

RENAISSANCE CAPITAL GROWTH & INCOME FUND III INC
Form 10-Q
December 19, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2004

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition period from _____ to _____ .

Commission file number: 0-20671

Renaissance Capital Growth & Income Fund III, Inc.
(Exact name of registrant as specified in its charter)

TX
(State or other jurisdiction
of incorporation or organization)

75-2533518
(I.R.S. Employer
Identification No.)

8080 N. Central Expressway, Suite 210, LB-59, Dallas, TX 75206
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **214-891-8294**

None
(Former name, former address and former fiscal year
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ___ No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer £ Accelerated filer £ Non-accelerated filer S

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No .

As of December 1, 2006, the issuer had 4,463,967 shares of common stock outstanding.

RENAISSANCE CAPITAL GROWTH & INCOME FUND III, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Renaissance Capital Growth & Income Fund III, Inc.
Statements of Assets and Liabilities
(Unaudited)

ASSETS

	March 31, 2004	December 31, 2003
Cash and cash equivalents	\$ 41,324,075	\$ 35,255,687
Investments at fair value, cost of \$36,446,147 and \$33,747,037 at March 31, 2004 and December 31, 2003, respectively	75,447,704	62,455,944
Accounts receivable - settlement with affiliate	3,775,872	3,775,872
Interest and dividends receivable	56,573	233,201
Prepaid and other assets	151,135	145,307
	\$ 120,755,359	\$ 101,866,011

LIABILITIES AND NET ASSETS

Liabilities:		
Due to broker	\$ 27,004,331	\$ 27,000,416
Accounts payable	121,119	57,273
Accounts payable - affiliate	730,935	1,703,398
Accounts payable - dividends	-	3,698,960
	27,856,385	32,460,047

Commitments and contingencies

Net assets:		
Common stock, \$1 par value; authorized 20,000,000 shares; 4,561,618 issued; 4,351,718 shares outstanding	4,561,618	4,561,618
Additional paid-in-capital	36,531,243	37,058,788
Treasury stock at cost, 209,900 shares	(1,734,967)	(1,734,967)
Distributable earnings	14,539,523	811,618
Net unrealized appreciation of investments	39,001,557	28,708,907
Net assets, equivalent to \$21.35 and \$15.95 per share at March 31, 2004 and December 31, 2003, respectively	92,898,974	69,405,964
	\$ 120,755,359	\$ 101,866,011

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments
(unaudited)

			March 31, 2004		
	Interest Rate	Due Date	Cost	Fair Value	% of Net Investments
Eligible Portfolio Investments -					
Convertible Debentures and					
Promissory Notes					
Dexterity Surgical, Inc. -					
Convertible debenture (2)	9.00%	12/19/04	\$ 1,316,282	\$ -	0.00%
Digital Learning Management Corp.					
-					
Convertible debenture (2)	7.00	02/27/11	1,000,000	2,863,534	3.80
iLinc Communications, Inc. -					
Convertible redeemable note (2)	12.00	03/29/12			