BLACKROCK INCOME AND GROWTH INVESTMENT TRUST PLC

HALF YEARLY FINANCIAL REPORT
30 APRIL 2017

BLACKROCK®

Contents

BlackRock Income and Growth Investment Trust plc

Investment Objective

The Company's objective is to provide growth in capital and income over the long term through investment in a diversified portfolio of principally UK listed equities.

aic
The Association of
Investment Companies

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES

Details about the Company are available at blackrock.co.uk/brig

Performance record

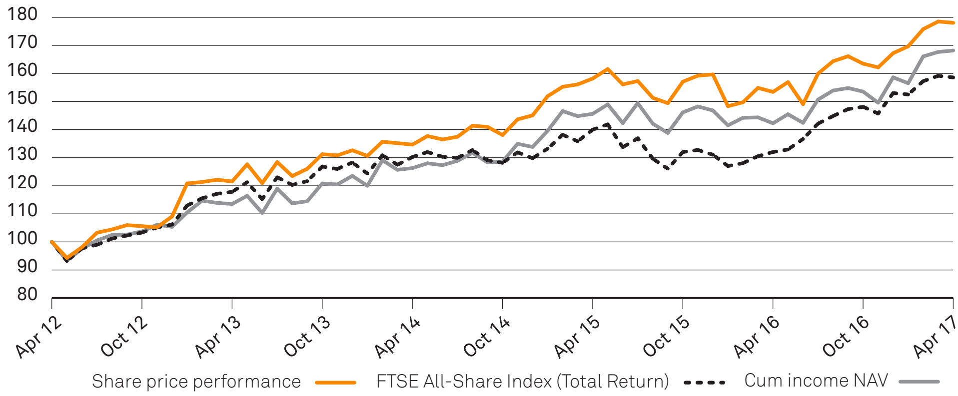
FINANCIAL HIGHLIGHTS

Attributable to ordinary shareholders	As at 30 April 2017	As at 31 October 2016	Change %
Assets			
Net asset value per ordinary share	203.39p	190.53p	+6.7
– with income reinvested			+8.9
Ordinary share price (mid-market)	197.50p	185.00p	+6.8
– with income reinvested			+8.9
FTSE All-Share Index (total return)	6,658.04	6,218.71	+7.1
Net assets (£'000)*	51,569	48,307	+6.8
Discount to net asset value	2.9%	2.9%	

	For the six months ended 30 April 2017	For the six months ended 30 April 2016	Change %
Revenue			
Net revenue after taxation (£'000)	752	865	-13.1
Return per ordinary share	2.97p	3.30p	-10.0
Dividend per ordinary share			
Interim	2.50p	2.40p	+4.2

* The change in net assets reflects the market movements during the period.

PERFORMANCE FROM 30 APRIL 2012 TO 30 APRIL 2017



Sources: BlackRock and Datastream.
Share price, NAV and FTSE All-Share Index (Total Return) at 30 April 2012, rebased to 100.
Performance figures are calculated in sterling terms, with income reinvested.

Chairman's statement

for the six months to 30 April 2017

Dear Shareholder

I am pleased to present the Company's half-yearly financial report for the six months to 30 April 2017.

PERFORMANCE

During the period, the Company's net asset value per share ("NAV") returned 8.9%, outperforming the benchmark, the FTSE All-Share Index, which returned 7.1%. The Company's share price rose by 8.9%. Since the period end and up to the close of business on 22 June 2017, the Company's NAV per share has risen by 2.8% compared with a rise in the benchmark of 3.5% (all percentages with income reinvested). Further information on the significant components of overall performance and the changes to portfolio composition are set out in the Investment Manager's Report on pages 8 to 10.

OVERVIEW

The period under review was characterised by market volatility with sentiment dominated by political uncertainty, both domestic and international. However, it is encouraging that the UK economy has been stronger than forecast, with the International Monetary Fund twice revising upwards its growth forecast during the period. There was a muted reaction from the market to the well signposted official beginning of the Brexit process, as the Government gave notice under Article 50 of the Treaty on European Union, although the Prime Minister's calling of a snap General Election on 8 June was less expected. After initial weakness following the initiation of Brexit, Sterling rallied against both the US Dollar and the Euro in anticipation of a clear Conservative majority. However, the general election resulted in a largely unexpected hung parliament – only the second since 1974 – with no party winning an outright majority, an outcome which is likely to create further uncertainty around the Brexit negotiations and delay what is already a compressed two year exit timetable. It is by no means clear what the outcome of negotiations with the EU will be, and it is to be hoped that all parties to those negotiations will approach the process constructively.

Market volatility associated with Brexit uncertainties was somewhat offset by the victories of moderate candidates in the recent Dutch and French elections. In the USA, the victory for President Trump occasioned a rally in the US market in anticipation of business friendly policies, although more recent events surrounding President Trump's style have yet to be played out. Against this challenging background the Company delivered a strong absolute return and outperformed the benchmark.

Chairman's statement continued

for the six months to 30 April 2017

REVENUE RETURN AND DIVIDENDS

Revenue return for the period was 2.97 pence per share (six months to 30 April 2016: 3.30 pence per share) with a reduction in the level of special dividends received resulting in a fall in total revenue when compared to the same period last year. The Board is pleased to declare an interim dividend of 2.50 pence per share (2016: 2.40 pence per share). This dividend will be paid on 1 September 2017 to shareholders on the Company's register at the close of business on 14 July 2017 (ex-dividend date is 13 July 2017).

SHARE CAPITAL

The Directors recognise the importance to investors that the Company's share price should not trade at a significant discount to NAV and therefore, in normal market conditions, may use the Company's share buy back, sale of shares from treasury and share issue powers to ensure that the share price is broadly in line with the underlying NAV. The discount management policy is effected through the use of share buy backs at a discount to NAV and the issue of new shares or issue of shares from treasury at or above the estimated NAV per share. During the period, the Company's shares traded at an average discount of 1.9% (cum income), and as at the close of business on 22 June 2017 stood at a discount of 4.1%. No shares were bought back, issued or sold from treasury during the period under review or during the period up to the date of this report. As at 22 June 2017, 23.0% of the Company's issued ordinary share capital is held in treasury and may be issued to satisfy any demand for the Company's shares that may arise.

The Board believes that an ongoing commitment to its discount management policy will continue to enhance the attractiveness of the Company to existing and potential new shareholders and thus its ability to grow over time by increasing the liquidity of the shares and spreading fixed costs over a larger asset base.

GEARING

The Company operates a flexible gearing policy which depends on prevailing conditions and the outlook for the market. Gearing is subject to a maximum level of 20% of net assets at the time of investment. The Company has been marginally geared during the period under review and at 30 April 2017 the Company had net gearing of 1.6%. Gearing levels and sources of funding are reviewed regularly to ensure that the Company has access to the most competitive borrowing rates available to it. The Company currently has a two year unsecured sterling revolving credit facility of £4,000,000 with ING Bank (Luxembourg) S.A, with a maturity date of 31 October 2018. At the date of this report the facility was drawn down by £2,000,000.

OUTLOOK

Improving economic data in Europe and the US are positive signs for the global outlook and the US Federal Reserve increased interest rates in March and June of this year following stronger US economic data. Any rise in the Bank of England's base rate is expected to be gradual and well flagged. The rate of inflation is also expected to rise, in part as a result of the depreciation of Sterling and a corresponding rise in import costs, which may negatively impact the domestic economy as UK consumers react to rising prices.

There are still a number of significant risks and headwinds present for the global economy. As you will read in their report which follows on pages 8 to 10, your investment managers' approach has not changed and they continue to identify companies that can generate cashflow from strong business models and have favourable industry characteristics or scope for management driven self-help. They view the increased market volatility as an opportunity, seeking out those companies that are well placed to prosper as the economic landscape develops post Brexit. The focus remains on bottom-up stock selection, assembling a portfolio of individual companies which, taken as a whole, should prove capable of delivering attractive returns and supporting dividend growth into the future. Your Board remains fully supportive of this approach.

Jonathan Cartwright
Chairman
26 June 2017

Interim management report and responsibility statement

The Chairman's Statement on pages 3 to 5 and the Investment Manager's Report on pages 8 to 10 give details of the important events which have occurred during the period and their impact on the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company can be divided into various areas as follows:

- Investment performance;
- Income/dividend;
- Gearing;
- Legal & regulatory compliance;
- Operational;
- Market; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 October 2016. A detailed explanation can be found in the Strategic Report on pages 6 to 11 and in note 17 on pages 51 to 57 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at blackrock.co.uk/brig.

In the view of the Board, there have not been any changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

GOING CONCERN

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Ongoing charges (excluding interest costs and taxation) for the year ended 31 October 2016 were approximately 1.0% of net assets.

RELATED PARTY DISCLOSURE AND TRANSACTIONS WITH THE INVESTMENT MANAGER

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has, with the Company's consent, delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management fee payable are set out in note 3 on page 24 and note 10 on page 30.

The related party transactions with the Directors are set out in note 9 on pages 29 and 30.

DIRECTORS' RESPONSIBILITY STATEMENT

The Disclosure and Transparency Rules of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 'Interim Financial Reporting'; and

- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

The half yearly financial report has not been audited or reviewed by the Company's Auditors.

The half yearly financial report was approved by the Board on 26 June 2017 and the above responsibility statement was signed on its behalf by the Chairman.

Jonathan Cartwright
For and on behalf of the Board
26 June 2017

Investment manager's report

Half yearly financial report to 30 April 2017

PERFORMANCE

The Company performed strongly during the 6 months to 30 April 2017, returning 8.9%, outperforming the FTSE All-Share Index which returned 7.1% for the period.

INVESTMENT APPROACH & PROCESS

In assembling the Company's portfolio we adopt a concentrated approach to investment to ensure that our best ideas contribute significantly to returns. We believe that it is the role of the portfolio overall to achieve an attractive level of yield alongside capital growth rather than every individual company within the portfolio. This gives the Company increased flexibility to invest where returns are most attractive. This approach results in a portfolio which differs substantially from the index and, in any individual year, the returns will vary, sometimes significantly from those of the index. Over longer periods our objective is to achieve returns greater than the index, but with lower volatility.

The foundation of the portfolio, approximately 70%, is in high free cash flow companies that can sustain cash generation and pay a growing dividend whilst aiming to deliver a double digit total return. Additionally, we look to identify and invest 20% of the portfolio in 'growth' companies that have significant barriers to entry and scalable business models that enable them to grow consistently. We also look for turnaround companies, at around 10% of portfolio value, which represent those companies that are out of favour with the market, facing temporary challenges with high yields or very low valuations, but with attractive recovery potential. The return from this segment is expected to contribute meaningfully to overall returns over time.

MARKET REVIEW

UK equities made further progress towards the end of 2016 driven by improving macroeconomic indicators around the world and the resulting higher inflation and interest rate expectations. The outcome of the US Presidential election also raised hopes of fiscal stimulus and supply side reforms which triggered a strong recovery in US business and consumer confidence. In the UK, the combined effect of import-led inflation following weakness in Sterling and stronger oil prices compared to a year ago led to an acceleration in UK prices with inflation expectations rising in the UK and Europe. Towards the end of the period Sterling firmed following the Prime Minister's call for a snap General Election and held relatively stable following the result.

CONTRIBUTORS TO PERFORMANCE

Relative performance was largely driven by stock specifics, with John Laing Group being the strongest contributor following their full year results which confirmed a 14% rise in NAV with strong underlying cash generation supporting a special dividend. There was also a positive contribution from Lloyds Banking Group, where strong capital generation and a focus on retail banking are supportive of dividend growth going forward. Elementis contributed strongly as the new management team continued to drive operational improvements and announced a material acquisition to build scale in their personal care business. Elsewhere, there were strong performances from holdings in Forterra, Premier Asset Management and Carnival. One of the largest positions in the portfolio, Unilever, received a surprise bid approach. While the offer was rejected, it galvanised the company into accelerating existing initiatives to deliver shareholder value.

On the negative side, BT Group was the largest detractor from overall performance after the company quantified the impact of a known fraud issue in Italy. In addition, the company highlighted a weaker revenue performance in some of its UK business which will impact near term profit growth.

TRANSACTIONS

During the period we added positions in Reckitt Benckiser, a multinational consumer goods company, and Bodycote, a leading provider in heat treatment services that should benefit from a cyclical recovery in industrial activity. We have sold holdings in Cineworld and Dixons Carphone as we focus our exposure in domestic companies. Overall, the portfolio is positioned towards companies with more dependable cashflow generation and balance sheet strength in what we expect to be an environment of sluggish market profit growth.

OUTLOOK

As ever, we remain believers that, over the longer-term, earnings and cashflow growth tend to be the dominant drivers of share prices and, where equity markets fail to recognise that, corporates buyers have the potential to exploit the opportunity; the bid approach for Unilever this year was a good reminder of that dynamic as was the bid for both Sky and for ARM Holdings last year. All three were material holdings in the portfolio. With a combination of continued Sterling weakness and a low interest rate environment

Investment manager's report continued

fuelling the availability of cheap debt, we believe that M&A activity will remain a theme throughout the year. Markets are likely to remain skittish given macro headwinds, likely volatility in bond markets and an increasing level of political risks. However, we continue to find opportunities in those companies that can generate cashflow from strong business models, have favourable industry characteristics or scope for management driven self-help. While sometimes unnerving, we will continue to use market volatility to provide buying opportunities in those types of companies.

Mark Wharrier and Adam Avigdori
BlackRock Investment Management (UK) Limited
26 June 2017

Ten largest investments

30 April 2017

British American Tobacco: 6.8% (2016: 6.5%) is one of the world's leading tobacco groups, with more than 200 brands in the portfolio selling in approximately 180 markets worldwide.

Unilever: 5.6% (2016: 5.2%) is a global supplier of food, home and personal care products with more than 400 brands focused on health and wellbeing.

Lloyds Banking Group: 5.1% (2016: 3.6%) is a UK-based financial services group, providing a wide range of banking and financial services, focused on personal and commercial customers. Its main business activities are retail, commercial and corporate banking, general insurance and life insurance, pensions and investment provision.

RELX: 4.0% (2016: 4.0%) is a global provider of professional information solutions that includes publication of scientific, medical, technical and legal journals. It also has the world's leading exhibitions, conference and events business.

Sky: 3.7% (2016: 3.2%), is an entertainment company providing on-demand internet streaming media, broadband and telephone services to approximately 21 million customers across 5 countries (Italy, Germany, Austria, UK and Ireland).

Royal Dutch Shell 'B': 3.3% (2016: 3.7%) is an oil and gas company based in the UK. The company operates in both upstream and downstream industries. Upstream is engaged in searching for and recovering crude oil and natural gas, the liquefaction and transportation of gas. Downstream is engaged in manufacturing, distribution and marketing activities for oil products and chemicals.

Rentokil Initial: 3.2% (2016: 3.1%) is a business services company that operates in over 60 countries globally, providing pest control, hygiene and workwear services.

Vodafone: 3.1% (2016: 3.8%) is a telecommunications company organised into two geographic regions: Europe and Africa, Middle East and Asia Pacific. The company provides a range of services, including voice, messaging and data across mobile and fixed networks.

Ten largest investments continued

BT Group: 3.1% (2016: 4.1%) is a communications services company, involved in the provisions of fixed line services, broadband, mobile and television products and services in the UK and globally. The company operates in five segments: BT Global Services, BT Business, BT Consumer, BT Wholesale and Openreach.

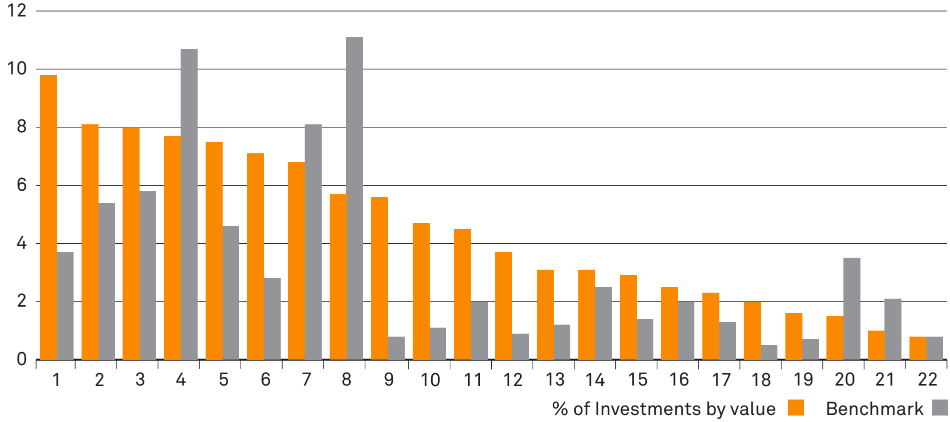
John Laing Group: 3.0% (2016: 3.6%) is an international originator, active investor and manager of infrastructure projects. Its business is focused on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership programmes and renewable energy projects, across a range of international markets including the UK, Europe, Asia Pacific and North America.

All percentages reflect the value of the holding as a percentage of total investments. The percentages in brackets represent the value of the holding as at 31 October 2016. Together, the ten largest investments represent 40.9% of total investments (ten largest investments as at 31 October 2016: 42.5%).

Distribution of Investments

as at 30 April 2017

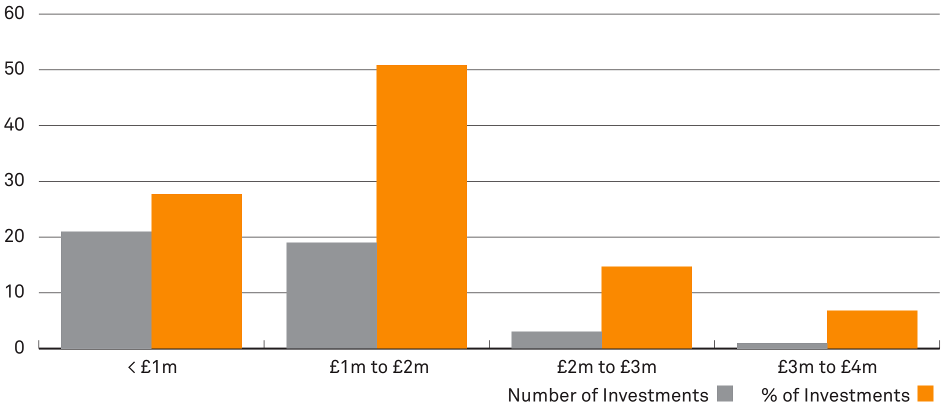
ANALYSIS OF PORTFOLIO BY SECTOR HELD



1 Media
2 Support Services
3 Tobacco
4 Banks
5 Travel & Leisure
6 Financial Services
7 Pharmaceuticals & Biotechnology
8 Oil & Gas Producers
9 Food Producers
10 Non-life Insurance
11 General Retailers
12 General Industrials
13 Mobile Telecommunications
14 Fixed Line Telecommunications
15 Construction & Materials
16 Aerospace & Defense
17 Food & Drug Retailers
18 Real Estate Investment & Services
19 Chemicals
20 Household Goods & Home Construction
21 Real Estate Investment Trusts
22 Industrial Engineering

Sources: BlackRock and Datastream.

INVESTMENT SIZE



Source: BlackRock.

Investments

as at 30 April 2017

	Market value	% of investments
	£'000	
Media		
RELX	2,078	4.0
Sky	1,918	3.7
ITV	1,132	2.1
	5,128	**9.8**
Support Services		
Rentokil Initial	1,664	3.2
Babcock International	1,034	2.0
Wolseley	990	1.9
Aggreko	535	1.0
	4,223	**8.1**
Tobacco		
British American Tobacco	3,580	6.8
Imperial Brands	605	1.2
	4,185	**8.0**
Banks		
Lloyds Banking Group	2,660	5.1
HSBC Holdings	1,383	2.6
	4,043	**7.7**
Travel & Leisure		
Carnival	1,482	2.8
Intercontinental Hotels Group	1,096	2.1
Patisserie Holdings	784	1.5
Stagecoach Group	546	1.1
	3,908	**7.5**

	Market value	% of investments
	£'000	
Financial Services		
John Laing Group	1,572	3.0
Provident Financial	869	1.7
Hargreaves Lansdown	689	1.3
Premier Asset Management Group	566	1.1
	3,696	**7.1**
Pharmaceuticals & Biotechnology		
GlaxoSmithKline	1,562	3.0
AstraZeneca	1,545	3.0
Shire	445	0.8
	3,552	**6.8**
Oil & Gas Producers		
Royal Dutch Shell 'B'	1,735	3.3
BP Group	1,272	2.4
	3,007	**5.7**
Food Producers		
Unilever	2,943	5.6
	2,943	**5.6**
Non-life Insurance		
Admiral Group	941	1.8
Hiscox	798	1.5
Direct Line Insurance	725	1.4
	2,464	**4.7**
General Retailers		
Inchcape	1,203	2.3
Next	1,144	2.2
	2,347	**4.5**

Investments continued

as at 30 April 2017

	Market value £'000	% of investments
General Industrials		
DS Smith	1,111	2.1
RPC Group	811	1.6
	1,922	**3.7**
Mobile Telecommunications		
Vodafone	1,643	3.1
	1,643	**3.1**
Fixed Line Telecommunications		
BT Group	1,638	3.1
	1,638	**3.1**
Construction & Materials		
Kier Group	801	1.5
Forterra	715	1.4
	1,516	**2.9**
Aerospace & Defence		
BAE Systems	1,329	2.5
	1,329	**2.5**
Food & Drug Retailers		
Tesco	1,222	2.3
	1,222	**2.3**
Real Estate Investment & Services		
U and I Group	604	1.1
Foxtons Group	459	0.9
	1,063	**2.0**
Chemicals		
Elementis	840	1.6
	840	**1.6**

	Market value	% of investments
	£'000	
Household Goods & Home Construction		
Reckitt Benckiser	825	1.5
	825	**1.5**
Real Estate Investment Trusts		
Derwent London	506	1.0
	506	**1.0**
Industrial Engineering		
Bodycote	420	0.8
	420	**0.8**
Total Value of Securities	**52,420**	**100.0**

All investments are in ordinary shares unless otherwise stated.

The total number of holdings as at 30 April 2017 was 44 (31 October 2016: 42).

Income statement

for the six months ended 30 April 2017

		Revenue £'000			Capital £'000			Total £'000		
		Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
	Notes	30.04.17 (unaudited)	30.04.16 (unaudited)	31.10.16 (audited)	30.04.17 (unaudited)	30.04.16 (unaudited)	31.10.16 (audited)	30.04.17 (unaudited)	30.04.16 (unaudited)	31.10.16 (audited)
Gains/(losses) on investments held at fair value through profit or loss		–	–	–	3,619	(2,198)	654	3,619	(2,198)	654
Income from investments held at fair value through profit or loss	2	909	1,021	2,078	–	–	–	909	1,021	2,078
Total income		909	1,021	2,078	3,619	(2,198)	654	4,528	(1,177)	2,732
Expenses										
Investment management fee	3	(36)	(35)	(70)	(109)	(105)	(211)	(145)	(140)	(281)
Other operating expenses	4	(118)	(117)	(198)	(2)	(2)	(3)	(120)	(119)	(201)
Total operating expenses		(154)	(152)	(268)	(111)	(107)	(214)	(265)	(259)	(482)
Net profit/(loss) on ordinary activities before finance costs and taxation		755	869	1,810	3,508	(2,305)	440	4,263	(1,436)	2,250
Finance costs		(3)	(4)	(7)	(9)	(12)	(21)	(12)	(16)	(28)
Net profit/(loss) on ordinary activities before taxation		752	865	1,803	3,499	(2,317)	419	4,251	(1,452)	2,222
Taxation		–	–	–	–	–	–	–	–	–
Net profit/(loss) on ordinary activities after taxation		752	865	1,803	3,499	(2,317)	419	4,251	(1,452)	2,222
Earnings/(loss) per ordinary share	6	2.97p	3.30p	6.93p	13.80p	(8.84p)	1.62p	16.77p	(5.54p)	8.55p

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations and no operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit/(loss) for the period disclosed above represents the Company's total comprehensive income.

Statement of changes in equity

for the six months ended 30 April 2017

	Called up share capital	Share premium account	Capital redemption reserve	Special reserve	Capital reserve	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the six months ended 30 April 2017 (unaudited)							
At 31 October 2016	329	14,819	220	21,272	9,101	2,566	48,307
Total comprehensive income:							
Profit for the period	–	–	–	–	3,499	752	4,251
Transactions with owners, recorded directly to equity:							
Dividends paid*	–	–	–	–	–	(989)	(989)
At 30 April 2017	329	14,819	220	21,272	12,600	2,329	51,569
For the six months ended 30 April 2016 (unaudited)							
At 31 October 2015	329	14,819	220	22,857	8,682	2,324	49,231
Total comprehensive income:							
(Loss)/profit for the period	–	–	–	–	(2,317)	865	(1,452)
Transactions with owners, recorded directly to equity:							
Dividends paid**	–	–	–	–	–	(944)	(944)
At 30 April 2016	329	14,819	220	22,857	6,365	2,245	46,835
For the year ended 31 October 2016 (audited)							
At 31 October 2015	329	14,819	220	22,857	8,682	2,324	49,231
Total comprehensive income:							
Profit for the year	–	–	–	–	419	1,803	2,222
Transactions with owners, recorded directly to equity:							
Shares purchased and held in treasury	–	–	–	(1,585)	–	–	(1,585)
Dividends paid***	–	–	–	–	–	(1,561)	(1,561)
At 31 October 2016	329	14,819	220	21,272	9,101	2,566	48,307

* Final dividend of 3.90p per share for the year ended 31 October 2016, declared on 21 December 2016 and paid on 10 March 2017.
** Final dividend of 3.60p per share for the year ended 31 October 2015, declared on 15 January 2016 and paid on 4 March 2016.
***Final dividend of 3.60p per share for the year ended 31 October 2015, declared on 15 January 2016 and paid on 4 March 2016, and the interim dividend of 2.40p per share for the six months ended 30 April 2016, declared on 29 June 2016 and paid on 2 September 2016.

The transaction costs incurred on the acquisition and disposal of investments are included within the capital reserve. Purchase and sale costs amounted to £28,000 and £4,000 respectively for the six months ended 30 April 2017 (six months ended 30 April 2016: £36,000 and £7,000; year ended 31 October 2016: £107,000 and £14,000).

Contents

Balance sheet

as at 30 April 2017

	Notes	30 April 2017 £'000 (unaudited)	30 April 2016 £'000 (unaudited)	31 October 2016 £'000 (audited)
Fixed assets				
Investments held at fair value through profit or loss		52,420	45,918	48,925
Current assets				
Debtors		587	563	507
Cash and cash equivalents		811	2,735	1,581
		1,398	3,298	2,088
Creditors – amounts falling due within one year				
Bank loan		(2,000)	(2,000)	(2,000)
Other creditors		(249)	(381)	(706)
		(2,249)	(2,381)	(2,706)
Net current (liabilities)/assets		(851)	917	(618)
Net assets		51,569	46,835	48,307
Capital and reserves				
Called-up share capital	7	329	329	329
Share premium account		14,819	14,819	14,819
Capital redemption reserve		220	220	220
Special reserve		21,272	22,857	21,272
Capital reserves		12,600	6,365	9,101
Revenue reserve		2,329	2,245	2,566
Total shareholders' funds	6	51,569	46,835	48,307
Net asset value per ordinary share	6	203.39p	178.56p	190.53p

Statement of cash flows

for the six months ended 30 April 2017

	Six months ended 30 April 2017 £'000 (unaudited)	Six months ended 30 April 2016 £'000 (unaudited)	Year ended 31 October 2016 £'000 (audited)
Operating activities			
Net profit/(loss) before taxation	4,251	(1,452)	2,222
Add back finance costs	12	16	28
(Gains)/losses on investments	(3,623)	2,198	(654)
Special dividends credited to capital	–	19	198
Sales of investments	6,563	10,352	22,194
Purchases of investments	(6,613)	(8,117)	(20,222)
Increase in debtors	(267)	(304)	(1)
Decrease in other creditors	(92)	(8)	(3)
Net cash generated from operating activities	231	2,704	3,762
Financing activities			
Purchase of ordinary shares	–	–	(1,583)
Interest paid	(12)	(16)	(28)
Dividends paid	(989)	(944)	(1,561)
Net cash used in financing activities	(1,001)	(960)	(3,172)
(Decrease)/increase in cash and cash equivalents	(770)	1,744	590
Cash and cash equivalents at beginning of period/year	1,581	991	991
Cash and cash equivalents at end of period/year	811	2,735	1,581
Comprised of:			
Cash at bank	139	134	73
BlackRock's Institutional Cash Series plc – Sterling Liquidity Fund	672	2,601	1,508
	811	2,735	1,581

Notes to the financial statements

for the six months ended 30 April 2017

1. PRINCIPAL ACTIVITY AND BASIS OF PREPARATION

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

The Company presents its results and positions under FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), which forms part of revised Generally Accepted Accounting Practice (New UK GAAP) issued by the Financial Reporting Council (FRC) in 2013.

The condensed set of financial statements has been prepared on a going concern basis in accordance with FRS 102 and FRS 104, 'Interim Financial Reporting' issued by the FRC in March 2015 and the revised Statement of Recommended Practice – 'Financial Statements of Investments Trusts Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in November 2014.

The accounting policies applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 October 2016. This reflects the Company's application of FRS 102.

2. INCOME

	Six months ended 30 April 2017 (unaudited) £'000	Six months ended 30 April 2016 (unaudited) £'000	Year ended 31 October 2016 (audited) £'000
Investment income:			
UK listed dividends	877	1,012	2,010
UK REITs	–	–	23
UK scrip dividends	25	–	19
Overseas listed dividends	2	9	14
	904	1,021	2,066
Other income:			
Deposit interest	1	–	–
Underwriting commission	4	–	12
Total income	909	1,021	2,078

Dividends and interest received during the period amounted to £638,000 and £1,000 (six months ended 30 April 2016: £711,000 and £nil; year ended 31 October 2016: £2,214,000 and £nil) respectively.

There were no special dividends recognised in capital (six months ended 30 April 2016: £19,000; year ended 31 October 2016: £198,000).

Notes to the financial statements continued

for the six months ended 30 April 2017

3. INVESTMENT MANAGEMENT FEE

	Six months ended 30 April 2017 (unaudited)			Six months ended 30 April 2016 (unaudited)			Year ended 31 October 2016 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fee	36	109	145	35	105	140	70	211	281

Under the terms of the investment management agreement with BFM, BFM is entitled to a base fee of 0.6% per annum of the Company's market capitalisation. There was no additional fee for company secretarial and administration services. The fee is allocated 25% to the revenue column and 75% to the capital column of the Income Statement.

4. OTHER OPERATING EXPENSES

	Six months ended 30 April 2017 (unaudited) £'000	Six months ended 30 April 2016 (unaudited) £'000	Year ended 31 October 2016 (audited) £'000
Custody fees	–	1	1
Audit fees	13	11	21
Registrars' fees	12	10	21
Depositary fees	3	3	7
Directors' emoluments	46	46	92
Marketing fees	11	12	15
Marketing fees written back	(2)	–	(23)
Other administration costs	35	34	64
	118	117	198
Transaction costs taken to capital	2	2	3
	120	119	201

5. DIVIDEND

The Board has declared an interim dividend of 2.50 pence per share for the period ending 31 October 2017 payable on 1 September 2017 to shareholders on the register on 14 July 2017. The total cost of the dividend based on 25,354,268 ordinary shares in issue at 26 June 2017 is £634,000 (30 April 2016: £617,000).

Notes to the financial statements continued

for the six months ended 30 April 2017

6. EARNINGS AND NET ASSET VALUE PER ORDINARY SHARE

Revenue and capital returns per share are shown below and have been calculated using the following:

	Six months ended 30 April 2017 (unaudited)	Six months ended 30 April 2016 (unaudited)	Year ended 31 October 2016 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	752	865	1,803
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	3,499	(2,317)	419
Total profit/(loss) attributable to ordinary shareholders (£'000)	4,251	(1,452)	2,222
Equity shareholders' funds (£'000)	51,569	46,835	48,307
Earnings per share			
The weighted average number of ordinary shares in issue at the end of each period, on which the return per ordinary share was calculated was:	25,354,268	26,229,268	26,003,176
The actual number of ordinary shares in issue at the end of each period, on which the net asset value per ordinary share was calculated was:	25,354,268	26,229,268	25,354,268
Calculated on weighted average number of ordinary shares			
Revenue profit	2.97p	3.30p	6.93p
Capital profit/(loss)	13.80p	(8.84p)	1.62p
Total	16.77p	(5.54p)	8.55p
Net asset value per ordinary share	203.39p	178.56p	190.53p
Ordinary share price	197.50p	176.00p	185.00p

7. CALLED UP SHARE CAPITAL AND SHARES HELD IN TREASURY

	Ordinary shares	Treasury shares	Total shares	Nominal value
	number	number	number	£'000
Allotted, called-up and fully paid share capital comprised:				
Ordinary shares of 1p each				
At 31 October 2016	25,354,268	7,579,664	32,933,932	329
At 30 April 2017	25,354,268	7,579,664	32,933,932	329

During the period to 30 April 2017, no ordinary shares were purchased by the Company and no ordinary shares were cancelled from treasury.

8. VALUATION OF FINANCIAL INSTRUMENTS

For the six months ended 30 April 2017 and 30 April 2016 and the year ended 31 October 2016, the Company has early adopted the amendments to FRS 102 'Fair value hierarchy disclosure' effective for annual periods beginning on or after 1 January 2017. These amendments improve the consistency of fair value disclosure for financial instruments with those required by EU adopted IFRS.

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and overdrafts). Section 11 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on pages 45 and 46 of the Annual Report and Financial Statements for the year ended 31 October 2016.

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

Notes to the financial statements continued

for the six months ended 30 April 2017

8. VALUATION OF FINANCIAL INSTRUMENTS continued

The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The table below is an analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Equity investments at 30 April 2017	52,420	–	–	52,420
Equity investments at 30 April 2016	45,918	–	–	45,918
Equity investments at 31 October 2016	48,925	–	–	48,925

There were no transfers between levels for financial assets and financial liabilities during the period recorded at fair value as at 30 April 2017, 30 April 2016 and 31 October 2016. The Company did not hold any Level 3 securities through the six month period or as at 30 April 2017 (30 April 2016: nil ; 31 October 2016: nil).

9. RELATED PARTY DISCLOSURE

The Board consists of four non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £28,000, the Chairman of the Audit Committee receives an annual fee of £22,500, and Mr Worsley receives an annual fee of £19,000. Mr Luckraft's fee of £19,000, (excluding VAT of £3,800), is paid to AXA Investment Management (UK) Limited for the provision of his services as a non-executive Director of the Company. As at 30 April 2017, an amount of £48,000 (30 April 2016: £96,000; 31 October 2016: £131,000) was outstanding in respect of Directors' fees.

Notes to the financial statements continued

for the six months ended 30 April 2017

9. RELATED PARTY DISCLOSURE continued

At the period end and as at the date of this report members of the Board held ordinary shares in the Company as set out below:

	Ordinary shares 26 June 2017	Ordinary shares 30 April 2017	Ordinary shares 31 October 2016
Jonathan Cartwright	20,000	20,000	20,000
Nicholas Gold	20,000	20,000	20,000
George Luckraft	–	–	–
Charles Worsley	987,539[1]	987,539[1]	987,539[1]

1. Including a non-beneficial interest in 655,500 ordinary shares.

As at the date of this report a further 1,500,000 shares were held by Mr Worsley's connected persons.

Since the period end and up to the date of this report there have been no further changes in Directors' holdings.

10. TRANSACTION WITH THE AIFM AND THE INVESTMENT MANAGER

BFM provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report in the Annual Report and Financial Statements 31 October 2016 on pages 19 and 20.

The investment management fee due to the Investment Manager for the six months ended 30 April 2017 amounted to £145,000 (six months ended 30 April 2016: £140,000; year ended 31 October 2016: £281,000). At the period end, £145,000 was outstanding in respect of investment management fees (30 April 2016: £140,000; 31 October 2016: £140,000).

In addition to the above services, BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 30 April 2017 amounted to £11,000 excluding VAT (six months ended 30 April 2016: £12,000; 31 October 2016: £15,000). Marketing fees of £21,000 were outstanding at 30 April 2017 (30 April 2016: £45,000; 31 October 2016: £12,000).

The Company has an investment in BlackRock's Institutional Cash Series plc – Sterling Liquidity Fund of £672,000 at the period end (30 April 2016: £2,601,000; 31 October 2016: £1,508,000).

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2017 (30 April 2016: nil; 31 October 2016: nil).

12. PUBLICATION OF NON STATUTORY ACCOUNTS

The financial information contained in this half yearly financial report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 2017 and 30 April 2016 has not been reviewed or audited by the Company's Auditor.

The information for the year ended 31 October 2016 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those accounts contained no qualification or statement under sections 498 (2) or (3) of the Companies Act 2006.

13. ANNUAL RESULTS

The Board expects to announce the annual results for the year ended 31 October 2017, in December 2017. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at cosec@blackrock.com. The Annual Report and Financial Statements should be available in December 2017, with the Annual General Meeting being held in March 2018.

Directors, management and other service providers

Directors
Jonathan Cartwright (Chairman)
Nicholas Gold (Chairman of the Audit Committee)
George Luckraft
Charles Worsley

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Alternative Investment Fund Manager
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Investment Manager and Company Secretary
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Registrar
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Solicitor
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London EC2M 7SH

Savings Plan and NISA Administrator
Freepost RLTZ–KHUH–KZSB
BlackRock Investment Management (UK) Limited*
PO Box 9036
Chelmsford CM99 2XD
Telephone: 0800 44 55 22

* Authorised and regulated by the Financial Conduct Authority.

Shareholder information

CONTACT INFORMATION

General enquiries about the Company should be directed to:

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BlackRock Income and Growth Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

WEBSITE

blackrock.co.uk/brig

SHAREHOLDER ENQUIRIES

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information will be required to gain access to your account, including your shareholder reference number, available from your most recent dividend voucher or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 703 0076.

Changes of name or address must be notified in writing either through Computershare's website, or sent to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

SAVINGS PLAN

The Company participates in the BlackRock Investment Trust Savings Plan, which facilitates both regular and monthly investments and occasional lump sum investments in the Company's ordinary shares. If you would like information on the Savings Plan you should call BlackRock free on 0800 44 55 22.

Shareholder information continued

STOCKS AND SHARES NEW INDIVIDUAL SAVINGS ACCOUNTS (“NISA”)

NISAs are a tax-efficient method of investment and the Company’s shares are eligible investments within the BlackRock Investment Trusts Stocks and Shares NISA. Details are available from BlackRock by calling free on 0800 44 55 22.

DIVIDEND TAX ALLOWANCE

From April 2016 dividend tax credits have been replaced by an annual £5,000 tax-free allowance on dividend income across an individual’s entire share portfolio. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder’s responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a Financial Advisor.

RESULTS

Full year announced in December

Half year announced in June

ANNUAL GENERAL MEETING

March

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MIX
Paper from responsible sources
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