

ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND



2003 Annual Report
September 30, 2003

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Ellsworth Convertible Growth and Income Fund, Inc. (the "Fund") operates as a closed-end, diversified management investment company and invests primarily in convertible securities, with the objectives of providing income and the potential for capital appreciation -- which objectives the Fund considers to be relatively equal, over the long-term, due to the nature of the securities in which it invests.

Highlights

Performance through September 30, 2003 *with dividends reinvested*

	<u>9 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Ellsworth market value (a)	11.00%	10.81%	50.20%	175.13%
Ellsworth net asset value (b)	10.92	14.02	33.88	133.72
Closed-end convertible fund average (b)	20.29	27.36	42.09	103.80
S&P 500 (a)	14.72	24.40	5.09	160.42
Russell 2000 (a)	28.60	36.54	44.01	92.80(c)
Lehman Aggregate Bond Total Return Index (b)	3.78	5.41	37.83	95.26

Performance data represent past results and do not reflect future performance.

(a) From Bloomberg L.P. pricing service.

(b) From Lipper, Inc. Closed-End Fund Performance Analysis, dated September 30, 2003.

(c) Simple appreciation of index.

Quarterly History of NAV and Market Price

<u>Qtr. Ended</u>	<u>Net Asset Values</u>			<u>Market Prices (AMEX, symbol ECF)</u>		
	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
Dec. 02	\$8.06	\$7.51	\$7.94	\$7.90	\$6.95	\$7.45
Mar. 03	8.16	7.69	7.90	7.96	7.41	7.52
Jun. 03	8.71	7.95	8.58	8.42	7.52	8.31
Sep. 03	8.71	8.35	8.58	8.51	7.97	8.05

Dividend Distributions (12 Months)

<u>Record Date</u>	<u>Payment Date</u>	<u>Income</u>	<u>Capital Gains</u>	<u>* Corporate Deduction</u>
10/25/02	11/27/02	\$0.086	—	20%
2/13/03	2/27/03	0.075	—	4
5/15/03	5/29/03	0.070	—	4
8/14/03	8/28/03	0.070	—	4
		<u>\$0.301</u>		

* Percentage of each ordinary income distribution qualifying for the corporate dividend received tax deduction.

To Our Shareholders

The economy is finally taking off. Most of the negative effects of the bursting of the Internet bubble in 2000 have washed through the financial markets and the economy. While we do not expect the kind of Gross Domestic Product (GDP) growth (7.2%) reported in the third quarter to continue, we do see GDP growth near 4% for 2004. Sustained growth at 4% would expand job creation and increase corporate profits. It also should help the equity markets, but may cause the bond market to falter as interest rates would be unlikely to drop and could rise.

The Fund's strategy since 1986 has been to be an equity investment that uses convertible securities to reduce risk and volatility. This strategy tends to outperform in bear markets and lag in bull markets. The Fund's overall performance for long cycles was rewarded by winning the 2002 Lipper Performance Achievement Certificates for five and ten years within its category of closed-end convertible funds through December 2002. The category of closed-end convertible funds followed by Lipper, Inc. is made up of ten funds (eight for five years and seven for ten years). For the calendar year 2003 through October 31, 2003, the Fund's performance has lagged its peers as we may have moved into a new bull market.

The open-end mutual fund industry has been caught up in a financial scandal involving market timing and late trading, which may adversely affect long-term investors in the funds implicated in the scandal. The publicly-traded closed-end fund format prevents the kind of trading activity at the center of the scandal from affecting the assets or diluting the interests of the shareholders in closed-end funds. Readers should note this is another positive attribute of the closed-end fund structure.

The Fund's website (www.ellsworthfund.com) contains press releases, dividend information and daily net asset values. The Closed-End Fund Association (www.cefa.com), of which the Fund is a member, is another source of information on many closed-end funds.* Based upon data through October 31, 2003, Morningstar ** has rated the Fund's performance at four stars (above average) overall as measured on the "Quicktake Report" on their website. In addition, shareholders who wish to obtain a copy of the most recent report on the Fund issued by Standard and Poor's should contact us.

At its October meeting the Board of Directors declared a dividend of 10.5 cents per share. The dividend consists of undistributed net investment income. This dividend will be payable on November 26, 2003 to shareholders of record on October 30, 2003.

The 2004 annual meeting of shareholders will be held in Bonita Springs, Florida on February 14, 2004. Time and location will be included in the Proxy Statement, scheduled to be mailed to shareholders on December 29, 2003. All shareholders are welcome to attend and we hope to see you there.



Thomas H. Dinsmore
Chairman of the Board

November 13, 2003

* The Closed-End Fund Association is solely responsible for the content of its website.

** Morningstar is a mutual fund analysis and statistical reporting service that reports on and rates most mutual funds. It is solely responsible for the content of its website.

Largest Investment Holdings by underlying common stock

	Value (Note 1)	% Total Net Assets
Washington Mutual, Inc. <i>A financial services company that provides a diversified line of products and services to consumers and small to mid-sized businesses.</i>	\$ 2,401,875	2.7%
Reinsurance Group of America, Inc. <i>Through its subsidiaries, provides life insurance and reinsurance of asset-intensive products and financial reinsurance in the United States, Canada and various international markets.</i>	2,360,000	2.6
Church & Dwight Co., Inc. <i>Produces sodium bicarbonate and sodium bicarbonate-based products. The Company sells its products primarily under the Arm & Hammer trademark, to consumers and to industrial customers and distributors.</i>	2,132,240	2.4
Ivax Corp. <i>Researches, develops, manufactures and markets branded and generic pharmaceuticals in the United States and international markets. The Company also specializes in veterinary products and nutraceuticals.</i>	2,011,875	2.2
Lucent Technologies, Inc. <i>Designs, builds and delivers a wide range of public and private networks, communications systems and software, and data networking systems. The Company also designs, builds and delivers business telephone systems and microelectronic components.</i>	1,898,940	2.1
Travelers Property Casualty Corp. <i>Provides a broad range of insurance products and services for the commercial and consumer markets.</i>	1,835,200	2.0
School Specialty, Inc. <i>Distributes non-textbook educational supplies and furniture for grades pre-kindergarten through 12.</i>	1,834,371	2.0
New York Community Bancorp, Inc. <i>A holding company for New York Community Bank, a thrift, that operates through divisional banks in New York and New Jersey.</i>	1,618,600	1.8
ChevronTexaco Corp. <i>Operates worldwide in oil and gas exploration, production, refining and marketing, and chemical manufacturing. (convertible from Devon Energy Corp. 4.90% and 4.95%, due 2008)</i>	1,537,500	1.7
The Interpublic Group of Companies, Inc. <i>An organization of advertising agencies and marketing service companies that operates globally in the sectors of advertising, independent media buying, direct marketing, marketing research and public relations.</i>	<u>1,496,719</u>	<u>1.7</u>
Total	<u>\$19,127,320</u>	<u>21.2%</u>

Major Industry Exposure

	<u>% Total Net Assets</u>
Financial & Insurance	10.9%
Pharmaceuticals	9.8
Banking/Savings & Loan	9.7
Retail	9.4
Telecommunications	7.7
Health Care	7.1
Energy	6.9
Technology	6.8
Aerospace & Defense	5.3
Entertainment	4.6
Total	<u>78.2%</u>

Major Portfolio Changes by underlying common stock Six months ended September 30, 2003

ADDITIONS

Church & Dwight Co., Inc.
 Converse Technology, Inc.
 Doral Financial Corp.
 General Motors Corp.
 Level 3 Communications, Inc.
 Omnicare, Inc.
(exchangeable from Omnicare Capital Trust I)
 School Specialty, Inc.
 STMicroelectronics, N.V.
 Teva Pharmaceuticals Industries Ltd.
(exchangeable from Teva Pharm. Finance B.V.)
 UTStarcom, Inc.
 Vishay Intertechnology, Inc.
 The Williams Companies, Inc.

REDUCTIONS

Analog Devices, Inc.
 Anixter International, Inc.
 General Mills, Inc.
 Medtronic, Inc.
 Offshore Logistics, Inc.
 Oneok, Inc.
 Provident Financial Group, Inc.
 Prudential Financial, Inc.
*(exchangeable from Prudential Financial
 Capital Trust I)*
 STMicroelectronics, N.V.
 UTStarcom, Inc.
 WPP Group plc
 Xerox Corp.

Portfolio of Investments September 30, 2003

Principal Amount or Shares		Identified Cost	Value (Note 1)
	ADVERTISING — 3.8%		
\$1,550,000	The Interpublic Group Cos., Inc. 1.80% 2004 cv. sub. notes (NR) . . .	\$1,478,068	\$1,496,719
1,000,000	Lamar Advertising Company 2.875% 2010 cv. sub. notes (B2)	980,625	908,125
1,000,000	Omnicom Group, Inc. 0% 2033 zero yield cv. notes 144A * (Baa1) . . .	1,000,056	983,750
		<u>3,458,749</u>	<u>3,388,594</u>
	AEROSPACE & DEFENSE — 5.3%		
1,500,000	The Goldman Sachs Group, Inc. 1.00% 2009 exch. equity-linked notes * (Aa3) (exch. for General Dynamics Corp. common stock) . . .	1,629,062	1,394,355
750,000	L-3 Communications Holdings, Inc. 5.25% 2009 cv. sr. sub. notes 144A (Ba3)	750,000	841,875
15,000 shs	Northrop Grumman Corp. 7.25% equity units ***(NR)	1,603,732	1,467,000
20,000 shs	RC Trust I 8.25% equity security units ***(BB) (exch. for Raytheon Co. class B common stock)	1,011,831	1,059,000
		<u>4,994,625</u>	<u>4,762,230</u>
	AUTOMOTIVE — 2.5%		
40,000 shs	General Motors Corp. 6.25% series C cv. sr. deb. (Baa1)	1,000,000	1,078,000
2,500,000	Lear Corp. 0% 2022 cv. sr. notes 144A (Ba1)	1,053,040	1,210,938
		<u>2,053,040</u>	<u>2,288,938</u>
	BANKING/SAVINGS & LOAN — 9.7%		
15,000 shs	Commerce Capital Trust II 5.95% cv. trust pfd. 144A (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	750,000	857,813
5,000 shs	Commerce Capital Trust II 5.95% cv. trust pfd. (Baa1) (exch. for Commerce Bancorp, Inc. common stock)	268,438	285,938
4,000 shs	Doral Financial Corp. 4.75% perpetual cumulative cv. pfd. 144A (BBB-)	1,000,000	1,009,000
40,000 shs	National Australia Bank Ltd. 7.875% exch. capital units (NR)	1,038,700	1,440,000
25,000 shs	New York Community Bancorp, Inc. 6% BONUSES units (Ba1)	1,246,606	1,618,600
5,000 shs	State Street Corp. 6.75% treasury backed ACES ** (NR)	1,022,600	1,112,935
35,000 shs	Washington Mutual Capital Trust PIERS units 144A (Baa1) (exch. for Washington Mutual, Inc. common stock)	1,773,125	1,868,125
10,000 shs	Washington Mutual Capital Trust PIERS units (Baa1) (exch. for Washington Mutual, Inc. common stock)	520,313	533,750
		<u>7,619,782</u>	<u>8,726,161</u>
	CONSUMER GOODS — 3.0%		
2,000,000	Church & Dwight Co., Inc. 5.25% 2033 cv. sr. deb. 144A (B1)	2,000,000	2,132,240
20,000 shs	Constellation Brands, Inc. dep. shs. representing 5.75% series A mandatory cv. pfd. ** (Ba2)	511,250	578,400
		<u>2,511,250</u>	<u>2,710,640</u>
	DATA-PROCESSING SERVICES — 2.3%		
965,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes 144A (NR)	959,375	936,050
285,000	The BISYS Group, Inc. 4% 2006 cv. sub. notes (NR)	274,500	276,450
875,000	Pegasus Solutions, Inc. 3.875% 2023 cv. sr. notes 144A (NR)	880,781	878,281
		<u>2,114,656</u>	<u>2,090,781</u>
	ENERGY — 6.9%		
12,500 shs	Chesapeake Energy Corp. 6% cum. cv. pfd. 144A (B3)	780,869	784,238
500,000	Devon Energy Corp. 4.90% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	549,953	512,500
1,000,000	Devon Energy Corp. 4.95% 2008 cv. sub. deb. * (Baa2) (conv. into ChevronTexaco Corp. common stock)	1,123,715	1,025,000

Portfolio of Investments September 30, 2003 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
ENERGY — continued			
\$1,300,000	Kerr-McGee Corp. 5.25% 2010 cv. sub. deb. (Baa3)	\$1,363,688	\$1,362,010
30,000 shs	Kerr-McGee Corp. 5.50% 2004 DECS ** (Baa3) (exch. for Devon Energy Corp. common stock)	995,625	1,297,200
20,000 shs	The Williams Cos., Inc. 5.50% 2033 jr. sub. cv. deb. 144A (B-)	1,015,000	1,205,000
		<u>5,828,850</u>	<u>6,185,948</u>
ENTERTAINMENT — 4.6%			
500,000	Alloy, Inc. 5.375% 2023 cv. sr. deb. (NR)	511,875	497,500
22,500 shs	Emmis Communications Corp. 6.25% series A cum. cv. pfd. (Caa1)	919,590	975,938
2,500,000	News America, Inc. 0% 2021 LYONs 144A (Baa3) (exch. for ADSs representing The News Corp. Limited common stock)	1,370,613	1,376,125
1,250 shs	Radio One, Inc. 6.50% HIGH TIDES (B3)	1,280,844	1,257,342
		<u>4,082,922</u>	<u>4,106,905</u>
FINANCIAL & INSURANCE — 10.9%			
27,800 shs	Capital One Financial Corp. 6.25% Upper DECS ***,** (Baa3)	1,421,319	1,262,676
34,000 shs	The Chubb Corp. 7% equity units ***,** (A1)	874,888	943,500
40,000 shs	Platinum Underwriters Holdings, Ltd. 7% eq. sec. units ***,** (NR) . .	1,120,250	1,179,600
40,000 shs	Reinsurance Group of America, Inc. 5.75% PIERS (Baa2)	2,000,000	2,360,000
1,000,000	Swiss Re America Holding Corp. 3.25% 2021 euro. sub. cv. bonds 144A (Aa1) (conv. into Swiss Reinsurance Company common stock)	1,007,875	948,750
80,000 shs	Travelers Property Casualty Corp. 4.50% 2032 cv. jr. sub. notes (A3)	1,965,055	1,835,200
1,500,000	XL Capital, Ltd. 0% 2021 cv. deb. 144A * (A1)	1,077,859	955,905
500,000	XL Capital, Ltd. 0% 2021 cv. deb. * (A1)	365,930	318,635
		<u>9,833,176</u>	<u>9,804,266</u>
HEALTH CARE — 7.1%			
750,000	AmerisourceBergen Corp. 5% 2007 cv. sub. notes 144A (B1)	778,048	890,100
1,000,000	Community Health Systems, Inc. 4.25% 2008 cv. sub. notes (B3) . .	988,600	1,001,250
500,000	Health Management Associates, Inc. 1.50% 2023 cv. sr. notes * (BBB+)	498,401	529,375
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes 144A (B3)	500,000	476,875
500,000	LifePoint Hospitals, Inc. 4.50% 2009 cv. sub. notes (B3)	490,000	476,875
19,000 shs	Omnicare Capital Trust I 4% PIERS * (Ba3) (exch. for Omnicare, Inc. common stock)	1,009,466	1,068,750
500,000	Province Healthcare Company 4.25% 2008 cv. sub. notes 144A (B3)	457,500	461,250
500,000	Province Healthcare Company 4.25% 2008 cv. sub. notes (B3)	450,000	461,250
600,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes 144A (B1) . .	585,938	597,000
400,000	Sunrise Assisted Living, Inc. 5.25% 2009 cv. sub. notes (B1)	400,000	398,000
		<u>6,157,953</u>	<u>6,360,725</u>
OFFICE EQUIPMENT — 1.6%			
1,500,000	IOS Capital, LLC 5% 2007 cv. sub. notes 144A (Ba2) (exch. for IKON Office Solutions, Inc. common stock)	1,498,125	1,395,000
PAPER & PAPER PRODUCTS — 1.4%			
25,000 shs	Temple-Inland, Inc. 7.50% Upper DECS ***,** (Baa3)	1,237,808	1,221,250

Portfolio of Investments September 30, 2003 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
PHARMACEUTICALS — 9.8%			
\$1,000,000	Amgen, Inc. 0% 2032 LYONS * (A2)	\$ 783,866	\$ 769,410
21,500 shs	Baxter International, Inc. 7% equity units ***(A3)	962,396	1,134,125
750,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes 144A (B-)	739,375	709,688
250,000	Cephalon, Inc. 2.50% 2006 cv. sub. notes (B-)	223,750	236,563
1,000,000	Gilead Sciences, Inc. 2% 2007 cv. sr. notes 144A (NR)	1,119,388	1,335,000
250,000	Guilford Pharmaceuticals, Inc. 5% 2008 cv. sub. notes 144A (NR) ..	250,000	298,278
500,000	Ivax Corp. 4.50% 2008 cv. sr. sub. notes (NR)	495,000	485,625
1,500,000	Ivax Corp. 5.50% 2007 cv. sr. sub. notes (NR)	1,493,125	1,526,250
18,300 shs	Johnson & Johnson common stock	1,025,715	906,216
1,000,000	Teva Pharmaceutical Finance B.V. 0.75% 2021 cv. sub. deb. (BBB-) (exch. for Teva Pharmaceuticals Industries Ltd. ADRs)	1,208,750	1,375,000
		<u>8,301,365</u>	<u>8,776,155</u>
RETAIL — 9.4%			
500,000	Barnes & Noble, Inc. 5.25% 2009 cv. sub. notes (Ba3)	497,975	513,125
500,000	Brinker International, Inc. 0% 2021 cv. sr. deb. (Baa2)	325,232	341,550
1,250,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes 144A (B2)	1,285,431	1,165,625
250,000	Charming Shoppes, Inc. 4.75% 2012 sr. cv. notes (B2)	197,813	233,125
2,000,000	Costco Wholesale Corp. 0% 2017 cv. sub. notes (A3)	1,707,094	1,452,280
500,000	Dave & Buster's, Inc. 5% 2008 cv. sub. notes Reg. D with warrants attached (NR)	500,000	500,000
1,225,000	Duane Reade, Inc. 2.148% 2022 cv. sr. notes 144A (Ba3)	730,061	633,172
750,000	J.C. Penney, Inc. 5% 2008 cv. sub. notes (B1)	752,875	768,750
550,000	School Specialty, Inc. 6% 2008 cv. sub. notes 144A (B+)	560,000	587,428
250,000	School Specialty, Inc. 6% 2008 cv. sub. notes (B+)	258,100	267,013
1,000,000	School Specialty, Inc. 3.75% 2023 cv. sub. notes * (B+)	1,009,005	979,930
25,000 shs	Toys "R" Us, Inc. 6.25% equity securities units ***(NR)	1,090,599	982,500
		<u>8,914,185</u>	<u>8,424,498</u>
TECHNOLOGY — 6.8%			
250,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes 144A (Baa2)	251,563	298,550
1,000,000	Affiliated Computer Services, Inc. 3.50% 2006 cv. sub. notes (Baa2)	1,184,125	1,194,200
750,000	Hutchinson Technology, Inc. 2.25% 2010 cv. sub. notes 144A (NR) ..	816,683	967,458
500,000	Kulicke & Soffa Industries, Inc. 4.75% 2006 cv. sub. notes (Caa2) ..	481,875	442,500
1,000,000	Mercury Interactive Corp. 4.75% 2007 cv. sub. notes (NR)	991,250	989,000
1,000,000	STMicroelectronics, N.V. 0% 2013 sr. cv. bonds 144A # (A-)	1,000,000	1,046,250
1,000,000	Vishay Intertechnology, Inc. 3.625% 2023 cv. sub. notes 144A (B2)	1,166,952	1,187,370
		<u>5,892,448</u>	<u>6,125,328</u>
TELECOMMUNICATIONS — 7.7%			
550,000	Commonwealth Telephone Enterprises, Inc. 3.25% 2023 cv. notes * (NR)	572,664	562,375
750,000	Comverse Technology, Inc. 0% 2023 ZYPS 144A # (BB-)	750,000	808,125
250,000	Comverse Technology, Inc. 0% 2023 ZYPS # (BB-)	285,000	269,375
27,700 shs	The Goldman Sachs Group, Inc. 7.30% mandatory exch. notes ** (Aa3) (exch. for Verizon Communications, Inc. common stock) ..	999,970	904,488
1,000,000	Level 3 Communications, Inc. 2.875% 2010 cv. sub. notes (Caa2) ..	1,000,000	993,630
1,000,000	Lucent Technologies, Inc. 2.75% 2023 series A cv. sr. deb. (Caa1) ..	1,000,000	936,920
1,000,000	Lucent Technologies, Inc. 2.75% 2025 series B cv. sr. deb. (Caa1) ..	1,000,000	962,020
750,000	Tekelec, Inc. 2.25% 2008 cv. sub. discount notes 144A (NR)	756,719	825,938
20,000 shs	UTStarcom, Inc. common stock	732,740	636,000
		<u>7,097,093</u>	<u>6,898,871</u>

Portfolio of Investments September 30, 2003 (continued)

Principal Amount or Shares		Identified Cost	Value (Note 1)
	TRANSPORTATION — 2.1%		
\$ 750,000	Continental Airlines, Inc. 4.50% 2007 cv. notes (Caa2)	\$ 750,000	\$ 613,950
250,000	ExpressJet Holdings, Inc. 4.25% 2023 cv. notes (NR)	250,000	264,499
1,000,000	United Parcel Service, Inc. 1.75% 2007 cash-settled cv. sr. notes (Aaa)	980,000	1,001,250
		<u>1,980,000</u>	<u>1,879,699</u>
	UTILITIES — 2.5%		
30,000 shs	American Electric Power Co., Inc. 9.25% equity units ** (Baa3)	1,488,361	1,336,500
35,000 shs	DTE Energy Co. 8.75% equity security units ** (BBB)	885,786	885,500
		<u>2,374,147</u>	<u>2,222,000</u>
	SHORT-TERM SECURITIES — 0.0%		
11,000	U.S. Treasury notes 3.375% 4/30/04 † (Aaa)	11,244	11,151
	Total Convertible Bonds and Notes — 58.2%	52,397,298	52,283,405
	Total Convertible Preferred Stocks — 20.3%	16,568,006	18,177,694
	Total Mandatory Convertible Securities — 17.1%	15,226,415	15,364,674
	Total Common Stocks — 1.7%	1,758,455	1,542,216
	Total Short-Term Securities — 0.0%	11,244	11,151
	Total Investments — 97.3%	<u>\$85,961,418</u>	<u>87,379,140</u>
	Other assets and liabilities, net — 2.7%		2,422,050
	Total Net Assets — 100.0%		<u>\$89,801,190</u>

* Contingent payment debt instrument which accrues contingent interest. See Note 1(b).

** Mandatory convertible. See Note 1(e).

Non-income producing security.

† Collateral for a letter of credit.

ACES	Automatic Convertible Equity Securities.
ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BONUSES	Bifurcated Option Note Unit Securities.
DECS	Debt Exchangeable for Common Stock.
HIGH TIDES	Remarketable Term Income Deferrable Equity Securities.
LYONS	Liquid Yield Option Notes.
PIERS	Preferred Income Equity Redeemable Securities.
ZYPS	Zero Yield Puttable Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's, a division of McGraw-Hill Companies, Inc., have been obtained from sources believed reliable but have not been examined by PricewaterhouseCoopers LLP. NR is used whenever a rating is unavailable.

The cost of investments for federal income tax purposes is \$85,961,418 resulting in gross unrealized appreciation and depreciation of \$4,191,498 and \$2,773,776, respectively, or net unrealized appreciation of \$1,417,722 on a tax cost basis.

See accompanying notes to financial statements

Statement of Assets and Liabilities

September 30, 2003

Assets:

Investments at value (cost \$85,961,418) (Note 1)	\$ 87,379,140
Cash	1,329,713
Receivable for securities sold	2,259,190
Dividends and interest receivable	472,750
Other assets	74,968
Total assets	<u>91,515,761</u>

Liabilities:

Payable for securities purchased	1,672,755
Accrued management fee (Note 2)	6,414
Accrued expenses	25,378
Other liabilities	10,024
Total liabilities	<u>1,714,571</u>

Net Assets

\$ 89,801,190

Net assets consist of:

Undistributed net investment income	\$ 1,001,377
Accumulated net realized loss from investment transactions	(8,158,982)
Unrealized appreciation on investments	1,417,722
Capital shares (Note 3)	104,620
Additional paid-in capital	<u>95,436,453</u>

Net Assets

\$ 89,801,190

Net asset value per share (\$89,801,190 ÷ 10,461,994 outstanding shares)

\$ 8.58

Statement of Operations

For the Year Ended September 30, 2003

Investment Income (Note 1):

Interest	\$ 2,518,052
Dividends	<u>1,898,327</u>
Total Income	<u>4,416,379</u>

Expenses (Note 2):

Management fee	642,604
Custodian	27,841
Transfer agent	24,693
Professional fees	83,725
Directors' fees	107,700
Reports to shareholders	41,408
Treasurer's office	25,000
Other	88,134
Total Expenses	<u>1,041,105</u>

Net Investment Income

3,375,274

Realized and Unrealized Loss on Investments:

Net realized loss from investment transactions	(442,388)
Net unrealized appreciation of investments	<u>8,367,818</u>
Net gain on investments	<u>7,925,430</u>

Net Increase in Net Assets Resulting from Operations

\$ 11,300,704

Statement of Changes in Net Assets

For the Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Change in net assets from operations:		
Net investment income	\$ 3,375,274	\$ 3,487,906
Net realized loss from investment transactions	(442,388)	(6,659,001)
Net change in appreciation of investments	<u>8,367,818</u>	<u>(1,273,567)</u>
Net change in net assets resulting from operations	<u>11,300,704</u>	<u>(4,444,662)</u>
Dividends to shareholders from:		
Net investment income	(3,143,201)	(4,547,101)
Capital share transactions (Note 3)	<u>518,366</u>	<u>1,216,444</u>
Change in net assets	8,675,869	(7,775,319)
Net assets at beginning of year	<u>81,125,321</u>	<u>88,900,640</u>
Net assets at end of year (including undistributed net investment income of \$1,001,377 and \$800,703, respectively)	<u>\$ 89,801,190</u>	<u>\$ 81,125,321</u>

Financial Highlights

Selected data for a share of common stock outstanding:

	Years Ended September 30,				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating Performance:					
Net asset value, beginning of year	<u>\$7.81</u>	<u>\$8.67</u>	<u>\$11.82</u>	<u>\$11.23</u>	<u>\$11.18</u>
Net investment income32	.34	.47	.42	.33
Net realized and unrealized gain (loss)	<u>.75</u>	<u>(.76)</u>	<u>(1.88)</u>	<u>1.71</u>	<u>1.40</u>
Total from investment operations	1.07	(.42)	(1.41)	2.13	1.73
Less Distributions:					
Dividends from net investment income	(.30)	(.44)	(.42)	(.35)	(.32)
Distributions from realized gains	<u>—</u>	<u>—</u>	<u>(1.32)</u>	<u>(1.23)</u>	<u>(1.36)</u>
Total distributions	(.30)	(.44)	(1.74)	(1.58)	(1.68)
Capital share repurchases	<u>—</u>	<u>—</u>	<u>—</u>	<u>.04</u>	<u>—</u>
Net asset value, end of year	<u>\$8.58</u>	<u>\$7.81</u>	<u>\$8.67</u>	<u>\$11.82</u>	<u>\$11.23</u>
Market value, end of year	\$8.05	\$7.55	\$8.35	\$9.88	\$9.38
Total Net Asset Value Return (%) ^(a)	14.0	(5.2)	(13.3)	21.9	16.4
Total Investment Return (%) ^(b)	10.8	(4.5)	2.2	25.7	10.4
Ratios/Supplemental Data:					
Net assets, end of year (\$000's)	\$89,801	\$81,125	\$88,901	\$109,180	\$96,040
Ratio of expenses to average net assets (%) ...	1.2	1.2	1.2	1.2	1.1
Ratio of net investment income to average net assets (%)	3.9	3.9	5.0	3.8	3.0
Portfolio turnover rate (%)	86	89	82	98	67

(a) Assumes valuation of the Fund's shares, and reinvestment of dividends, at net asset values.

(b) Assumes valuation of the Fund's shares at market price and reinvestment of dividends at actual reinvestment price.

See accompanying notes to financial statements

Notes to Financial Statements

1. Significant Accounting Policies

Ellsworth Convertible Growth and Income Fund, Inc. (the “Fund”) is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements:

(a) Security Valuation

Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Securities traded in the over-the-counter market and listed securities for which no sales were reported are valued at the mean between reported bid and asked prices as of the close of regular trading. Where no closing prices are available, value is determined by management, with the approval of the Board of Directors.

(b) Securities Transactions and Related Investment Income

Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as “contingent payment debt instruments,” Federal tax regulations require the Fund to record non-cash, “contingent” interest income in addition to interest income actually received. Contingent interest income amounted to 5 cents per share for the year ended September 30, 2003. In addition, Federal tax regulations require the Fund to reclassify realized gains on contingent payment debt instruments to interest income. At September 30, 2003 there were unrealized losses of approximately 1 cent per share on contingent payment debt instruments.

(c) Federal Income Taxes

It is the policy of the Fund to distribute substantially all of its taxable income within the prescribed time and to otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income or excise taxes is believed necessary.

(d) Dividends and Distributions to Shareholders

The liability for dividends and distributions payable is recorded on the ex-dividend date.

(e) Market Risk

It is the Fund’s policy to invest the majority of its assets in convertible securities. Although convertible securities do derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Fund’s investments include features which render them more sensitive to price changes in their underlying securities. Thus they expose the Fund to greater downside risk than traditional convertible securities, but still less than that of the underlying common stock. The market value of those securities was \$15,364,674 at September 30, 2003, representing 17% of net assets.

Notes to Financial Statements (continued)

2. Management Fee and Other Transactions with Affiliates

The management fee is paid to the investment adviser, Davis-Dinsmore Management Company (the "Adviser"). The contract provides for payment of a monthly advisory fee, computed at an annual rate of $\frac{3}{4}$ of 1% of the first \$100,000,000 and $\frac{1}{2}$ of 1% of the excess over \$100,000,000 of the Fund's net asset value in such month.

The Adviser furnishes investment advice, office equipment and facilities, and pays the salaries of all executive officers of the Fund, except that the costs associated with personnel and certain non-personnel expenses of the office of the Treasurer, up to a maximum of \$25,000 a year, are reimbursed by the Fund. Such reimbursements amounted to \$25,000 for the year ended September 30, 2003. The officers of the Fund are also directors, officers or employees of the Adviser, and are compensated by the Adviser.

3. Capital Stock

At September 30, 2003 there were 10,461,994 shares of \$.01 par value common stock outstanding, (20,000,000 shares authorized). During the years ended September 30, 2003 and 2002, 68,117 shares and 137,918 shares were issued in connection with reinvestment of dividends from net investment income, resulting in an increase in paid-in capital of \$518,366 and \$1,216,444 respectively.

A distribution of \$.105 per share, derived from net investment income, was declared on October 20, 2003, payable November 26, 2003 to shareholders of record at the close of business October 30, 2003.

The Board of Directors of the Fund has authorized the Fund to issue, to shareholders of record October 14, 2003, non-transferable rights to acquire additional shares of the Fund's common stock (the "Rights"). Shareholders received one Right for each whole share of common stock held as of October 14, 2003, rounded up to the nearest number of Rights evenly divisible by six. The Rights allow shareholders to subscribe for one share of the Fund's common stock for each six Rights held. The subscription price of the Rights will be the lesser of (a) 95% of the net asset value per share of the Fund's common stock on November 20, 2003, or (b) 95% of the average of the volume-weighted average sales prices of a share of the Fund's Common Stock on the American Stock Exchange on the November 20, 2003 and the four preceding trading days.

Rights may be exercised at any time prior to 5:00 p.m., Eastern time, on November 19, 2003, unless extended by the Fund.

4. Portfolio Activity

Purchases and sales of investments, exclusive of corporate short-term notes, aggregated \$73,545,877 and \$71,199,299, respectively, for the year ended September 30, 2003.

Notes to Financial Statements (continued)

5. Distributions to Shareholders

Income and Capital Gain Distributions are determined in accordance with federal income tax regulations, which may differ from those reported for financial reporting purposes.

The tax character of distributions paid during the years ended September 30, 2003 and 2002 were as follows:

Ordinary Income	\$ 3,143,201	\$ 4,547,101
Long-Term Capital Gain	<u>—</u>	<u>—</u>
	<u>3,143,201</u>	<u>4,547,101</u>

At September 30, 2003 the components of net assets (excluding paid-in capital) on a tax basis were as follows:

Undistributed ordinary income	\$ 1,001,377
Tax basis capital loss carryforward	(7,719,727)
Post October loss deferral	(439,255)
Unrealized (appreciation)	<u>1,417,722</u>
	<u>(5,739,883)</u>

The capital loss carryforward represents tax basis capital losses which may be carried over to offset future realized capital gains. On September 30, 2003 the Fund had a net capital loss carry forward of \$7,719,727, of which \$1,057,592 expires in 2009, \$1,029,388 expires in 2010, and \$5,632,747 expires in 2011. To the extent that the carryforward is used, no capital gains distributions will be made. The Fund has elected to defer realized capital losses of \$439,254 arising after October 31, 2002. Such losses are treated for tax purposes as arising on October 1, 2003.

Report of Independent Accountants

**To the Shareholders and Board of Directors of
Ellsworth Convertible Growth and Income Fund, Inc.**

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets, and the financial highlights, present fairly, in all material respects, the financial position of Ellsworth Convertible Growth and Income Fund, Inc. (the “Fund”) at September 30, 2003, the results of its operations for the year then ended, and the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York

October 20, 2003

Miscellaneous Notes

Automatic Dividend Investment and Cash Payment Plan

The Fund has an Automatic Dividend Investment and Cash Payment Plan (the “Plan”). Any shareholder may elect to join the Plan by sending an application to American Stock Transfer & Trust Company, P.O. Box 922, Church Street Station, NY 10269-0560 (the “Plan Agent”). You may also obtain additional information about the Plan by calling the Plan Agent toll free at (800) 937-5449. If your shares are held by a broker or other nominee, you should instruct the nominee to join the Plan on your behalf. Some brokers may require that your shares be taken out of the broker’s “street name” and re-registered in your own name. Shareholders should also contact their broker to determine whether shares acquired through participation in the Plan can be transferred to another broker, and thereafter, whether the shareholder can continue to participate in the Plan.

Under the Plan, all dividends and distributions are automatically invested in additional Fund shares. Depending on the circumstances, shares may either be issued by the Fund or acquired through open market purchases at the current market price or net asset value, whichever is lower (but not less than 95% of market price). When the market price is lower, the Plan Agent will combine your dividends with those of other Plan participants and purchase shares in the market, thereby taking advantage of the lower commissions on larger purchases. There is no other charge for this service.

All dividends and distributions made by the Fund (including capital gain dividends and dividends designated as qualified dividend income, which are eligible for taxation at lower rates) remain taxable to Plan participants, regardless of whether such dividends and distributions are reinvested in additional shares of the Fund through open market purchases or through the issuance of new shares. Plan participants will be treated as receiving the cash used to purchase shares on the open market and, in the case of any dividend or distribution made in the form of newly issued shares, will be treated as receiving an amount equal to the fair market value of such shares as of the reinvestment date. Accordingly, a shareholder may incur a tax liability even though such shareholder has not received a cash distribution with which to pay the tax.

Plan participants may also voluntarily send cash payments of \$100 to \$10,000 per month to the Plan Agent, to be combined with other Plan monies, for purchase of additional Fund shares in the open market. You pay only a bank service charge of \$1.25 per transaction, plus your proportionate share of the brokerage commission. All shares and fractional shares purchased will be held by the Plan Agent in your dividend reinvestment account. You may deposit with the Plan Agent any Ellsworth stock certificates you hold, for a one-time fee of \$7.50.

At any time, a Plan participant may instruct the Plan Agent to liquidate all or any portion of such Plan participant’s account. To do so, a Plan participant must deliver written notice to the Plan Agent prior to the record date of any dividend or distribution requesting either liquidation or a stock certificate. The Plan Agent will combine all liquidation requests it receives from Plan participants on a particular day and will then sell shares of the Fund that are subject to liquidation requests in the open market. The amount of proceeds a Plan participant will receive shall be determined by the average sales price per share, after deducting brokerage commissions, of all shares sold by the Plan Agent for all Plan participants who have given the Plan Agent liquidation requests.

The Plan Agent or the Fund may terminate the Plan for any reason at any time by sending written notice addressed to Plan participant’s address as shown on the Plan Agent’s records. Following the date of termination, the Plan Agent shall send the Plan participant either the proceeds of liquidation, or a stock certificate or certificates for the full shares held by Plan Agent in Plan participant’s account and a check for the value of any fractional interest in Plan participant’s account based on the market price of the Fund’s Common Stock on that date.

Miscellaneous Notes (continued)

Notice of Privacy Policy

The Fund has adopted a privacy policy in order to protect the confidentiality of nonpublic personal information that we have about you. We receive personal information, such as your name, address and account balances, when transactions occur in Ellsworth shares registered in your name.

We may disclose this information to companies that perform services for the Fund, such as the Fund's transfer agent or proxy solicitors. These companies may only use this information in connection with the services they provide to the Fund, and not for any other purpose. We will not otherwise disclose any nonpublic personal information about our stockholders or former stockholders to anyone else, except as required by law.

Access to nonpublic information about you is restricted to our employees and service providers who need that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Visit us on the Internet at www.ellsworthfund.com. The site provides information about the Fund including daily net asset values (NAV), historical dividends and press releases, as well as information about Davis-Dinsmore Management Company, the Fund's adviser. In addition you can email us at info@ellsworthfund.com.

The Fund is a member of the Closed-End Fund Association (CEFA). Its website address is www.cefa.com. CEFA is solely responsible for the content of its website.

The Fund's Proxy Voting Guidelines (the "Guidelines") are available without charge, by calling the Fund collect at (973) 631-1177. The Guidelines are also posted on the Fund's website at <http://www.ellsworthfund.com> and are available on the SEC's website at <http://www.sec.gov>.

Pursuant to Section 23 of the Investment Company Act of 1940, notice is hereby given that the Fund may in the future, purchase shares of its own Common Stock from time to time, at such times, and in such amounts, as may be deemed advantageous to the Fund. Nothing herein shall be considered a commitment to purchase such shares.

A Statement of Additional Information, dated October 16, 2003, which pertains to an offering of the Fund's Common Stock issuable upon exercise of rights that were issued to existing shareholders of the Fund on October 14, 2003, contains additional information about the Fund and Directors, and is available, without charge, by calling the Fund collect at (973) 631-1177.

Internet

www.ellsworthfund.com
email: info@ellsworthfund.com

Investment Adviser

Davis-Dinsmore Management Company
65 Madison Avenue, Suite 550
Morristown, NJ 07960-7308
(973) 631-1177

Shareholder Services and Transfer Agent

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
(800) 937-5449
www.amstock.com

Common Stock Listing

American Stock Exchange Symbol: ECF

Directors

The business address of each director is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Each director is also a director of Bancroft Convertible Fund, Inc. (Bancroft) (a closed-end management investment company). Davis-Dinsmore Management Company (Davis-Dinsmore) is the Fund's investment adviser and is also the investment adviser to Bancroft. Because of this connection, the Fund and Bancroft make up a Fund Complex. Therefore, each director oversees two investment companies in the Fund Complex.

Name and Age	Term Of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorship(s) Held by Director
Independent Directors			
Gordon F. Ahalt, 75	Term as Director expires 2004. Director since 1986.	Retired. Prior to 2001, President of G.F.A. Inc. (petroleum industry consulting company). Prior to 1999, Consultant with W.H. Reaves & Co. (asset management company).	CalDive International, and The Houston Exploration Company
William A. Benton, 70	Term as Director expires 2004. Director since 1986.	Retired. Prior to 2001, Partner of BE Partners (small options market maker). Prior to 2000, Limited Partner of Gavin, Benton & Co. (NYSE specialist).	None
Elizabeth C. Bogan, Ph.D., 59	Term as Director expires 2004. Director since 1986.	Senior Lecturer in Economics at Princeton University.	None
Donald M. Halsted, Jr., 76	Term as Director expires 2005. Director since 1986.	Retired Business Executive.	None
George R. Lieberman, 81	Term as Director expires 2006. Director since 1990.	Retired Advertising Executive.	None
Duncan O. McKee, 72	Term of Director expires 2005. Director since 1996.	Retired Attorney.	None
Nicolas W. Platt, 50	Term as Director expires 2004. Director since 1997.	Since January 2003, President of CNC-US (an international consulting company). Prior to January 2003, Senior Partner of Platt & Rickenbach (public relations firm). Prior to May 2001, with WPP Group, UK, as Exec. Vice Pres. of Ogilvy Public Relations Worldwide and Managing Director of the Corporate Financial Practice at Burson-Marsteller (public relations firm).	None

Directors (continued)

Name and Age	Term Of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Other Directorship(s) Held by Director
Interested Directors			
Thomas H. Dinsmore, 50 ^{1,2}	Term as Director expires 2005. Director since 1986.	Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore.	None
Jane D. O’Keeffe, 48 ^{1,2}	Term as Director expires 2005. Director since 1995.	President of the Fund, Bancroft and Davis-Dinsmore.	None

Officers


The business address of each officer is 65 Madison Avenue, Suite 550, Morristown, NJ 07960-7308. Officers are elected by and serve at the pleasure of the Board of Directors. Each officer holds office until the annual meeting to be held in 2004, and thereafter until his or her respective successor is duly elected and qualified.

Name and Age	Positions with the Fund	Officer Since	Principal Occupation(s) During the Past 5 Years
Thomas H. Dinsmore, 50 ^{1,2}	Director, Chairman and Chief Executive Officer	1986	Chairman and Chief Executive Officer of the Fund, Bancroft and Davis-Dinsmore
Jane D. O’Keeffe, 48 ^{1,2}	Director and President	1994	President of the Fund, Bancroft and Davis-Dinsmore
H. Tucker Lake, Jr., 56 ²	Vice President	1994	Since 2002, Vice President, and prior thereto Vice President, Trading, of the Fund, Bancroft and Davis-Dinsmore
Gary I. Levine, 46 ^{3,4}	Vice President, Treasurer and Chief Financial Officer	1993	Since 2002, Vice President, Treasurer and Chief Financial Officer, and prior thereto, Treasurer and Assistant Secretary of the Fund, Bancroft and Davis-Dinsmore
Germaine Ortiz, 33	Vice President	1996	Since 1999, Vice President, and prior thereto, Assistant Vice President of the Fund, Bancroft and Davis-Dinsmore
Sigmund Levine, 79 ^{3,5}	Secretary	1986	Senior Vice President and Secretary of the Fund, Bancroft and Davis-Dinsmore

1 Mr. Dinsmore and Ms. O’Keeffe are considered interested persons because they are officers and directors of Davis-Dinsmore. They are brother and sister.
 2 H. Tucker Lake, Jr. is the cousin of Thomas H. Dinsmore and Jane D. O’Keeffe.
 3 Sigmund Levine is the father of Gary I. Levine.
 4 Gary I. Levine was elected Secretary of the Fund as of November 17, 2003.
 5 Sigmund Levine retired as Secretary of the Fund as of November 17, 2003.

ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND, INC.
65 MADISON AVENUE, SUITE 550
MORRISTOWN, NEW JERSEY 07960
www.ellsworthfund.com



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