

Troy Income & Growth Trust plc

Half Yearly Report

31 March 2020



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Investment Objective

The Company's investment objective 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.

Financial Calendar

24 July 2020	Third interim dividend 2019/2020 payable to shareholders
23 October 2020	Fourth interim dividend 2019/2020 payable to shareholders
November 2020	Announcement of Annual Results for the year ending 30 September 2020
December 2020	Annual Report posted to shareholders
January 2021	Annual General Meeting
May 2021	Announcement of unaudited interim results for the six months ending 31 March 2021
May 2021	Half Yearly Report posted to shareholders

Financial Highlights

	31 March 2020	30 September 2019	change
Equity shareholders' funds	£229,108,000	£245,461,000	-6.7%
Net asset value per share	68.62p	83.50p	-17.8%
Share price (mid-market)	71.00p	84.40p	-15.9%
Premium to net asset value	3.5%	1.1%	

Total Return* (for the periods to 31 March 2020)

	Six Months	One Year	Three Years	Five Years	Ten Years
Share price	-14.5%	-7.1%	-1.4%	+19.1%	+109.9%
Net asset value per share	-16.0%	-9.1%	-2.9%	+18.0%	+103.4%
FTSE All-Share Index	-22.0%	-18.5%	-12.2%	+2.9%	+53.6%

* Total return includes reinvesting the net dividend in the month that the share price goes ex-dividend.

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

Ten years to 31 March 2020 (rebased to 100 at 31 March 2010)



Interim Board Report

Performance

The Company delivered a Net Asset Value (NAV) total return of -16.0% over the six months to 31 March 2020 while over the same period the share price total return was -14.5%. Also, over the same period the FTSE All-Share Index produced a total return of -22.0%. The sharp falls in markets in February and March were caused by the COVID-19 pandemic as the economic implications of a near global shutdown were added to the already devastating social consequences of the virus. Over the twelve months to 31 March 2020 the NAV total return of -9.1% and share price total return of -7.1% were ahead of the FTSE All-Share Index which returned -18.5%. Despite the negative returns the resilience of the Company's portfolio was aided by both good stock selection and the absence of any structural gearing.

The Board remains predominantly interested in long-term performance and over the three years to 31 March 2020 the NAV total return of -2.9% compares favourably with -12.2% for the FTSE All-Share Index, albeit in negative territory. Over five years the Company's NAV total return of +18.0% outstripped the +2.9% for the FTSE All-Share Index.

The Company paid a quarterly rate of 0.695p for the first and second interim dividends, an unchanged quarterly rate over the previous year's fourth interim dividend, which typically has set the quarterly dividend rate for the following year. The Board's outlook for future dividends is expanded on later in this Report.

Background

For the first four months of the period under review the UK equity market made limited progress in any direction. The Conservative victory in the first December General Election since 1923 provided a clear end to the tortuous Brexit debate and much needed certainty to business, but in January market confidence began to ebb again as earnings expectations began to come under pressure.

The first concerns about the possible spread of COVID-19 beyond China became public in late January and once rapid transmission to Europe and North America became apparent this precipitated the most rapid collapse in markets since 1929. The UK equity market fell by over 30% from mid-February before rallying somewhat in late March to end the quarter down 25%.

The move from a localised epidemic to a global pandemic, requiring what amounts to a global economic lockdown, has taken place with breathtaking speed. The huge stimulus packages announced by multiple governments and central banks reflect the devastating impact of the lockdown on businesses of all sizes. In the UK, the impact of the Chancellor's multi-faceted bailout will have a major impact on the public finances for years to come. Many listed UK companies who have received support such as business rates relief, government-funded furloughing of employees or preferential loans have chosen to suspend or cut their dividends, meaning that dividend income from the UK equity market in 2020 is forecast to be somewhere between one third and a half below that of 2019.

For many companies in the consumer service and retail sectors revenues will be down by over 90% during the lockdown, so whatever government support is available, a strong balance sheet has been the best protection. The Company's portfolio has a natural bias towards well-financed companies and that has provided resilience in the early part of the crisis, but the Managers are fully aware that even well-financed companies will come under significant pressure if the lockdown extends into the summer. Equity issuance in the form of placings and rights issues may become more widespread in those circumstances.

The outlook is therefore exceptionally uncertain. Until COVID-19 infection rates start to abate and governments can be clearer about their plans to restart their economies, the equity market is likely to remain volatile. The Managers do expect that from mid-May there should be the opportunity in the UK to begin this process and it will be possible for the UK government to have learnt from the experiences of other countries which are further along the pandemic curve.

Discount Control Mechanism ('DCM')

The DCM was active during the period with the Company issuing 26.25m shares at a small premium to NAV. No shares were repurchased during the period under review. All transactions are NAV enhancing and provide additional liquidity to Shareholders. The DCM also reduces discount volatility which remains much lower than for the peer group as a whole.


The Company issued a prospectus in October 2019 partly in respect of a merger with Cameron Investors Trust plc. The merger took place in November 2019 and the Company issued 13.65m shares to shareholders of Cameron.

Gearing

The £20 million gearing facility with ING was renewed in April 2019 for a further two years. The facility was not utilised during the period and indeed gearing has not been employed at any time since Troy became Manager in 2009. This reflects Troy's conservative investment style as well as a desire to keep the volatility of returns relatively low. However, the current situation may yet present the sort of unprecedented risk/reward scenario in which both the Board and the Managers would hope to use the Company's gearing facility.

Dividends

The current quarterly dividend rate is 0.695p and the second quarterly dividend was paid on 24 April 2020. As mentioned earlier many listed companies have suspended or cut their dividends and so the outlook is particularly unclear. The Board appreciates Shareholders' wish for visibility and certainty on future dividends but given the current unprecedented situation, it is simply not possible to provide either at this time. As disclosed in the Annual Report, the Managers have been transitioning the portfolio away from higher yield but low-growth, to lower yielding and higher growth investments, with the result that the Company's reserves would have been used to support this year's dividends. This portfolio transition has already benefited performance and it is vital that the portfolio's quality is not compromised in order to produce a particular dividend outcome. The appropriate dividend distribution to Shareholders should be the natural result of a portfolio structured by the Managers to produce the best possible risk adjusted total return, an important element of which should be a growing dividend.



The Board and Managers believe it will be some time before economic conditions allow the current fog surrounding many listed companies' dividends to clear. During this highly uncertain time, it is the Board's intention to maintain the current quarterly dividend rate of 0.695p for this financial year (i.e. the third and fourth interim dividends will, in the absence of unforeseen circumstances, each be 0.695p). However, partly because of the portfolio repositioning but mostly due to the probable results of the present economic disruption, it is almost certain that the Board will reduce the dividend to a sustainable level from which its growth can resume. This is likely to be with effect from the beginning of the next financial year but that will depend on the outlook at that time. Meantime, the Company's significant distributable reserves will be used, in the absence of unforeseen circumstances, to maintain the dividend at its current quarterly rate.

Outlook

It is unlikely that the speed at which the global economy has entered this crisis will be mirrored by the rate of recovery. Governments will be keen to avoid allowing a second wave of the pandemic to take off if restrictions are removed too quickly. So much uncertainty still exists with regard to the nature of the virus and its behaviour, and with the prospect of a vaccine in any volume being available for at least twelve months it would be imprudent to expect a return to pre-COVID-19 normality any time soon. The economic damage will be extensive and the impact on listed companies and their ability to pay dividends will be widespread – only time will tell whether these cuts will be temporary or permanent.

In such a volatile environment, the Company's cautious but concentrated investment approach has thus far mitigated the worst effects of the crisis. The Managers are making changes which will further increase the quality and resilience of the portfolio and generate the longer term, sustainable income growth which will drive future total returns.

David Warnock

Chairman
7 May 2020

Principal Risks and Uncertainties

The principal risks facing the Company relate to the Company's investment activities and include performance and market risk, resource risk and operational risk. Other risks faced by the Company include breach of regulatory rules which could lead to suspension of the Company's Stock Exchange Listing, financial penalties, or a qualified audit report. Breach of Section 1159 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains.

An explanation of these principal risks and how they are managed is contained in the Strategic Report within the Annual Report and Accounts for the year ended 30 September 2019.

The Company's principal risks and uncertainties have not changed since the date of the Annual Report with the exception of the current unprecedented situation surrounding the COVID-19 pandemic. The Board notes that there are a number of contingent risks stemming from the pandemic that may impact the Company. These include investment risks surrounding the companies in the portfolio such as reduced demand, reduced turnover and supply chain breakdowns. The Managers will continue to review carefully the composition of the Company's portfolio. Operationally, COVID-19 is also affecting the suppliers of services to the Company including the Managers and other key third parties. To date these services have continued to be supplied as normal and the Board will continue to monitor the arrangements.

Going Concern

In assessing the Company's ability to continue as a going concern, the Directors have considered the Company's investment objective, the nature and liquidity of the portfolio, current liabilities, expenditure forecasts and the principle risks of the Company. Based on their assessment, and as the assets of the Company consist mainly of securities which are readily realisable, the Directors believe the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing the half yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of interim financial statements contained within the half yearly financial report have been prepared in accordance with International Accounting Standard 34; and
- the Interim Board Report includes a fair review of the information required by 4.2.7R (indication of important events during the first six months of the financial year and description of principal risks and uncertainties for the remaining six months of the year) and 4.2.8R (disclosure of related party transactions and changes therein) of the FCA's Disclosure Guidance and Transparency Rules.

The half yearly financial report for the six months to 31 March 2020 comprises the Interim Board Report, the Directors' Responsibility Statement and a condensed set of financial statements.

For and on behalf of the Board

David Warnock

Chairman
7 May 2020

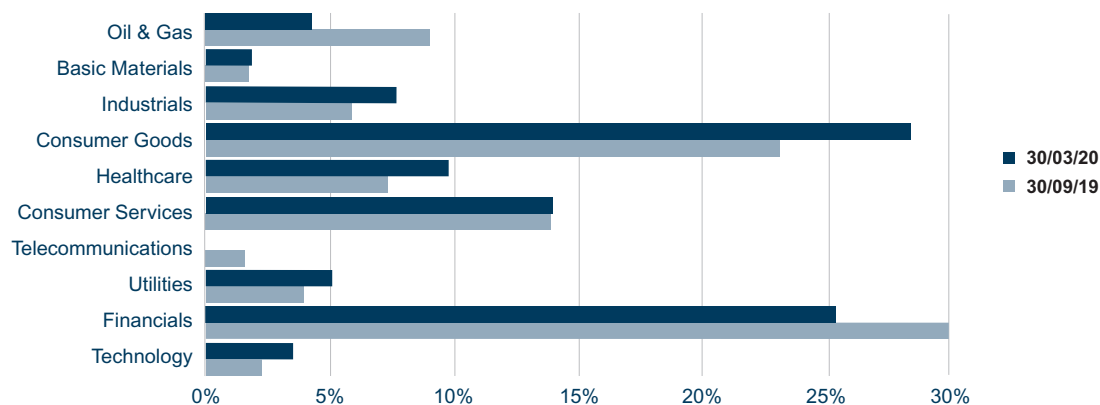
Investment Portfolio

As at 31 March 2020

	Valuation £'000	Total Portfolio %
Ordinary Shares		
Unilever	12,537	5.7
RELX	11,450	5.2
Reckitt Benckiser Group	11,279	5.1
GlaxoSmithKline	10,221	4.6
Astrazeneca	9,198	4.2
Experian	9,193	4.2
National Grid	8,791	4.0
Nestle	8,771	4.0
Diageo	7,420	3.4
British American Tobacco	7,165	3.2
Ten largest investments	96,025	43.6
Compass Group	6,613	3.0
Procter & Gamble	6,081	2.8
Schroders	5,920	2.7
Paychex	5,000	2.3
Equiniti Group	4,953	2.2
Domino's Pizza Group	4,834	2.2
BP	4,808	2.2
Royal Dutch Shell	4,759	2.2
Primary Health Properties	4,677	2.1
Coca-Cola	4,522	2.0
Twenty largest investments	148,192	67.3
IG Group Holdings	4,459	2.0
Londonmetric Property	4,414	2.0
Hiscox	4,394	2.0
Victrex	4,190	1.9
Assura	3,970	1.8
Lancashire Holdings	3,869	1.8
Next	3,637	1.6
WH Smith	3,367	1.5
Secure Income REIT	3,048	1.4
Sabre Insurance	2,977	1.3
Thirty largest investments	186,517	84.6
Imperial Brands	2,906	1.3
3i Infrastructure	2,815	1.3
Moneysupermarket.com	2,711	1.2
International Public Partners	2,551	1.1
American Express	2,477	1.1
Lloyds Banking Group	2,411	1.1
SSE	2,410	1.1
AJ Bell	2,366	1.1
Medtronic	2,224	1.0
Associated British Foods	2,103	0.9
Forty largest investments	211,491	95.8
St. James's Place	2,089	0.9
Intertek Group	1,993	0.9
Integrafin Holdings	1,205	0.5
Land Securities Group	1,096	0.5
Halma	1,018	0.5
Intercontinental Hotels Group	966	0.4
Rathbone Brothers	946	0.4
Hargreaves Lansdown	167	0.1
Total investments	220,971	100.0

Portfolio Analysis

Analysis of Listed Equity Portfolio



Distribution of Assets and Liabilities

As at 31 March 2020

	Valuation at 30 September 2019		Purchases	Sales	Appreciation/ (depreciation)	Valuation at 31 March 2020	
	£'000	%	£'000	£'000	£'000	£'000	%
Listed investments							
Ordinary shares	241,001	98.2	59,123	(31,800)	(47,353)	220,971	96.4
Current assets	4,994	2.0				12,173	5.3
Current liabilities	(534)	(0.2)				(4,036)	(1.7)
Net assets	245,461	100.0				229,108	100.0
Net asset value per share	83.50p					68.62p	

Statement of Comprehensive Income

	Notes	Six months ended 31 March 2020 (unaudited)			Six months ended 31 March 2019 (unaudited)			Year ended 30 September 2019 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/profits on investments held at fair value		–	(47,352)	(47,352)	–	(194)	(194)	–	14,100	14,100
Currency losses		–	(5)	(5)	–	–	–	–	(2)	(2)
Income	2	3,944	–	3,944	3,694	–	3,694	8,948	–	8,948
Investment management fees		(288)	(534)	(822)	(258)	(479)	(737)	(526)	(977)	(1,503)
Other administrative expenses		(275)	–	(275)	(250)	–	(250)	(500)	–	(500)
Finance costs of borrowing		(9)	(16)	(25)	(9)	(16)	(25)	(26)	(47)	(73)
Profit/(loss) before taxation		3,372	(47,907)	(44,535)	3,177	(689)	2,488	7,896	13,074	20,970
Taxation	3	(49)	–	(49)	(41)	–	(41)	(149)	–	(149)
Profit/(loss) for the period		3,323	(47,907)	(44,584)	3,136	(689)	2,447	7,747	13,074	20,821
Earnings per Ordinary share (pence)	5	1.04	(15.02)	(13.98)	1.11	(0.24)	0.87	2.70	4.56	7.26

The “Profit for the period” is also the Total Comprehensive Income for the period as defined in IAS1 (revised).

The total columns of this statement represent the Statement of Comprehensive Income prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

No operations were acquired or discontinued during the period.

Statement of Financial Position

		As at 31 March 2020 (unaudited) £'000	As at 31 March 2019 (unaudited) £'000	As at 30 September 2019 (audited) £'000
	Notes			
Non-current assets				
Ordinary shares		220,971	216,596	241,001
Investments held at fair value through profit or loss		220,971	216,596	241,001
Current assets				
Accrued income and prepayments		753	778	810
Trade receivables		2,305	–	–
Cash and cash equivalents		9,115	8,570	4,184
Total current assets		12,173	9,348	4,994
Total assets		233,144	225,944	245,995
Current liabilities				
Trade and other payables		(4,036)	(2,213)	(534)
Total current liabilities		(4,036)	(2,213)	(534)
Net assets		229,108	223,731	245,461
Issued capital and reserves attributable to equity holders				
Called-up share capital	7	83,471	72,699	73,495
Share premium account		47,727	23,112	25,166
Special reserves		63,397	58,949	63,397
Capital reserve	8	29,668	63,812	77,575
Revenue reserve		4,845	5,159	5,828
Equity shareholders' funds		229,108	223,731	245,461
Net asset value per Ordinary share (pence)	5	68.62	78.51	83.50

Statement of Changes in Equity

Six months ended 31 March 2020 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2019	73,495	25,166	63,397	77,575	5,828	245,461
(Loss)/profit and total comprehensive income for the period	–	–	–	(47,907)	3,323	(44,584)
Equity dividends	–	–	–	–	(4,306)	(4,306)
New shares issued	9,976	22,643	–	–	–	32,619
Discount control costs	–	(82)	–	–	–	(82)
Balance at 31 March 2020	83,471	47,727	63,397	29,668	4,845	229,108

Six months ended 31 March 2019 (unaudited)

	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2018	72,699	23,124	57,831	64,501	5,903	224,058
(Loss)/profit and total comprehensive income for the period	–	–	–	(689)	3,136	2,447
Equity dividends	–	–	–	–	(3,880)	(3,880)
Shares bought back into treasury	–	–	(781)	–	–	(781)
Shares issued from treasury	–	5	1,899	–	–	1,904
Discount control costs	–	(17)	–	–	–	(17)
Balance at 31 March 2019	72,699	23,112	58,949	63,812	5,159	223,731

Year ended 30 September 2019 (audited)

	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2018	72,699	23,124	57,831	64,501	5,903	224,058
Profit and total comprehensive income for the year	–	–	–	13,074	7,747	20,821
Equity dividends	–	–	–	–	(7,822)	(7,822)
Shares bought back into treasury	–	–	(893)	–	–	(893)
Shares issued from treasury	–	240	6,459	–	–	6,699
New shares issued	796	1,835	–	–	–	2,631
Discount control costs	–	(33)	–	–	–	(33)
Balance at 30 September 2019	73,495	25,166	63,397	77,575	5,828	245,461

Cash Flow Statement

	Six months ended 31 March 2020 (unaudited) £'000	Six months ended 31 March 2019 (unaudited) £'000	Year ended 30 September 2019 (audited) £'000
Cash flows from operating activities			
Investment income received	3,975	3,552	8,764
Administrative expenses paid	(1,116)	(1,060)	(1,989)
Cash generated from operations	2,859	2,492	6,775
Finance costs paid	(25)	(25)	(73)
Taxation	(1)	(41)	(149)
Net cash inflows from operating activities	2,833	2,426	6,553
Cash flows from investing activities			
Purchases of investments	(41,821)	(11,106)	(37,439)
Sales of investments	26,843	9,815	24,281
Net cash outflow from investing activities	(14,978)	(1,291)	(13,158)
Net cash (outflow)/inflow before financing	(12,145)	1,135	(6,605)
Financing activities			
Proceeds of issue of shares	21,469	1,904	9,331
Cost of share buy backs	–	(915)	(1,028)
Dividends paid	(4,306)	(3,880)	(7,822)
Costs incurred on issue of new shares	(82)	(17)	(33)
Net cash inflow/(outflow) from financing activities	17,081	(2,908)	448
Net increase/(decrease) in cash and short term deposits	4,936	(1,773)	(6,157)
Cash and short term deposits at the start of the period	4,184	10,343	10,343
Effect of foreign exchange rate changes	(5)	–	(2)
Cash and short term deposits at the end of the period	9,115	8,570	4,184
Reconciliation of operating profit to operating cash flows			
(Loss)/profit before taxation	(44,535)	2,488	20,970
Add interest payable	25	25	73
Adjustments for:			
Loss/(gains) on investments	47,352	194	(14,100)
Currency losses	5	–	2
Decrease/(increase) in accrued income and prepayments	11	(135)	(168)
Increase/(decrease) in trade and other payables	1	(80)	(2)
Cash generated from operations	2,859	2,492	6,775

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 – ‘Interim Financial Reporting’, as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 30 September 2019 financial statements.

(b) Dividends payable

Dividends are recognised on the ex-dividend date.

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
2. Income			
Income from listed investments			
UK dividend income	3,615	3,422	8,189
Overseas dividend income	327	270	755
	3,942	3,692	8,944
Other income from investment activity			
Deposit interest	2	2	4
Total income	3,944	3,694	8,948

3. Taxation

The taxation charge for the period represents withholding tax suffered on overseas dividend income.

4. The following table shows the revenue for each period less the dividends declared in respect of the financial period to which they relate.

	Six months ended 31 March 2020* £'000	Six months ended 31 March 2019† £'000	Year ended 30 September 2019†† £'000
Revenue	3,324	3,136	7,747
Dividends declared	(4,562)	(3,892)	(7,947)
	(1,238)	(756)	(200)

* Dividends declared relate to the first two interim dividends (both 0.695p) declared in respect of the financial year 2019/2020.

† Dividends declared relate to the first two interim dividends (both 0.685p) declared in respect of the financial year 2018/2019.

†† Dividends declared relate to the four interim dividends declared in respect of the financial year 2018/2019 totalling 2.75p.

Notes to the Accounts (continued)

5. Return and net asset value per share

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
	p	p	p
Revenue return	1.04	1.11	2.70
Capital return	(15.02)	(0.24)	4.56
Total return	(13.98)	0.87	7.26
The figures above are based on the following:			
	£'000	£'000	£'000
Revenue return	3,323	3,136	7,747
Capital return	(47,907)	(689)	13,074
Total return	(44,584)	2,447	20,821
Weighted average number of Ordinary shares in issue	318,942,183	283,525,721	286,744,223

The net asset value per share is based on net assets attributable to shareholders of £229,108,000 (31 March 2019 – £223,731,000; 30 September 2019 – £245,461,000) and on 333,881,987 (31 March 2019 – 284,989,045; 30 September 2019 – 293,979,045) Ordinary shares in issue at the period end.

6. Financial instruments

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2020 Total £'000
Financial assets at fair value through profit or loss as at 31 March 2020				
Investments	220,971	–	–	220,971

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 six months ended 31 March 2020.

The fair value of the Company's financial assets and liabilities as at 31 March 2020 was not materially different from the carrying value.

Notes to the Accounts (continued)

7. Ordinary share capital

	As at 31 March 2020 (unaudited) No. of shares	As at 31 March 2019 (unaudited) No. of shares	As at 30 September 2019 (audited) No. of shares
Ordinary shares of 25p each			
Allotted, called-up and fully paid	333,881,987	284,989,045	293,979,045
Held in treasury	–	5,805,000	–
	333,881,987	290,794,045	293,979,045

During the six months to 31 March 2020 the Company issued 39,902,942 new Ordinary shares for proceeds of £32,619,000. Included in this is 13,647,942 new Ordinary shares issued in respect of the merger with Cameron Investors Trust plc ('CIT'). On 18 November 2019, the effective date of the merger, the Company received assets of £13,956,000 from CIT and, following the cancellation of the Company's own investment in CIT, this resulted in an increase to the Company's net assets of £11,304,000. In the six months to 31 March 2019 no new Ordinary shares were issued and in the year ended 30 September 2019 the Company issued 3,185,000 new Ordinary shares for proceeds of £2,631,000.

During the six months ended 31 March 2020 no Ordinary shares were repurchased by the Company. During the six months ended 31 March 2019 there were 1,050,000 Ordinary shares repurchased by the Company at a total cost of £781,000 and placed in treasury. During the year ended 30 September 2019 there were 1,190,000 Ordinary shares repurchased by the Company at a total cost of £893,000 and placed in treasury.

During the six months ended 31 March 2020 no Ordinary shares were re-issued from treasury. During the six months ended 31 March 2019 there were 2,250,000 Ordinary shares re-issued from treasury for total proceeds of £1,904,000. During the year ended 30 September 2019 there were 8,495,000 Ordinary shares re-issued from treasury for total proceeds of £6,699,000.

During the six months to 31 March 2020, the six months to 31 March 2019 and the year to 30 September 2019, no Ordinary shares were purchased for cancellation.

8. Capital reserve

The capital reserve shown in the Statement of Financial Position at 31 March 2020 includes gains of £18,059,000 (31 March 2019 – gains of £47,628,000; 30 September 2019 – gains of £60,217,000) which relate to the revaluation of investments held at the reporting date.

9. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as held at fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Purchases	176	63	169
Sales	10	5	8
	186	68	177

10. Publication of non-statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Sections 434–436 of the Companies Act 2006. The financial information for the six months ended 31 March 2020 and 31 March 2019 has not been audited.

The information for the year ended 30 September 2019 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

11. Approval

This Half Yearly Financial Report was approved by the Board on 7 May 2020.

Corporate Information

Directors

David Warnock
Jann Brown
David Garman
Roger White

Manager

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

Secretary

PATAC Limited
21 Walker Street
Edinburgh EH3 7HX
Registration Number: 366565 (Scotland)

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

Alternative Investment Fund Manager

PATAC Limited

Auditors

PricewaterhouseCoopers LLP

Solicitors

Dickson Minto W.S.

Bankers & Custodian

J.P. Morgan Chase Bank N.A

Depository

J.P. Morgan Europe Limited

Corporate Broker

Numis Securities Limited

Company Registration Number

111955 (Scotland)

Regulatory Status

Troy Income & Growth Trust plc is an investment trust pursuant to Section 1158 of the Corporation Tax Act 2010. The FCA rules in relation to non-mainstream investment products therefore do not apply to the Company.

Registrars and Transfer Office

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 public holidays in England and Wales.

Website

www.tigt.co.uk

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 website

