

TROY

INCOME & GROWTH TRUST PLC

Annual Report and Financial Statements

for the year ended 30 September 2022

ABOUT TROY INCOME & GROWTH TRUST PLC

Investment Objective

The investment objective of Troy Income & Growth Trust plc (the 'Company') is to provide Shareholders with an attractive income yield and the prospect of income and capital growth through investing in a portfolio of predominantly UK equities.

Dividends

Dividends on the Ordinary shares are payable quarterly at the end of January, April, July and October. It is intended that the investment policy of the Company generates an income yield that will permit the Company's dividend to grow over time.

Focused portfolio managed by Troy Asset Management Limited

Troy Asset Management Limited ('TAML' or the 'Managers') was appointed as Manager on 1 August 2009 and is an independent fund management company aiming to generate absolute returns for investors over the long term.

Discount Control Mechanism

The Company's discount control mechanism aims to ensure that the Ordinary shares trade at close to their underlying net asset value by virtue of buying-in or issuing shares, as appropriate.

Capital Structure

The Company's issued share capital as at 30 September 2022 consisted of 282,284,487 Ordinary shares of 25p each, with 65,227,500 Ordinary shares held in treasury, and at 15 November 2022 there were 278,184,487 Ordinary shares in issue and 69,327,500 Ordinary shares were held in treasury.

Continuation Vote

A continuation vote was passed at the AGM on 23 January 2019. As a result of this the Company's next continuation vote will be held at the Company's AGM following the year ending 30 September 2023 and at each fifth AGM thereafter.

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in Troy Income & Growth Trust plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

WHY TROY INCOME & GROWTH TRUST PLC

The Company aims to:

1

Deliver an attractive income yield and the prospect of income and capital growth through investing in a portfolio of predominantly UK equities.

2

Provide a sustainable and growing income stream.

3

Avoid permanent capital loss, particularly in times of market weakness.

The Company's approach to equity income is simple and differentiated, targeting long-term holdings in a concentrated number of high-quality companies capable of strong cash generation and resilient dividend growth.

The Company invests in 30-50 high-quality businesses. Its strategy predominantly focuses on UK-listed companies, with selective investment in the shares of overseas businesses. The long-term approach, and emphasis on reasonably valued, cash-generative companies, leads to low portfolio turnover.

TAML's Structure and Culture

TAML is a privately owned, independent investment boutique whose aim is to protect and grow its investors' capital over the long term. It was established in 2000 by the late Lord Weinstock and Sebastian Lyon to serve investors who shared the objective of long-term absolute returns, whilst ignoring the distraction of short-term market noise and benchmarks.

TAML's strengths come from its independent structure, strong governance, culture and alignment of interest with investors. It is focused on:

- A distinctive, cautious and disciplined investment approach.
- In-depth primary research.

TAML is passionately committed to investment trusts and currently manages three: Troy Income & Growth Trust plc, Personal Assets Trust plc and Securities Trust of Scotland plc.

Benefits of the Company Structure

• Discount Control Mechanism

Through the Discount Control Mechanism, the Company is committed to buying-in shares when there is excess demand in the market and issuing shares when there is excess supply. This provides liquidity to investors and aims to ensure that the share price trades at close to the underlying net asset value on an ongoing basis.

• Distributable Reserves

The Company's distributable reserves enable the Board and the Managers to manage the Company's dividend growth through periods of market volatility and to allow portfolio management flexibility.

• Gearing

The Company has the ability to gear modestly to take advantage of opportunities in the equity markets.

• Independent Board

The Company is overseen by an independent Board of Directors. By engaging with and listening to Shareholders, the Board ensures that the Company continues to offer a distinctive investment proposition that is relevant to investors' needs.

Experienced Team

The Company is co-managed by Blake Hutchins and Hugo Ure with the support of two dedicated UK Equity analysts and TAML's wider Investment Team, which totals 14.

Hugo has worked on TAML's UK equity income portfolios since 2009, becoming Assistant Manager of the Company in 2011 and co-manager in 2015. Blake became co-manager in November 2020 and has managed UK-Equity portfolios since 2011.

FINANCIAL HIGHLIGHTS

2022

| | |
|---|--------|
| Net asset value total return [^] | -9.9% |
| Share price total return [^] | -10.2% |
| FTSE All-Share Index total return | -4.0% |
| Increase in dividends per share | +0.5% |
| Dividend yield ^{*^} | 2.9% |

[^] Alternative Performance Measure – full details can be found on page 62.

^{*} Dividends per share as a percentage of share price at 30 September.

| | 30 September 2022 | 30 September 2021 | Change |
|--|----------------------|----------------------|--------|
| Total investments | £194,448,000 | £244,514,000 | -20.5% |
| Shareholders' funds | £193,315,000 | £248,621,000 | -22.2% |
| Market capitalisation | £189,131,000 | £245,035,000 | -22.8% |
| Net asset value per share | 68.48p | 77.72p | -11.9% |
| Share price (mid market) | 67.00p | 76.60p | -12.5% |
| (Discount)/premium to NAV [^] | (2.2)% | (1.4)% | |
| Gearing ¹ | 2.6% | - | |
| Ongoing charges [^] | 0.89% | 0.92% | |
| Dividends and earnings | | | |
| Revenue return per share ² | 1.77p | 1.68p | +5.4% |
| Dividends per share ³ | 1.97p | 1.96p | +0.5% |
| Revenue reserves ⁴ | £6,896,000 | £6,092,000 | |

¹ Gearing is borrowings expressed as a percentage of Shareholders' funds.

² Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Statement of Comprehensive Income).

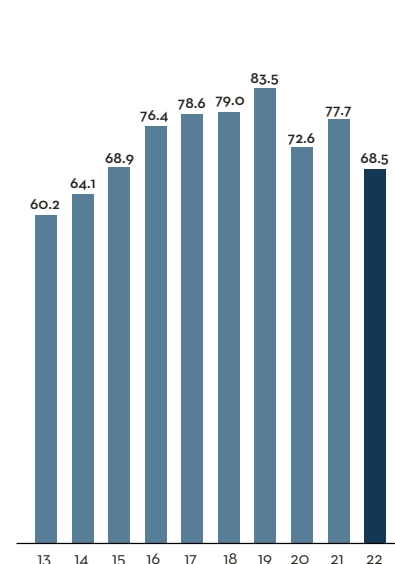
³ The figures for dividends per share reflect the years in which they were earned (see note 7 on pages 51 and 52).

⁴ The revenue reserve figure does not take account of the fourth interim dividend amounting to £1,411,000 (2021 – fourth interim £1,565,000). The third interim dividend of £1,444,000 was paid from distributable capital reserves (2021 – £1,598,000), all other dividends were paid from revenue.

[^] Alternative Performance Measure – full details can be found on page 62.

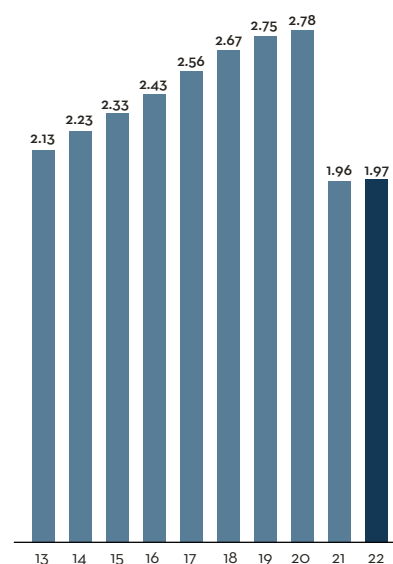
Net Asset Value per Ordinary share

At 30 September – pence



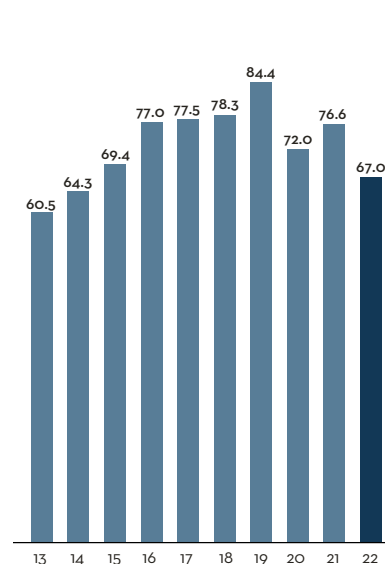
Dividends per Ordinary share

At 30 September – pence



Share price per Ordinary share

At 30 September – pence



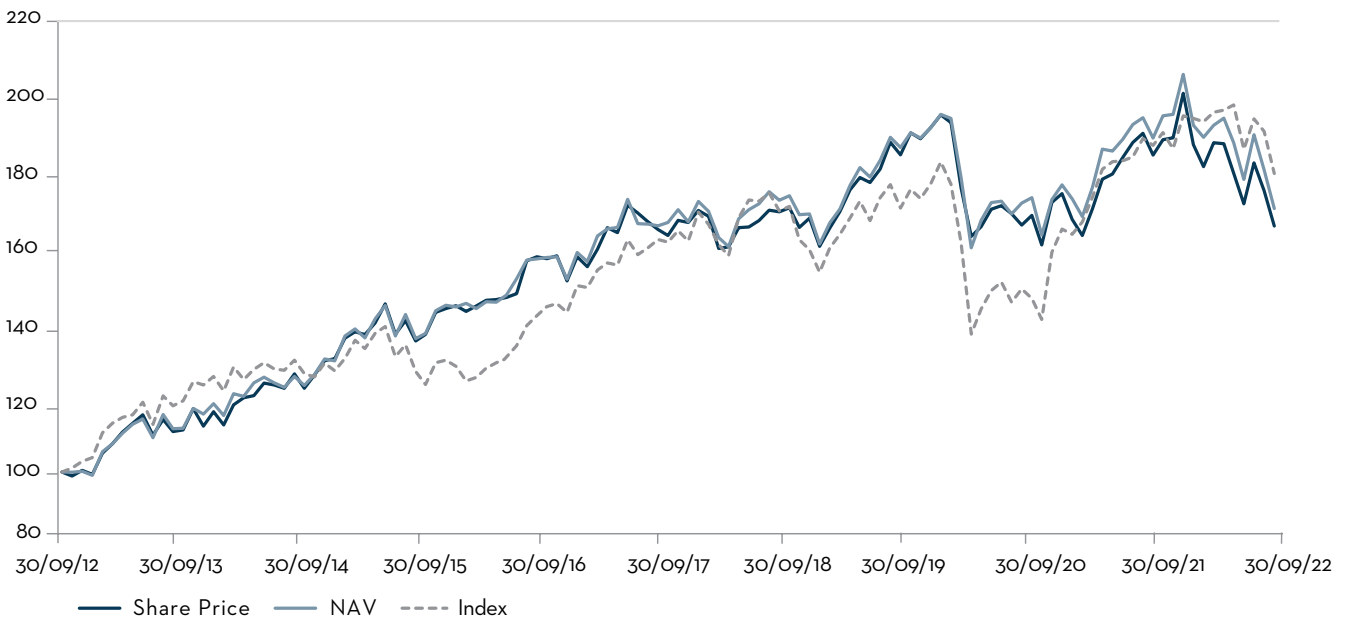
PERFORMANCE

Total Return (for the periods to 30 September 2022)

| | One Year | Three Years | Five Years | Ten Years |
|---------------------------|----------|-------------|------------|-----------|
| Share price | -10.2% | -13.0% | +1.6% | +65.5% |
| Net asset value per share | -9.9% | -10.6% | +2.2% | +70.1% |
| FTSE All-Share Index | -4.0% | +2.4% | +11.3% | +79.5% |

Total Return of NAV and Share Price vs FTSE All-Share Index

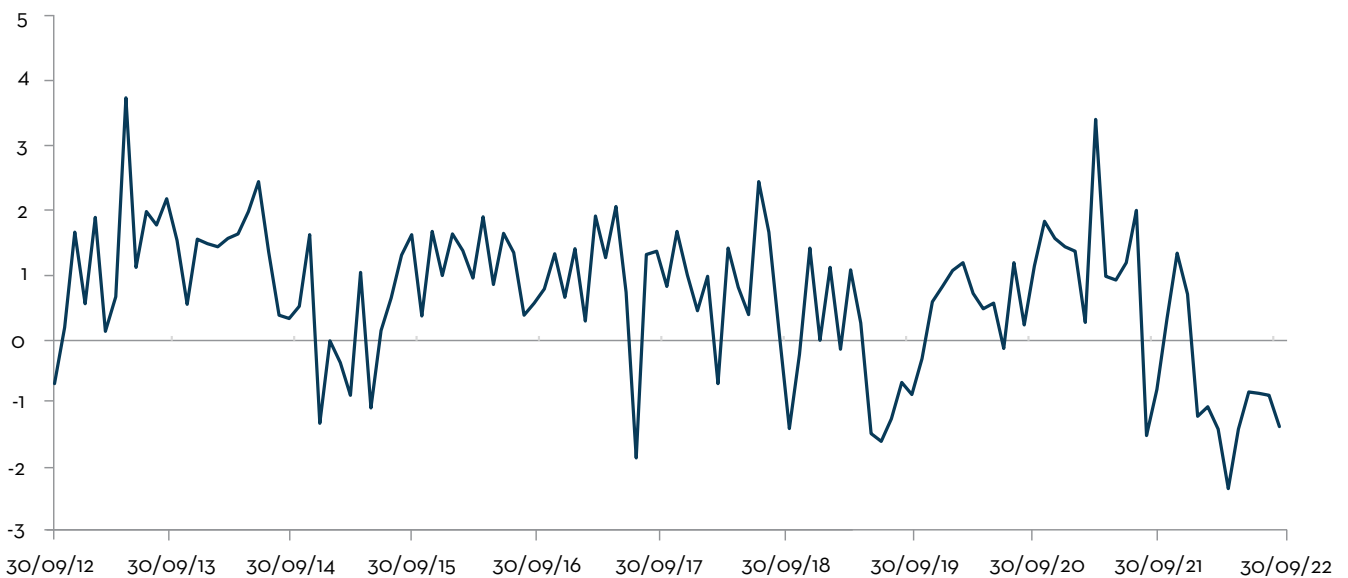
Ten years to 30 September 2022 (rebased to 100 at 30/09/12)



Source: Refinitiv Datastream

Share Price Premium/(Discount) to NAV

Ten years to 30 September 2022



Source: Refinitiv Datastream

CHAIRMAN'S STATEMENT



David Warnock
Chairman

Performance

The Company delivered a Net Asset Value ('NAV') total return of -9.9% and share price total return of -10.2% for the year ended 30 September 2022. Over the same period, the FTSE All-Share Index produced a total return of -4.0%.

In a period of sharply rising inflation and interest rates, the values of many assets have contracted, against which the FTSE All-Share has been comparatively stable. However, the UK equity market has been significantly helped by a handful of companies that have benefited from current circumstances – the combined forces of war and inflation have remained highly supportive of oil & gas and mining companies that are directly benefitting from extreme price rises. The large weightings of these sectors in the UK stock market have contributed to the FTSE All-Share comfortably outperforming other indices. Over the past 12 months, the FTSE All-Share (GBP) has fallen by -4.0% versus the S&P 500 (USD) -15.5% and MSCI World (USD) -19.2%.

Economic and Stock Market Background

It has once again been a year of extraordinary global events. Upheaval to world economies stemming from the COVID-19 pandemic has continued to pervade, with inflation dominating the narrative over the past year. In the face of many warning signs last year, central banks had initially proved complacent to the risk of stubbornly higher inflation resulting from years of loose monetary policy (quantitative easing), COVID-19 driven supply/demand disruptions, and the energy shocks caused by Russia's invasion of Ukraine. With increasingly high inflation numbers reported over the course of 2022, we have witnessed policymakers' attempts to rapidly make up for lost time. The Bank of England has raised their base rate seven times this year, marking a swift end to the ultra-low interest rate era that has persisted since the Global Financial Crisis. Related and concurrent to this, geopolitics has raised its head in the ugly form of the Russia-Ukraine war, creating a humanitarian tragedy and economic stresses that are rippling across Europe and further afield. These are fuelling unprecedented spikes in energy costs and second-order pressures on many other goods and services. The landscape is unsettled and measures of market volatility such as the VIX Index remain elevated.

There have been few places to hide in either bond or equity markets – the popular '60/40' portfolio of US stocks and bonds is on track for its second worst calendar year in history after 1931, down -21% in the nine months to the end of September.

The Managers provide further context and discussion on the Company's performance in their review, as well as detailing the portfolio changes. Their process and objectives remain unchanged. While in aggregate the past 12 months have been challenging for the strategy, the risks of weaker corporate earnings and a recession from here are growing and the Board would expect these to be supportive of the Managers' longstanding strategy and preference for resilient and predictable businesses.

Dividends

A fourth quarterly dividend payment of 0.50p was announced in September. The dividend for the year totalled 1.97p, representing a yield of 2.9% on the year-end share price.

As noted in the Interim Report, the Managers had anticipated robust growth in dividends from the underlying portfolio companies this year, and it is pleasing to have seen this materialise despite difficult economic conditions. Also noted in the Interim Report was the Board's intention to begin increasing the Company's dividend while also rebuilding dividend cover. The quarterly dividend was increased to 0.50p per share in September of this year, representing a 2.0% rise in the quarterly rate. It is the Board's intention, barring unforeseen circumstances, to at least maintain the quarterly dividend rate of 0.50p per share for the year to 30 September 2023.

The Board decided to pay the third interim dividend from the Company's distributable capital reserves this year, as it has done for the previous two years, enabling the Company to continue to bridge its revenue deficit while the impact of the pandemic recedes and dividend growth in the portfolio continues to recover and even accelerate.

Gearing

The Company secured a three-year revolving loan facility of £15 million with The Royal Bank of Scotland International Limited on 15 June 2022.

The Company has not had a gearing facility since April 2021. Having reviewed the situation, the Board and Managers concluded that a new facility should be instituted. The intention is for gearing to be used at a fairly low level on an ongoing basis, and from time to time more materially (up to around 10%) on a tactical basis. The Managers have a proven, conservative, investment style and it is the Board's view that adding modest gearing to the Company is appropriate, enabling efficient management of the Company's balance sheet and the enhancement of total returns over time. At the period end the Company had drawn down £5 million under the facility.

Under the terms of the facility, the Company has the option to increase the level of the commitment from £15 million to £20 million at any time, subject to the bank's credit approval, thus avoiding the expense of undrawn commitment fees on this additional £5 million.

Discount Control Mechanism

The Discount Control Mechanism ('DCM'), which has been in place since January 2010, seeks to ensure that investors can purchase and sell the Company's shares at a time of their choosing and at a price very close to NAV. The DCM continues to enhance the NAV per share by consistently buying-in shares at a small discount and issuing shares at a small premium. This is a key differentiating feature of the Company, providing liquidity for both buyers and sellers of the Company's shares and protecting investors from the negative effects of excessive discount volatility.

The DCM was active during the year with the Company buying-in 37.6m shares at a cost of £27.9m. The shares bought-in are now held in treasury. The Board is resolute in its operation of the DCM.

Reduction in Management Fee

In January the Board was pleased to announce a reduction in the annual management fee payable to the Company's Investment Managers. With effect from 1 January 2022, the Company moved to a tiered annual management fee of 0.55% of net assets (i.e., excluding any gearing facility) up to £250 million and 0.50% of net assets above £250 million. This compares to the previous fee of 0.65% and so the new fee represents a reduction of 15% up to £250 million of net assets (£250,000 per annum cost saving) and a reduction of 23% on net assets greater than £250 million. This fee reduction reflects the commitment of both the Board and the Managers to creating value for Shareholders and to ensuring the Company's ongoing charges are competitive.

Annual General Meeting

As at previous AGMs, the Board will again ask Shareholders to approve resolutions it believes are vital to the effective management of the DCM. Specifically, the Board is seeking permission to allow the Company to issue shares on a non pre-emptive basis equivalent to 20% of its equity and to buy-in up to 14.99%. There are two separate resolutions concerning the issue of shares. The first resolution seeks permission to issue 10%, and the second (extra) resolution seeks permission to issue up to a further 10% solely in connection with the DCM; for an aggregate of 20%.

The Board believes this approach to seeking non pre-emption authorities is Shareholder friendly. It gives any Shareholder who may be unhappy that the aggregate authority sought is higher than that recommended by corporate governance guidelines the ability to express their concern via the second

resolution, whilst still allowing their approval for the first and more conventional resolution dealing with 10% issuance. While the Board appreciates some Shareholders' reticence about non pre-emption authorities, it strongly believes that in the circumstances of the NAV enhancing impact of the DCM's operations, the overall 20% authority sought is in the best interests of Shareholders, and so is continuing to seek such authority at the upcoming AGM.

Board Changes

I will be retiring at the AGM in January after twelve years as a Director and eight years as Chairman. The Board is delighted to announce that Bridget Guerin will be proposed for election as a Director of the Company with effect from 17 January 2023. Subject to Shareholders' approval of her election, Bridget will take over from me as Chair following my retirement at the AGM. As can be seen from her biography on page 22, Bridget has extensive experience in the asset management industry, including longstanding involvement with investment trusts as both a Non-Executive Director and Chair. The Board is very much looking forward to working with Bridget and benefiting from her experience and leadership.

I would like to take this opportunity to express my gratitude to my fellow Directors for their support and valued contribution during my eight years as Chairman.

Outlook

If we needed any further reminder of the deeply unsettled environment, the UK market over the final month of the reporting period has proved a remarkable case in point. September saw sterling sink to the lowest levels in modern history against the dollar and the yield on the benchmark 10-year UK government bond more than doubled in just over a month, necessitating Bank of England intervention to stabilise markets. Global economies are variously continuing to navigate the forces of COVID-19, inflation, rising interest rates, and geopolitical unrest. Against this backdrop, the Managers are emphasising more than ever the importance of businesses with defensive earnings and reasonable valuations. The Board agrees with the observation that the coming months will prove highly challenging for corporate profits – this is likely a time for resilience and reliability. The Managers of the Company have always emphasised the virtues of low cyclicity and capital-light business models, focusing on dependable and diverse companies such as global consumer staples franchises. The Board continues to support this approach and sees the virtues of such a strategy, particularly in challenging markets.

David Warnock

Chairman

16 November 2022

INVESTMENT PROCESS

1

Own what are considered to be durable business franchises with exceptional economics, sustainable competitive advantages, and high-quality management teams.

2

Invest in companies with an ability and willingness to pay growing dividends, supported by strong balance sheets and funded from genuinely surplus cash flow.

3

Buy into companies at reasonable valuations, based on the proportion of sustainable free cash flow they generate compared to their market value.

The Managers invest in profitable, high-quality businesses that they believe can grow in a predictable manner for many years to come. They favour large, global businesses that have demonstrated their resilience through varied economic conditions.

They look for companies with sensible balance sheets and talented management teams that can allocate capital well and, crucially, seek to pay sensible prices for the shares of such businesses.

Under TAML's management of the Company, the investment process has generated returns with significantly lower volatility (as measured by standard deviation of returns) and maximum drawdown than both peers and the market index comparators.

The Managers' preferred profile of company naturally draws them to sectors with low levels of cyclical intensity, such as healthcare, businesses selling regular repeat-purchase goods, or subscription services. Examples of core holdings in the Company include:

- The global spirits giant **Diageo**, owner of iconic brands such as Johnnie Walker whisky and Tanqueray gin.
- **Croda**, the maker of specialist ingredients for numerous products in sectors such as consumer personal care, drugs & vaccines, and crop care. Croda's products

are used in small volumes but perform vital roles – for example, the 'magic ingredient' in anti-wrinkle cream – leading to very stable demand.

- **Experian**, the world's largest credit bureau. Experian generates highly recurring revenues by collating and analysing vast datasets to help millions of businesses and consumers manage their credit.

All these businesses have proven their profitability and stability for many years, leading to long-term track records of reliable dividend growth. Conversely, the Managers deliberately and explicitly avoid certain sectors without these attributes, such as mining, housebuilding and airline companies.

Income is a key part of investment returns and the Managers aim to deliver a consistent, growing dividend for the Company. Their approach to income investing is differentiated through; a conservative, quality-orientated process, a focus on total return, and a prioritisation of dividend growth above high yield.

The Company has no explicit yield target and instead we emphasise real growth and long-term sustainability of income above producing the highest dividend yield today. Several holdings such as Diageo, Croda, and Bunzl have grown their dividends consistently for multiple decades.

The table below illustrates the current Top 10 holdings in the Company, showing portfolio companies from a variety of industries but all sharing characteristics common to the Managers' investment philosophy.

The Top 10 – concentrated portfolio, quality companies

| | | | | | |
|---|---|------|----|---|------|
| 1 |  | 9.1% | 6 |  COMPASS GROUP | 4.2% |
| 2 |  | 8.1% | 7 |  gsk | 4.1% |
| 3 |  RELX Group | 7.2% | 8 |  AstraZeneca | 3.8% |
| 4 |  reckitt | 6.2% | 9 |  PAYCHEX® | 3.5% |
| 5 |  experian™ | 4.3% | 10 |  CRODA | 3.3% |

Source: Google Images and Troy Asset Management Limited, 30 September 2022.

The full investment portfolio can be found on pages 12 to 13.

MANAGERS' REVIEW



Hugo Ure
Co-Manager



Blake Hutchins
Co-Manager

Investment Background

Difficult markets

It has been an eventful year in global markets. Investors have faced a challenging backdrop on multiple fronts, but perhaps most especially from pronounced shifts in fiscal and monetary policy. COVID-19 continued to impact economies, with countries emerging from the pandemic at differing speeds, and global supply chain disruptions driving elevated inflation. Interest rates in the US and UK have risen from rock-bottom levels at a rapid pace and there are deep humanitarian, economic and geopolitical impacts stemming from Russia's deplorable war on Ukraine.

A little over a year ago, inflation and interest rates were still widely forecast to remain low. However, as at the end of September 2022, the most recent CPI (consumer price index) inflation points in the UK and US were +9.9% and +8.3% year-on-year respectively. Central banks have responded by raising rates and government bond yields have moved sharply upwards. 2-year UK and US bond yields ended the period at 4.2% and 4.3% respectively – up from 0.4% and 0.3% 12 months ago. The impact of inflation on bond returns has been dramatic; as yields rise, prices fall, leaving many owners of developed market bonds sitting on significant paper losses.

The rise in interest rates also has a considerable negative impact on equity markets; driving discount rates higher and valuations lower. The re-emergence of inflation is leading to the real erosion of consumers' purchasing power and investors' wealth.

US dollar and commodity strength

A prominent feature of markets for UK investors over the past year has been US dollar strength and sterling weakness. With the Federal Reserve leading the fight against inflation, investors have flocked to the dollar. Additionally, its status as a relative safe-haven has once again come to the fore amid market volatility and geopolitical unrest in Europe. Sterling

was driven lower in the final month of the period by concerns over UK fiscal policy – falling as low as 1.04 to the dollar, a historical low. This weakness has been to the benefit of global businesses listed in the UK that translate overseas earnings into sterling but to the detriment of domestic businesses and consumers.

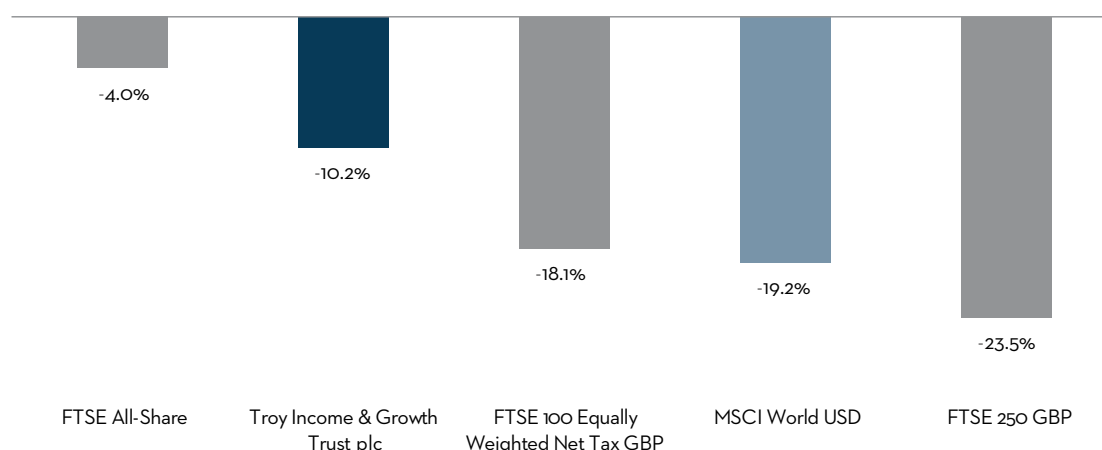
Commodity-producing companies such as mining companies and the oil majors, in which we do not invest on account of their low and volatile returns on capital, have also performed very well. Over the past year, investors have turned to hard commodities as a hedge against rising inflation.

The distinctive macro backdrop has led to very clear trends within the UK equity market over the past year. Large-cap companies have materially outperformed mid-caps. High growth and technology companies have lagged more mature businesses. Companies with significant US dollar earnings have beaten UK domestic companies. And commodity-producing sectors have outperformed all others. In that context, the FTSE 350 Energy Index has risen +37.4% over the last 12-months, comfortably beating the total returns of all other sectors.

A skewed UK-index

We have often written about the unusual make-up of the FTSE-All Share, which is dominated in market cap terms by a few, extremely large companies. Many of these, such as the banks, oils and miners, are highly cyclical, and areas in which we do not invest. The performance of these companies tends to heavily skew the total return of the FTSE All-Share Index, sometimes for better (such as this past year), but often, in our experience, for worse. By way of comparison, the table on page 9 shows the total return of the FTSE All-Share Index, the Company, the FTSE-100 equally weighted index, the FTSE-250 and the MSCI World over the past year. The chart illustrates the unusual strength of the FTSE All-Share Index whilst also putting the Company's returns into a relative context.

Troy Income & Growth Trust plc vs FTSE and MSCI total return indices (12 months to September 2022)



Source: Bloomberg

Valuations

With the benefit of hindsight, equity markets were 'expensive' this time last year. Interest rate and inflation expectations were low and investors were looking forward to a strong recovery in earnings and dividends as we emerged from the worst of the pandemic. Subsequent sticky inflation and rising interest rates have resulted in a sharp re-pricing of equities. Looking at the valuations across the portfolio in terms of Price-to-Earnings ratios, we currently find our companies to be valued roughly in the middle of their 15-year ranges. The portfolio trades with a forward earnings yield of around 5.5% which supports a portfolio dividend yield of around 3.4%. This strikes us as attractive on a medium-term view, given the quality of the businesses the Company holds. Valuations could of course go lower before stabilising, but we are of the view that the most dramatic rises in interest rates (and consequent repricing of assets) are now behind us. We believe that the bigger risk to equities from here may come from the potential for corporate earnings to be hurt by a recession. Given our strong preference for relatively non-cyclical, high-quality, dividend growth businesses, such a scenario ought to favour the Company on a relative basis.

The importance of dividends

Dividends have arguably been somewhat out of favour in recent years, with much of the market narrative focused on the revaluation of high growth stocks and less on sustainable compounding of dividend growth. This could be set to change. Dividends serve as a truly tangible component of return; they can be spent as income, or reinvested for compound growth. In uncertain and volatile markets, the dividend component of return can become even more important for investors. Additionally, if dividends are reinvested through soft markets, an investor is naturally buying back into the market at prices that are lower and at prospective returns that are higher. In a world in which interest rates are positive once more, we would not be surprised if investing for dividend growth returns to popularity once more.

Performance

As managers, we seek to invest for the long term in high-quality companies capable of resilient dividend growth. Typically, we favour highly cash-generative, growing companies, with high and stable returns on capital. As such, the portfolio has investments in consumer staples companies, software companies, high-quality industrials, non-bank financials and some consumer discretionary companies, particularly those with franchise-like models. Some such businesses have been out of favour over the past year, whilst many of the businesses we tend not to invest in, such as oil companies, miners and banks, have performed very well.

The Company delivered a NAV total return of -9.9% and a share price total return of -10.2% over the year. This compares with the FTSE All-Share Index total return of -4.0%. The difference between the share price and NAV performances generated by the Company is partially explained by a move from a 1.4% discount to a 2.2% discount. This performance places the Company 11th out of its 18-strong AIC UK equity income peer group when ranked by NAV performance and 13th by share price.

Contributors to returns

Information Technology was the largest positive contributor to returns, with the share price of Paychex, the US HR & Payroll software company, performing especially well at +24% in sterling terms. Paychex is one of the Company's few overseas holdings and several of these have benefitted meaningfully from US dollar strength. Consumer staples companies also contributed positively to returns, with Diageo, Nestlé, British American Tobacco, Unilever and Procter & Gamble all rising over the year. The Company's sole holding in the utilities sector, National Grid, also performed well, up +10.3%. Elsewhere, holdings in global catering company Compass Group and pharmaceutical giant AstraZeneca contributed strongly, rising +20.0% and +13.7% over the year.

MANAGERS' REVIEW

Detractors from returns

Non-bank financials holdings detracted most from returns, with IntegraFin and St. James's Place the most notable. IntegraFin, the financial advisor investment platform provider, was particularly weak, declining -56.6%. This fall was largely due to their linkage to financial markets, but also due to rising costs as they seek to hire new software developers in a competitive and inflationary labour market. St. James's Place fell -28.1%, having risen strongly in the prior year. Given the emerging cost of living crisis, Consumer Discretionary holdings also detracted from returns, due to weakness in relatively modest holdings in Domino's Pizza and Next. Real Estate was also a negative contributor as rising interest rates placed pressure on property values across the sector.

Portfolio changes over the year

Selective changes were made to holdings over the course of the year, with the aim of further improving the quality, resilience and valuation of the portfolio.

In the year, a new holding was started in the distributor business, Bunzl. Bunzl is the clear global leader in the distribution of essential 'not-for-resale' items to thousands of businesses in more than 30 countries, such as food packaging and cleaning products to the food service industry, gloves, gowns, and bandages to healthcare operators, and hard hats, boots, and ear and eye protection to the industrial and construction markets. Bunzl's products are vital for their customers to operate yet are a very small part of their costs, leading to very resilient revenues. Through years of steady organic growth and by carrying out small acquisitions, the business has been able to compound free cash flow and dividend per share in a metronomic fashion, including through recessions. This is evidenced by a 29-year track record of uninterrupted dividend growth.

We added to several core holdings over the year, in particular, to our Consumer Staples companies. We have long been attracted to the reliable and defensive dividend growth these companies have been able to produce, and believe these attributes will prove valuable in today's tough backdrop. Consumer Staples is the largest sector exposure across the portfolio and at varying points in the year we topped up Unilever, British American Tobacco, Reckitt Benckiser and Diageo. We also added to pharmaceutical company GSK. After many years of planning, they finally spun out their consumer health business, Haleon. We believe this will free them up to reinvest in their core pharma and vaccine franchises and generate better

growth and returns from here. We also added to overseas holding CME Group. CME is one of the world's largest derivatives and commodities exchanges, and benefits from interest rate volatility, offering differentiated exposure to our other holdings. It is also a rare US company that prioritises dividends over share buy-backs.

There were a handful of outright sales in the period. We sold two low-yielding, overseas holdings in American Express and Visa. Whilst both are fine companies, their respective dividend yields of 1.2% and 0.7% were the lowest in the portfolio. Both companies are also not without risk; American Express issues credit as a core part of its business, whilst Visa is a play on global commerce. With both having proven defensive (in sterling) over the past year, we felt it was prudent to sell and reinvest in better value elsewhere.

We also exited MoneySupermarket and Sabre Insurance. Both companies earn the majority of their profits from the UK motor insurance industry. Sabre has suffered heavily from inflation and we are concerned about the path to recovery and sustainable growth. MoneySupermarket in our view has an increasingly challenging long-term growth outlook and we are concerned that the well-regarded CFO has decided to leave the company – the latest in a raft of management changes. Rather than continue to hold these companies, we have focused our capital on Admiral, a business we believe has a powerful competitive advantage and far better growth prospects. Elsewhere, towards the end of 2021, we also sold the portfolio's relatively small holding in Hargreaves Lansdown. Whilst we continue to like the structural growth on offer from the UK savings industry, we had become incrementally more cautious about competition in the UK platform market and reduced exposure to the sub-sector accordingly. Finally, having seen its valuation more than fully recover after the pandemic we exited the Company's holding in WH Smith in favour of larger companies with more attractive valuations.

Overall, we would characterise the portfolio changes in the period as enhancing the defensive qualities of the portfolio, with additions to those companies we believe will generate resilient profits and dividends in what could continue to be a challenging earnings environment.

Growing income

We are pleased to see the Company's dividend begin to grow once more. This is a reflection of the dynamics of the underlying portfolio, where dividends are well covered by earnings and are growing at a healthy rate. The portfolio

is built around large, resilient, growing businesses that pay sustainable dividends. We anticipate that portfolio companies should be able to consistently grow their dividends into the medium term and that as dividend cover is fully rebuilt, the Company's dividend growth should trend towards the dividend growth rate of the overall portfolio.

Responsible Investment

We at TAML have always prioritised the avoidance of permanent capital loss, investing for the long-term and emphasising quality within our investment process. It has become increasingly clear to us that companies that do not prioritise a strong corporate governance culture and which are not proactively managing their social impact and environmental footprint, will suffer from greater regulation combined with declining support from customers and shareholders. We have seen nothing in the more volatile times since the Russian invasion of Ukraine to suggest that, for long-term investors, this is no longer the case.

Our preference for less capital-intensive businesses means the portfolio's carbon intensity is about 12% of that of the benchmark. While we believe this is an encouraging starting point, we are committed to the continued reduction of emissions by our portfolio companies in line with the goals of the Paris Agreement. We will continue our engagement with portfolio companies on physical and transitional climate risks.

We exercise voting rights and use engagement to ensure companies act in the best long-term interests of their shareholders. Our interactions with Unilever in early 2022 following the leaked Haleon bid are a good example of this. Our analysis showed us that the proposal to acquire GSK's consumer health business was ill-conceived and that Unilever were overpaying for an asset of which they were unlikely to be the best owners. We engaged with management both bilaterally and, after initiating a collaborative engagement, through Investor Forum. While we were pleased to see management walk away from the transaction, we also opted to vote against the remuneration structures, which we felt partially incentivised such acquisitions. We continue to communicate with Unilever on a regular basis and their responsiveness has given us increased conviction in our investment.

Further details of our approach to Responsible Investment & Stewardship can be found on pages 17 and 18.

Investment Outlook

In today's challenging investment environment, we are prioritising resilient cash flows, reasonable valuations, and sustainable dividend growth more than ever.

Corporate earnings have remained broadly resilient to date, but it seems likely to us that there will be a wave of profit warnings over the coming months. Companies will be battling slowing growth and significantly higher interest payments against a shaky geopolitical environment and myriad inflationary pressures. For each of the Company's holdings, we have refreshed our analysis and are comforted by the operational and cash flow resilience we find across the portfolio.

At TAML, we try to invest in high-quality businesses, with relatively low levels of cyclicalities that we can hold for many years – possibly even decades. Equally importantly, we strive to avoid companies whose profits and cash flows might be highly volatile. This enables us to have a long-term perspective and remain patient equity investors, as we know that if we stick to quality, we can recover from short-term market declines through the steady accumulation of earnings and dividends.

The flip side to a weaker equity market is much improved valuations. With sterling weak and current political uncertainty high, UK equities are trading at increasingly attractive valuations. Whilst we prioritise defensive earnings, and have particularly done so in recent months, we are convinced that over the course of the next year considerable valuation opportunities will emerge. As long-term equity investors, we are excited about the prospect of being able to purchase great companies at discounted prices. We know the companies we would love to own at the right price; we have a clearly defined universe of well-researched stocks and will stay alert for opportunities to further improve the quality, growth and valuation of the portfolio.

Troy Asset Management Limited

16 November 2022

INVESTMENT PORTFOLIO

As at 30 September 2022

| | Valuation £'000 | Total portfolio % |
|-----------------------------------|--------------------|----------------------|
| Unilever | 17,675 | 9.1 |
| Diageo | 15,752 | 8.1 |
| Relx | 13,970 | 7.2 |
| Reckitt Benckiser | 12,039 | 6.2 |
| Experian | 8,284 | 4.3 |
| Compass Group | 8,153 | 4.2 |
| GSK | 7,944 | 4.1 |
| Astrazeneca | 7,380 | 3.8 |
| Paychex | 6,808 | 3.5 |
| Croda International | 6,522 | 3.3 |
| Ten largest investments | 104,527 | 53.8 |
| CME Group | 6,250 | 3.2 |
| Proctor & Gamble | 5,967 | 3.1 |
| Bunzl | 5,729 | 2.9 |
| National Grid | 5,696 | 2.9 |
| British American Tobacco | 5,497 | 2.8 |
| Nestlé | 4,539 | 2.3 |
| St. James's Place | 4,373 | 2.2 |
| Diploma | 4,194 | 2.2 |
| InterContinental Hotels Group | 3,980 | 2.1 |
| Medtronic | 3,850 | 2.0 |
| Twenty largest investments | 154,602 | 79.5 |
| Admiral Group | 3,070 | 1.6 |
| Domino's Pizza Group | 2,971 | 1.5 |
| Primary Health Properties | 2,584 | 1.3 |
| Next | 2,572 | 1.3 |
| Schroders | 2,548 | 1.3 |
| Aveva Group | 2,547 | 1.3 |
| International Public Partnerships | 2,495 | 1.3 |
| Londonmetric Property | 2,472 | 1.3 |
| Assura | 2,256 | 1.2 |
| AJ Bell | 2,108 | 1.1 |
| Thirty largest investments | 180,225 | 92.7 |

| | Valuation £'000 | Total portfolio % |
|--|--------------------|----------------------|
| Big Yellow Group | 2,101 | 1.1 |
| Halma | 2,097 | 1.1 |
| 3i Infrastructure | 2,054 | 1.0 |
| Intertek Group | 1,851 | 1.0 |
| Haleon | 1,530 | 0.8 |
| Fevertree Drinks | 1,435 | 0.7 |
| Victrex | 1,419 | 0.7 |
| IntegraFin | 1,102 | 0.6 |
| Safestore | 634 | 0.3 |
| Total investments at fair value | 194,448 | 100.0 |

DISTRIBUTION OF ASSETS AND LIABILITIES

As at 30 September 2022

| | Valuation at 30 September 2021 | | Purchases | Sales | Increase/ (decrease) | Valuation at 30 September 2022 | |
|---------------------------|--------------------------------------|-------|-----------|----------|-------------------------|--------------------------------------|-------|
| | £'000 | % | £'000 | £'000 | £'000 | £'000 | % |
| Listed investments | | | | | | | |
| Ordinary shares | 244,514 | 98.4 | 53,108 | (77,172) | (26,002) | 194,448 | 100.6 |
| Current assets | 5,081 | 2.0 | | | | 9,265 | 4.8 |
| Current liabilities | (974) | (0.4) | | | | (10,398) | (5.4) |
| Net assets | 248,621 | 100.0 | | | | 193,315 | 100.0 |
| Net asset value per share | 77.72p | | | | | 68.48p | |

Analysis of Listed Equity Portfolio

By sector (excluding cash)

| | 2022 % | 2021 % |
|------------------------|-----------|-----------|
| Consumer Staples | 33.1 | 24.7 |
| Industrials | 17.5 | 14.6 |
| Financials | 10.0 | 16.4 |
| Health Care | 9.9 | 9.0 |
| Consumer Discretionary | 9.1 | 10.5 |
| Information Technology | 5.9 | 6.9 |
| Real Estate | 5.2 | 6.7 |
| Materials | 4.1 | 6.0 |
| Utilities | 2.9 | 2.3 |
| Other | 2.3 | 2.0 |
| Communication Services | 0.0 | 0.9 |
| | 100.0 | 100.0 |

By region (excluding cash)

| | 2022 % | 2021 % |
|----------------|-----------|-----------|
| United Kingdom | 85.9 | 83.2 |
| United States | 11.8 | 13.6 |
| Switzerland | 2.3 | 3.2 |
| | 100.0 | 100.0 |

By asset class (including cash and borrowings)

| | 2022 % | 2021 % |
|------------|-----------|-----------|
| Equities | 100.2 | 98.4 |
| Cash | 2.4 | 1.6 |
| Borrowings | (2.6) | 0.0 |
| | 100.0 | 100.0 |

BUSINESS MODEL

Introduction

The Company carries on business as an investment trust. Investment trusts are collective investment vehicles, constituted as closed-ended public limited companies.

The Company is managed by a Board of Non-Executive Directors who are responsible for the overall stewardship of the Company, including investment objectives and strategy, investment policy, gearing, dividends, corporate governance procedures and risk management. Biographies of the Directors can be found on page 22.

The management of the investment portfolio has been contractually delegated to the Manager, Troy Asset Management Limited ('TAML' or the 'Manager'), who follow the investment objective and policy in implementing that mandate. Further details of the Company's management arrangements are provided in the Directors' Report on page 24.

Investment Policy

Equities are selected for their inclusion within the portfolio solely on the basis of the strength of the investment case with the focus being on long-term income growth along with capital preservation.

Asset classes other than equities will be purchased from time to time, will vary as opportunities are identified and will include convertibles, preference shares, fixed income securities and corporate bonds. Investments will be made when prospective risk-adjusted returns appear to be superior to those from equity markets or are considered likely to exceed the Company's cost of capital including any borrowing costs. However, non-equity securities will not constitute the majority of the portfolio. The Company may also use derivatives for the purpose of efficient portfolio management, including reducing, transferring or eliminating investment risk in its investments and protection against currency risk, to exploit an investment opportunity and to achieve an overall return.

There are no pre-defined maximum or minimum exposure levels for asset classes but these exposures are reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company is permitted to hold up to 20% of gross assets in non-UK investments.

The Company does from time to time invest in other UK listed investment companies but the Company will not invest more than 15% of gross assets in other listed investment companies.

The portfolio will be relatively concentrated and the number of individual holdings in equities and funds will vary over time but, in order to diversify risk, will typically be between 30 and 50. The Board monitors the

aggregate exposure to any one equity across the whole investment portfolio.

While there is a comparative index (the FTSE All-Share Index) for the purpose of measuring performance over material periods, no attention is paid to the composition of this index when constructing the portfolio and the composition of the portfolio is likely to vary substantially from that of the index.

The Company may utilise gearing in a tactical and flexible manner to enhance returns to Shareholders. As an investment trust, the Company is able to borrow money and does so when the Board and the Manager have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. Such gearing may be in the form of bank borrowings or through derivative instruments which provide a geared exposure to equity markets. Gearing levels are discussed by the Board and the Manager at every Board meeting and monitored between meetings and adjusted accordingly with regard to the outlook. During the year, the Company initiated a three-year revolving loan facility of £15 million with The Royal Bank of Scotland International Limited. Further details of the gearing facility can be found on page 24.

A description of the Manager's investment approach can be found on pages 6 to 7.

Investment Guidelines

Although not part of the investment policy the following guidelines have been adopted by the Company in seeking to achieve its objective:

- It is intended that the Company will generally remain fully invested but the Company will retain the ability to hold cash or cash equivalents from time to time. TAML's commitment to capital preservation means that the level of cash held in portfolios which it manages has always been an active investment decision.
- Various guidelines to limit the portfolio exposure have been set by the Board in conjunction with the Manager. These (which may be varied only with the permission of the Board) include:
 - equity portfolio to comprise between 30 and 50 individual holdings;
 - overseas investments not to exceed 20% of gross assets;
 - no more than 10% of gross assets in any individual stock;
 - no more than 3% of gross assets in any one mid or small cap stock;

BUSINESS MODEL

- no more than 30% of gross assets in any one Global Industry Classification Standard ('GICS') industry sector; and
- individual stocks representing 5% or more of gross assets when aggregated not to exceed 40% of gross assets.

During the year, the Board increased the limit of exposure to any one GICS industry sector from 30% of gross assets to 35% of gross assets on a temporary basis, to be reviewed at each Board Meeting.

Monitoring Performance – Key Performance Indicators

At each Board meeting the Directors consider a number of performance indicators to assess the Company's success in achieving its objectives, which include absolute and relative performance compared to market indices and the peer group. The key performance indicators ('KPIs') are established industry measures and are as follows:

- net asset value total return;
- share price total return;
- the premium/discount to net asset value at which the shares trade;
- expenses and the ongoing charges ratio; and
- dividend yield.

Key performance indicators are shown in the financial highlights on page 2, with historic performance data on page 3, and in the alternative performance measures on page 62. These are discussed in the Chairman's Statement on pages 4 and 5 and the Managers' Review on pages 8 to 11.

Performance and Future Development

A review of the business performance, market background, investment activity and portfolio during the year under review, together with the investment outlook, is provided in the Chairman's Statement on pages 4 and 5, and the Managers' Review on pages 8 to 11.

Details of the Company's investments can be found on pages 12 and 13 with the distribution of assets and liabilities on page 14.

Social, Community and Employee Responsibilities

The Directors recognise that their first duty is to act in the best financial interests of the Company's Shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objectives of the Company.

In asking the Manager to deliver against these objectives, they have also requested that the Manager take into account the broader environmental, social and governance issues of companies within the portfolio, acknowledging that companies failing to manage these issues adequately run a long-term risk to the sustainability of their businesses. A description of the Company's approach to responsible investment can be found on pages 17 and 18.

As an investment trust with its current structure the Company has no direct social, community, employee or environmental responsibilities of its own.

The Company has no greenhouse gas emissions to report from its operations for the year ended 30 September 2022, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (including those within the underlying investment portfolio).

Details on Diversity can be found in the Statement of Corporate Governance on page 29.

Approval of Strategic Report

The Strategic Report on pages 1 to 21 was approved by the Board on 16 November 2022.

By Order of the Board

Juniper Partners Limited
Secretary

16 November 2022

RESPONSIBLE INVESTMENT

The Board and Manager view Responsible Investment as the fundamental integration of material Environment, Social and Governance ('ESG') factors into investment analysis, decision making and portfolio construction, and into stewardship activities, including voting and engagement, in order to improve the risk and return profile of the portfolio. The Company's long investment horizon means that social and environmental materiality and financial materiality are largely indivisible. As such, the analysis of material ESG risks and opportunities is integrated into the investment process.

Research Process

The Board and Manager define 'ESG factors' as non-financial, environmental, social or governance factors. TAML carries out an analysis of these ESG factors by considering both the positive and negative effect such factors may have on an investment. Within this framework, TAML analyses 'sustainability risks', being risks relating to an ESG event or condition that, if they occur, could cause an actual or potential material negative impact on the value of an investment.

TAML also considers the materiality of ESG factors in relation to their outward impact on the environment and society. TAML may seek to deliver positive environmental or social outcomes where doing so is aligned with improving the risk and return profile of an investment, or is not contrary to that objective. TAML will not seek environmental or social outcomes at the expense of portfolio returns. In all but rare circumstances, TAML believes that long investment time horizons create alignment between an investment's risk and return objectives and any environmental or social benefit.

TAML does not seek to narrowly define or limit the factor categories but rather appreciates that such analysis must necessarily take place in the context of the wider assessment of risk and reward. Some, but by no means all, of the areas which will be assessed for the impact of ESG factors are: climate change, natural resources, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance, and corporate behaviours.

Climate Change

In considering ESG matters, the Board and Manager are increasingly focussing on climate-related risks. Climate change is considered to be one of the most significant and complex systemic risks facing our society, economy and financial markets today.

Time horizon: The Company aims to invest in stocks that can be held for the long term (five years or more). This time horizon clearly extends into the time frame over which one can reasonably expect the impact of climate change to be felt. As such the management of climate risk is implemented within the investment process.

Transition risk: The Manager assesses that the risks associated with a transition to a lower carbon economy fall well within the Company's investment time horizon of more than five years. Whilst TAML's investment process favours capital-light investments, and the Company has no material direct exposure to many of the most carbon-intensive sectors, the analysis and mitigation of transition risk at the individual stock and portfolio level remains an important part of the investment process.

Physical risk: The risks associated with a warming climate, including from coastal flooding, wind storms, wildfires and other extreme weather events, impact almost all companies. TAML seeks to engage with our portfolio companies to improve their resilience to these physical risks. As the risks of a delayed transition to net zero increase, physical risks in the portfolio also increase.

TCFD: In recognition of the importance of the influence of climate change on future returns, TAML has committed to implementing the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). As part of this implementation, TAML has set net zero targets under the Net Zero Asset Managers Initiative. The Company's portfolio is managed in line with these targets.

Monitoring of, and Engagement with, Investee Companies

Whilst the Company seeks to invest in companies whose business strength and corporate governance policies mean they generally do not require significant shareholder intervention, the Manager does recognise that engagement is an important aspect of fiduciary duty. Engagement is generally conducted proactively and as part of an investee company's decision-making process; TAML is also willing to engage reactively where a company has taken a course of action that conflicts with its standpoint. The impetus to engage may stem from a breach by the company of generally accepted business practice norms, TAML's proxy voting process or integrated ESG analysis. Any engagement would be expected to meet the following criteria: there is a clear objective in engaging with a company; the matter for engagement must be material; and the engagement with the company is constructive.

RESPONSIBLE INVESTMENT

Voting

The Board and Manager consider (proxy) voting an important part of the Company's stewardship activities and investment process and aims to use its rights to both safeguard the interests of investors and encourage environmental and social sustainability (where these objectives are aligned). The Manager will seek to instruct votes, on behalf of the Company, on all resolutions for which it has voting authority.

TAML conducts analysis of each management or shareholder resolution ahead of voting. Votes are then cast in line with what is deemed to be in the best long-term interest of shareholders. Environmental and social sustainability are considered alongside governance factors in this analysis.

Whenever possible, voting on any resolution is incorporated as part of the wider engagement with management. TAML's preferred course of action would be to have dialogue with any company ahead of casting a vote against management. Where appropriate TAML may also seek to engage with a company following a vote against management.

The Responsible Investing section of the Managers' Review on page 11 provides an example of engagement with an investee company during the year.

UN Principles for Responsible Investment

As part of the Manager's commitment to responsible investing, TAML became a signatory to the United Nations' Principles for Responsible Investment in September 2016.

UK Stewardship Code

In 2021 TAML became a signatory to the 2020 UK Stewardship Code. The Manager's most recent Stewardship Code report can be found on TAML's website at <https://www.taml.co.uk/responsible-investing>.

PROMOTING THE SUCCESS OF THE COMPANY

The Board is required to describe to the Company's Shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172(1) of the Companies Act 2006. This statement provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long-term consequences of decisions and the need to foster relationships with all stakeholders.

The Board is focused on promoting the long-term success of the Company and regularly reviews the Company's long-term strategic objectives, including consideration of the impact of the Manager's actions on the marketability and reputation of the Company and the likely impact on the Company's stakeholders of the Company's principal strategies.

The Company's main stakeholders are its Shareholders, Manager, service providers and debt provider. The Manager also engages with the investee companies where appropriate, particularly on performance and ESG issues. The Responsible Investing section of the Managers' Review on page 11 details an example of engagement with an investee company during the year.

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

| Stakeholder | How we engage |
|--------------------------|--|
| Shareholders | Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all Shareholders' views and aims to act fairly between all Shareholders. The Manager and the Company's broker meet regularly with current and prospective Shareholders to discuss the Company and its performance. Shareholder feedback is discussed by the Directors at Board meetings and regular updates are provided to Shareholders through the Annual Report, Interim Report, monthly factsheets, Company announcements, including daily net asset value announcements, and the Company's website. The Company's Annual General Meeting and the Manager's annual investment trust seminar provide forums, both formal and informal, for Shareholders to meet and discuss issues with the Directors and Manager. |
| Manager | The Managers' Review on pages 8 to 11 details the key investment decisions taken during the year. The Manager has continued to manage the Company's assets in accordance with the mandate provided by Shareholders, with the oversight of the Board. The Board reviews regularly the Company's performance against its investment objective and undertakes an annual strategy review to ensure that the Company is positioned well for the future delivery of its objective. The Board receives presentations from the Manager at every Board meeting to help it exercise effective oversight of the Manager and the Company's strategy and, through the Management Engagement Committee, formally reviews the performance of the Manager at least annually. |
| Service providers | The Board seeks to maintain constructive relationships with the Company's suppliers, either directly or through the Manager, with regular communications and meetings. A key relationship is with Juniper Partners Limited ('Juniper Partners'), who provide AIFM, company secretarial and fund administration services, as well as operating the DCM. The Board conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money. |
| Debt provider | The Company's debt provider is The Royal Bank of Scotland International ('RBSI'). The Board maintains a relationship with RBSI via Juniper Partners. Juniper Partners provides RBSI with regular updates on compliance with its loan covenants. |

PROMOTING THE SUCCESS OF THE COMPANY

The Board is always mindful of its responsibilities to the stakeholders of the Company and this forms part of every Board decision. Specific example of stakeholder considerations during the year were:

| Key stakeholder considerations | What action was taken |
|--------------------------------|---|
| Management of the Portfolio | The Managers' Review on pages 8 to 11 details the key investment decisions taken during the year. The overall shape and structure of the investment portfolio is an important factor in delivering the Company's stated investment objective. |
| Responsible Investing | The Board is mindful of its responsibilities to the Company's stakeholders and to the wider community of responsible investing. During the period, the Board and Manager continued to develop the Company's approach to responsible investment and full details can be found on pages 17 and 18. |
| Dividends | During the year, the Board had numerous discussions surrounding the dividend and the timetable for growth. The Board believes that in order to maximise total return to Shareholders, the income component of the return needs to be both sustainable and able to grow. The Company's distributable reserves enable the Board to manage the Company's dividend growth through periods of market volatility and to allow portfolio management flexibility. |
| DCM | During the year the Company bought back 37.6m Ordinary shares through the operation of the DCM. The shares were bought back at a discount to NAV, thereby providing a small accretion to the NAV per share. The Board believes the operation of the DCM is very important for Shareholders as it provides liquidity and reduces discount volatility. |
| Reduction in Management Fee | As detailed in the Chairman's Statement on page 5, the Board agreed a reduction in the management fee paid to TAML. This reflects the commitment of both the Board and TAML to creating value for Shareholders and ensuring the Company's ongoing charges are competitive. |
| Gearing | The Company initiated a three-year revolving loan facility of £15 million with The Royal Bank of Scotland International Limited, full details of which can be found on page 24. The Board believes that adding modest gearing to the Company is appropriate, enabling efficient management of the Company's balance sheet and the enhancement of total returns over time. |
| Succession Planning | The Board considers succession planning on a regular basis and believes that Shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board with experienced candidates, whilst maintaining a small, but focussed, independent Board. The Board carried out a recruitment exercise during the year to find a replacement for David Warnock, who is retiring at the AGM in January 2023. As detailed in the Chairman's Statement on page 5 and in the Directors' Report on page 23, Bridget Guerin was selected and will be proposed for election at the AGM. |

RISK MANAGEMENT

The Directors are responsible for supervising the overall management of the Company, whilst the day-to-day management of the Company's assets has been delegated to the Manager. Portfolio exposure has been limited by the guidelines which are detailed within the Investment Guidelines section on pages 15 and 16.

The Board can confirm that the principal risks of the Company, including those which would threaten its business model, future performance, solvency or liquidity, have been robustly assessed for the year ended 30 September 2022. A description of the principal risks and how they are managed is set out below, with disclosure of financial risk, including liquidity risk, set out in note 15 on pages 56 to 59. Due to the high level of share buybacks over the course of the year, the Board has decided to add Shareholder risk to the principal risks. The Board has also assessed the emerging risks of geopolitical events, climate change and rising inflation under performance and market risks.

| Risk | Mitigation |
|--|--|
| Performance risk: The Board is responsible for deciding the investment strategy to fulfil the Company's objective and monitoring the performance of the Manager. An inappropriate strategy or poor execution of strategy might lead to long-term underperformance against the comparator index and the Company's peer group. | To manage this risk the Manager provides an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio, including responsible investment considerations. The Board also receives and reviews regular reports showing an analysis of the Company's performance against the FTSE All-Share Index (total return) and its peer group. The impact on the investment strategy of the Russia/Ukraine conflict and rising inflation has been kept under regular review by the Board. |
| Market risk: Market risk arises from uncertainty about the future prices of the Company's investments. | The Board monitors and maintains an adequate spread of investments in order to minimise the risks or factors specific to a particular investment or sector, based on the diversification requirements inherent in the Company's investment policy. The guidelines which limit the portfolio exposure are set out on pages 15 and 16. The Board also monitors the implementation of gearing strategy and responsible investment strategy. The underlying risks and potential increased volatility associated with the Russia/Ukraine conflict, and inflation rate rises, are considered within market risk. |
| Resource and operation risk: Like most other investment trusts, the Company has no employees. The Company therefore relies on services provided by third parties and their control systems. Disruption to, or failure of, systems and controls, including cyber-attacks, at the Company's service providers could result in financial and reputational damage to the Company. | The Board reviews the performance of its service providers, their internal controls and their compliance with agreements on a regular basis. |
| Shareholder risk: Shareholder risk arises from ongoing share buybacks reducing the size of the Company threatening its viability. | The Board reviews the performance of the Company at each Board meeting along with the business development and marketing strategy in order to keep the Company an attractive investment. The Board along with the Managers have also developed a marketing strategy that reflects the shift of investors to platforms which can make direct engagement more difficult. The Board constantly monitors the implementation of the discount and premium control policy with the help of Juniper Partners. |
| Regulatory risk: Breach of regulatory rules could lead to the suspension of the Company's London Stock Exchange listing, financial penalties or a qualified audit report. Breach of sections 1158 and 1159 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains. | The Company Secretary monitors the Company's compliance with all relevant regulations and compliance with the principal rules is reviewed by the Directors at each Board meeting. |

YOUR BOARD



David Warnock (Chairman)

David was appointed a Non-Executive Director on 17 November 2010 and became Chairman on 23 January 2014. He co-founded the investment firm of Aberforth Partners and was a

partner for 19 years until his retirement in 2008. David is currently Chairman of CT Global Managed Portfolio Trust plc, a Non-Executive Director of ICG Enterprise Trust plc and an active investor in a number of private companies. He has held Non-Executive Directorships of several public and private companies, and before Aberforth was with Ivory & Sime plc and 3i Group plc.

Fees for year £36,415; beneficial interest 670,272 shares.



Brigid Sutcliffe

Brigid was appointed a Non-Executive Director on 1 August 2021 and became Chair of the Audit Committee on 19 January 2022. After qualifying as a Chartered Accountant in 1983 and gaining an MBA in 1987, Brigid spent thirty

years working in investment banking and as a strategic change management consultant, advising companies across a wide range of sectors. She has been a Non-Executive Director for a variety of organisations in the public, private and third sectors over the past fourteen years.

Fees for year £27,125; beneficial interest 50,000 shares.



Roger White

Roger was appointed a Non-Executive Director on 29 April 2014 and is Senior Independent Director. He has been Chief Executive of AG Barr plc since 2004, having joined that company as Managing Director in 2002. Roger

previously held a number of senior positions with Rank Hovis McDougall, is a past President of the British Soft Drinks Association (BSDA) and is currently a member of BSDAs Board of Management and Executive Council.

Fees for year £25,025; beneficial interest 300,000 shares.

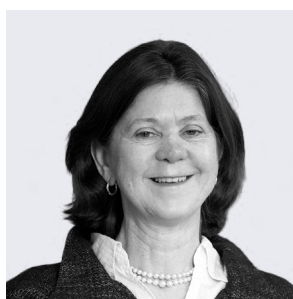


David Garman

David was appointed a Non-Executive Director on 19 January 2016. He is currently a Non-Executive Director of Speedy Hire plc and several private companies. He was formerly Chief Executive of TDG plc and

has also held Non-Executive Directorships of Phoenix IT Group plc, Victoria plc, St Modwen Properties plc, Kewill plc, Carillion plc and John Menzies plc.

Fees for year £25,025; beneficial interest 250,000 shares.



Bridget Guerin

Bridget will be appointed as a Non-Executive Director, subject to her election by Shareholders, on 17 January 2023. She is currently a Non-Executive Director of Mobeus Income & Growth VCT plc and Invesco Perpetual UK

Smaller Companies Investment Trust plc, and previously held the position of Chair on the Board of Schroder Income Growth Fund plc. Bridget has held senior positions as marketing director at Ivory & Sime plc and Schroders and was managing director of Matrix Money Management Limited. She is also Chair of York Racecourse and trustee of the York Racecourse Pension Fund.

DIRECTORS' REPORT

Status of the Company

The Company has received approval from HM Revenue & Customs as an investment trust company under sections 1158 and 1159 of the Corporation Tax Act 2010 and is conducting its affairs so as to enable it to retain such approved status. The Company is incorporated and domiciled in Scotland.

Results and Dividends

The financial statements for the year ended 30 September 2022 appear on pages 43 to 61. Dividends in respect of the year amounted to 1.97p per share (2021 – 1.96p). The fourth interim dividend of 0.50p per share announced on 15 September 2022 (2021 – fourth interim 0.49p) will be accounted for in the financial year ending on 30 September 2023.

Share Capital

The issued share capital at 30 September 2022 consisted of 282,284,487 Ordinary shares of 25p each and there were 65,227,500 Ordinary shares held in treasury. As at the last practicable date of 15 November 2022 the issued share capital consisted of 278,184,487 Ordinary shares of 25p each and there were 69,327,500 Ordinary shares held in treasury. Each holder of Ordinary shares, excluding treasury shares, is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Directors

Details of the current Directors are set out on page 22. All held office throughout the year and up to the date of this report. Jann Brown retired from the Board on 19 January 2022 and held office from the beginning of the year up to that date.

The Articles of Association require Directors to offer themselves for re-election at least once every three years. In accordance with best practice, the Board has resolved that all the Directors will retire and offer themselves for re-election on an annual basis. New Directors will offer themselves for election at the Annual General Meeting immediately following their appointment.

As noted in the Chairman's statement on page 5, Bridget Guerin will be appointed as a non-executive Director of the Company with effect from 17 January 2023, subject to her election by Shareholders at the Annual General Meeting.

Bridget has had over 30 years of experience in the financial services industry. She has had longstanding experience of sitting on the boards of investment/wealth management companies and funds, including London listed investment trusts. Bridget has extensive knowledge of the distribution of investment products to the institutional and retail markets. Bridget has a detailed knowledge of the wealth

management industry, financial advisory services and retail fund platforms.

David Warnock will retire from the Board at the 2023 Annual General Meeting after twelve years of service and will not stand for re-election. In the absence of unforeseen circumstances, Bridget will assume the role of Chair at that point.

There were no contracts during or at the end of the year in which any Director was materially interested. No Director had a material interest in any investment in which the Company itself had a material interest.

Directors' and Officers' Liability Insurance and Indemnity Agreements

The Company has and continues to maintain insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. The Company's Articles of Association provide any Director or other Officer of the Company with a qualifying third-party indemnity provision out of the assets of the Company against any liability incurred by him or her as a Director or other Officer of the Company to the extent permitted by law. This was in force throughout the financial year and at the date of approval of this report. In addition, the Company has entered into individual Director's indemnity agreements with each Director.

Conflicts of Interest

Each Director has a statutory duty to avoid a situation where he or she has, or could have, a direct or indirect interest which conflicts, or may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Company's Articles of Association.

The Board has approved a protocol for identifying and dealing with conflicts and conducts a review of actual or possible conflicts at least annually. No conflicts or potential conflicts were identified during the year.

Substantial Interests

As at 30 September 2022 the Company had received notification of the following interests in the Ordinary share capital of the Company:

| Shareholder | Number of shares held | % held |
|--|-----------------------|--------|
| Schroder Investment Management Limited | 19,672,375 | 6.97 |
| Brewin Dolphin clients | 14,904,054 | 5.28 |
| Rathbone Brothers plc clients | 14,296,573 | 5.06 |

There have been no notifications of changes in interest since 30 September 2022 up to the date of this report.

DIRECTORS' REPORT

Management Arrangements

The Company appointed Juniper Partners, as its alternative investment fund manager ('AIFM') on 22 July 2014. With effect from that date, the AIFM delegated the portfolio management activities relating to the Company back to Troy Asset Management Limited ('TAML' or the 'Manager') pursuant to a delegation agreement and TAML continues to provide portfolio management services to the Company. These arrangements are fully compliant with the AIFMD.

The AIFM services are provided to the Company by Juniper Partners for a fee of 0.015% of the Company's net assets per annum, subject to a minimum fee of £62,000 per annum. TAML reduce their investment management fee by an equal amount so that there is no overall change to the basis of the management fee incurred by the Company.

The other terms of the AIFM's appointment are similar to those applying to TAML under the investment management delegation agreement detailed below.

Investment Management Delegation Agreement

Investment management services have been provided to the Company by TAML since 1 August 2009. With effect from 1 January 2022, the annual management fee was reduced from 0.65% of the Company's net assets to a tiered annual management fee of 0.55% of net assets up to £250 million and 0.50% of net assets above £250 million. Full details of the fee charged by TAML in the financial year are set out in note 3 to the financial statements. The Board believes the fee charged by TAML is competitive by comparison with other investment trusts with a similar investment mandate and is priced appropriately given the level of service provided by the Manager.

The contract between the Company, TAML and the AIFM may be terminated by any party on six months' notice. No compensation is payable to the Manager in the event of termination of the contract over and above payment in respect of the required minimum notice.

Following the review by the Management Engagement Committee outlined on page 29, the Board considers the continuing appointment of the Manager to be in the best interests of the Shareholders at this time.

As at 16 November 2022, Hugo Ure and Blake Hutchins, held respectively 460,000 and 150,000 Ordinary shares in the Company.

Company Secretary

Juniper Partners provides company secretarial, accounting and administration services to the Company. Juniper Partners receives a fee for these services of £103,600 per annum plus an amount equal to 0.1% of the Company's net assets between £50 million and £100 million, 0.03% of the Company's net assets between £100 million and £250 million and 0.02% of the Company's net assets between £250 million up to and including £1,000 million. The fixed fee element of the fee is adjusted annually by the increase in the Consumer Price Index.

Depository

J.P. Morgan Europe Ltd is the Company's Depository, with responsibilities including cash monitoring, safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements. The Depository has delegated the custody function to J.P. Morgan Chase Bank N.A.

Borrowings

In June 2022, the Company instituted a three-year revolving loan facility of £15 million with The Royal Bank of Scotland International Limited. Under the terms of the facility, the Company has the option to increase the level of the commitment from £15 million to £20 million at any time, subject to the bank's credit approval, thus avoiding the expense of undrawn commitment fees on this additional £5 million. As at 30 September 2022, £5 million had been drawn down from this facility at a rate of 1.2% plus SONIA.

Corporate Governance

The Statement of Corporate Governance is set out on pages 28 to 31 and forms part of this report.

Performance and Future Development

Performance and future development is set out in the Business Model on page 16.

Going Concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. This review included consideration of the Company's investment objective, its principal risks, the nature and liquidity of the portfolio, current liabilities and expenditure forecasts.

The Company's investments consist mainly of readily realisable securities which can be sold to maintain adequate cash balances to meet expected cash flows. In assessing the Company's ability to meet its liabilities as they fall due, the Directors took into account the uncertain economic outlook caused by the ongoing Russia/Ukraine conflict and the rising interest rates, and reviewed sensitivities around this. The Directors also considered ongoing investor interest in the continuation of the Company, looking specifically at feedback from meetings and conversations with Shareholders by the Company's advisers, and the operation of the DCM, which the Directors believe enhances the Company's appeal to investors.

Based on their assessment and considerations, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements and the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operation for at least twelve months from the date of this report.

Viability Statement

The Directors have assessed the viability of the Company over a three-year period from the date that the Annual Report is due to be approved by Shareholders.

The Directors have identified the following factors as potential contributors to ongoing viability:

- The principal risks and uncertainties detailed on page 21 and the mitigating controls in place, including the ongoing impact of the Russia/Ukraine conflict and the Company's operational resilience.
- The ongoing relevance of the Company's investment objective in the current environment.
- The level of current and historic ongoing charges incurred by the Company as disclosed on page 2.
- The utilisation quantum of the discount control mechanism.
- The level of income generated by the Company.
- The liquidity of the Company's portfolio.
- The challenges posed by climate change, including any impact this may have on investee companies.
- The continuation vote to be held at the AGM following the year ending 30 September 2023.

The Company is fully invested in liquid assets, either in listed securities or cash. The nature of these mean that even in a severe market downturn the Company would be able to convert, in a relatively short period of time, the portfolio into cash sufficient to meet the Company's operating costs which run at approximately 1% per annum of net assets. This includes both fixed and variable costs, the largest single element of which is the variable management fee which is based on the net asset value of the Company. Based on these facts the Board has concluded that even in exceptionally stressed operating conditions, the Company would easily be able to meet its ongoing operating costs as they fall due.

The Directors have determined that a three-year period is an appropriate period over which to provide its viability statement. They consider that three years is a reasonable time horizon to assess the continuing viability of the Company and a suitable period over which to measure the performance of the Company. This three-year period remains consistent with the planning horizon used by the Company in managing its activities.

Based on the foregoing, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to the AGM in 2026.

Independent Auditors

Following a tender process in 2015, PricewaterhouseCoopers LLP were appointed the Company's Auditors in 2016.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information, and to establish that the Company's Auditors are aware of that information.

DIRECTORS' REPORT

Discount Policy

The Company's discount policy is to ensure that the Ordinary shares trade at close to net asset value through a combination of share buy-backs and the issue of new Ordinary shares at a premium to net asset value where demand exceeds supply.

This discount control mechanism is operated by Juniper Partners. The fee for this service is £31,000 per annum plus the lower of (i) a charge of £250 per transaction; and (ii) a commission of 0.1% of the aggregate proceeds of any transaction undertaken in accordance with the discount control mechanism. The fixed fee element of the fee is adjusted annually by the increase in the Consumer Price Index. The fee is charged to the share premium account.

The Directors will continue to seek the renewal of the Company's authority to buy-back Ordinary shares annually and at other times should this prove necessary. From the authority granted at the January 2022 AGM, the Company, at 30 September 2022, had the remaining authority to buy-back 15,907,788 Ordinary shares. Any buy-back of Ordinary shares will be made subject to the Companies Act 2006 and within guidelines established from time to time by the Board and the making and timing of any buy-backs will be at the absolute discretion of the Board. The Directors will be authorised to cancel any Ordinary shares purchased under such authority or to hold them in treasury. Purchases of Ordinary shares will only be made through the market for cash at prices below the prevailing net asset value of the Ordinary shares. Such purchases will also be made only in accordance with the rules of the Financial Conduct Authority which provide that the price to be paid must not be less than the nominal value of an Ordinary share nor more than the higher of (a) 5% above the average of the middle market quotations for the Ordinary shares for the five business days before the purchase is made and (b) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out.

It is the intention of the Directors that the share buy-back authority is used to purchase Ordinary shares if the middle market price for an Ordinary share is below the net asset value per Ordinary share of the Company (taking into account any rights to which the Ordinary shares are trading "ex"). However, nothing in this discount policy will require the Directors to take any steps that would require the Company to make a tender offer for its shares or to publish a prospectus. Notwithstanding this discount policy, there is no guarantee that the Ordinary shares will trade at close to the net asset value per Ordinary share. Shareholders should note that this discount policy could lead to a reduction in the size of the Company over time.

Annual General Meeting

The notice convening the Annual General Meeting of the Company to be held on 17 January 2023 is given on pages 65 to 68. Among the resolutions being proposed are the following:

(i) Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends in January, April, July and October, the Company's Shareholders are unable to approve a final dividend each year. As an alternative the Board will put the Company's dividend policy to Shareholders for approval on an annual basis.

The policy includes a provision that allows distributions to be made from distributable capital reserves. The third interim dividend for the year ended 30 September 2022 was paid from the Company's distributable capital reserve.

Resolution 3, which is an ordinary resolution, relates to the approval of the Company's dividend policy which is as follows:

Dividends on the Ordinary shares are payable quarterly at the end of January, April, July and October. It is intended that the investment policy of the Company generates an income yield that will permit the Company's dividend to grow over time. The Company has the flexibility in accordance with its Articles of Association to make distributions from distributable capital reserves.

(ii) Directors' Authority to Allot Shares

Resolution 10, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new Ordinary shares up to an aggregate nominal value of £23,182,000 representing approximately one third of the total Ordinary share capital of the Company in issue (excluding treasury shares) as at the date of this document.

In line with corporate governance guidelines, resolution 11, which is a special resolution, will, if approved, authorise the Directors to allot new Ordinary shares, or resell Ordinary shares held in treasury, up to an aggregate nominal amount of £6,954,000 representing approximately 10% of the total Ordinary share capital of the Company in issue (including treasury shares) as at the date of this document. Resolution 11, if approved, will give the Directors power to allot such new Ordinary share for cash without first offering them to existing Shareholders pro rata to their existing holdings.

In addition to this authority, resolution 12, which is a special resolution, will if approved, authorise the Directors to allot further Ordinary shares, or resell further Ordinary shares held in treasury, up to an aggregate nominal amount of £6,954,000, representing approximately 10% of the total Ordinary share capital of the Company in issue (including treasury shares) as at the date of this document. Resolution 12, if approved, will give the Directors power to allot such new Ordinary shares for cash without first offering them to existing Shareholders pro rata to their existing holdings. This additional authority will only be used to issue new Ordinary shares, or resell Ordinary shares held in treasury, in accordance with the Company's discount control mechanism.

Ordinary shares issued pursuant to these authorities will be issued for cash only at a price not less than the net asset value per share. The disapplication of pre-emption rights also applies in respect of treasury shares which the Company may sell. It is the intention of the Board that the resale of any treasury shares would take place at a price of not less than the net asset value per share prevailing at the date of sale.

These authorities will expire on 31 March 2024 or, if earlier, at the conclusion of the AGM of the Company to be held in 2024.

(iii) Purchase of the Company's own Ordinary shares

Resolution 13, which is a special resolution, will be proposed to renew the Company's authorisation to make market purchases of its own Ordinary shares. The maximum number of Ordinary shares which may be purchased pursuant to the authority shall be 14.99% of the issued share capital of the Company as at the date of the passing of the resolution (41,699,854 Ordinary shares as at the date of this document). This authority will expire on 31 March 2024 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held in 2024 (unless previously revoked, varied or extended by the Company in general meeting). Further details in relation to the Board's discount policy including the details about the minimum and maximum price to be paid are set out on page 26.

(iv) Notice Period for General Meetings

Resolution 14, which is a special resolution, is required to reflect the Shareholders' Rights Regulations. The Shareholders' Rights Regulations, which amends the Companies Act 2006, increased the notice period for general meetings of the Company to 21 days. The Company's Articles of Association enable the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice, subject to compliance with statutory requirements. In order for this to be effective, the Shareholders must also approve annually the calling of meetings other than annual general meetings on 14 days' notice. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations), offering facilities for all Shareholders to vote by electronic means before it can call a general meeting on 14 days' notice. The Directors believe it is in the best interests of the Shareholders of the Company to preserve the shorter notice period, although it is intended that this flexibility will be used only for non-routine business and where merited in the interests of Shareholders as a whole.

Recommendation

The Directors unanimously recommend you to vote in favour of the resolutions to be proposed at the AGM as it is their view that the resolutions are in the best interests of Shareholders as a whole.

By Order of the Board

Juniper Partners Limited
Secretary

16 November 2022

STATEMENT OF CORPORATE GOVERNANCE

Introduction

Corporate governance is the process by which the Board seeks to look after Shareholder interests and protect and enhance Shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company.

The Board has considered the principles and provisions of the Association of Investment Trusts' Code of Corporate Governance ('AIC Code'). The AIC Code is endorsed by the Financial Reporting Council and adapts the principles and provisions set out in the UK Corporate Governance Code to make them relevant to investment companies as well as incorporating the relevant provisions of the UK Corporate Governance Code.

The Board believes that the AIC Code provides the most appropriate governance framework for the Company. Accordingly, the Company reports against the principles and provisions of the AIC Code. The February 2019 edition of the AIC Code is applicable to the year under review and can be found at www.theaic.co.uk.

By reporting against the AIC Code, the Board is meeting its obligations in relation to the UK Corporate Governance Code (and associated disclosure requirements under the FCA's Listing Rule 9.8.6R) and, accordingly, the Company does not need to report further on issues contained in the UK Corporate Governance Code which are irrelevant to it.

Role of the Board

The Board is ultimately responsible for the framing and executing of the Company's strategy and for closely monitoring risks. The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met.

The Board currently consists of four Non-Executive Directors, one of whom, David Warnock, is Chairman. The Senior Independent Director is Roger White. Biographies of the Directors appear on page 22 and demonstrate the wide range of skills and experience each brings to the Board. Each Director has signed a letter of appointment to formalise in writing the terms of his or her engagement as a Non-Executive Director.

The Board has a formal schedule of matters specifically reserved to it for decision. These are discussed at regular intervals (at least once per annum) and comprise corporate matters, the Company's objective, advisers, the AIFM, the Manager and the management agreements. When necessary, the AIFM and the Manager are requested to withdraw so that the Directors may discuss matters in private. There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice of the Company Secretary.

The Board meets five times a year on a formal basis and on an ad-hoc basis as required. The primary focus at the regular Board meetings is a review of investment performance and associated matters, including marketing and investor relations and regulatory and industry issues. In advance of each meeting, the Directors receive a comprehensive set of papers, including the Manager's review and performance reports, revenue projections and expense budgets, updates on marketing activities and investor relations, regulatory reports and documents on any other specific matters of importance. Key representatives of the Manager attend each Board meeting, enabling the Directors to probe on matters of concern and seek clarification on any issues.

The Board has appointed three committees to cover specific operations as set out below. Copies of the terms of reference of each committee are available on request from the Company Secretary and will also be available at the Annual General Meeting.

Audit Committee

The Audit Committee Report is set out pages 32 and 33.

Nominations Committee

The Nominations Committee, which comprises all of the Directors of the Company and is chaired by Roger White, considers the appointment of new Directors bearing in mind the balance of skills, knowledge, experience and diversity existing on the Board. Once a decision is made to recruit an additional Director, a job description is prepared and each Director is invited to submit nominations and these are considered by the Committee. External search consultants may also be used to assist with the appointment of a new Director should it be considered expedient.

Following discussions by the Board on succession planning and agreement that, barring unforeseen circumstances, David Warnock will retire after twelve years' service in January 2023, the Nominations Committee carried out a search for a new Director during the first half of 2022. Cornforth Consulting, an external agency with no connection to the Company, was engaged to put forward candidates for interview. The Committee determined that the new Director should have investment management and investment trust experience and be able to replace David as Chair. Diversity was also a key consideration. Cornforth was provided with a brief to identify an appropriate range of candidates and, following a detailed candidate review and interview process, Bridget Guerin was selected and will be appointed to the Board on 17 January 2023, subject to her election by Shareholders at the Annual General Meeting on that date. Bridget has over 30 years of experience in the financial services industry and has had longstanding experience of sitting on the boards of investment/wealth management companies, funds and investment trusts.

Management Engagement Committee

The Board has constituted a separate Management Engagement Committee which comprises all of the Directors and which met once during the year. The main functions of the Committee are to define the terms of the Agreements with the Manager and the AIFM, to ensure that they follow good industry practice, are competitive and are in the best interests of the Shareholders. The Committee monitors the Manager's and AIFM's compliance with the terms of the Agreements and their performance. The Committee also reviews the services and performance of the Company's other service providers. A review of the Manager was undertaken during the year and the Committee considered the continuing appointment of the Manager to be in the best interest of the Shareholders at

this time. The Committee believes that the Manager has the skills and experience appropriate to achieving the Company's investment objective. The Committee also reviewed the AIFM and other service providers during the year and concluded that the services provided to the Company were satisfactory and that the Agreements entered into with them were operating in the best interests of Shareholders.

Remuneration Committee

As noted in the Directors' Remuneration Report on pages 35 and 36, the Board as a whole reviews and sets the rates of remuneration payable to each Director, and therefore no separate Remuneration Committee has been constituted.

Directors' Meetings

The following table shows the number of formal Board and Committee meetings held during the year ended 30 September 2022 and the number attended by each Director (with eligibility to attend in brackets):

| Meetings held and attendance | Board | Audit Committee | Management Engagement Committee | Nomination Committee |
|--------------------------------------|-------|-----------------|---------------------------------|----------------------|
| David Warnock | 5 (5) | 2 (2) | 1 (1) | 3 (3) |
| Roger White | 5 (5) | 2 (2) | 1 (1) | 3 (3) |
| David Garman | 5 (5) | 2 (2) | 1 (1) | 3 (3) |
| Brigid Sutcliffe | 5 (5) | 2 (2) | 1 (1) | 3 (3) |
| Jann Brown (retired 19 January 2022) | 1 (1) | 1 (1) | 1 (1) | 1 (1) |

Directors' Independence

The Board regularly reviews the independence of its members and, having due regard to the definitions and current AIC guidelines on independence, considers all Directors to be independent of the Company's Manager.

The Board takes the view that length of service does not necessarily compromise the independence or contribution of directors of an investment trust company, where the characteristics and relationships tend to differ from those of other companies. The Board believes that continuity and experience can add significantly to the Board's strengths. Mr Warnock has served on the Board for more than nine years but, given the nature of the Company and the strongly independent mindset of the individual, the Board is of the view that Mr Warnock's length of service does not compromise his independence.

The Board has agreed that, barring unforeseen circumstances, David Warnock will retire from the Board at the Annual General Meeting in January 2023, after twelve years of service. As detailed in the Nominations Committee section of this report, Bridget Guerin will be appointed to the Board to replace David.

Board Diversity

The Board recognises the importance of diversity including gender, ethnicity and background, and is committed to ensuring that a wide range of knowledge, experience, skills and cognitive diversity are represented on the Board. At 30 September 2022 there were three male Directors and one female Director on the Board. When David Warnock retires from the Board in January 2023 and Bridget Guerin takes his place as Chair, there will be two male Directors and two female Directors.

Succession Planning and Tenure

The Board considers succession planning on at least an annual basis, having regard to the length of service of each Director, the combined skill set of the Board and the diversity and size of the Board. The Board has agreed that, in the absence of unforeseen circumstances, the tenure of the Chair will be for a maximum of twelve years.

STATEMENT OF CORPORATE GOVERNANCE

The Board does not consider it appropriate to establish diversity targets or quotas but considers diversity, in its broadest sense, as an important factor in its succession planning and recruitment process, and is committed to appointing and retaining the most appropriate and well qualified individuals. However, the Board is mindful of the new Listing Rules on diversity and inclusion and the Company's aim is to have an appropriate level of diversity on the Board. The Company has no employees so is not required to report further on gender diversity.

Induction and training

New Directors appointed to the Board are provided with an induction programme which is tailored to the particular circumstances of the appointee. Regular briefings are provided during the year on industry and regulatory matters and the Directors receive other relevant training as required.

Performance evaluation

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. The Directors consider how the Board functions as a whole and also review the individual performance of its members. This process is led by the Chairman and encompasses quantitative and qualitative measures of performance implemented by way of an evaluation questionnaire and Board discussion. The performance of the Chairman is reviewed by the other Directors led by the Senior Independent Director. These reviews form the basis of the decision on whether or not Directors are nominated for re-election. These processes have been carried out in respect of the year under review and will be conducted on an annual basis.

Based on these reviews the Board believes that it continues to operate in an efficient and effective manner and has a balanced range of skills and experience, with each Director making a significant contribution to the performance of the Company. Given this, the Board recommends the re-election of each of the Directors, apart from David Warnock who will not be standing for re-election.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company and the Company reports formally to Shareholders twice a year by way of the Annual and Interim Report. All Shareholders have the opportunity to attend and vote at Annual General Meetings at which Directors and the Manager are available to discuss key issues affecting the Company. TAML also conduct meetings with Shareholders to discuss issues relating to the Company and give them the opportunity to meet the Board, if required.

As recommended by the AIC Code, the Company makes available the proxy votes cast at general meetings. In addition, the Company aims to give Shareholders at least twenty working days' notice of the Annual General Meeting.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated certain functions. The main service providers are TAML, the Manager; Juniper Partners, the AIFM, Company Secretary and Administrator; J.P. Morgan Chase Bank N.A., the Custodian; J.P. Morgan Europe Ltd, the Depositary; and Equiniti Limited, the Registrars. TAML and Juniper Partners provide the Board with regular reports, which cover investment activities and financial matters, and with periodic reports on the control procedures and the system of internal financial control.

The AIFM has established a permanent risk function to ensure that effective risk management policies and procedures are in place to monitor compliance with risk limits. The AIFM has a risk policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM in conjunction with the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see note 21 on page 61), are monitored and exceptions are escalated to the AIFM along with any remedial measures that are required.

It is a requirement that the Board monitors the Company's risk management and internal control systems and, at least annually, carries out a review of their effectiveness. The monitoring and review covers all material controls, including financial, operational, compliance and risk management. To achieve this the Board has in place regular review procedures for the identification, evaluation and management of principal risks to the Company in accordance with the Financial Reporting Council's guidance document "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting". These procedures include oversight of the Company's risk management processes and regular reviews of the Company's detailed risk matrix. The Directors believe that these processes, which have been in place throughout the year under review and up to the date of approval of the Annual Report, are sufficient to provide reasonable assurance that the assets are safeguarded and that material errors and irregularities are either prevented or detected within a timely period.

Proxy Voting and Stewardship

The Financial Reporting Council ('FRC') published an updated 'UK Stewardship Code' for institutional shareholders in October 2020. The purpose of the UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities.

The Board delegates to the Manager responsibility for selecting the portfolio of investments, within investment guidelines established by the Board after discussion with the Manager, and for monitoring the performance and activities of investee companies. The Manager carries out detailed research on investee companies and possible future investee companies through internally generated research. The research on a company comprises an evaluation of fundamental details such as financial strength, quality of management, market position and product differentiation, plus an appraisal of issues relevant to it, including policies relating to socially responsible investment.

The Company's voting rights in respect of investee companies are delegated to the Manager, who votes at all general meetings of UK companies and reports to the Board on a regular basis. The Manager considers each case on its individual merits with the primary aim of the use of voting rights being to ensure a satisfactory return from investments. The Manager's statement of compliance with the UK Stewardship Code can be found on the Manager's website at www.taml.co.uk.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Manager and the AIFM also adopt a zero tolerance approach and have policies and procedures in place to prevent and detect bribery.

Criminal Finances Act 2017

The Company has a zero tolerance policy towards the criminal facilitation of tax evasion.

Taskforce for Climate Related Financial Disclosures ('TCFD')

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust and, as such, it is exempt from the Listing Rules requirement to report against the TCFD framework. As detailed in the Strategic Report on page 17, TAML has committed to implementing the recommendations of the TCFD.

By Order of the Board

Juniper Partners Limited
Secretary

16 November 2022

AUDIT COMMITTEE REPORT

Composition of the Audit Committee

The Audit Committee comprises all of the Directors of the Company. The Board considers that it is appropriate for all Directors to be members of the Committee owing to the size and composition of the Board. The Audit Committee, who consider that they have the requisite skills and experience to fulfil their roles, met twice in 2022 to coincide with the interim and annual reporting and audit cycle. Brigid Sutcliffe is the Chair of the Audit Committee.

Role of the Audit Committee

The main responsibilities of the Audit Committee are:

- monitoring and reviewing the integrity of financial statements and ensuring in particular that, taken as a whole, they are fair, balanced and understandable;
- reviewing the Company's internal financial controls;
- making recommendations to the Board in relation to the appointment, evaluation and dismissal of the external Auditors, their remuneration, terms of their engagement and reviewing their independence, objectivity and effectiveness;
- reviewing the external Auditors' audit plan and year-end report;
- developing and implementing policy on the engagement of the external Auditors to supply non-audit services;
- assessing the need for an internal audit function; and
- reviewing the arrangements in place within the AIFM and Manager whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company.

Annual Report and Financial Statements

The Board of Directors is responsible for preparing the Annual Report and Financial Statements. The Audit Committee advises the Board on the form and content of the Annual Report and Financial Statements, any issues which may arise and any specific areas which require judgement.

In the course of finalising the Annual Report and Financial Statements for the year ended 30 September 2022, the Committee focussed its discussions on the following significant issues:

- Valuation and existence of investments: Investments are valued using stock market prices from independent price sources. The AIFM carries out testing of the

prices and regularly reconciles the portfolio holdings to confirmations from the Company's custodian.

- Accuracy, occurrence and completeness of dividend income: Income received is accounted for in line with the Company's accounting policy (as set out on page 47) and is reviewed by the Board at each Board meeting, including allocation of special dividends.

All of the above matters were satisfactorily addressed through consideration of reports provided by and discussed with the AIFM and the Manager.

The Board has asked the Audit Committee to advise it whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. The Audit Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they meet these requirements. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment industry in general and of investment trusts in particular.

Auditors

PricewaterhouseCoopers LLP ('PwC') were appointed as the Company's external Auditors during the year to 30 September 2016, following a tender process in 2015. The current audit partner, Gillian Alexander, is in the second year of her appointment.

The Committee places great importance on ensuring high standards of both quality and effectiveness in the external audit process. Audit quality is reviewed throughout the year with a focus on: strong audit governance; the audit firm's methodology and its effective application to the Company; a robust challenge by the Auditors on any area which requires management judgement; and the quality of the senior members of the team.

The effectiveness of the audit has also been assessed by a number of measures including, but not limited to:

- reviewing the quality and scope of the audit planning;
- monitoring the independence and transparency of the audit; and
- seeking feedback from the Auditors on any external or internal quality reviews of the audit.

At the end of the audit for the current financial year, the Committee used a questionnaire to evaluate the performance of PwC. The Committee also reviewed the independence of PwC. In completing this review, the Committee took into account the standing, experience and tenure of the audit partner, the nature and level of service provided and confirmation that PwC have complied with relevant UK independence guidelines. No significant issues were identified and the Committee ratified the continued appointment of PwC.

Brigid Sutcliffe

Chair of the Audit Committee

16 November 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

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

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. In reaching this conclusion the Directors have assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment industry and of investment trusts in particular.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors in office at 16 November 2022, whose names and functions are listed in 'Your Board' on page 22, confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of Troy Income & Growth Trust plc

Brigid Sutcliffe

Chair of the Audit Committee

16 November 2022

DIRECTORS' REMUNERATION REPORT

Chairman's Statement

The following report has been prepared by the Board in accordance with the requirements of section 421 of the Companies Act 2006. An ordinary resolution for the approval of this report, the Annual Report on Remuneration, will be put to Shareholders at the forthcoming AGM.

The Remuneration Policy set out below was approved by Shareholders at the AGM held in 2021, and the policy is subject to a vote at least every three years.

The Company's independent Auditors are required by law to audit certain of the disclosures contained in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The independent Auditors' opinion is included in the report on pages 37 to 42.

No Director has a service contract with the Company, although each has a letter of appointment confirming his or her appointment and setting out his or her remuneration as at the date of the letter. These letters contain no provision regarding notice period, nor do they make provision for compensation payable upon early termination of the Director's appointment.

Remuneration Policy

The Board as a whole reviews and sets the rates of remuneration payable to each Director with effect from the annual review date of 1 April each year. The Board is aware that these should be comparable to market rates to attract and retain Directors of the appropriate calibre and reflect the time spent and the responsibilities borne by Directors in exercising the stewardship required of the Company. In setting these rates, the Board acts principally on advice from the Company Secretary, who monitors rates of Directors' remuneration in companies of comparable size and activities and carries out other relevant research requested by the Board. Any Director who performs

services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may in its discretion decide. No separate remuneration committee has been constituted in view of the level of work delegated to the Manager and Company Secretary.

The Articles of Association of the Company set a maximum aggregate limit within a financial year for Non-Executive Directors' remuneration. The limit was approved by Shareholders in 2006 at £70,000 per annum, increased annually in line with the change in the Retail Price Index and pro-rated up or down should the number of Directors change either temporarily or permanently. Since 2006, the number of Directors has increased from three to four and, taking into the account the increase in Retail Price Index, the limit for the year ended 30 September 2022 was £149,000.

The Board has not received any views from the Company's Shareholders in respect of the levels of Directors' remuneration.

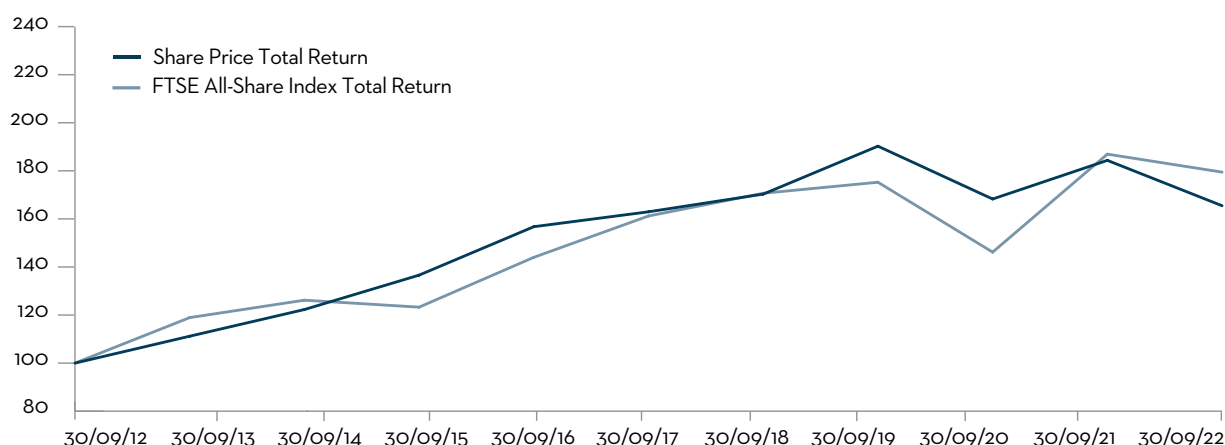
The Board considers that the present policy of remunerating Directors exclusively by fixed fees in cash is appropriate and adequate for the Company in its present and foreseeable circumstances and there are no plans to introduce additional or alternative remuneration schemes.

The new Directors' remuneration rates, effective from 1 April 2022, are as follows:

| | From 1 April 2022 £ | From 1 April 2021 £ |
|-----------------------|---------------------------|---------------------------|
| Chairman | 37,000 | 35,830 |
| Audit Committee Chair | 29,650 | 28,700 |
| Other Directors | 25,450 | 24,600 |

Total Shareholder Return

The chart shown below illustrates the total shareholder return for a holding in the Company's shares as compared to the total return on the FTSE All-Share Index for the ten year period to 30 September 2022. This index is deemed to be the most appropriate one against which to measure the Company's long-term performance.



DIRECTORS' REMUNERATION REPORT

Annual Report on Remuneration (Audited Information)

The total fees payable to each Director who served during the financial year under review and the previous financial year of the Company are shown in the following table:

| | 2022 £ | 2021 £ | 2022 % change | 2021 % change |
|--|-----------|-----------|------------------|------------------|
| David Warnock | 36,415 | 35,665 | 2.1% | 1.2% |
| Brigid Sutcliffe (appointed 1 August 2021) | 27,125 | 4,100 | N/A* | N/A* |
| Roger White | 25,025 | 24,475 | 2.2% | 1.2% |
| David Garman | 25,025 | 24,475 | 2.2% | 1.2% |
| Jann Brown (retired 19 January 2022) | 9,759 | 28,550 | N/A* | 1.2% |
| | 123,349 | 117,265 | 5.2% | 4.9% |

* Change not applicable as Director not in office for full current or prior year.

There is no performance related remuneration scheme such as an annual bonus, or a long-term incentive scheme such as the granting of share options. The Company does not operate a pension scheme for the Directors and no Director received any form of remuneration during the financial year under review or the preceding financial year other than the fees shown above.

Relative Importance of Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distribution to Shareholders. However, for ease of reference, total fees paid to Directors are shown in the table above, dividends paid to Shareholders are set out in note 7 on page 51 and share buy backs are detailed in note 10 on page 54.

Directors' Interests (Audited Information)

The Directors at 30 September 2022 had no other interest other than those interests, all of which are beneficial interests, shown below in the share capital of the Company.

| | At 30 September 2022 Ordinary shares | At 30 September 2021 Ordinary shares |
|--|---|---|
| David Warnock | 670,272 | 670,272 |
| Brigid Sutcliffe (appointed 1 August 2021) | 50,000 | - |
| Roger White | 300,000 | 300,000 |
| David Garman | 250,000 | 100,000 |
| Jann Brown (retired 19 January 2022) | N/A | 87,563 |

There have been no changes in the interests of the Directors in the share capital during the period 1 October 2022 to 16 November 2022.

There is no requirement under the Directors' letters of appointment for them to own shares in the Company.

Statement of Voting at Annual General Meeting

The proxy votes cast at the last relevant Annual General Meetings were as follows:

| | In favour | Against |
|---|-----------|---------|
| Directors' Remuneration Report (2022 AGM) | 99.4% | 0.6% |
| Directors' Remuneration Policy (2021 AGM) | 99.5% | 0.5% |

Approved by the Board of Directors on 16 November 2022 and signed on its behalf by:

David Warnock
Chairman

INDEPENDENT AUDITORS' REPORT

to the Members of Troy Income & Growth Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, Troy Income & Growth Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope

- The Company is a standalone Investment trust Company and engages Troy Asset Management Limited (the "Manager") to manage its assets;
- We conducted our audit of the financial statements using information from Juniper Partners Limited (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions;
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above and the industry in which the Company operates; and
- We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.

Key audit matters

- Valuation and existence of investments.
- Accuracy, occurrence and completeness of dividend income.

Materiality

- Overall materiality: £1.93m (2021: £2.49m) based on 1% of net assets.
- Performance materiality: £1.45m (2021: £1.86m).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

INDEPENDENT AUDITORS' REPORT

to the Members of Troy Income & Growth Trust plc

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| Valuation and existence of investments Refer to the Audit Committee Report, Note 1 Accounting policies and Note 9 Investments held at fair value through profit or loss. The investment portfolio at year-end consisted of listed equity investments valued at £194.4 million (2021: £244.5 million). We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements. | <p>We tested the valuation of the investments by agreeing the prices used in the valuation to independent third-party sources for all investments.</p> <p>We tested the existence of the investment portfolio by agreeing investment holdings to an independently obtained custodian confirmation.</p> <p>No material differences were identified.</p> |
| Accuracy, occurrence and completeness of dividend income Refer to the Audit Committee Report, Note 1 Accounting policies, Note 2 Revenue and Note 9 Investments held at fair value through profit or loss. We focused on the accuracy, occurrence and completeness of dividend income as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition. | <p>We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data.</p> <p>To test for occurrence, we confirmed that all dividends recorded had occurred in the market and traced a sample of cash payments to bank statements.</p> <p>To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investments during the year.</p> <p>We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by confirming reasons behind dividend distributions.</p> <p>No material differences were identified.</p> |

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|--|--|
| Overall company materiality | £1.93m (2021: £2.49m). |
| How we determined it | 1% of net assets |
| Rationale for benchmark applied | We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit. |

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £1.45m (2021: £1.86m) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £96,950 (2021: £124,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by COVID-19, rising inflation, Russia's invasion of Ukraine, and the subsequent economic uncertainty;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the Financial Statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers;
- assessing the implication of significant reductions in net asset value as a result of market performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

to the Members of Troy Income & Growth Trust plc

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering

whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value. Audit procedures performed by the engagement team included:

- holding discussions with the Administrator, the Manager and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant committee meeting minutes, including those of the Board and Audit Committee;
- recalculation of numerical aspects of the eligibility conditions of section 1158 of the Corporation Tax Act 2010;
- identifying and testing journal entries, in particular year end journal entries posted by the Administrator during the preparation of the financial statements; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

INDEPENDENT AUDITORS' REPORT

to the Members of Troy Income & Growth Trust plc

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 19 January 2016 to audit the financial statements for the year ended 30 September 2016 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 30 September 2016 to 30 September 2022.

Gillian Alexander (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

16 November 2022

STATEMENT OF COMPREHENSIVE INCOME

| | Note | Year ended 30 September 2022 | | | Year ended 30 September 2021 | | |
|--|------|------------------------------|----------------------------|----------------|------------------------------|----------------------------|----------------|
| | | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Capital | | | | | | | |
| (Losses)/gains on investments held at fair value | 9 | - | (25,889) | (25,889) | - | 19,651 | 19,651 |
| Net foreign currency gains/(losses) | | - | 52 | 52 | - | (11) | (11) |
| Revenue | 2 | | | | | | |
| Income from listed investments | | 6,666 | - | 6,666 | 6,969 | - | 6,969 |
| | | 6,666 | (25,837) | (19,171) | 6,969 | 19,640 | 26,609 |
| Expenses | | | | | | | |
| Investment management fees | 3 | (465) | (864) | (1,329) | (564) | (1,047) | (1,611) |
| Other administrative expenses | 4 | (686) | - | (686) | (649) | - | (649) |
| Finance costs of borrowing | 5 | (19) | (35) | (54) | (10) | (18) | (28) |
| Profit/(loss) before taxation | | 5,496 | (26,736) | (21,240) | 5,746 | 18,575 | 24,321 |
| Taxation | 6 | (109) | - | (109) | (114) | - | (114) |
| Total comprehensive income/(expense) | | 5,387 | (26,736) | (21,349) | 5,632 | 18,575 | 24,207 |
| Earnings per Ordinary share (pence) | 8 | 1.77 | (8.80) | (7.03) | 1.68 | 5.54 | 7.22 |

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with UK-adopted international accounting standards. The supplementary revenue return and capital return columns are both prepared as explained in the accounting policies on page 47. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment in predominantly UK equities.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

| | Note | As at 30 September 2022 £'000 | As at 30 September 2021 £'000 |
|--|------|--|--|
| Non-current assets | | | |
| Investments in ordinary shares | | 194,448 | 244,514 |
| Investments held at fair value through profit or loss | 9 | 194,448 | 244,514 |
| Current assets | | | |
| Accrued income and prepayments | | 890 | 968 |
| Trade and other receivables | | 3,665 | 162 |
| Cash and cash equivalents | | 4,710 | 3,951 |
| Total current assets | | 9,265 | 5,081 |
| Total assets | | 203,713 | 249,595 |
| Current liabilities | | | |
| Bank loan | | (5,000) | - |
| Trade and other payables | | (5,398) | (974) |
| Total current liabilities | | (10,398) | (974) |
| Net assets | | 193,315 | 248,621 |
| Issued capital and reserves attributable to equity holders | | | |
| Called-up share capital | 10 | 86,878 | 86,878 |
| Share premium account | 11 | 53,851 | 53,909 |
| Special reserves | 12 | 9,684 | 38,890 |
| Capital reserve - unrealised | 13 | 18,854 | 54,428 |
| Capital reserve - realised | 13 | 17,152 | 8,424 |
| Revenue reserve | 14 | 6,896 | 6,092 |
| Total equity | | 193,315 | 248,621 |
| Net asset value per Ordinary share (pence) | 8 | 68.48 | 77.72 |

The financial statements on pages 43 to 61 were approved by the Board of Directors on 16 November 2022 and were signed on its behalf by:

David Warnock
Chairman

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For year ended 30 September 2022

| | Called-up share capital £'000 | Share premium account £'000 | Special reserves £'000 | Capital reserve – unrealised £'000 | Capital reserve – realised £'000 | Revenue reserve £'000 | Total equity £'000 |
|--|--|--------------------------------------|------------------------------|---|---|-----------------------------|--------------------------|
| Balance at 1 October 2021 | 86,878 | 53,909 | 38,890 | 54,428 | 8,424 | 6,092 | 248,621 |
| (Loss)/profit and total comprehensive income/(expense) for the year | - | - | - | (35,574) | 8,838 | 5,387 | (21,349) |
| Equity dividends (note 7) | - | - | (1,444) | - | - | (4,583) | (6,027) |
| Shares bought back into treasury | - | - | (27,872) | - | - | - | (27,872) |
| Shares issued from treasury | - | - | - | - | - | - | - |
| Discount control costs | - | (58) | - | - | - | - | (58) |
| Transfer from capital reserves | - | - | 110 | - | (110) | - | - |
| Balance at 30 September 2022 | 86,878 | 53,851 | 9,684 | 18,854 | 17,152 | 6,896 | 193,315 |
| Balance at 1 October 2020 | 86,878 | 53,960 | 60,366 | 41,678 | 2,599 | 6,205 | 251,686 |
| Profit and total comprehensive income for the year | - | - | - | 12,750 | 5,825 | 5,632 | 24,207 |
| Equity dividends (note 7) | - | - | (1,598) | - | - | (5,745) | (7,343) |
| Shares bought back into treasury | - | - | (20,315) | - | - | - | (20,315) |
| Shares issued from treasury | - | - | 437 | - | - | - | 437 |
| Discount control costs | - | (51) | - | - | - | - | (51) |
| Balance at 30 September 2021 | 86,878 | 53,909 | 38,890 | 54,428 | 8,424 | 6,092 | 248,621 |

The revenue reserve, special reserves and capital reserve – realised are distributable. The full amount of each of these reserves is available for distribution.

The capital reserve has been split between realised and unrealised on the Statement of Financial Position and the Statement of Changes in Equity to distinguish between the element of the reserve that is distributable (realised) and the element of the reserve that is not distributable (unrealised).

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT

| | Year ended 30 September 2022 | | Year ended 30 September 2021 | |
|--|---------------------------------|----------|---------------------------------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | | |
| Investment income received | 6,876 | | 6,858 | |
| Administrative expenses paid | (2,140) | | (2,264) | |
| Cash generated from operations (note 19(a)) | | 4,736 | | 4,594 |
| Finance costs paid | | (60) | | (28) |
| Taxation | | (179) | | (116) |
| Net cash inflows from operating activities | | 4,497 | | 4,450 |
| Cash flows from investing activities | | | | |
| Purchases of investments | (51,123) | | (31,177) | |
| Sales of investments | 73,668 | | 48,995 | |
| Capital distributions received from investee companies | 113 | | 43 | |
| Net cash inflows from investing activities | | 22,658 | | 17,861 |
| Net cash inflows before financing | | 27,155 | | 22,311 |
| Cash flows from financing activities | | | | |
| Proceeds from loan | 5,000 | | - | |
| Proceeds of issue of shares | - | | 437 | |
| Cost of share buy backs | (25,365) | | (19,948) | |
| Dividends paid | (6,027) | | (7,343) | |
| Costs incurred on issue of shares | (56) | | (51) | |
| Net cash outflows from financing activities | | (26,448) | | (26,905) |
| Net increase/(decrease) in cash and short term deposits (note 19(b)) | | 707 | | (4,594) |
| Cash and cash equivalents at the start of the year | | 3,951 | | 8,556 |
| Effect of foreign exchange rate changes | | 52 | | (11) |
| Cash and cash equivalents at the end of the year | | 4,710 | | 3,951 |

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit and loss.

The financial statements are presented in sterling which is regarded as the functional currency and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

Where presentational guidance set out in the Statement of Recommended Practice ('SORP') 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in July 2022) is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. Additionally, the net revenue of the Company is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in sections 1158 and 1159 of the Corporation Tax Act 2010.

The Directors confirm that none of the following new standards or amendments to existing standards, effective for accounting periods beginning on or after 1 January 2021, have materially affected the Company's financial statements:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16, regarding Interest Rate Benchmark Reform.
- Amendments to IFRS 4 regarding extension of IFRS 9 deferral.

The Directors do not anticipate the adoption of the following standards or amendments to existing standards, effective for accounting periods beginning on or after 1 January 2022 and thereafter, will have a material effect on the Company's financial statements:

- Amendments to IAS 1, regarding classification of liabilities and disclosure of accounting policies.
- Amendments to IAS 8, regarding definition of accounting estimates.
- Amendments to IAS 12, regarding deferred tax.
- Amendments to IAS 16, regarding property, plant and equipment.
- Amendments to IAS 37, regarding costs of fulfilling a contract.
- Amendments to IFRS 3, regarding reference to the Conceptual Framework.
- Amendments to IFRS 17, insurance contracts.

(b) Investments – Securities held at Fair Value

Investments are recognised or derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed interest securities are designated as fair value through profit or loss on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

All investments designated upon initial recognition as held at fair value through profit or loss are measured at subsequent reporting dates at their fair value, which is the bid price as at close of business on the Balance Sheet date.

Gains and losses arising from the changes in fair value are included in net profit or loss for the period as a capital item. Expenses which are incidental to the acquisition and disposal of investments are treated as capital costs.

(c) Income

Dividend income from equity investments including preference shares which have a discretionary dividend is recognised when the Shareholders' right to receive payment has been established, normally the ex-dividend date. Underwriting commission is taken to revenue on a receipts basis.

(d) Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except those where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. The investment management fee and finance costs have been allocated 35% to revenue and 65% to capital.

(e) Bank borrowings

Interest-bearing bank loans and overdrafts are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. After initial recognition, all interest bearing loans and overdrafts are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any arrangement costs and any discount or premium on settlement.

(f) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

The allocation method used to calculate tax relief on expenses presented against capital returns is the 'marginal basis'. Under this basis if taxable income is not capable of being offset entirely by expenses presented in revenue then unutilised expenses arising in capital will be set against income with an amount based on current tax rates charged against income and credited to capital.

Deferred tax is provided in full on temporary differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

(g) Foreign currency

Transactions denominated in foreign currencies are recorded at the actual exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at fair value by using the rate of exchange prevailing at the year end. The currencies to which the Company was exposed were Swiss francs and US dollars.

Forward currency contracts are classified as investments held at fair value through profit or loss and are reported at fair value at the year end by using the forward rate of exchange prevailing at the year end.

Any gain or loss arising from a movement in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income as a revenue or capital item depending on the nature of the gain or loss.

(h) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments within three months of maturity that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Use of judgements and estimates

The preparation of financial statements requires the Company to make judgements, estimates and assumptions that affect items reported in the Statement of Financial Position and the Statement of Comprehensive Income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these judgements and estimates are based on the Directors' best knowledge of current facts, circumstances and, to some extent, future events and actions, the Company's actual results may ultimately differ from those estimates. The Directors used their judgement in making the decision whether to treat special dividends as revenue or capital income. There were two special dividends during the year which were judged to be of a capital nature. Both of these special dividends were received from Admiral Group. There were no other accounting judgements or estimates in the current year.

(j) Issue and repurchase of Ordinary shares and associated costs

The proceeds from the issue of new Ordinary shares (including those relating to the sale of shares out of treasury) and the aggregate cost of repurchasing Ordinary shares (including those to be held in treasury) are taken directly to equity and dealt with in the Statement of Changes in Equity. Issue costs incurred in respect of shares sold out of treasury are offset against proceeds received and dealt with in the special reserves. Share issues and repurchase transactions are accounted for on a trade date basis.

2. Revenue

| | 2022 £'000 | 2021 £'000 |
|----------------------------------|---------------|---------------|
| Income from listed investments | | |
| UK dividend income | 5,783 | 6,168 |
| Income from overseas investments | 883 | 801 |
| | 6,666 | 6,969 |

The Company received capital special dividends of £113,000 from Admiral Group in the year ended 30 September 2022 (2021 – £43,000), as shown in note 9.

3. Investment management fees

Troy Asset Management Limited ('TAML') was appointed as the Manager on 31 July 2009. From 1 January 2022, the investment management fee was paid at an annual rate of 0.55% of the Company's net assets up to £250 million and 0.50% on the Company's net assets over £250 million. Prior to this date, the fee was paid at an annual rate of 0.65% of the Company's net assets. The fee is calculated monthly and paid quarterly. Juniper Partners Limited was appointed as the Company's AIFM with effect on 22 July 2014. The AIFM fee is 0.015% of the Company's net assets per annum, subject to a minimum fee of £62,000 per annum. From the same date, the portfolio management activities were delegated to TAML. The commercial terms of the delegation agreement are the same as the previous investment management agreement except that the investment management fee paid to TAML is reduced by the fees incurred for the services of the AIFM. The fee is allocated 35% to revenue and 65% to capital.

| | 2022 | | | 2021 | | |
|---|----------------------------|----------------------------|----------------|----------------------------|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Investment management fees paid to TAML | 444 | 823 | 1,267 | 543 | 1,008 | 1,551 |
| AIFM fee paid to Juniper Partners | 21 | 41 | 62 | 21 | 39 | 60 |
| Total investment management fees | 465 | 864 | 1,329 | 564 | 1,047 | 1,611 |

NOTES TO THE FINANCIAL STATEMENTS

4. Other administrative expenses

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Directors' fees | 123 | 117 |
| Secretarial fees | 193 | 178 |
| Fees payable to auditors | | |
| - fees payable to the Company's auditors for the audit of the annual financial statements† | 43 | 41 |
| Other management expenses | 327 | 313 |
| | 686 | 649 |

† Includes irrecoverable VAT of £7,000 (2021 - £7,000).

The Company had no employees during the year (2021 - nil). No pension contributions were paid for Directors (2021 - £nil). Further details on Directors' remuneration can be found in the Directors' Remuneration Report on pages 35 and 36.

5. Finance costs of borrowing

| | 2022 | | | 2021 | | |
|-----------|----------------------------|----------------------------|----------------|----------------------------|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Bank loan | 19 | 35 | 54 | 10 | 18 | 28 |

The Company has a £15 million (2021: nil) revolving loan facility in place with The Royal Bank of Scotland International Limited which expires in June 2025. At 30 September 2022 £5 million had been drawn down at a rate of 1.2% plus SONIA until 18 January 2023 (2021: nil). The terms of the revolving loan, including interest rate, are agreed at each draw down. The facility can be cancelled at any time without cost to the Company.

Finance costs relate to interest charged on the bank loan from the revolving facility. Finance costs in 2021 relate to the revolving credit facility with ING Luxembourg S.A. which expired on 24 April 2021.

6. Taxation

| | 2022 | | | 2021 | | |
|----------------------------|----------------------------|----------------------------|----------------|----------------------------|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Irrecoverable overseas tax | 109 | - | 109 | 114 | - | 114 |

The following table is a reconciliation of the total taxation charge to the charges or credits which would arise if all ordinary activities were taxed at the standard UK corporation tax rate of 19.0% (2021 – 19.0%):

| | 2022 | | | 2021 | | |
|---|----------------------------|----------------------------|----------------|----------------------------|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Profit/(loss) on ordinary activities before taxation | 5,496 | (26,736) | (21,240) | 5,746 | 18,575 | 24,321 |
| Taxation of return on ordinary activities at the standard rate of corporation tax | 1,045 | (5,080) | (4,035) | 1,092 | 3,529 | 4,621 |
| Effects of: | | | | | | |
| UK dividend income not liable to further tax | (972) | - | (972) | (1,071) | - | (1,071) |
| Overseas dividend income not liable to further tax | (168) | - | (168) | (152) | - | (152) |
| Capital losses/(profits) not taxable | - | 4,909 | 4,909 | - | (3,732) | (3,732) |
| Excess management expenses and loan relationships | 95 | 171 | 266 | 131 | 203 | 334 |
| Overseas withholding tax suffered | 109 | - | 109 | 114 | - | 114 |
| Total taxation charge for the year | 109 | - | 109 | 114 | - | 114 |

At 30 September 2022, the Company had surplus management expenses and unutilised non-trade relationship deficits of £16,831,000 (2021 – £15,431,000) with a tax value of £3,198,000 (2021 – £2,932,000) to carry forward. No deferred tax asset has been recognised in the current or prior year because it is considered too uncertain that there will be suitable taxable profits from which the future reversal of the deferred tax asset could be deducted.

On 14 October 2022 it was announced that the UK government planned to increase Corporation Tax from 19% to 25% for financial years beginning on or after 1 April 2023. At the reporting date, this increase has not been substantively enacted. As no deferred tax asset is recognised in respect of unrelieved losses, the potential impact of this change is not expected to be material.

7. Dividends on equity shares

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Paid from revenue: | | |
| Fourth interim dividend for the year ended 30 September 2020 of 0.695p | - | 2,409 |
| Fourth interim dividend for the year ended 30 September 2021 of 0.49p | 1,564 | - |
| First and second interim dividends for the year ended 30 September 2022 totalling 0.98p (2021 – 0.98p) per share | 3,019 | 3,336 |
| Total paid from revenue | 4,583 | 5,745 |
| Paid from distributable capital reserves: | | |
| Third interim dividend for year ended 30 September 2022 of 0.49p (2021 – 0.49p) | 1,444 | 1,598 |
| Total | 6,027 | 7,343 |

The fourth interim dividend of 0.50p per share, declared on 15 September 2022 and paid on 21 October 2022, has not been included as a liability in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

We also set out below the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered.

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Paid and payable from revenue: | | |
| First and second interim dividends for the year ended 30 September 2022 totalling 0.98p (2021 – 0.98p) per share | 3,019 | 3,336 |
| Fourth interim dividend for the year ended 30 September 2022 of 0.50p (2021 – 0.49p) per share | 1,411 | 1,565 |
| Total paid and payable from revenue | 4,430 | 4,901 |
| Paid from distributable capital reserves: | | |
| Third interim dividend for year ended 30 September 2022 of 0.49p (2021 – 0.49p) | 1,444 | 1,598 |
| Total | 5,874 | 6,499 |

The dividend per share information is as follows:

| | Rate per share | xd date | Record date | Payment date |
|-------------------------|----------------|------------------|------------------|-----------------|
| First interim dividend | 0.49p | 30 December 2021 | 31 December 2021 | 21 January 2022 |
| Second interim dividend | 0.49p | 7 April 2022 | 8 April 2022 | 29 April 2022 |
| Third interim dividend | 0.49p | 30 June 2022 | 1 July 2022 | 22 July 2022 |
| Fourth interim dividend | 0.50p | 6 October 2022 | 7 October 2022 | 21 October 2022 |
| 2021/22 | 1.97p | | | |
| First interim dividend | 0.49p | 31 December 2020 | 4 January 2021 | 22 January 2021 |
| Second interim dividend | 0.49p | 1 April 2021 | 6 April 2021 | 23 April 2021 |
| Third interim dividend | 0.49p | 1 July 2021 | 2 July 2021 | 23 July 2021 |
| Fourth interim dividend | 0.49p | 7 October 2021 | 8 October 2021 | 22 October 2021 |
| 2020/21 | 1.96p | | | |

8. Return and net asset value per share

| | 2022 £'000 | 2021 £'000 |
|--|--------------------|--------------------|
| The returns per share are based on the following figures: | | |
| Revenue return | 5,387 | 5,632 |
| Capital return | (26,736) | 18,575 |
| Total | (21,349) | 24,207 |
| Weighted average number of Ordinary shares | 303,874,343 | 335,250,510 |

The net asset value per share is based on net assets attributable to Shareholders of £193,315,000 (2021 – £248,621,000) and on 282,284,487 (2021 – 319,888,987) Ordinary shares in issue at the year end.

9. Investments held at fair value through profit or loss

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------|----------------|----------------|
| Listed on recognised stock exchanges: | | |
| United Kingdom | 167,033 | 203,387 |
| Overseas | 27,415 | 41,127 |
| Total investments | 194,448 | 244,514 |

| | 2022 £'000 | 2021 £'000 |
|--|----------------|----------------|
| Opening book cost | 190,086 | 200,638 |
| Opening fair value gains on investments held | 54,428 | 41,678 |
| Opening fair value | 244,514 | 242,316 |
| Purchases | 53,108 | 31,274 |
| Sales – proceeds | (77,172) | (48,684) |
| – net gains on sales | 9,572 | 6,858 |
| Movement in fair value during the year | (35,574) | 12,750 |
| Closing fair value | 194,448 | 244,514 |
| Closing book cost | 175,594 | 190,086 |
| Closing fair value gains on investments held | 18,854 | 54,428 |
| Closing fair value | 194,448 | 244,514 |

All investments are categorised as held at fair value through profit or loss, and were designated as such upon initial recognition.

For an analysis of investments see pages 12 to 13. The total transaction costs on purchases was £243,000 (2021 – £132,000) and on sales £29,000 (2021 – £17,000).

| | 2022 £'000 | 2021 £'000 |
|--|-----------------|---------------|
| (Losses)/gains on investments held at fair value | | |
| Net gains on sales | 9,572 | 6,858 |
| Movement in fair value in investment holdings | (35,574) | 12,750 |
| Capital distributions | 113 | 43 |
| | (25,889) | 19,651 |

NOTES TO THE FINANCIAL STATEMENTS

10. Called-up share capital

| | Ordinary shares of 25p each | |
|------------------------------------|--------------------------------|--------|
| | Number | £'000 |
| Allotted, called up and fully paid | | |
| At 30 September 2022 | 282,284,487 | 70,571 |
| Held in treasury | 65,227,500 | 16,307 |
| | 347,511,987 | 86,878 |
| Allotted, called up and fully paid | | |
| At 30 September 2021 | 319,888,987 | 79,972 |
| Held in treasury | 27,623,000 | 6,906 |
| | 347,511,987 | 86,878 |

During the years to 30 September 2022 and 30 September 2021, no new Ordinary shares of 25p each were issued.

During the year to 30 September 2022 there were 37,604,500 Ordinary shares of 25p each repurchased by the Company (being 11.8% of the Company's issued share capital at the start of the year), at a total cost of £27,872,000 and placed in treasury.

During the year to 30 September 2021 there were 27,364,000 Ordinary shares of 25p each repurchased by the Company (being 7.9% of the Company's issued share capital at the start of the year), at a total cost of £20,315,000 and placed in treasury.

During the year to 30 September 2022 no shares were re-issued from treasury.

During the year to 30 September 2021 600,000 shares were re-issued from treasury for proceeds of £437,000.

No shares were purchased for cancellation during the year (2021 - nil) and at the year-end 65,227,500 shares were held in treasury (2021 - 27,623,000).

The costs of the operation of the discount control mechanism of £58,000 (2021 - £51,000) have been charged against the premium on shares issued.

11. Share premium account

| | 2022 £'000 | 2021 £'000 |
|----------------------------------|---------------|---------------|
| At 1 October | 53,909 | 53,960 |
| Discount control costs (note 10) | (58) | (51) |
| At 30 September | 53,851 | 53,909 |

12. Special reserves

| | Distributable Capital Reserve 2022 £'000 | Special Reserve 2022 £'000 | Total Special Reserves 2022 £'000 | Total Special Reserves 2021 £'000 |
|--|--|-------------------------------------|---|---|
| At 1 October | 1,334 | 37,556 | 38,890 | 60,366 |
| Shares bought back during the year into treasury | - | (27,872) | (27,872) | (20,315) |
| Dividends | (1,444) | - | (1,444) | (1,598) |
| Shares issued during the year from treasury | - | - | - | 437 |
| Transfer from Capital Reserve | 110 | - | 110 | - |
| At 30 September | - | 9,684 | 9,684 | 38,890 |

On 29 August 2014, the Court of Session in Scotland approved the cancellation of the Share Premium Account and the creation of a Distributable Capital Reserve from the balance of the Share Premium Account.

The Special Reserve was created on 1 October 2010 by a similar court process.

The purpose of the Distributable Capital Reserve and the Special Reserve are to fund market purchases by the Company of its own shares, to make bonus issues of shares and to make distributions in accordance with the Companies Act 2006.

13. Capital reserve

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Capital reserve - realised | | |
| At 1 October | 8,424 | 2,599 |
| Net gains on sales of investments during the year | 9,572 | 6,858 |
| Investment management fee | (864) | (1,047) |
| Net foreign currency gains/(losses) | 52 | (11) |
| Finance costs of borrowing | (35) | (18) |
| Capital distributions received | 113 | 43 |
| Transfer to Special Reserve | (110) | - |
| At 30 September | 17,152 | 8,424 |
| Capital reserve - unrealised | | |
| At 1 October | 54,428 | 41,678 |
| Investment (losses)/gains | (35,574) | 12,750 |
| At 30 September | 18,854 | 54,428 |

14. Revenue reserve

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| At 1 October | 6,092 | 6,205 |
| Transfer to/(from) revenue account net of dividends | 804 | (113) |
| At 30 September | 6,896 | 6,092 |

NOTES TO THE FINANCIAL STATEMENTS

15. Risk management, financial assets and liabilities

Risk management

The Company's objective is to provide Shareholders with an attractive income yield and the prospect of income and capital growth through investing in a portfolio of predominately UK equities.

In pursuit of the Company's objective, the Company's investment policy is to invest in a portfolio of predominantly UK equities. Equities are selected for their inclusion within the portfolio solely on the basis of the strength of the investment case with the focus being on long term income growth along with capital preservation.

Asset classes other than equities will be purchased from time to time, will vary as opportunities are identified and will include convertibles, preference shares, fixed income securities and corporate bonds. Such investments will be made when prospective returns appear to be superior to those from equity markets or are considered likely to exceed the Company's borrowing costs. However, non-equity securities will not constitute the majority of the portfolio. The Company may also use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk), to exploit an investment opportunity and to achieve capital growth.

The management of the portfolio is conducted according to investment guidelines, established by the Board after discussion with the Manager, which specify the limits within which the Manager is authorised to act.

Financial assets and liabilities

The Company's financial assets include investments, cash at bank and short-term debtors. Financial liabilities consist of short-term creditors and bank overdrafts.

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, foreign currency risk and other price risk), (ii) liquidity risk and (iii) credit risk.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, foreign currency risk and other price risk.

Interest rate risk

The Company is subject to interest rate risk because the value of fixed interest rate securities is linked to underlying bank rates or equivalents, and its short-term borrowings and cash resources carry interest at floating rates. The interest rate profile is managed as part of the overall investment strategy of the Company.

Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits; and
- interest payable on the Company's variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Interest rate profile

The interest rate risk profile of the portfolio of financial assets at the date of the Statement of Financial Position was as follows:

| | Interest rate % | Floating rate £'000 |
|--------------------------------|--------------------|------------------------|
| As at 30 September 2022 | | |
| Assets | | |
| Cash | - | 4,710 |
| Liabilities | | |
| Bank loan | 3.00 | 5,000 |
| As at 30 September 2021 | | |
| Assets | | |
| Cash | - | 3,951 |
| Liabilities | | |
| Bank loan | - | - |

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The cash assets consist of cash deposits on call earning interest at prevailing market rates. The bank loan liability consists of the revolving loan facility with RBSI which is further detailed on page 24. Short-term debtors and creditors have been excluded from the above tables.

Maturity profile

The maturity profile of the Company's financial assets and liabilities at the date of the Statement of Financial Position was as follows:

| | Within 1 year or less 2022 £'000 | Within 1 year or less 2021 £'000 |
|--------------------|--|--|
| Assets | | |
| Cash | 4,710 | 3,951 |
| Liabilities | | |
| Bank loan | 5,000 | - |

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the date of the Statement of Financial Position and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 300 basis points higher or lower and all other variables were held constant, the Company's profit before tax for the year ended 30 September 2022 and net assets would decrease/increase by £158,000 (2021 - increase/decrease by £20,000 based on 50 basis points). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances. These figures have been calculated based on cash positions at each year end.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will also fluctuate depending on the current market perception.

NOTES TO THE FINANCIAL STATEMENTS

Foreign currency risk

A proportion of the Company's investment portfolio is invested in overseas securities and the income and capital value can be affected by movements in exchange rates. Exchange gains or losses may arise as a result of the movement in the exchange rate between the date of the transaction denominated in a currency other than sterling and its settlement.

An analysis of the Company's gross currency exposure is detailed below:

| | 30 September 2022 | | 30 September 2021 | |
|-------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| | Overseas investments £'000 | Net monetary assets £'000 | Overseas investments £'000 | Net monetary assets £'000 |
| US dollar | 22,875 | - | 33,191 | - |
| Swiss franc | 4,540 | - | 7,936 | - |
| Total | 27,415 | - | 41,127 | - |

Foreign currency sensitivity

There is no sensitivity analysis included as the Company's significant foreign currency financial instruments are in the form of equity investments which have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

Other price risk

Other price risks (i.e. changes in market prices other than those arising from interest rate risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to specific sectors and the stock selection process both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are all listed on recognised investment exchanges.

Other price sensitivity

If market prices at the year end date had been 10% higher or lower on a sterling basis while all other variables remained constant, the return attributable to Ordinary Shareholders and equity reserves for the year ended 30 September 2022 would have increased/decreased by £19,445,000 (2021 - increase/decrease of £24,451,000). This is based on the Company's equity portfolio held at each year end.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of overdraft facilities.

Liabilities at the date of the Statement of Financial Position are payable within three months.

(iii) Credit risk

This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant, and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;

- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, the Administrator carries out a stock reconciliation to the Custodian's records on a monthly basis to ensure discrepancies are picked up on a timely basis; and
- cash is held only with reputable banks and financial institutions with high quality external credit ratings. None of the Company's financial assets is secured by collateral or other credit enhancements.

Credit risk exposure

In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 30 September was as follows:

| | 2022 | | 2021 | |
|--------------------------------|--|------------------------------|--|------------------------------|
| | Statement of Financial Position £'000 | Maximum exposure £'000 | Statement of Financial Position £'000 | Maximum exposure £'000 |
| Current assets | | | | |
| Accrued income and prepayments | 890 | 798 | 968 | 936 |
| Trade and other receivables | 3,665 | 3,665 | 162 | 162 |
| Cash and short term deposits | 4,710 | 4,710 | 3,951 | 3,951 |
| | 9,265 | 9,173 | 5,081 | 5,049 |

None of the Company's financial assets is past due or impaired.

Fair value of financial assets and liabilities

The book value of cash at bank included in these financial statements approximates to fair value because of the short-term maturity. The carrying value of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices. For all other short-term debtors and creditors, their book values approximate to fair value because of their short-term maturity.

Gearing

The Company is able to gear by obtaining short-term credit facilities.

As detailed on page 24, the Company had a £15 million revolving loan facility, of which £5 million was drawn down at the year-end. The profile of financing costs is managed as part of overall investment strategy. The employment of gearing magnifies the impact on net assets of both positive and negative changes in the value of the Company's portfolio of investments.

16. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity Shareholders through an appropriate balance of equity capital and debt.

The Company's capital at 30 September comprised:

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------|---------------|---------------|
| Called-up share capital | 86,878 | 86,878 |
| Retained earnings and other reserves | 106,437 | 161,743 |
| | 193,315 | 248,621 |

NOTES TO THE FINANCIAL STATEMENTS

The Board, with the assistance of the Manager and the AIFM, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes account of the Manager's views on the market;
- the need to buy back equity shares for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company had net gearing of 0.2% at the year end (2021 – nil).

17. Commitments and contingencies

At 30 September 2022 there were no contingent liabilities in respect of outstanding underwriting commitments or uncalled capital (2021 – £nil).

18. Financial instruments measured at Fair Value

| | 2022 | | | | 2021 | | | |
|---|------------------|------------------|------------------|----------------|------------------|------------------|------------------|----------------|
| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
| Financial assets at fair value through profit or loss | | | | | | | | |
| Investments | 194,448 | - | - | 194,448 | 244,514 | - | - | 244,514 |
| Total | 194,448 | - | - | 194,448 | 244,514 | - | - | 244,514 |

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments the fair value of which is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments the fair value of which is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

There were no transfers of investments between levels during the year ended 30 September 2022 (2021 – none).

19. Notes to the Cash Flow Statement

(a) Reconciliation of operating (loss)/profit to operating cash flows

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| (Loss)/profit before taxation | (21,240) | 24,321 |
| Add interest payable | 54 | 28 |
| Adjustments for: | | |
| Losses/(gains) on investments | 25,889 | (19,651) |
| Currency (gains)/losses | (52) | 11 |
| Decrease/(increase) in accrued income and prepayments | 200 | (106) |
| Decrease in trade and other payables | (115) | (9) |
| | 4,736 | 4,594 |

(b) Analysis of changes in net funds

| | 30 September 2021 £'000 | Cash flow £'000 | Exchange movements £'000 | 30 September 2022 £'000 |
|--------------|-------------------------------|-----------------------|--------------------------------|-------------------------------|
| Cash at bank | 3,951 | 707 | 52 | 4,710 |

20. Related party transactions

The following are considered to be related parties:

- The Directors of the Company.

All material related party transactions, as set out in International Accounting Standards 24, Related Party Disclosures, have been disclosed in the Directors' Report, the Directors' Remuneration Report and note 4.

Details of the remuneration of all of the Directors can be found on pages 35 and 36.

21. Alternative Investment Fund Managers Directive ('AIFMD')

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Juniper Partners, is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ending 30 April 2022) are available from Juniper Partners on request.

The Company's maximum and actual leverage levels at 30 September 2022 are shown below:

| | Gross method | | Commitment method | |
|---------------|--------------|------|-------------------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Maximum limit | 200% | 200% | 200% | 200% |
| Actual | 101% | 98% | 103% | 100% |

The Company's investor disclosure document and all additional periodic disclosures required in accordance with the requirements of the FCA Rules implementing the AIFMD in the UK are made available on the Company's website (www.tigt.co.uk).

ALTERNATIVE PERFORMANCE MEASURES

NAV Total Return

The increase/(decrease) in net asset value per share plus the dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

| | 2022 | 2021 |
|--------------------------------------|---------|--------|
| Opening NAV per share | 77.72p | 72.60p |
| (Decrease)/increase in NAV per share | (9.24)p | 5.12p |
| Closing NAV per share | 68.48p | 77.72p |
| % (decrease)/increase in NAV | (11.9)% | 7.1% |
| Impact of reinvested dividends | 2.0% | 3.1% |
| NAV total return | (9.9)% | 10.2% |

Share Price Total Return

The increase/(decrease) in share price plus the dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

| | 2022 | 2021 |
|--------------------------------------|---------|--------|
| Opening share price | 76.60p | 72.00p |
| (Decrease)/increase | (9.60)p | 4.60p |
| Closing NAV share price | 67.00p | 76.60p |
| % (decrease)/increase in share price | (12.5)% | 6.4% |
| Impact of reinvested dividends | 2.3% | 3.2% |
| Share price total return | (10.2)% | 9.6% |

Premium/(Discount)

The amount by which the share price is higher (premium) or lower (discount) than the net asset value per share, expressed as a percentage of the net asset value per share.

| | | 2022 | 2021 |
|--------------------|---------------|--------|--------|
| NAV per share | a | 68.48p | 77.72p |
| Share price | b | 67.00p | 76.60p |
| (Discount)/Premium | c $c=(b-a)/a$ | (2.2)% | (1.4)% |

Ongoing Charges

Management fees and other operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs of buying and selling investments, interest costs, taxation and the direct costs of buying back or issuing Ordinary shares.

| | 2022 £'000 | 2021 £'000 |
|--------------------------|---------------|---------------|
| Management fee | 1,329 | 1,611 |
| Other operating expenses | 686 | 649 |
| Discount control costs | 58 | 51 |
| Total operating costs | 2,073 | 2,311 |
| Average net assets | 231,646 | 250,950 |
| Ongoing charges ratio | 0.89% | 0.92% |

Dividend Yield

The annual dividend expressed as a percentage of the share price.

| | | 2022 | 2021 |
|--------------------|-----------|--------|--------|
| Dividend per share | a | 1.97p | 1.96p |
| Share price | b | 67.00p | 76.60p |
| Dividend yield | c $c=a/b$ | 2.9% | 2.6% |

GLOSSARY OF TERMS AND DEFINITIONS

Benchmark

A market index which averages the performance of companies in any given sector, giving a good indication of any rises or falls in the market.

Convertibles

Fixed income securities which can be converted into equity shares at a future date.

Discount

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

Gearing

Total gearing is the proportion of the Company's net assets financed by borrowings. Gearing is used to increase exposure to securities, with the aim of magnifying the impact on net assets of rises in the value of the portfolio, and to augment the investment base from which income is received. The use of gearing magnifies the impact of both negative and positive changes in the Company's net asset value. A level expressed as 0% indicates there is no gearing.

Gross Assets

Gross assets is the value of investments plus cash.

Leverage

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment basis. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking account of any hedging and netting arrangements. Under the commitment method, exposure is calculated without deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Net Asset Value (NAV)

The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

Ongoing Charges

Management fees and other operating costs (excluding costs of buying and selling investments, interest costs, taxation and the direct costs of buying back or issuing Ordinary shares), expressed as a percentage of the average of the end of day daily net assets during the year.

Premium

The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Total Assets

Total assets is the value of investments plus cash and debtors.

Total Return

Total return involves reinvesting the net dividend in the time the share price is quoted *xd*. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, e.g. quarter end, half year or year end date.

TEN YEAR RECORD

Ten Year Financial Record

| Year to 30 September | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue available for ordinary dividends (£'000) | 5,194 | 5,308 | 6,039 | 6,962 | 8,325 | 7,851 | 7,747 | 7,015 | 5,632 | 5,387 |
| Per share | | | | | | | | | | |
| Net revenue return (p) | 2.21 | 2.25 | 2.42 | 2.59 | 2.90 | 2.73 | 2.70 | 2.11 | 1.68 | 1.77 |
| Net dividends paid/proposed (p) | 2.13 | 2.23 | 2.33 | 2.43 | 2.56 | 2.67 | 2.75 | 2.78 | 1.96 | 1.97 |
| Total return (p) | 6.66 | 6.00 | 6.94 | 9.96 | 4.77 | 3.02 | 7.26 | (7.93) | 7.22 | (7.03) |
| As at 30 September | | | | | | | | | | |
| Net asset value per share (p) | 60.22 | 64.05 | 68.87 | 76.41 | 78.64 | 79.04 | 83.50 | 72.60 | 77.72 | 68.48 |
| Shareholders' funds (£m) | 145.78 | 153.39 | 178.25 | 215.46 | 228.69 | 224.06 | 245.46 | 251.69 | 248.62 | 193.32 |

Cumulative Performance

(% of 30 September 2012 value)

| As at 30 September | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| NAV capital return | 100.0 | 108.4 | 115.3 | 124.0 | 137.7 | 141.1 | 142.2 | 150.4 | 130.6 | 139.8 | 122.8 |
| Share price capital return | 100.0 | 108.0 | 114.7 | 123.9 | 137.5 | 138.4 | 139.8 | 150.7 | 128.6 | 136.8 | 119.6 |
| FTSE All-Share Index capital return | 100.0 | 114.8 | 117.8 | 111.2 | 125.2 | 135.0 | 137.6 | 135.4 | 109.4 | 135.4 | 125.5 |
| NAV total return† | 100.0 | 111.6 | 123.0 | 136.9 | 157.1 | 166.4 | 173.5 | 190.2 | 171.2 | 188.8 | 170.1 |
| Share price total return† | 100.0 | 111.2 | 122.3 | 136.6 | 156.8 | 163.0 | 170.4 | 190.4 | 168.3 | 184.4 | 165.5 |
| FTSE All-Share Index total return† | 100.0 | 118.9 | 126.2 | 123.3 | 144.0 | 161.2 | 170.7 | 175.3 | 146.2 | 186.9 | 179.5 |

† Total return figures are based on reinvestment of net income.

FINANCIAL CALENDAR

| | |
|-----------------|---|
| 17 January 2023 | Annual General Meeting |
| 20 January 2023 | First interim dividend 2022/23 payable |
| 21 April 2023 | Second interim dividend 2022/23 payable |
| May 2023 | Interim results announced |
| May 2023 | Interim Report published |
| 21 July 2023 | Third interim dividend 2022/23 payable |
| 20 October 2023 | Fourth interim dividend 2022/23 payable |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the thirty-fourth Annual General Meeting of the Members of Troy Income & Growth Trust plc (the 'Company') will be held at the offices of Juniper Partners Limited, 28 Walker Street, Edinburgh EH3 7HR on 17 January 2023 at 4.30 pm to transact the following business:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive and adopt the reports of the Directors and auditors and the audited financial statements for the year to 30 September 2022.
2. To approve the Directors' Remuneration Report for the year to 30 September 2022.
3. To approve the dividend policy of the Company as set out in the Annual Report.
4. To re-elect Roger White as a Director of the Company.
5. To re-elect David Garman as a Director of the Company.
6. To re-elect Brigid Sutcliffe as a Director of the Company.
7. To elect Bridget Guerin as a Director of the Company.
8. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
9. To authorise the Directors to determine the remuneration of the auditors of the Company.
10. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("relevant securities") up to an aggregate nominal amount of £23,182,000, such authority to expire on 31 March 2024 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following as special resolutions:

11. That, subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the "notice of meeting") and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 (1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting as if section 561 of the Act did not apply to any such allotment, provided that this power:
 - (i) expires on 31 March 2024 or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and
 - (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £6,954,000.

This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words "subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed ("the notice of meeting")" and "pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting" were omitted.
12. That, in addition to the authority granted in resolution 11 and subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed (the "notice of meeting") and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 (1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting as if section 561 of the Act did not apply to any such allotment, provided that this power:
 - (i) expires on 31 March 2024 or, if earlier, at the conclusion of the next Annual General Meeting

NOTICE OF ANNUAL GENERAL MEETING

of the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and

- (ii) shall be limited to the allotment of equity securities for cash in connection with the Company's discount control mechanism up to an aggregate nominal amount of £6,954,000.

This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words "subject to the passing of resolution 10 in the notice convening the meeting at which this resolution is to be proposed ("the notice of meeting")" and "pursuant to the authority under section 551 of the Act conferred by resolution 10 in the notice of meeting" were omitted.

- 13. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the 'Act'), to make market purchases (within the meaning of section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company ("shares") provided that:

- (i) the maximum aggregate number of shares hereby authorised to be purchased is 41,699,854 or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution (excluding treasury shares);
- (ii) the minimum price which may be paid for a share shall be 25p (exclusive of expenses);

- (iii) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and

- (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 31 March 2024 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

- 14. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

By Order of the Board

Juniper Partners Limited
Secretary

Registered Office
28 Walker Street, Edinburgh EH3 7HR

16 November 2022

NOTES

- (i) Shareholders are encouraged to vote by proxy and to submit any questions in advance (by email to the Company Secretary at cosec@junipartners.com).
- (ii) A member is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. If a member wishes to appoint more than one proxy, he or she should contact the Company's Registrars on 0371 384 2501. The lines are open 8.30 am to 5.30 pm Monday to Friday, excluding English public holidays. The Equiniti overseas helpline number is +44 121 415 7047.
- (iii) A form of proxy for use by members is enclosed with this Annual Report. Completion and return of the form of proxy will not prevent any member from attending the Meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, at the address stated thereon, so as to be received not less than 48 hours (excluding non-working days) before the time of the Meeting.
- (iv) Members may register the appointment of a proxy or voting instruction for the meeting by logging onto www.sharevote.co.uk and using the series of numbers made up of the Voting ID, Task ID and Shareholder Reference Number printed on the form of proxy. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by Equiniti not less than 48 hours (excluding non-working days) before the time of the Meeting. Please note that any electronic communication sent to the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by Equiniti's conditions of use set out on the website, www.sharevote.co.uk and may be read by logging onto the site.
- (v) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members at 6.30 pm on 13 January 2023 (or, in the event that the Meeting is adjourned, at 6.30 pm on the day which is two business days before the time of the adjourned meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting.
- (vi) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vii) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA 19) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (viii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

NOTICE OF ANNUAL GENERAL MEETING

- (ix) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (x) If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged not less than 48 hours (excluding non-working days) before the time of the Meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
- (xi) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes (ii) and (iii) above do not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.
- (xii) No Director has a service contract with the Company but copies of Directors' letters of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice and at the location of the Meeting for at least 15 minutes prior to the Meeting and during the Meeting.
- (xiii) As at close of business on 15 November 2022 (being the latest practicable date prior to publication of this document), the Company's issued share capital (excluding treasury shares) comprised 278,184,487 Ordinary shares of 25p each. The total number of voting rights in the Company as at 15 November 2022 is 278,184,487.
- (xiv) Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy will need to ensure that both he or she and such third party complies with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
- (xv) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
- (xvi) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's Annual Report, including the Auditors' Report and the conduct of the audit, which they intend to raise at the next Meeting of the Company. The Company will be required to do so once it has received such requests from either: (a) members representing at least 5% of the total voting rights of the Company, or (b) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the member's full name and address, and be sent to: the Company Secretary, Troy Income & Growth Trust plc, 28 Walker Street, Edinburgh EH3 7HR.
- (xvii) Members meeting the threshold requirements set out in the Companies Act 2006 have the right: (a) to require the Company to give notice of any resolution which can properly be, and is to be, moved at the Meeting pursuant to section 338 of the Companies Act 2006; and/or (b) to include a matter in the business to be dealt with at the Meeting, pursuant to section 338A of the Companies Act 2006.
- (xviii) Information regarding the Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's website, www.tigt.co.uk.
- (xix) Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the Meeting put by a member attending the Meeting unless:
 - (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- (xx) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of Annual General Meeting or in any related documents (including the form of proxy) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

CORPORATE INFORMATION

Manager

Troy Asset Management Limited
33 Davies Street
London W1K 4BP
www.taml.co.uk

Secretary

Juniper Partners Limited
28 Walker Street
Edinburgh EH3 7HR
Registration Number: 366565 (Scotland)
Telephone: 0131 378 0500

Registered Office

28 Walker Street
Edinburgh EH3 7HR

Alternative Investment Fund Manager

Juniper Partners Limited

Independent Auditors

PricewaterhouseCoopers LLP
144 Morrison Street
Edinburgh EH3 8EX

Solicitors

Dickson Minto W.S.

Bankers & Custodian

J.P Morgan Chase Bank N.A.

Depository

J.P Morgan Europe Ltd.

Stockbrokers

Numis Securities Ltd.

Share Price and Net Asset Value

The share price of the Ordinary shares, which are listed on the main market of the London Stock Exchange, is quoted in the following newspapers:

Financial Times
The Times
The Daily Telegraph

The Company's Net Asset Value is calculated daily and announced to the London Stock Exchange.

Company Registration Number

111955 (Scotland)

Data Protection

The Company is committed to ensuring the privacy of any personal data provided to it. Details of the privacy policy can be found on the Company's website at www.tigt.co.uk

Regulatory Status

As an investment trust pursuant to section 1158 of the Corporation Tax Act 2010, the FCA rules in relation to non-mainstream investment products do not apply to the Company.

Registrars and Transfer Office

In the event of queries regarding your shares please contact the Registrar:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone 0371 384 2501
Overseas Helpline +44 121 415 7047
Lines are open 8.30 am to 5.30 pm Monday to Friday, excluding English public holidays.
Changes of name or address must be notified in writing to the Registrars at the above address.

Shareview Website

The Registrars provide an on-line service that enables Shareholders to access details of their shareholdings. A shareholder wishing to view the information, together with additional information such as indicative share prices and details of recent dividends, should visit www.shareview.co.uk.

Shares held in Nominee Names

Where notification has been received in advance, the Company will provide nominee companies with copies of shareholder communications for distribution to their customers. Shareholders who hold their shares in nominee names may, if appointed as a proxy by the nominee company, attend and speak at general meetings.

SIPPS and ISAs

The Company's Ordinary shares are available for investment in SIPPs and ISAs.

AIC

The Company is a member of the Association of Investment Companies (AIC).

Website

www.tigt.co.uk

Legal Notice

All references to indices are for comparative purposes only. All reference to FTSE indices or data used in this document is © FTSE International Limited ("FTSE") 2022. 'FTSE ®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence.

WAYS TO INVEST IN THE COMPANY

The Company's shares qualify for tax efficient wrapper products like individual savings accounts ('ISAs') and self-invested personal pensions ('SIPPs') as well as many other investment wrappers that can be used, including those designated for children.

Platforms, fund supermarkets and online stockbrokers

You can invest using a number of fund platforms and fund supermarkets. Many offer wrapper products like ISAs and SIPPs and children's savings products. A number of real-time execution only stockbroking services also allow you to trade online, manage your portfolio and buy UK listed shares. These services do not offer financial advice and if you are unsure about investing, we recommend that you speak to a qualified financial adviser.

Retail distribution/NMPI status

The Company's shares are 'excluded securities' for the purposes of the rules relating to non-mainstream pooled investment ('NMPI') products. This means they can be recommended by independent financial advisers to their ordinary retail clients, subject to normal suitability requirements.

Independent financial advisers

An increasing number of independent financial advisers are including investment trusts within their investment recommendations for clients. To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

Private client stockbrokers

If you have a large sum to invest, you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association: www.thewma.co.uk.

Trading Codes

(You may be asked for these when investing)

TIDM code: TIGT
Sedol: 0370866
ISIN: GB0003708665

EASY ACCESS TO INFORMATION

The company's website can be found at www.tigt.co.uk.
This offers a wealth of information about the company.

Register for monthly updates

Subscribe to monthly email updates that offer information on the following:

- latest prices
- performance data
- latest factsheet
- press releases and articles
- manager videos
- portfolio information
- research
- annual and half yearly reports



Enquiries

If you have an enquiry about Troy Income and Growth Trust, please get in touch.

0131 378 0500 | cosc@junipartners.com



How to contact us

Tel: 0131 378 0500
Email: cosec@junipartners.com

www.tigt.co.uk

Calls to the above may be recorded.

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