can also visit the Manager's website in order to contact the Directors, Manager and Company Secretary, access copies of annual and half-yearly financial reports, interim management statements, shareholder circulars, Company factsheets, Stock Exchange announcements, schedule of matters reserved for the Board, terms of reference of Board Committees, Directors' letters of appointment, the Company's share price and any proxy voting results. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

There is a regular dialogue between the Manager and individual major shareholders to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to help develop a balanced understanding of their issues and concerns. General presentations to institutional shareholders and analysts take place throughout the year. All meetings between the Manager and institutional shareholders are reported to the Board.

Individual Savings Account (ISA)

The ordinary shares of the Company are qualifying investments under applicable ISA regulations.

Business of the Annual General Meeting (AGM)

The following summarises the business of the forthcoming AGM of the Company, which is to be held on 21 July 2014 at 11.30 am. The Notice of the AGM and related notes can be found on pages 49 to 52.

Resolution 1 is for members to receive this Annual Financial Report, including the financial statements and Auditor's Report.

Resolution 2 is to approve the Directors' Remuneration Policy. This is a new requirement and the vote is binding. The Directors' Remuneration Policy is set out on page 30 of this Annual Financial Report.

DIRECTORS' REPORT

Resolution 3 is to approve the Annual Statement and Report on Remuneration. It is mandatory for listed companies to put their Annual Statement and Report on Remuneration to an advisory shareholder vote. The Annual Statement and Report on Remuneration are set out on pages 30 to 32 of this Annual Financial Report.

Resolution 4 is to declare a final dividend, as recommended on page 5.

Resolutions 5 to 8 are to re-appoint Directors. Biographical details of the Directors seeking re-appointment, Hugh Twiss, Chris Hills, Jonathan Silver and Davina Curling, are set out on page 17. The Board has confirmed that all of these Directors continue to perform effectively and demonstrate independence and commitment to their roles.

Resolution 9 is to re-appoint the auditor and to authorise the Directors to determine the auditor's remuneration. Grant Thornton LLP have expressed their willingness to continue to hold office until the conclusion of the next annual general meeting of the Company.

Resolution 10 is to renew the Directors' authority to allot shares. Your Directors are asking for authority to allot new ordinary shares up to an aggregate nominal value of £4,879,294 (one third of the Company's issued share capital at 17 June 2014). This will allow Directors to issue shares within the prescribed limits should opportunities to do so arise that they consider would be in shareholders' interests. This authority will expire at the AGM in 2015.

Resolution 11 is to renew the authority to disapply pre-emption rights. Your Directors are asking for authority to issue new ordinary shares for cash up to an aggregate nominal value of £1,463,788 (10% of the Company's issued share capital as at 17 June 2014), disapplying pre-emption rights. This will allow shares to be issued to new shareholders without them first having to be offered to existing shareholders, thus broadening the shareholder base of the Company. This authority will not be exercised at a price below NAV so the interests of existing shareholders are not diluted and will expire at the AGM in 2015.

Resolution 12 is to renew the authority for the Company to purchase its own shares. Your Directors are seeking authority for the purchase of up to 14.99% of the Company's issued share capital as at the date of the AGM, subject to the restrictions referred to in the notice of the AGM (equivalent to 8,776,874 shares at 17 June 2014). This authority will expire at the AGM in 2015. Your Directors are proposing that shares bought back by the Company either be cancelled or, alternatively, be held as treasury shares with a view to their resale, if appropriate, or later cancellation. Any resale of treasury shares will only take place on terms that are in the best interests of shareholders.

Resolution 13 is to permit the Company to hold general meetings (other than annual general meetings) on 14 days notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met. The first condition is that the company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is intended that this flexibility will be used only where the Board believes it is in the interests of shareholders as a whole.

By order of the Board

Invesco Asset Management Limited
Company Secretary

17 June 2014

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the preparation of the Annual Financial Report

The Directors are responsible for ensuring that the annual financial report is prepared in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 which enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, which includes a Corporate Governance Statement, and a Directors' Remuneration Report that comply with that law and those regulations.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Directors of the Company each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this annual financial 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
- this annual financial report, 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.

Signed on behalf of the Board of Directors

Hugh Twiss MBE
Chairman

17 June 2014

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2014

The Board presents this Remuneration Report which has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports)(Amendment) Regulations 2013 and the Listing Rules of the Financial Conduct Authority. Ordinary resolutions for the approval of the Directors' Remuneration Policy (binding) and the Annual Statement and Report on Remuneration (advisory) will be put to shareholders at the Annual General Meeting.

The Company's auditor is required to audit certain of the disclosures provided in this Report. Where disclosures have been audited, they are indicated in this Report. The independent auditor's opinion is included on pages 33 to 35.

Remuneration Responsibilities

The Board has resolved that a remuneration committee is not appropriate for a company of this size and nature. Remuneration is therefore regarded as part of the Board's responsibilities to be addressed regularly. All Directors are non-executive and all participate in meetings of the Board at which Directors' remuneration is considered.

Directors' Remuneration Policy

The Board's policy is that the remuneration of non-executive Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors and having regard to remuneration paid by comparable companies. Fees for the Directors are determined by the Board within the limit stated in the Company's Articles of Association. The maximum currently dictated by the Company's Articles of Association is £225,000 in aggregate per annum. Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company and on the Manager's website: www.invescoperpetual.co.uk/investmenttrusts. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at board and general meetings and committees. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors may, in the furtherance of their duties, take legal advice at the Company's expense up to an initial outlay of £10,000 per Director, having first consulted with the Chairman. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' fees are, for the time being, as follows:

Chairman	£30,450 per annum
Audit Committee Chairman	£24,150 per annum
Other Directors	£21,000 per annum

These fees are subject to regular review by the Board having regard to the above factors. The same principles apply to any new appointments.

Notwithstanding the above, the Company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the Board are outside the scope of the ordinary duties of a Director. Any such payment would reflect the Board's assessment of the value to the Company of such services.

This Directors' Remuneration Policy is the same in all material respects as that currently followed by the Board and summarised in the last Directors' Remuneration Report. This Policy is intended to take effect immediately upon its approval by shareholders. The Company has no employees and consequently has no policy on the remuneration of employees.

The Board will consider, where raised, shareholders' views on Directors' remuneration.

Chairman's Annual Statement on Directors' Remuneration

For the three months to 30 June 2013 fees were paid at the following rates: the Chairman of the Company £27,000 per annum; the Chairman of the Audit Committee £23,000 per annum; and the other Directors £20,000 per annum. These fee levels had remained unchanged since 1 April 2011. Following the Board's regular remuneration review in 2013, fees were increased with effect from 1 July 2013 as follows: the Chairman of the Company £30,450 per annum; the Chairman of the Audit Committee £24,150 per annum; and the other Directors £21,000 per annum. The Board reviewed the Directors' fees again in March 2014 and elected to leave them unchanged. The review of the Directors' fees was based on information provided by the Manager and research from third parties which included reference to fees of other similar investment companies. No additional discretionary payments were made in the year, or in the previous year.

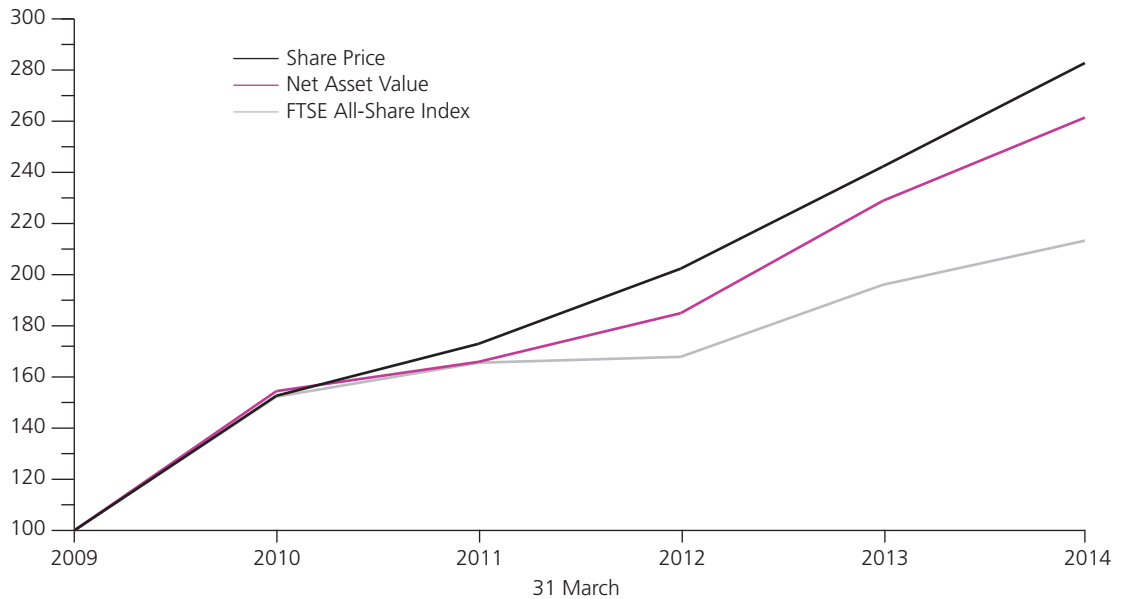
DIRECTORS' REMUNERATION REPORT

Report on Remuneration for the Year Ended 31 March 2014

The Company's Performance

The graph below plots, in annual increments, the total return of the share price and diluted net asset value to ordinary shareholders compared to the total return of the FTSE All-Share Index over the five years to 31 March 2014. This Index is the benchmark adopted by the Company for performance measurement purposes. All figures are rebased to 100 at the start.

Five Year Total Return Graph



Directors' Emoluments for the Year (Audited)

The Directors who served during the year received the following emoluments, all of which were in the form of fees:

	2014 £	2013 £
Hugh Twiss (Chairman of the Company, from 13 July 2012)	29,875	25,063
John McLachlan (retired as Chairman on 13 July 2012)	—	7,712
Jonathan Silver (Chairman of the Audit Committee)	23,959	23,000
Davina Curling	20,833	20,000
Chris Hills	20,833	20,000
Roger Walsom	20,833	20,000
Total	116,333	115,775

DIRECTORS' REMUNERATION REPORT

Directors' Shareholdings and Share Interests (Audited)

The beneficial interests of the Directors in the ordinary share capital of the Company are set out below:

	31 MAY 2014	31 MARCH 2014	31 MARCH 2013
Hugh Twiss	16,880	16,880	16,880
Davina Curling	3,000	3,000	3,000
Chris Hills	14,202	14,202	14,202
Jonathan Silver	6,000	6,000	6,000
Roger Walsom	7,500	7,500	7,500

Save as aforesaid, no Director had any interests, beneficial or otherwise, in the securities of the Company during the year. No connected person interests have been notified.

Directors hold shares in the Company at their discretion. Share ownership is encouraged, but no guidelines have been set.

Relative Importance of Spend on Pay

The following table compares the remuneration paid to the Directors with aggregate distributions to shareholders in the year to 31 March 2014 and the prior year.

	2014	2013	CHANGE
	£'000	£'000	£'000
Aggregate Directors' Emoluments	116	116	—
Aggregate Shareholder Distributions	5,684	5,474	210

Voting at Last Annual General Meeting

At the Annual General Meeting of the Company held on 12 July 2013 an advisory resolution was put to shareholders to approve the remuneration report set out in the 2013 annual financial report. This resolution was passed on a show of hands. The proxy votes registered in respect of the resolution were: For 8,986,978 (99.3%); Against 64,971 (0.7%); 4,300 votes were withheld.

Approval

This Directors' Remuneration Report was approved by the Board of Directors on 17 June 2014.

Hugh Twiss MBE

Chairman

Signed on behalf of the Board of Directors

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Invesco Income Growth Trust plc

We have audited the financial statements of Invesco Income Growth Trust plc (the 'Company') for the year ended 31 March 2014 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Cash Flow to Movement in Net Debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibility Statement set out on page 29, 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) (the 'ISAs'). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third party service providers. We undertook substantive testing on significant transactions, account balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £1,869,000 which is 1% of the Company's total assets. For the revenue column of the Income Statement we determined that misstatements for a lesser amount than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for the revenue column of the Income Statement to be £467,000.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £93,000. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

INDEPENDENT AUDITOR'S REPORT

Investments

The Company's business is investing in financial assets with a view to profit from the total return in the form of revenue and capital gains. Accordingly, the investment portfolio is a significant, material item in the financial statements. The recognition and measurement of the investment portfolio is therefore a risk that requires particular audit attention.

Our audit work included, but was not restricted to, understanding management's process to recognise and measure investments including ownership of those investments, obtaining a confirmation of investments held at the year end directly from the independent custodian, testing the reconciliation of the custodian records to the records maintained by the Company's administrator, testing a selection of investment additions and disposals shown in the Company's records to supporting documentation and agreeing the valuation of quoted investments to an independent source of market prices.

The Company's accounting policy on the valuation of quoted investments is included in note 1(c), and its disclosures about investments held at the year end are included in note 9.

Investment income

Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, the recognition of investment income is a risk that requires particular audit attention.

Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with the United Kingdom Generally Accepted Accounting Practice, obtaining an understanding of management's process to recognise revenue in accordance with the stated accounting policy, testing whether a sample of income transactions has been recognised in accordance with the policy, and for a sample of investments held in the period confirming that income that should have been received has been received and recorded and assessing whether any of the dividends should have been treated as capital receipts.

The Company's accounting policy on the recognition of income is shown in note 1(d) and the components of that revenue are included in note 2.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other reporting responsibilities

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;
- the information given in the Strategic Report and 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

We have nothing to report in respect of the following:

Under the ISAs, we are required to report to you if, in our opinion, 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.

INDEPENDENT AUDITOR'S REPORT

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable, and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 24, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review

Julian Bartlett

(Senior Statutory Auditor)

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

17 June 2014

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH

	NOTES	REVENUE £'000	2014 CAPITAL £'000	TOTAL £'000	REVENUE £'000	2013 CAPITAL £'000	TOTAL £'000
Profits on investments at fair value through profit or loss	9	—	15,388	15,388	—	24,403	24,403
Income	2	6,783	764	7,547	6,447	283	6,730
Investment management fee	3	(584)	(584)	(1,168)	(504)	(504)	(1,008)
Other expenses	4	(302)	—	(302)	(285)	—	(285)
Net return before finance costs and taxation							
		5,897	15,568	21,465	5,658	24,182	29,840
Finance costs	5	(111)	(111)	(222)	(113)	(113)	(226)
Return on ordinary activities before and after tax							
		5,786	15,457	21,243	5,545	24,069	29,614
Return per ordinary share							
Basic	7	9.9p	26.4p	36.3p	9.5p	41.1 p	50.6 p

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses and therefore no statement of total recognised gains or losses is presented. No operations were acquired or discontinued in the year.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 31 MARCH

	NOTES	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
At 31 March 2012		14,638	40,021	2,310	68,272	4,590	129,831
Net return on ordinary activities		—	—	—	24,069	5,545	29,614
Dividends paid	8	—	—	—	—	(5,474)	(5,474)
At 31 March 2013		14,638	40,021	2,310	92,341	4,661	153,971
Net return on ordinary activities		—	—	—	15,457	5,786	21,243
Net dividends paid	8	—	—	—	—	(5,684)	(5,684)
At 31 March 2014		14,638	40,021	2,310	107,798	4,763	169,530

The accompanying notes are an integral part of these statements.

BALANCE SHEET

AS AT 31 MARCH

	NOTES	2014 £'000	2013 £'000
Fixed assets			
Investments at fair value	9	185,989	166,430
Current assets			
Debtors	10	892	991
Creditors: amounts falling due within one year	11	(17,351)	(13,450)
Net current liabilities		(16,459)	(12,459)
Net assets		169,530	153,971
Capital and reserves			
Called up share capital	12	14,638	14,638
Share premium	13	40,021	40,021
Capital redemption reserve	13	2,310	2,310
Capital reserve	13	107,798	92,341
Revenue reserve	13	4,763	4,661
Shareholders' funds		169,530	153,971
Net asset value per ordinary share			
Basic	14	289.5p	263.0p

These financial statements were approved and authorised for issue by the Board of Directors on 17 June 2014.

Signed on behalf of the Board of Directors

Hugh Twiss MBE

Chairman

The accompanying notes are an integral part of this statement.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH

	NOTES	2014 £'000	2013 £'000
Cash flow from operating activities	15(a)	6,188	5,373
Servicing of finance	15(b)	(222)	(226)
Net financial investment	15(b)	(3,875)	(3,324)
Net equity dividends paid	8	(5,684)	(5,474)
Decrease in cash		(3,593)	(3,651)

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT

FOR THE YEAR ENDED 31 MARCH

	NOTES	2014 £'000	2013 £'000
Decrease in cash		(3,593)	(3,651)
Change in net debt in the year		(3,593)	(3,651)
Net debt at the beginning of the year		(13,274)	(9,623)
Net debt at the end of the year	15(c)	(16,867)	(13,274)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

Accounting policies describe the Company's approach to recognising and measuring transactions during the year and the position of the Company at the year end.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the year and the preceding year, unless otherwise stated.

(a) Basis of Preparation

Accounting Standards applied

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued by the Association of Investment Companies in January 2009.

(b) Foreign Currency

(i) *Functional and presentation currency*

The financial statements are presented in sterling, which is the Company's functional and presentation currency and the currency in which the Company's share capital and expenses, as well as its assets and liabilities, are denominated.

(ii) *Transactions and balances*

Transactions in foreign currencies, whether of a revenue or capital nature, are translated to sterling at the rates of exchange ruling on the dates of such transactions. Foreign currency assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date. Any gains or losses, whether realised or unrealised, are taken to the capital reserve or to the revenue account, depending on whether the gain or loss is of a capital or revenue nature. All gains and losses are recognised in the income statement.

(c) Financial Instruments

(i) *Recognition of financial assets and financial liabilities*

The Company recognises financial assets and financial liabilities when the Company becomes a party to the contractual provisions of the instrument. The Company will offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

(ii) *Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Company is recognised as an asset.

(iii) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when its obligations are discharged, cancelled or expired.

(iv) *Trade date accounting*

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the assets.

NOTES TO THE FINANCIAL STATEMENTS

(v) *Classification and measurement of financial assets and financial liabilities*

Financial assets

The Company's investments are designated as held at fair value through profit or loss. Financial assets held at fair value through profit or loss are initially recognised at fair value, which is taken to be their cost, with transaction costs expensed in the income statement, and are subsequently valued at fair value.

Fair value for investments that are actively traded in organised financial markets, is determined by reference to stock exchange quoted bid prices at the balance sheet date. For investments that are not actively traded or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques including broker quotes and price modelling.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

(d) **Income**

Interest income arising from fixed income securities and cash is recognised in the income statement using the effective interest method. Dividend income arises from equity investments held and is recognised on the date investments are marked 'ex-dividend'. Deposit interest and underwriting commission receivable are taken into account on an accruals basis.

(e) **Expenses and Finance Costs**

Expenses are recognised on an accruals basis and finance costs are recognised using the effective interest method in the income statement.

The investment management fee and finance costs are allocated 50% to capital and 50% to revenue. This is in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the portfolio.

All other expenses are allocated to revenue in the income statement.

(f) **Taxation**

The liability to corporation tax is based on net revenue for the year excluding UK dividends. The tax charge is allocated between the revenue and capital account on the marginal basis whereby revenue expenses are matched first against taxable income in the revenue account.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised where, in the opinion of the directors, it is more likely than not that these amounts will be realised in future periods.

A deferred tax asset has not been recognised in respect of surplus management expenses, losses on loan relationships and eligible unrelieved foreign tax, as the Company is unlikely to have sufficient future taxable revenue to offset against these.

(g) **Dividends**

Dividends are not recognised in the accounts unless there is an obligation to pay at the balance sheet date. Proposed dividends are recognised in the year in which they are paid to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

2. Income

This note shows the income generated from the portfolio (investment assets) of the Company and income received from any other source.

	2014 £'000	2013 £'000
Income from listed investments		
UK dividends	6,148	5,870
UK special dividends	193	67
UK unfranked investment income	427	480
	6,768	6,417
Other income		
Underwriting commission	15	30
Total income	6,783	6,447

Special dividends of £764,000 (2013: £283,000) have been recognised in capital.

3. Investment Management Fee

This note shows the fees paid to the Manager, which are calculated monthly on the basis of the value of the assets being managed.

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fee	584	584	1,168	504	504	1,008

The Manager, Invesco Asset Management Limited (IAML) provides investment management, company secretarial and administrative services to the Company under an agreement dated 21 July 1999 and subsequently amended on 21 September 2009. Details of this are shown in the Directors' Report. At 31 March 2014, £102,000 (2013: £92,000) was owed in respect of management fees.

4. Other Expenses

The other expenses of the Company are presented below; those paid to the Directors and the auditor are separately identified.

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Directors' fees	116	—	116	116	—	116
Auditor's remuneration						
– for audit of the annual financial statements	24	—	24	22	—	22
– other services relating to taxation compliance	6	—	6	6	—	6
Other expenses	156	—	156	141	—	141
	302	—	302	285	—	285

The Director's Remuneration Report provides information on Directors' fees. Included within other expenses is £11,000 (2013: £10,000) of employers national insurance payable in respect of Directors' fees. As at 31 March 2014, the amounts outstanding for Directors' fees and employers national insurance was £14,000 (2013: £14,000).

Fees payable to the Company's auditor are shown excluding VAT, which is included in other expenses.

Any expenses that arise from custodian transaction charges are charged to capital.

NOTES TO THE FINANCIAL STATEMENTS

5. Finance Costs

Finance costs arise on any borrowing facilities the Company has used in the year

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Interest on overdraft	111	111	222	113	113	226

6. Tax on Ordinary Activities

As an investment trust the Company pays no tax on capital gains. The Company pays no tax as most of its income is non-taxable UK dividend income and any taxable income was offset by expenses. This note also shows the basis of the Company having no deferred tax assets or liability.

The tax charge for the year is nil (2013: nil) as allowable expenses exceed taxable income.

	2014 £'000	2013 £'000
Total return on ordinary activities before taxation	21,243	29,614
UK Corporation Tax rate of 23% (2013:24%)	4,886	7,107
Effects of:		
– non-taxable gains on investments	(3,539)	(5,857)
– non-taxable UK dividends	(1,634)	(1,493)
– expenses in excess of taxable income	287	243
Actual current tax amount	—	—

Factors that may affect future tax charges

The Company has cumulative surplus management expenses and losses on loan relationships of £20,285,000 (2012: £19,009,000) that are available to offset future taxable revenue. A deferred tax asset of £4,057,000 (2012: £4,372,000), measured at the standard corporation tax rate of 20% (2013: 23%), has not been recognised in respect of these expenses since the Directors believe that there will be no taxable profits in the future against which the deferred tax assets can be offset.

7. Return per Ordinary Share

Return per share is the amount of gain generated for the financial year divided by the weighted average number of ordinary shares in issue.

The basic revenue, capital and total returns per ordinary share are based on each return on ordinary shares after tax and on 58,551,530 (2012: 58,551,530) ordinary shares, being the weighted average number of shares in issue during the year.

8. Dividends on Ordinary Shares

Dividends represent the return of income less expenses to shareholders. The Company pays four dividends a year.

Dividends paid and recognised in the year:

	2014		2013	
	PENCE	£'000	PENCE	£'000
Final paid in respect of previous year	3.55	2,079	3.35	1,961
First interim paid	2.05	1,200	2.00	1,171
Second interim paid	2.05	1,200	2.00	1,171
Third interim paid	2.10	1,230	2.00	1,171
Return of unclaimed dividends from previous years	—	(25)	—	—
	9.75	5,684	9.35	5,474

NOTES TO THE FINANCIAL STATEMENTS

Dividends payable in respect of the year:

	2014		2013	
	PENCE	£'000	PENCE	£'000
First interim paid	2.05	1,200	2.00	1,171
Second interim paid	2.05	1,200	2.00	1,171
Third interim paid	2.10	1,230	2.00	1,171
Proposed final	3.65	2,137	3.55	2,079
	9.85	5,767	9.55	5,592

As reported in the Chairman's Statement, three interim dividends were paid during the year and the proposed 2014 final dividend is subject to approval by shareholders at the AGM.

9. Investments

The portfolio is made up of investments which are listed, i.e. traded on a regulated stock exchange. Gains and losses in the year are either:

- realised, usually arising when investments are sold; or
- unrealised, being the difference from cost of those investments still held at the year end.

	2014 £'000	2013 £'000
Investments listed on a recognised Stock Exchange	185,989	166,430
Opening valuation	166,430	138,703
Movements in year:		
Purchases at cost	16,937	22,404
Sales – proceeds	(12,766)	(19,080)
– net realised gains	2,901	2,269
Movement in investment holding gains	12,487	22,134
Closing valuation	185,989	166,430
Closing book cost	(117,708)	(110,636)
Closing investment holding gains	68,281	55,794
Net realised gains in year	2,901	2,269
Movement in investment holding gains	12,487	22,134
Total gains in year	15,388	24,403

The transaction costs included in gains on investments amount to £83,000 (2013: £136,000) on purchases and £26,000 (2013: £29,000) for sales.

Significant Interests

The Company owns 3.3% of the issued non-voting ordinary 50p share capital of Young & Co. Brewery.

10. Debtors

Debtors are amounts due to the Company, such as income which has been earned (accrued) but not yet received and any monies due from brokers for investments sold.

	2014 £'000	2013 £'000
Prepayments and accrued income	892	991

11. Creditors: amounts falling due within one year

Creditors are amounts which must be paid by the Company, and includes any amounts due to brokers for the purchase of investments or amounts owed to suppliers, such as the Manager and auditor.

	2014 £'000	2013 £'000
Amounts due to brokers	296	—
Bank overdraft	16,867	13,274
Accruals	188	176
	17,351	13,450

The Company has an uncommitted bank overdraft facility, which is limited to the lower of 25% of net asset value and £25 million.

NOTES TO THE FINANCIAL STATEMENTS

12. Share Capital

Share capital represents the total number of shares in issue, on which dividends are paid.

	2014		2013	
	NUMBER	£'000	NUMBER	£'000
Allotted, called-up and fully paid:				
Ordinary shares of 25p each	58,551,530	14,638	58,551,530	14,638

No shares were bought back and cancelled in the year and no shares were held in treasury at the year end.

13. Reserves

This note explains the different reserves attributable to shareholders. The aggregate of the reserves and share capital (see previous note) make up total shareholders' funds.

The share premium arose on the issue of new shares. The capital redemption reserve maintains the equity share capital of the Company and arose from the nominal value of shares bought back and cancelled. The share premium and capital redemption reserve are currently non-distributable.

The revenue and capital reserves are distributable by way of dividend. Reducing the current revenue reserves by the proposed final dividend of £2,137,000 (at 3.65p per share) gives revenue reserves available for future distributions of £2,626,000.

The capital reserve includes investment holding gains, being the difference between cost and market value. At the year end this was a gain of £68,281,000 (2013: 55,794,000).

14. Net Asset Value per Ordinary Share

The Company's total net assets (total assets less total liabilities) are often termed shareholders' funds and are converted into net asset value per ordinary share by dividing by the number of shares in issue.

The net asset value per ordinary share and the net asset values attributable at the year end were as follows:

	2014		2013	
	NET ASSET VALUE PER SHARE PENCE	NET ASSETS ATTRIBUTABLE £'000	NET ASSET VALUE PER SHARE PENCE	NET ASSETS ATTRIBUTABLE £'000
Ordinary shares				
– Basic	289.5	169,530	263.0	153,971

Net asset value per ordinary share is based on net assets at the year end and on 58,551,530 (2013: 58,551,830) ordinary shares, being the number of ordinary shares in issue at the year end.

15. Notes to the Cash Flow Statement

The cash flow statement shows the cash flows of the Company from its operating, investing and financing activities. The main cash flows arise from the purchase and sale of investments.

(a) Reconciliation of operating profit to operating cash flows

	2014 £'000	2013 £'000
Total return before finance costs and taxation	21,465	29,840
Adjustment for gains on investments	(15,388)	(24,403)
Decrease/(increase) in debtors	99	(75)
Increase in creditors	12	11
Net cash inflow from operating activities	6,188	5,373

NOTES TO THE FINANCIAL STATEMENTS

(b) Analysis of cash flow for headings netted in the cash flow statement

	2014 £'000	2013 £'000
Servicing of finance		
Interest paid on bank loans	(222)	(226)
Net financial investment		
Purchase of investments	(16,641)	(22,404)
Sale of investments	12,766	19,080
	(3,875)	(3,324)

(c) Analysis of changes in net debt

	1 APRIL 2013 £'000	CASH OUTFLOW £'000	31 MARCH 2014 £'000
Net debt – bank overdraft	(13,274)	(3,593)	(16,867)

16. Financial Instruments

Financial instruments comprise the Company's investment portfolio as well as its cash, borrowings, debtors and creditors. This note sets out the risks arising from the Company's financial instruments in terms of the Company's exposure and sensitivity, and any mitigation that the Manager or Board can take.

The Company's principal risks and uncertainties are outlined in the Strategic Report on pages 11 and 12. This note expands on risk areas in relation to the Company's financial instruments. The Company's portfolio is managed in accordance with its investment policy, which is set out on page 9. The management process is subject to internal and risk controls, which the Audit Committee review, on behalf of the Board, as described on pages 23 and 24. The overall disposition of the Company's assets is reviewed by the Board on a regular basis.

The accounting policies in note 1 include criteria for the recognition and the basis of measurement applied for financial instruments. Note 1 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

Risks that an investment company faces in its portfolio management activities include:

Market risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk:

Currency risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates;

Interest rate risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates; and

Other price risk – arising from fluctuations in the fair value or future cash flows of a financial instrument for reasons other than changes in foreign exchange rates or market interest rates.

Liquidity risk – arising from any difficulty in meeting obligations associated with financial liabilities.

Credit risk – arising from financial loss for a company where the other party to a financial instrument fails to discharge an obligation.

Financial Instruments

(continued)

Risk Management Policies and Procedures

The Directors have delegated to the Manager the responsibility for day-to-day investment activities and the management of borrowings of the Company as more fully described in the Directors' Report.

As an investment trust the Company invests in equities and other investments for the long-term according to its Investment Policy so as to fulfil its investment objective. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends.

The risks applicable to the Company and the policies the Company used to manage these risks for the two years under review follow.

Market Risk

The Manager assesses the Company's exposure when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. The Board meets at least quarterly to assess risk and review investment performance, as disclosed in the Board Responsibilities on page 20. No derivative or hedging instruments are utilised to manage market risk. Gearing is used to enhance returns, but this also increases the Company's exposure to market risk and volatility.

Currency risk is not significant for the two years under review as the Company invests in UK equities traded on the London Stock Exchange. During the year, the Company also received non-sterling dividends, which represented 6.9% of total investment income.

Interest rate risk

Interest rate movements may affect the level of interest payable on variable rate borrowings and the income receivable on cash deposits. When the Company has cash balances, they are held in variable rate bank accounts yielding rates of interest dependent on the base rate of the Custodian. The Company has an uncommitted bank overdraft facility of £25 million subject to a maximum of 25% of the net asset value of the Company at an interest rate of 0.85% per annum over the Bank of England base rate. The Company uses the facility when required at levels approved and monitored by the Board.

At the year end drawings on the Company's overdraft were £16,867,000 (2013: £13,274,000). At the maximum gearing of £25 million, the effect of a movement of +/- 1% in the interest rate would result in a decrease/increase to the Company's income statement of £250,000 (2013: £250,000).

The Company can invest in fixed income securities and at the year end the level of exposure was £3.1 million (2013: £3.1 million). The Directors estimate that a 1% change in interest rates applied to this balance would have no impact on reported revenue profit before tax but would increase or decrease reported capital profit before tax by £128,000 (2013: £142,000). The Company had no cash flow exposure to floating interest rate assets.

Other price risk

Other price risks (i.e. changes in market prices other than those arising directly from interest rate risk or currency risk) may affect the value of the equity investments, but it is the business of the Manager to manage the portfolio to achieve the best return possible.

The Directors manage the market price risks inherent in the investment portfolio by meeting regularly to monitor on a formal basis the Manager's compliance with the Company's stated Investment Policy and to review investment performance.

The Company's portfolio is the result of the Manager's investment process and as a result is not wholly correlated with the Company's benchmark or the market in which the Company invests. Therefore, the value of the portfolio will not move in line with the market but in accordance with the performance of the particular company shares held within the portfolio.

If the value of the portfolio rose or fell by 10% at the balance sheet date, the profit after tax for the year would increase or decrease by £18.6 million (2013: £16.6 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

Liquidity risk is minimised as the majority of the Company's investments constitute a diversified portfolio of readily realisable securities which can be sold to meet funding commitments as necessary. In addition, an overdraft provides short-term funding flexibility. The Board monitors the portfolio's liquidity.

Liquidity risk exposure

The contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required, are as follows:

	2014		2013	
	THREE MONTHS OR LESS	TOTAL	THREE MONTHS OR LESS	TOTAL
	£'000	£'000	£'000	£'000
Amounts due to brokers	296	296	—	—
Bank overdraft	16,867	16,867	13,274	13,274
Accruals	188	188	176	176
	17,351	17,351	13,450	13,450

Credit risk encompasses the failure by counterparties to deliver securities which the Company has paid for, to pay for securities which the Company has delivered, or to repay debt instruments on the due date. This risk is minimised by using only approved counterparties and investing in investment grade bonds. Investments may be adversely affected if the Company's custodian suffers insolvency or other financial difficulties. The Board reviews the custodian's annual controls report and the Manager's management of the relationship with the custodian. Cash balances are limited to a maximum of £5 million with any one depository, with only approved depositories being used.

Fair Values of Financial Assets and Financial Liabilities

The fair values of the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments), or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals, cash at bank and overdraft).

Fair Value – Hierarchy Disclosures

Nearly all of the Company's investments are in the Level 1 category as defined in FRS 29 "Financial Instruments: Disclosures". The three levels set out in FRS 29 are:

Level 1 – fair value based on quoted prices in active markets for identical assets.

Level 2 – fair values based on valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3 – fair values based on valuation techniques using inputs that are not based on observable market data.

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

The valuation techniques used by the Company are explained in the accounting policies note. All of the equity investments are deemed to be Level 1. Due to less visibility on prices for the fixed income investments, these are reported as Level 2; these represented 1.6% (2013: 1.8%) of the portfolio at the balance sheet date. There were no transfers between any levels during the year and no investments were held in Level 3.

NOTES TO THE FINANCIAL STATEMENTS

Capital Management

The Company's total capital employed at 31 March 2014 was £186,397,000 (2013: £167,245,000) comprising borrowings of £16,867,000 (2013: £13,274,000) and equity share capital and other reserves of £169,530,000 (2013: £153,971,000).

The Company's total capital employed is managed to achieve the Company's investment objective as set out on page 9, including that borrowings may be used to provide gearing of the equity portfolio up to a maximum of £25 million or 25% of net asset value. Borrowings comprise of a bank overdraft. Details are given in note 11 and net gearing was 9.9% (2013: 8.6%) at the balance sheet date. The Company's policies and processes for managing capital were unchanged throughout the year and the preceding year.

The main risks to the Company's investments are shown in the Strategic Report under the 'Principal Risks and Uncertainties' section on pages 11 and 12. These also explain that the Company is able to gear and that gearing will amplify the effect on equity of changes in the value of the portfolio.

The Board can also manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy back shares and it also determines dividend payments.

The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends under the Corporation Tax Act 2010 and under the Companies Act 2006, respectively, and with respect to the availability of the overdraft facility, by the terms imposed by the custodian. The Board regularly monitors, and the Company has complied with, the externally imposed capital requirements. This is unchanged from the prior year.

17. Contingencies, Guarantees and Financial Commitments

Any liabilities the Company is committed to honour but which are dependent on a future circumstance or event occurring would be disclosed in this note if any existed.

There are no contingencies, guarantees or financial commitments of the Company at the year end.

18. Related Party Transactions and Transactions with the Manager

A related party is a company or individual who has direct or indirect control or who has significant influence over the Company. Under accounting standards, the Manager is not a related party.

Under UK GAAP, the Company has identified the Directors as related parties. The Directors' remuneration and interests have been disclosed on pages 31 and 32 with additional disclosure in note 4. No other related parties have been identified.

Although not a related party under UK GAAP, the Manager is considered a related party under the UKLA Listing Rules. Invesco Asset Management Limited (IAML), a wholly owned subsidiary of Invesco Limited, acts as Manager to the Company. Details of the investment management agreement are disclosed in the Directors' Report and management fees payable to IAML are shown in note 3.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Invesco Income Growth Trust plc, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Annual General Meeting (AGM) of Invesco Income Growth Trust plc will be held at 43-45 Portman Square, London W1H 6LY, on 21 July 2014 at 11.30 am for the following purposes:

Ordinary Business

1. To receive the Annual Financial Report for the year ended 31 March 2014.
2. To approve the Directors' Remuneration Policy.
3. To approve the Chairman's Annual Statement and Report on Remuneration.
4. To declare a final dividend as recommended.
5. To re-elect Hugh Twiss a Director of the Company.
6. To re-elect Chris Hills a Director of the Company.
7. To re-elect Jonathan Silver a Director of the Company.
8. To re-elect Davina Curling a Director of the Company.
9. To re-appoint the Auditor and to authorise the Directors to determine the Auditor's remuneration.

Biographies of Directors are shown on page 17 of the annual financial report.

Special Business

To consider and, if thought fit, to pass the following resolutions of which resolution 10 will be proposed as an ordinary resolution and resolutions 11, 12 and 13 will be proposed as special resolutions:

10. THAT:-

the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this resolution ('the Act') to exercise all powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £4,879,294, such authority to expire at the conclusion of the next AGM of the Company or the date fifteen months after the passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired.

11. THAT:-

the Directors be and they are hereby empowered, in accordance with sections 570 and 573 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this resolution ('the Act') to allot equity securities for cash, either pursuant to the authority given by resolution 10 set out above or (if such allotment constitutes the sale of relevant shares which, immediately before the sale, were held by the Company as treasury shares) otherwise, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue in favour of all holders of a class of equity securities where the equity securities attributable respectively to the interests of all holders of securities of such class are either proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise); and
- (b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £1,463,788

and this power shall expire at the conclusion of the next AGM of the Company or the date fifteen months after the passing of this resolution, whichever is the earlier, but so that this power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry as if the power conferred by this resolution had not expired; and so that words and expressions defined in or for the purposes of Part 17 of the Act shall bear the same meanings in this resolution.

NOTICE OF ANNUAL GENERAL MEETING

12. THAT:-

the Company be generally and subject as hereinafter 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(4) of the Act) of its issued ordinary shares of 25p each in the capital of the Company ('Shares')

PROVIDED ALWAYS THAT

- (i) the maximum number of Shares hereby authorised to be purchased shall be 14.99% of the Company's issued ordinary shares on 21 July 2014, being the date of the AGM (equivalent to 8,776,874 shares at 17 June 2014);
- (ii) the minimum price which may be paid for a Share shall be 25p;
- (iii) the maximum price which may be paid for a Share shall be an amount equal to 105% of the average of the middle market quotations for a Share taken from and calculated by reference to the London Stock Exchange Daily Official List for five business days immediately preceding the day on which the Share is purchased;
- (iv) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);
- (v) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution unless the authority is renewed at any other general meeting prior to such time; and
- (vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.

13. THAT:-

the period of notice required for general meetings of the Company (other than Annual General Meetings) shall be not less than 14 clear days' notice.

The resolutions are explained further in the Directors' Report on pages 27 and 28 of the annual financial report.

Dated this 17th June 2014
By order of the Board
Invesco Asset Management Limited
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A form of appointment of proxy accompanies this annual financial report.
A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares. A proxy need not be a shareholder of the Company. In order to be valid an appointment of proxy must be returned by one of the following methods:
 - via Capita Asset Services' website www.capitashareportal.com; or
 - in hard copy form by post, by courier or by hand to the Company's Asset Services, Capita Registrars, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

and in each case to be received by the Company not less than 48 hours before the time of the AGM.

The appointment of a proxy (whether by completion of a form of appointment of proxy, or other instrument appointing a proxy or any CREST proxy instruction) does not prevent a shareholder from attending and voting at the AGM.
2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this document. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
3. A person entered on the Register of Shareholders at close of business on 17 July 2014 is entitled to attend and vote at the AGM pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the Register of Shareholders after such time and date shall be disregarded in determining the rights of any person to attend and/or vote at the AGM. If the AGM is adjourned, entitlement to attend and vote at the adjourned meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company's Register of Shareholders 48 hours before the time fixed for the adjourned meeting.
4. The Register of Directors' Interests, the schedule of matters reserved for the Board, the terms of reference for the Board Committees, and the letters of appointment for Directors will be available for inspection for at least 15 minutes prior to and during the Company's AGM.
5. The Company's Articles of Association are available for inspection at the Registered Office of the Company and at the Company's correspondence address (see page 54) during normal business hours. They will also be available at the AGM for at least 15 minutes prior to and during the meeting.
6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the shareholder as to the exercise of voting rights.
The statement of the above rights of the shareholders in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.
7. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
8. Any shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
9. You may not use any electronic address (any address or number used for the purposes of sending or receiving documents or information by electronic means) provided in this Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
10. As at 17 June 2014 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consists of 58,551,530 ordinary shares of 25p each carrying one vote each. Therefore, the total voting rights in the Company as at that date are 58,551,530.
11. A copy of this notice (contained within the 2014 annual financial report) and other information required by section 311A of the Companies Act 2006, can be found at www.invescopetual.co.uk/investmenttrusts.

NOTICE OF ANNUAL GENERAL MEETING

12. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006 (the 'Act'), the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's annual financial report (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM for the financial year beginning on 1 April 2013; or (ii) any circumstance connected with the Auditor of the Company appointed for the financial year beginning on 1 April 2013 ceasing to hold office since the previous meeting at which annual financial reports were laid in accordance with section 437 of the Act (in each case) that the shareholders propose to raise at the relevant AGM. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

SHAREHOLDER INFORMATION

The shares of Invesco Income Growth Trust plc (the Company) are quoted on the London Stock Exchange. There are a variety of ways by which investors can buy the Company's shares. In addition to the Manager's in-house schemes listed below, shares may be purchased through discretionary wealth managers, banks, independent financial advisers and via a large number of execution-only trading platforms. The Manager's website contains a list of some of the larger dealing platforms as well as a link to unbiased.co.uk, for those seeking financial advice, and to the AIC's website for detailed information on investment trusts.

Savings Plan and ISA

The Company is a member of the Invesco Perpetual Investment Trust Savings Scheme and the Invesco Perpetual Investment Trust ISA. Shares in the Company can be purchased and sold via these two schemes.

Invesco Perpetual Investment Trust Savings Scheme

The Invesco Perpetual Investment Trust Savings Scheme allows an investor to make monthly purchases from as little as £20 per month or through lump sum investments of £500 or above in the shares of the Company in a straightforward and low cost way.

Invesco Perpetual Investment Trust ISA

The Invesco Perpetual Investment Trust ISA allows investments up to the current ISA limit. For the tax year 2014/15 this will be increased to £15,000 from 1 July 2014; up to that date £11,880 can be invested in shares of the Company in the 2014/15 tax year. Investors can also choose to make lump sum investments from £500, or regular investments from as little as £20 per month.

For full details of these schemes please contact Invesco Perpetual's Investor Services team free on 0800 085 8677.

Share Price Listings

The price of your ordinary shares can be found in the Financial Times, Daily Telegraph and The Times.

In addition, share price information can be found using the IVI ticker.

NAV Publication

The net asset value (NAV) of the Company is calculated by the Manager on a daily basis and is notified to the Stock Exchange on the next business day. It is published daily in the newspapers detailed under Share Price Listings.

Manager's Website

Information relating to the Company can be found on the Manager's website, www.invescopetperpetual.co.uk/investmenttrusts

The content of websites referred to in this document or accessible from links within those websites are not incorporated in to, nor do they form part of this annual financial report.

Financial Calendar

In addition, the Company publishes information according to the following calendar:

Announcements

Half-yearly results	November
Interim Management Statements	July/January
Annual results	June

Ordinary Share Dividends

1st Interim payable	October
2nd Interim payable	December
3rd Interim payable	March
Final payable	July

AGM

July

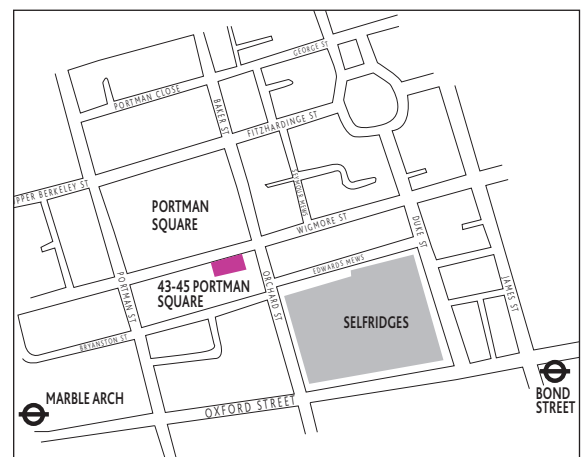
Year End

31 March

Location of AGM

To be held at 11.30 am on 21 July 2014 at the offices of Invesco Perpetual at 43-45 Portman Square, London W1H 6LY. The nearest tube stations are Marble Arch and Bond Street.

The investment manager, Ciaran Mallon, will be making a presentation about the Company after the AGM. Tea and coffee will be provided.



ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Registered Office

Perpetual Park,
Perpetual Park Drive
Henley-on-Thames
Oxfordshire
RG9 1HH

Company Number

Registered in England and Wales Number 3141073

Manager, Company Secretary and

Correspondence Address

Invesco Asset Management Limited
6th Floor
125 London Wall
London EC2Y 5AS
☎ 020 3753 1000

Company Secretarial contact: Paul Griggs

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team available to you from 8.30 am to 6.00 pm, Monday to Friday (excluding Bank Holidays). Current valuations, statements and literature can be obtained, however, no investment advice can be given.

☎ 0800 085 8677

www.invescoperpetual.co.uk/investmenttrusts

Savings Scheme and ISA Administration

For queries relating to both the Invesco Perpetual Investment Trust Savings Scheme and ISA, please contact:

Invesco Perpetual
P.O. Box 11150
Chelmsford
CM99 2DL
☎ 0800 085 8677

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Banker and Custodian

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

Corporate Broker

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

If you hold shares directly and not through a Savings Plan or ISA and have queries relating to your shareholding, you should contact the Registrars.

☎ 0871 664 0300.

Calls cost 10p per minute plus network charges.

From outside the UK: +44 20 8639 3399.

Lines are open from 9.00 am to 5.30 pm, Monday to Friday (excluding Bank Holidays).

Shareholders can also access their holding details via Capita's websites: www.capitashareportal.com or www.capitaregistrars.com

The registrars provide an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or

☎ 0871 664 0454

Calls cost 10p per minute plus network charges.

From outside the UK: +44 20 3367 2699.

Lines are open from 8 am to 4.30 pm, Monday to Friday (excluding Bank Holidays).

The Association of Investment Companies

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

Contact details are as follows:

☎ 020 7282 5555

Email: enquiries@theaic.co.uk

Website: www.theaic.co.uk

GLOSSARY OF TERMS

Benchmark

A market index, which averages the performance of companies in any sector, giving a good indication of any rises or falls in the market. The benchmark used in these accounts is the FTSE All-Share Index.

Discount

The amount by which the mid-market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Gearing

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which shareholders' funds would move if a company's investments were to rise or fall. A positive percentage indicates the extent to which shareholders' funds are geared; a nil gearing percentage, or 'nil', shows the company is ungeared. A negative percentage indicates that a company is not fully invested.

There are several methods of calculating gearing and the following has been used in this report:

Gross Gearing

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of shareholders' funds.

Net Gearing

This reflects the amount of net borrowings invested, ie borrowings less cash and cash equivalents. It is based on net borrowings as a percentage of shareholders' funds.

Market Capitalisation

For a company is calculated by multiplying the stockmarket price of an ordinary share by the number of ordinary shares in issue.

Net Asset Value (NAV)

Basic

Also described as shareholders' funds, the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per share is calculated by dividing the NAV by the number of ordinary shares in issue.

Diluted

Prior to the conversion of the Convertible Unsecured Loan Stock (CULS) a diluted NAV was calculated by dividing the NAV, after adding back the CULS liability, by the number of shares that would be in issue if all the CULS were converted to ordinary shares. The diluted NAV is reported when the diluted NAV per ordinary share is less than the basic NAV per ordinary share. When there would be no dilutive effect the basic NAV is reported.

Net Cash

This reflects the Company's net exposure to cash and cash equivalents expressed as a percentage of shareholders' funds after any offset against borrowings.

Ongoing Charges Ratio

This is calculated in accordance with guidance issued by the AIC as follows: the annualised ongoing charges, including those charged to capital but excluding interest, incurred by the Company, expressed as a percentage of the average undiluted net asset value (at market value) reported in the period.

Shareholders' Funds

Also called equity shareholders' funds. The amount attributable to the ordinary shareholders.

Total Net Assets

Total assets less current liabilities

Total Return

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Performance comparisons can then be made between trusts with different dividend policies. Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares (ie share price total return) or in the Company's assets (ie NAV total return).



The Manager of Invesco Income Growth Trust plc is Invesco Asset Management Limited.

Invesco Asset Management Limited is a wholly owned subsidiary of Invesco Limited and is authorised and regulated by the Financial Conduct Authority.

Invesco Perpetual is a business name of Invesco Asset Management Limited.

Invesco is one of the largest independent global investment management firms, with assets under management in excess of \$790 billion.*

We aim to provide the highest returns available from markets, through active management, but in a controlled manner, conscious of the risks involved and within our clients' objectives.

**Assets under management as at 31 May 2014*

SPECIALIST FUNDS MANAGED BY INVESCO PERPETUAL

Investing for Income, Income Growth and Capital Growth (from equities, fixed interest securities or property)

City Merchants High Yield Trust Limited

A Jersey incorporated closed-ended Company that aims to generate a high level of income from a variety of fixed income instruments combined with a degree of security. The Company may use bank borrowings.

Invesco Income Growth Trust plc

Aims to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow at above the rate of inflation. The Company may use bank borrowings.

Invesco Perpetual Enhanced Income Limited (formerly Invesco Leveraged High Yield Fund Limited)

A Jersey-incorporated closed-ended Company that aims to provide a high level of income, paid gross to UK investors, whilst seeking to maximise total return through investing, primarily in a diversified portfolio of high-yielding corporate and government bonds. The Company seeks to balance the attraction of high-yield securities with the need for protection of capital and to manage volatility. The Company uses repo financing to enhance returns.

Invesco Perpetual Select Trust plc – Managed Liquidity Portfolio

Aims to generate income from a variety of fixed income instruments combined with a high degree of security. Income will reduce during periods of very low interest rates.

Invesco Perpetual Select Trust plc – UK Equity Portfolio

Aims to generate long-term capital and income growth with real growth in dividends from investment, primarily in the UK equity market. The portfolio may use bank borrowings.

Invesco Property Income Trust Limited

The investment objective of the Company is to repay its bank borrowings and other liabilities and, having met these obligations, to provide a return for shareholders. The Company holds a diversified portfolio of European commercial properties.

Keystone Investment Trust plc

Aims to provide shareholders with long-term growth of capital mainly from UK investments. The Company has debenture stock in issue.

Perpetual Income and Growth Investment Trust plc

Aims to generate capital growth and real growth in dividends over the medium to longer term from a portfolio of securities listed mainly in the UK equity and fixed interest markets. The Company has debenture stock in issue and may use bank borrowings.

The Edinburgh Investment Trust plc

Invests primarily in UK securities with the long-term objective of achieving:

1. an increase of the Net Asset Value per share by more than the growth in the FTSE All Share Index; and
2. growth in dividends per share by more than the rate of UK inflation.

The Company has debenture stock in issue.

Investing in Smaller Companies

Invesco Perpetual UK Smaller Companies Investment Trust plc

Aims to achieve long-term total returns for the Company's shareholders primarily by investment in a broad cross-section of small to medium size UK-quoted companies. The pursuit of income is of secondary importance. The Company may use bank borrowings.

Investing Internationally

Invesco Asia Trust plc

Aims to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian securities. The Company aims to achieve growth in its net asset value in excess of the MSCI All Country Asia Pacific (ex Japan) Index, measured in sterling. The Company may use bank borrowings.

Invesco Perpetual Select Trust plc – Global Equity Income Portfolio

Aims to provide an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide. The portfolio may use bank borrowings.

Investing for Total Returns

Invesco Perpetual Select Trust plc – Balanced Risk Portfolio

Aims to provide shareholders with an attractive total return in differing economic and inflationary environments and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

The portfolio is constructed so as to balance risk, is long-only, using transparently-priced exchange-traded futures contracts and other derivative instruments to gain such exposure and to provide leverage.

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc

- UK Equity Portfolio
- Global Equity Income Portfolio
- Managed Liquidity Portfolio
- Balanced Risk Portfolio

A choice of four investment policies and objectives, each intended to generate attractive risk-adjusted returns from segregated portfolios, with the ability to switch between them, four times a year, free from capital gains tax liability. Dividends paid quarterly, apart from Balanced Risk which will not normally pay dividends.

Please contact our Investor Services Team on 0800 085 8677 if you would like more information about the investment trusts or other specialist funds listed above. Further details are also available on the following website: www.invescoperpetual.co.uk/investmenttrusts.