

Troy Income & Growth Trust plc

Annual Report and Financial Statements
for the year ended 30 September 2019



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Financial Calendar

20 January 2020	Annual General Meeting
24 January 2020	First interim dividend 2019/20 payable
24 April 2020	Second interim dividend 2019/20 payable
May 2020	Interim results announced
May 2020	Interim Report published
24 July 2020	Third interim dividend 2019/20 payable
23 October 2020	Fourth interim dividend 2019/20 payable

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.

Financial Highlights

	2019
Net asset value total return [^]	+9.7%
Share price total return [^]	+11.7%
FTSE All-Share Index total return	+2.7%
Increase in dividends per share	+3.2%
Dividend yield * [^]	3.3%

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

[^] Alternative Performance Measure – full details can be found on pages 55 and 56.

	30 September 2019	30 September 2018	change
Total investments	£241,001,000	£213,743,000	+12.8%
Shareholders' funds	£245,461,000	£224,058,000	+9.6%
Market capitalisation	£248,119,000	£221,972,000	+11.7%
Net asset value per share	83.50p	79.04p	+5.6%
Share price (mid market)	84.40p	78.3p	+7.8%
Premium/(discount) to NAV [^]	1.1%	(0.9)%	
Total gearing	0.0%	0.0%	
Ongoing charges [^]	0.91%	0.96%	
Dividends and earnings			
Revenue return per share ¹	2.70p	2.73p	-1.1%
Dividends per share ²	2.75p	2.665p	+3.2%
Dividend cover [^]	0.98	1.02	
Revenue reserves ³	£5,828,000	£5,903,000	

¹ Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Statement of Comprehensive Income).

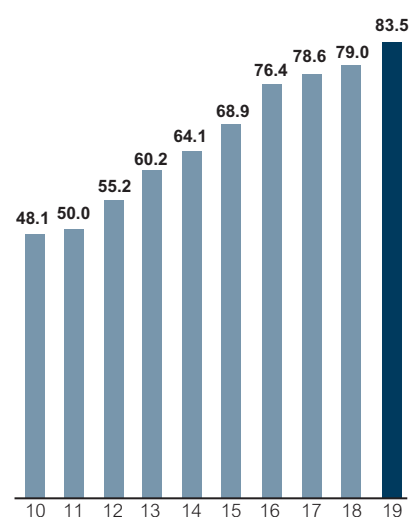
² The figures for dividends per share reflect the years in which they were earned (see note 7 on page 44).

³ The revenue reserve figure does not take account of the fourth interim dividend amounting to £2,065,000 (2018 – fourth interim £1,940,000).

[^] Alternative Performance Measure – full details can be found on pages 55 and 56.

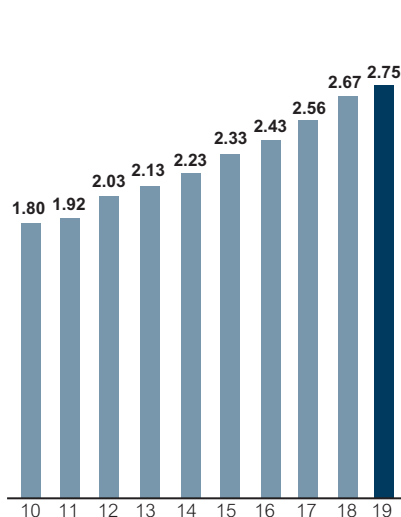
Net Asset Value per Ordinary share

At 30 September – pence



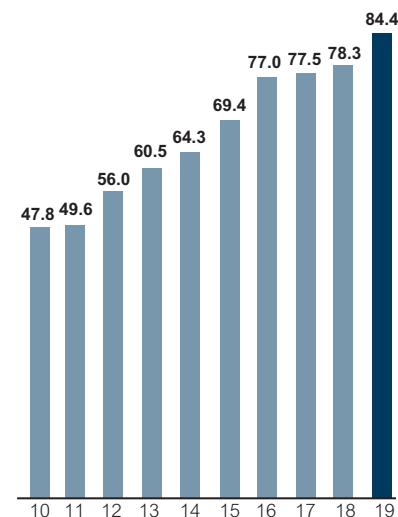
Dividends per Ordinary share

pence



Share price per Ordinary share

At 30 September – pence



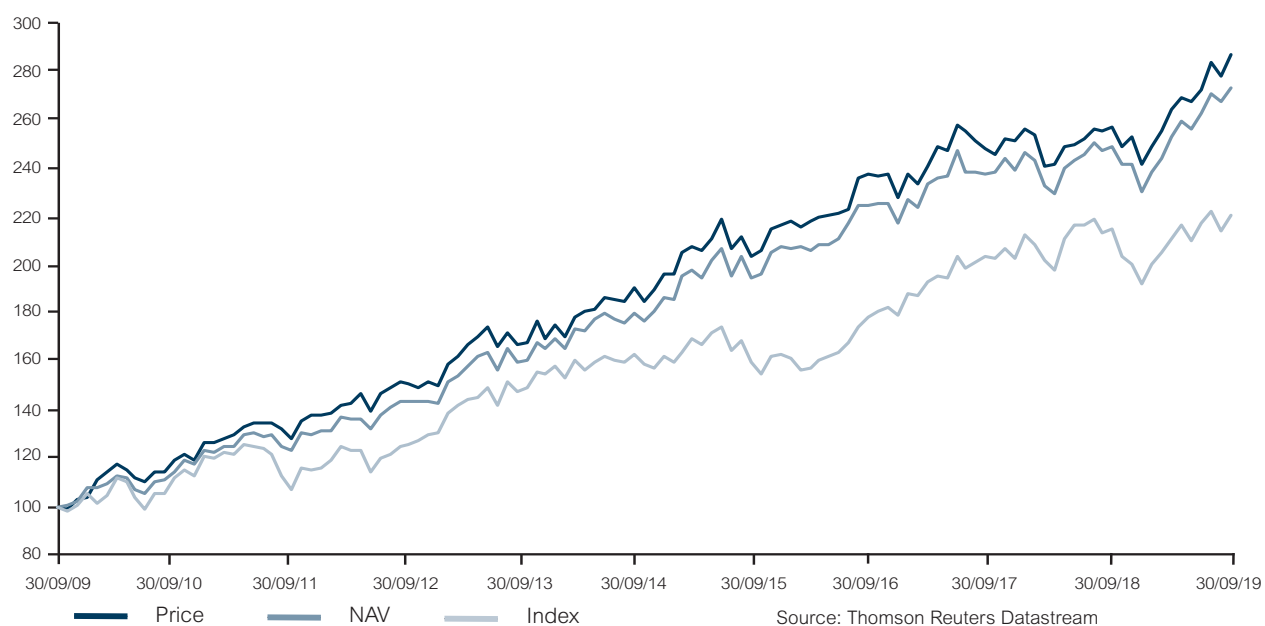
Performance

Total Return (for the periods to 30 September 2019)

	One Year	Three Years	Five Years	Ten Years
Share price	+11.7%	+21.4%	+55.6%	+188.4%
Net asset value per share	+9.7%	+21.1%	+54.8%	+174.1%
FTSE All-Share Index	+2.7%	+21.7%	+38.9%	+121.1%

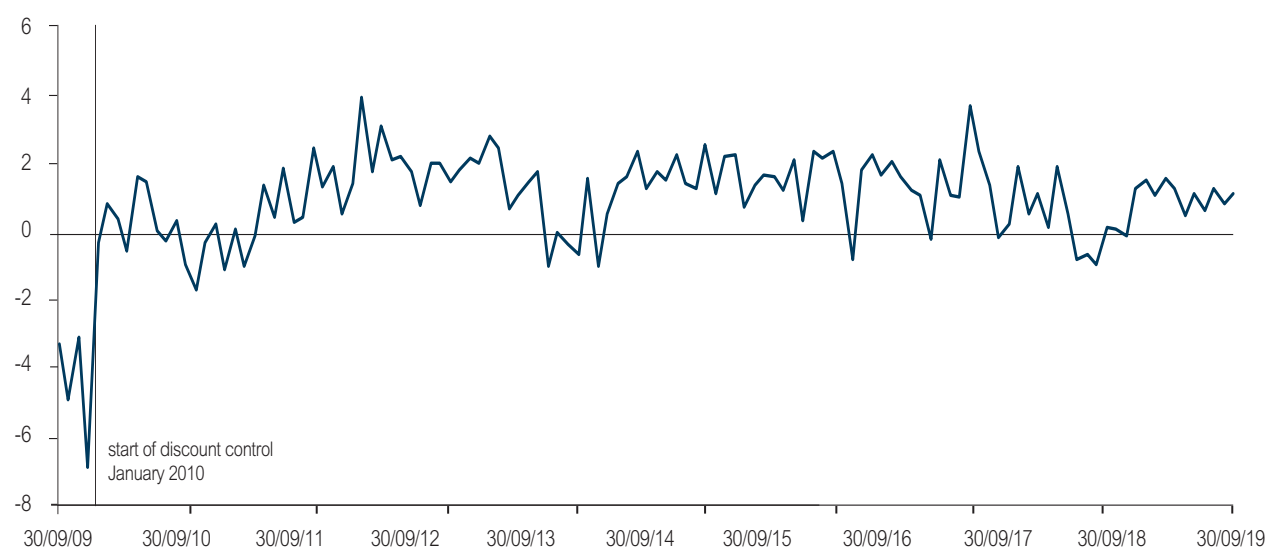
Total Return of NAV and Share Price vs FTSE All-Share Index

Ten years to 30 September 2019 (rebased to 100 at 30/09/09)



Share Price Premium/(Discount) to NAV

Ten years to 30 September 2019



Corporate Summary

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.

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.

Discount Control Mechanism

The Company's discount and premium control policy 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 2019 consisted of 293,979,045 Ordinary shares of 25p each, with no Ordinary shares held in treasury, and at 22 November 2019 there were 317,856,987 Ordinary shares in issue and no 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.

Board of Directors

David Warnock (Chairman)
Jann Brown
David Garman
Roger White

Manager: Troy Asset Management Limited

Troy Asset Management Limited 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. It manages or advises approximately £10.9 billion of assets including eight open-ended investment funds: the Trojan Fund, the Trojan Ethical Fund, the Trojan Income Fund, the Trojan Ethical Income Fund, the Trojan Global Equity Fund, the Trojan Global Income Fund, the Spectrum Fund and the Electric & General Investment Fund; and two investment trusts: Troy Income & Growth Trust plc and Personal Assets Trust plc. Their investors include private individuals, charities, pension funds, trusts and endowments.

AIFM and Administrator: PATAC Limited

PATAC Limited is a 100% subsidiary of Personal Assets Trust plc. It specialises in providing company secretarial and administration services to listed investment companies. It currently provides services to seven listed investment companies and also acts as Alternative Investment Fund Manager ('AIFM') to three listed investment companies, Troy Income & Growth Trust plc, Personal Assets Trust plc and Seneca Global Income & Growth Trust plc.

Chairman's Statement

The objective of the Company is to provide an attractive income yield and the prospect of income and capital growth through investing in a portfolio of predominantly UK Equities.

Performance

The Net Asset Value ('NAV') per share total return for the year to 30 September 2019 was +9.7% which compares very favourably with the FTSE All-Share Index total return of +2.7%. The year was impacted by the weakness of many equity markets in the final calendar quarter of 2018; a period during which the NAV fell by significantly less than the UK equity market as a whole.

While the year was a good one for the Company in both absolute and relative terms, the Board remains predominantly interested in longer-term performance. For example, over the five-year period to 30 September 2019 the NAV per share total return was +54.8% which again compares very favourably with the FTSE All-Share Index total return of +38.9%. These five years have included a wide variety of market conditions demonstrating the robustness of the Managers' investment philosophy.

The aggregate dividends for the year totalled 2.75p, representing an increase of 3.2% over the previous year. Inflation, as represented by the Consumer Price Index, was 1.7% for same period.

Economic and Stock Market Background

2019 marks both the ten-year anniversary of the post global financial crisis lows and of Troy's appointment to manage the Company's assets. During the intervening period asset prices have soared as investors have sought yield in a world where interest rates have been held at near zero levels in most developed economies. The last 12 months have seen attempts to normalise monetary policy falter, most notably by the US Federal Reserve. Economic growth has proved fragile in the face of waning globalisation. The sharp stock market declines of late 2018 and subsequent recovery that has dominated much of the calendar year to date have been the direct result of the monetary policy environment.

Discount Control Mechanism, Costs, and Corporate Development

The Discount Control Mechanism ('DCM'), which has been in place since January 2010, continues to operate successfully by ensuring that Shareholders can purchase and sell the Company's shares at a time of their choosing and at a price very close to net asset value. During the year, the Company issued 11.68m shares and bought-in 1.19m shares, for a net issuance total of 10.49m shares, representing a growth in the number of shares in issue of 3.7%. The Board has been delighted to demonstrate its willingness to buy-in shares, as well as to issue shares. Since January 2010 the value of the net enhancement of NAV after all associated costs is over £973,000. During the year, the net assets of the Company rose to £245.5m and, partly as a result, the ongoing charges have decreased to 0.91% from 0.96%. Another contributing factor was the reduction in Troy's annual management fee announced in January 2019 to a flat rate of 0.65%, from the previous tiered rate of 0.75% of net assets up to £175m and 0.65% thereafter. The Board is committed to ensuring the Company's ongoing charges are competitive.

Soon after the Company's year-end, the Board issued a Prospectus partly in respect of a merger with Cameron Investors Trust plc. This transaction has now been completed and led to the issuance of 13.65m new shares, increasing the size of the Company by about 4.5%. The Board welcomes the Cameron shareholders.

Cameron is the third investment trust to merge into the Company, following Grampian and Albany, both in 2012. The Board hopes that the Company's performance track record and the DCM's provision of liquidity with minimal discount volatility, will continue to attract other investment trusts looking to merge (for whatever reason) or looking to offer rollover options in the event of wind-ups. Such events should also offer both parties the opportunity to reduce ongoing charges. The Board continues to be keen to grow the Company's assets both organically and also as a result of participation in consolidation within the investment trust sector.

Gearing

The Company renewed the £20m revolving credit facility in April 2019 for a further two years. The Company has not utilised the facility during the year but the Board and Managers continue to see the opportunity to gear on a tactical basis as an important tool to be deployed should compelling equity valuations become available.



Dividends

During the year the Company declared three interim dividends of 0.685p followed by a fourth of 0.695p, producing total dividends of 2.75p representing an increase of 3.2% over the previous year. Inflation, as represented by the Consumer Price Index, was 1.7% for same period. The Board intends, barring unforeseen circumstances, to pay a dividend of at least 0.695p per quarter in the current financial year and remains committed to a progressive dividend policy. The dividends for the year were not quite matched by earnings, meaning a small amount of revenue reserves were used. The Board considers the continuation of the progressive dividend policy to be an appropriate use of the Company's substantial revenue reserve which (when calculated assuming payment of the fourth interim dividend) represents about 50% of the annual cost of the dividend. Sales of higher yield, but low-growth, investments from the portfolio resulted in a headwind to income growth within the year but will serve to underpin the long-term dividend growth potential of the portfolio in future years. As this transition in the portfolio is liable to continue, at least during the current year, it is again likely this year's dividends will exceed earnings, but be easily managed from revenue reserves. The presence of such revenue reserves is a strength of the Company that the Board believes should be used cautiously and to Shareholders' longer-term advantage.

Annual General Meeting ('AGM')

In addition to the resolutions Shareholders' might expect at this year's AGM, the Board asks 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 understands some Shareholders' reticence about non pre-emption authorities, it strongly believes that in the circumstances of the DCM's operation, the 20% overall authority sought is in the best interests of Shareholders.

Outlook

Despite the general election being only a few weeks away, the outcome remains highly uncertain. The result may have a significant impact on not only the path of Brexit but also on the long-term performance of the UK economy and the value of sterling. As such it seems foolhardy to make predictions relating to much that is UK centric at the moment. The Managers' focus, as ever, is on ensuring the portfolio comprises high-quality companies rather than betting on political or economic binary outcomes. Changing economic conditions do, however, create opportunities and the Board and Managers remain optimistic about the Managers' ability to maintain a portfolio of quality companies to Shareholders' long-term benefit.

David Warnock

Chairman

22 November 2019

Managers' Review

Background

The 12 months to 30 September 2019 had an inauspicious start with volatility elevated and equities experiencing steep declines globally. The unwinding of Quantitative Easing, a deteriorating global trade environment and weakening economic data applied downward pressure on most developed equity markets. Despite widespread concerns of a prolonged period of weakness, it would appear that central bankers remain preoccupied with mitigating the deflationary impact of falling asset prices. Statements from the Federal Reserve indicated a sharp reversal of policy stance with rate hikes that had previously been in market forecasts for 2019 rapidly being unwound. Robust corporate earnings and what appeared to be a period of détente in the US-China trade disputes fuelled a sharp first calendar quarter rebound.

Equity markets continued to make steady gains through the second calendar quarter but by August the equity market rally had faltered. Bond yields also plunged in response to new salvos in the US-China trade war, with both parties announcing new tariffs from September 2019. Investor concerns led to the US and UK yield curves inverting¹ in the month, a phenomenon last seen in the UK in 2008 and often deemed to presage a recession. In the weeks that followed, the US Federal Reserve announced a 25bp rate cut but crucially failed to guide towards further monetary easing in 2019. This stance prompted a short but sharp rotation into 'value' investments and out of 'quality', which limited the portfolio's participation in what was a strong final month for markets.

Despite the predominance of international companies amongst its constituents, the returns from the FTSE All-Share Index remain inextricably linked to the performance of the UK economy, its currency, and by extension, the progress of Brexit negotiations. During the early months of 2019, the UK equity market moved increasingly to price in a relatively benign Brexit outcome. Domestically focussed equities, including many UK banks and retailers, rose strongly and sterling hit a nine-month high of 1.33 to the dollar. However, following the failure by Mrs May to gain approval for her deal and the subsequent appointment of Mr Johnson as Prime Minister, the probability of a harder Brexit was again resurgent and during July the pound slid to 1.21 against the US dollar, levels not seen since early 2017. Meanwhile, the Bank of England Monetary Policy Committee voted unanimously to hold the base rate at 0.75%, maintaining the potential for a future interest rate cut if the UK leaves the EU without a deal.


Performance & Investment Strategy

The Company delivered a Net Asset Value (NAV) total return of +9.7% and a share price total return of +11.7% over the year. This compares with the FTSE All-Share Index return of +2.7%. The difference between the share price and NAV performances generated by the Company represents a move from a -0.9% discount to a +1.1% premium. In its 20-strong peer group, TIGT was positioned 2nd on an NAV basis and 3rd on a price basis over the 12 months to 30 September 2019.

Performance in the first half of the financial year was covered in detail in the interim report, but was largely driven by the portfolio's lower participation in the falling markets of the final quarter of 2018 (70%) than in the sharply rising markets of early 2019 (97%).

In the second half of the Company's year a more dovish monetary stance by the US Federal Reserve, combined with the weakness of sterling, meant consumer staples, and in particular, our overseas holdings in that sector, were again the largest contributors to returns. Nestlé, P&G and Coca-Cola all returned in excess of +20% in sterling terms whilst Unilever, the portfolio's largest holding, also delivered a robust return (+13.0%). The portfolio's investments in RELX and Experian rose +20.6% and +26.4% respectively, adding conviction to our view that the structuring and analysis of the vast pools of data that our economy generates is a service that is in ever-greater demand. Technological change has also enabled a revolution in the non-bank financial sector and companies such as AJ Bell, the investment platform, American Express and IG Group, the spread betting firm, all saw their ability to harness that change reflected in strong share price moves over the six month period.

Energy was the only sector that failed to make a positive contribution to portfolio returns over the second half of the Company's year. Although the sector saw a period of stronger share price returns in the first months of the calendar year, a largely stagnant oil price since has meant that share prices drifted over the summer. The portfolio's tobacco holdings, which we have significantly reduced over recent years, declined in the face of an uncertain US regulatory environment. We will continue to review our exposure to this industry but remain mindful that the sector's robust free cash flow generation looks undervalued at the current levels. Individual detractors from the portfolio's performance also included a cohort of stocks with a greater level of exposure to the domestic UK economy. The



performance of these stocks, including Lloyds Banking Group and Land Securities, has been highly correlated with the strength of sterling and the evolution of Brexit negotiations. Although at times they have been weak, they act as a balancing factor within a portfolio which has a significant level of overseas exposure. In the short periods during the last twelve months when sterling has been strong, these stocks have performed well, a trait that will become more important if Brexit shows signs of progression.

Portfolio Changes

Our long-term investment approach means that portfolio turnover has historically been low and in the reporting year was less than 10%. Despite this relatively modest rate of change, there are some common themes that are worth drawing out. Firstly, a renewed period of sterling weakness, starting in early 2018, precipitated a spate of acquisition of UK companies by overseas purchasers. Late in the previous reporting year Jardine Lloyd Thompson received a bid from Marsh McLennan and exited the portfolio in March. A bid by Canadian dairy giant Saputo for Dairy Crest in February was followed by a \$3.4bn approach for Inmarsat, the satellite communications company, by a private equity consortium led by Apax. Although at the time of writing this Inmarsat deal had yet to complete, we felt the post-bid share price fully reflected both the future risks and returns faced by investors and decided to exit the holding.

Holdings in Centrica, Pennon and Royal Mail were sold in the period. As political and regulatory pressure has persisted, our confidence in the defensive characteristics of utility-like stocks has continued to decline. While these stocks may trade on seemingly attractive yields (all in excess of 5.5% at the time of sale) the extent to which these dividends are covered by cash flow, and their potential to grow over time, is much less obvious.

Conversely, many of the holdings we have added to the portfolio over the last twelve months trade on lower yields but have much more attractive dividend growth profiles and benefit from higher levels of dividend cover. Moneysupermarket.com, which is one of the UK's leading price comparison websites, is a good case in point. It is an asset-light internet business and thus benefits from wide margins, high returns, low capital requirements and has no debt. On top of that, it serves a powerful social purpose by delivering better consumer price transparency. Today the business is focussed on improving the retention of its customers by increasing personalisation, breadth of offering and service levels; a strategy which we expect to drive meaningful market share gains and can be expected to underpin continued robust dividend growth. Our investment in AJ Bell, which was unusually made at its initial public offering (IPO), is another example. The CEO and Founder has built a rapidly growing investment platform for both financial advisors and retail customers with c.£46bn under administration. Again, we see a powerful and structural growth story that can underpin significant growth in free cash flow over the coming years. Other new additions to the portfolio over the year include Associated British Foods, a stock that had materially de-rated since we sold our investment in 2014, Sabre Insurance, a returns-focused provider of non-standard motor cover, and Victrex, a speciality chemicals business which has been on our watch list since we were appointed managers of the Company in 2009.

Lastly, we have added to several of the portfolio's more UK-centric holdings at times when we believed the outlook for Brexit negotiations was unduly pessimistic. Additions to Next, WH Smith, Land Securities and Lloyds Bank have meant that when sporadic periods of optimism around the UK's future relationship with the EU have emerged the portfolio has been able to deliver more balanced returns, as referenced above.

Income

The Company has paid a full-year dividend of 2.75p. This dividend was not quite fully covered by earnings per share of 2.70p. The modest 0.05p gap between earnings and the dividend was largely attributable to trades made within the portfolio that detracted from the portfolio's running yield. The replacement of stocks that are paying high but potentially unsustainable yields, such as Royal Mail, with stocks such as Victrex and Moneysupermarket.com, both of which we can expect to grow their dividends well in excess of inflation, represents an enhancement of the long-term prospects for growth in both capital and income. We have always emphasised the importance of total returns and eschewed the idea of generating income at the expense of capital. If we identify further opportunities to improve the future income and capital growth profile of the portfolio we may make additional changes that mean this short-term headwind persists into the coming year. As outlined in the Chairman's Statement, the Board have felt that it is appropriate to use the Company's revenue reserve to ensure the continued real growth of the dividend to Shareholders during this modest transition.

Managers' Review (continued)

It is important to frame these changes in the wider context of the market. The FTSE All-Share Index yield at the Company's year end was 4.2%², a figure that is highly skewed by the pay-outs of the top ten dividend stocks which represent 54%³ of the total market income. Amongst these top ten, only five have grown their dividends⁴ over the last 12 months and, although the oil majors have announced their intention to return to dividend growth, it seems increasingly likely that some of these companies may need to moderate their pay-out ratios. If this is indeed the case then the headline market yield, and its premium to the yield on the portfolio, may be short-lived.

Discount Control Mechanism

As highlighted in the Chairman's Statement the Discount Control Mechanism continues to ensure the Company's shares trade at only a small premium or discount relative to Net Asset Value. The overall enhancement to your Company's NAV by repurchasing shares at a discount and issuing at a premium equates to over 2.0% of the NAV when Troy became manager of the Company in 2009. Over the year, the number of shares in issue has seen a net increase of 3.7% and a 142% increase since the discount control mechanism was implemented in January 2010. The issuance of new shares and the associated increase in the size of the Company has not only boosted liquidity beyond that experienced by many trusts of a similar size but has reduced on-going charges from over 1.5% of NAV in 2009 to 0.91% at the end of September.

Investment Outlook

A year ago we lamented in this report a lack of resolution or a clear path forward on both Brexit and US-China relations. Both topics continue to dominate headlines and move markets. UK confusion is now compounded by the decision to hold a pre-Christmas election. While PM Boris Johnson hopes this could lead to Tory success and an end to the parliamentary deadlock, a resounding result is far from certain. In the US, the tone on negotiations with China currently points to positive signals, however, we are cognisant we have been here before.

Over a longer time scale, much discussion continues around the 'unconventional' monetary policy of the past decade. The US has attempted 'normalisation' by raising interest rates in recent years. However, three rate cuts in 2019 serve as admission that supposed normality is not yet achievable. With the ECB and the US both restarting their bond-buying programmes in recent weeks, so-called quantitative easing no longer seems so unusual! The US claims their new programme is 'in no way' the same as post-crisis QE, citing the extraordinary continuing strength of the US economy. The S&P 500 is reaching new highs as we write this report, despite lingering concerns of weak global economic data points and a mature bull market. Confusion on what the year ahead holds is not just for investors – Mario Draghi went against the ECB's monetary committee in restarting their purchase programme, demonstrating central banks themselves are at odds with how to read the global outlook.

As ever, we emphasise our examination of stock-specific investment cases over 'macro' positioning but recognise that changing economic conditions have historically provided some of the best opportunities to make long-term investments in high-quality businesses. We look forward to continue uncovering these opportunities on Shareholders' behalf.

Troy Asset Management Limited

22 November 2019

¹ An inverted yield curve is an interest rate environment in which long-term debt instruments have a lower yield than short-term debt instruments of the same credit quality.

² Financial Times data archive 28 September 2019.

³ AJ Bell Q3 2019 Dividend Dashboard.

⁴ Growth determined in the company's own reporting currency.

Investment Portfolio

As at 30 September 2019

	Valuation £'000	Total portfolio %
Unilever	13,348	5.5
Royal Dutch Shell	11,618	4.8
BP	10,183	4.2
GlaxoSmithKline	10,118	4.2
Lloyds Banking Group	10,012	4.2
Compass Group	9,449	3.9
Experian	8,963	3.7
RELX	8,597	3.6
Nestle	7,944	3.3
Astrazeneca	7,623	3.2
Ten largest investments	97,855	40.6
Reckitt Benckiser Group	7,453	3.1
British American Tobacco	7,382	3.1
Procter & Gamble	7,085	2.9
National Grid	7,011	2.9
Wells Fargo	6,979	2.9
Schroders	6,050	2.5
Coca-Cola	5,980	2.5
WH Smith	5,822	2.4
Hiscox	5,395	2.2
Next	5,382	2.2
Twenty largest investments	162,394	67.3
Londonmetric Property	5,326	2.2
Equiniti Group	5,302	2.2
Victrex	4,471	1.9
Domino's Pizza Group	4,351	1.8
Sage Group	4,147	1.7
Lancashire Holdings	4,053	1.7
Vodafone	4,050	1.7
Secure Income REIT	3,894	1.6
Land Securities Group	3,854	1.6
Primary Health Properties	3,766	1.6
Thirty largest investments	205,608	85.3

Investment Portfolio (continued)

As at 30 September 2019

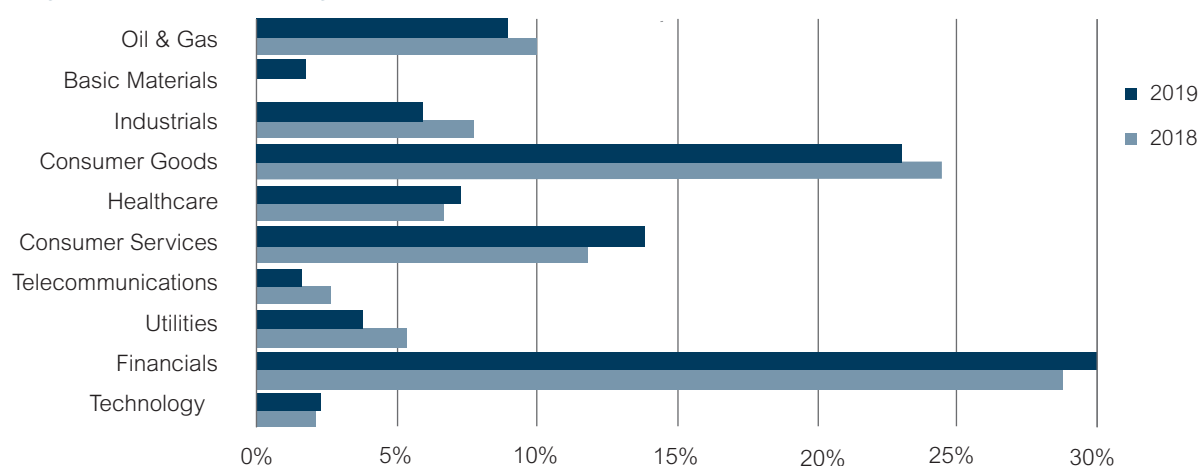
	Valuation 2019 £'000	Total portfolio %
IG Group	3,520	1.5
American Express	3,368	1.4
Assura	3,301	1.4
Associated British Foods	3,280	1.4
Imperial Brands	3,218	1.3
3i Infrastructure	3,002	1.3
Cameron Investors Trust	2,652	1.1
International Public Partners	2,504	1.0
AJ Bell	2,483	1.0
Sabre Insurance	2,356	1.0
Forty largest investments	235,292	97.7
SSE	2,242	0.9
Rathbone Brothers	2,220	0.9
Moneysupermarket.com	1,247	0.5
Total investments at fair value	241,001	100.0

Distribution of Assets and Liabilities

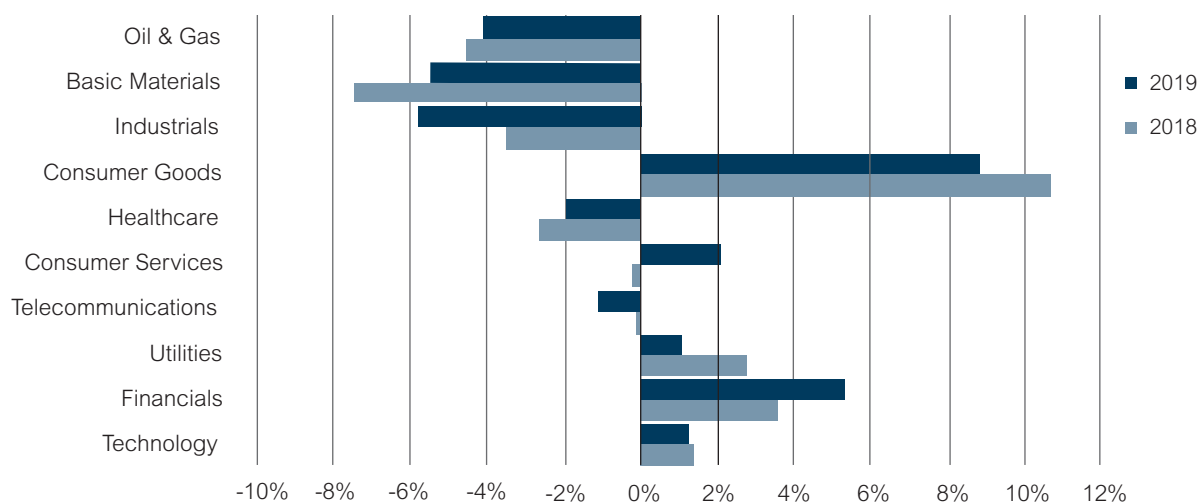
As at 30 September 2019

	Valuation at 30 September 2018		Purchases	Appreciation/ Sales (depreciation)		Valuation at 30 September 2019	
	£'000	%	£'000	£'000	£'000	£'000	%
Listed investments							
Ordinary shares	213,743	95.4	37,439	(24,281)	14,100	241,001	98.2
Current assets	10,985	4.9				4,994	2.0
Current liabilities	(670)	(0.3)				(534)	(0.2)
Net assets	224,058	100.0				245,461	100.0
Net asset value per share	79.04p					83.50p	

Analysis of Listed Equity Portfolio



Troy Income & Growth Trust plc Weightings Relative to the FTSE All-Share Index



Your Board, Managers and Administrators



Back row (left to right):

Carron Dobson (PATAC Limited),
Hugo Ure, Francis Brooke (both Troy Asset Management Limited), Rona Grant (PATAC Limited)

Front row (left to right):

Directors – Roger White, Jann Brown, David Warnock, David Garman

Your Board

David Warnock (Chairman)

B.Comm. (Hons), C.Dip.A.F.

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 a Non-Executive Director of BMO Managed Portfolio Trust plc and Seneca Investment Managers Ltd and is 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 £31,865; beneficial interest 670,272 shares.

Jann Brown

M.A. (Hons), C.A.

Jann was appointed a Non-Executive Director and Chair of the Audit Committee on 18 January 2013. She is currently Managing Director and Chief Financial Officer of Pharos Energy plc and was formerly Chair of the Audit Committee of John Wood Group PLC. She is a past President of the Institute of Chartered Accountants of Scotland and also former Executive Director of Cairn Energy plc and former Senior Independent Director of Hansen Transmissions International NV.

Fees for year £25,120; beneficial interest 87,563 shares.

David Garman

B.A. (Hons). F.C.I.T.

David was appointed a Non-Executive Director on 19 January 2016. He is currently a Non-Executive Director of John Menzies plc and 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 and Carillion plc.

Fees for year £21,525; beneficial interest 100,000 shares.

Roger White

M.A. (Hons)

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 BSDA's Board of Management and Executive Council.

Fees for year £21,525; beneficial interest 300,000 shares.

Strategic Report

Strategy and Investment Objective

As noted in the Chairman's Statement the Company's objective is to provide an attractive income yield and the prospect of income and capital growth through investing in a portfolio of predominantly UK equities.

Business Model

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 13.

The management of the investment portfolio has been contractually delegated to the Manager, Troy Asset Management Limited ('Troy'), 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 18.

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. No gearing was in place at the year end. However, the Board currently intends that if it did decide to utilise gearing the aggregate borrowings of the Company will be up to 15% of net assets immediately following drawdown, with a maximum level of aggregate borrowings of 25% of net assets immediately following drawdown. The Board will, however, retain flexibility to increase or decrease the level of the Company's gearing to take account of changing market circumstances and in pursuit of the Company's investment policy.

Investment Strategy

To facilitate the achievement of the Company's objective the day-to-day management of the Company's assets has been delegated to the Manager. Troy is an independent fund management company aiming to generate absolute returns for investors over the longer term. Troy seeks to preserve and build investors' wealth by constructing conservative portfolios for the long term which demonstrate lower than average volatility.

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. Troy'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:
 - Overseas investments not to exceed 20% of gross assets;
 - UK equity portfolio to comprise between 30 and 50 individual holdings;
 - No more than 6% of gross assets in any one FTSE 100 stock;
 - No more than 4% of gross assets in any one FTSE Mid 250 stock;
 - No more than 2% of gross assets in any one FTSE Small Cap or AIM stock; and
 - No more than 30% of gross assets in any one FTSE Industry Sector.
- 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. Further details of the operation of this policy are contained in the Directors' Report on page 20.

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 cover.

Key performance indicators are shown in the financial highlights on page 1, with historic performance data on page 2. These are discussed in the Chairman's Statement on pages 4 and 5 and the Managers' Review on pages 6 to 8.

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 and the Manager's Review on pages 4 to 8.

Details of the Company's investments can be found on pages 9 and 10 with the distribution of assets and liabilities on page 11.

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 Strategy section above.

The principal risks facing the Company relate to the Company's investment activities and these risks include the following:

- performance risk;
- market risk; and
- resource and operational risk.

The underlying risks and potential increased volatility associated with Brexit and other global political situations are considered within market risk.

Strategic Report (continued)

An explanation of these principal risks and how they are managed is set out below, with disclosures of financial risk set out in note 15 on page 48.

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 2019.

- **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 underperformance against the appropriate benchmark and its 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. 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.
- **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 sectors, based on the diversification requirements inherent in the Company's investment policy. The guidelines which limit the portfolio exposure are set out in the Investment Strategy on page 15.
- **Resource and operational 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. These service providers include, in particular, the Alternative Investment Fund Manager ('AIFM') and the Manager, to whom responsibility for the management of the Company has been delegated under an investment management agreement and an investment management delegation agreement respectively (the 'Agreements') (further details of which are set out on page 18). The terms of these Agreements cover the necessary duties and conditions expected of the AIFM and Manager. The Board reviews the performance of the AIFM and Manager on a regular basis and their compliance with the Agreements on an annual basis.

Other risks faced by the Company include the following:

- Breach of regulatory rules which could lead to the suspension of the Company's London Stock Exchange listing, financial penalties or a qualified audit report.
- Breach of section 1159 of the Corporation Tax Act 2010 which could lead to the Company being subject to tax on capital gains.

The Board have considered the Company's solvency and liquidity risk and full disclosure of this is made in note 15 on page 51 and in the viability statement on page 19.

Social, Community, Employee Responsibilities and Environmental Policy

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 Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long term risk to the sustainability of their businesses.

More specifically, they expect companies and key suppliers to demonstrate sound governance, effective management of their stakeholder relationships, responsible management and mitigation of social and environmental impacts.

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 2019, 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).

At 30 September 2019 there were three male Directors and one female Director. The Company has no employees so does not require to report further on gender diversity.

By Order of the Board

PATAC Limited

Secretary

22 November 2019

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 in Scotland.

Results and Dividends

The financial statements for the year ended 30 September 2019 appear on pages 35 to 54. Dividends in respect of the year amounted to 2.75p per share (2018 – 2.665p). The fourth interim dividend of 0.695p per share announced on 1 October 2019 (2018 – fourth interim 0.685p) will be accounted for in the financial year ending on 30 September 2020.

Post Balance Sheet Event

On 22 October 2019, the Board announced that they had reached agreement, in principle, on the terms of a merger with Cameron Investors Trust plc ('CIT') to be effected by way of a scheme of reconstruction of CIT under section 110 of the Insolvency Act 1986, resulting in the voluntary liquidation of CIT and CIT shareholders rolling over their interest in CIT into the Company (the 'Scheme'). At 30 September 2019, the Company had an investment in CIT of £2,652,000.

The Scheme was approved by the CIT shareholders on 8 November 2019 and became effective on 18 November 2019. The Scheme was effected on a NAV for NAV basis and so did not result in any NAV dilution for existing shareholders of the Company. On 18 November 2019, the Company issued 13,647,942 new Ordinary shares in relation to the Scheme and received assets of £13,956,000. Following the cancellation of the Company's own investment in CIT of £2,652,000, the resulting increase in the Company's net assets was £11,304,000.

Share Capital

The issued share capital at 30 September 2019 consisted of 293,979,045 Ordinary shares of 25p each and there were no Ordinary shares held in treasury. As at the date of this report the issued share capital consisted of 317,856,987 Ordinary shares of 25p each and there were no 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 13. All held office throughout the year and up to the date of this report. Following best practice the Directors have decided to submit themselves for re-election each year. The Board supports the candidature of the Directors for the reasons described in the Statement of Corporate Governance on page 22.

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/Directors' 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 2019 the Company had received notification of the following interests in the Ordinary share capital of the Company:

Shareholder	Number of shares held	% held
Brewin Dolphin clients	29,019,323	9.87
Rathbone Brothers plc clients	14,296,573	4.86
Troy Asset Management clients*	9,852,046	3.35

* including the interests of Francis Brooke referred to on page 18.

Directors' Report (continued)

Since 30 September 2019, the Troy Asset Management clients holding has increased to 10,765,424 shares, representing 3.39% of the Ordinary share capital at the date of this report.

Management Arrangements

In order to comply with the Alternative Investment Fund Managers Directive ('AIFMD'), the Company appointed PATAC Limited ('PATAC' or the 'AIFM'), as its alternative investment fund manager with effect from 22 July 2014. The Company entered into an AIFMD compliant management agreement with the AIFM. With effect from 22 July 2014, the AIFM delegated the portfolio management activities relating to the Company back to Troy Asset Management Limited ('Troy' or the 'Manager') pursuant to a delegation agreement and Troy 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 PATAC for a fee of 0.015% of the Company's net assets per annum, subject to a minimum fee of £60,000 per annum. Troy 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 Troy under the investment management delegation agreement detailed below.

Investment Management Delegation Agreement

With effect from 1 August 2009, investment management services have been provided to the Company by Troy. From 1 October 2012 to 31 December 2018 the fee was at an annual rate of 0.75% of the Company's net assets up to £175 million and at an annual rate of 0.65% of the Company's net assets above £175 million. From 1 January 2019, the fee is at an annual rate of 0.65% of the Company's net assets.

Details of the fee charged by Troy in the financial year and how it is calculated are set out in note 3 to the financial statements. The Board believes the fee charged by Troy 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, Troy 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.

The contract is also terminable summarily by any party in the event of material breach by any other party; the occurrence of certain events suggesting the insolvency of any other party or relating to the winding up of any other party; the serious misconduct, negligence, wilful default, or fraud of any other party; or the Company being the subject of any reconstruction or amalgamation following a continuation vote having failed to be passed by the Company in general meeting and/or the Company being wound up, liquidated or dissolved. In addition, the Company and the AIFM are entitled to terminate the contract summarily (a) if Francis Brooke ceases to be a full-time executive of Troy, (b) if Troy ceases to have the appropriate FCA authorisation to manage the Company's assets, (c) if Troy or any of its employees or associates is involved in any conduct which is materially prejudicial to the interests of the Company or the AIFM, (d) if Troy undergoes a change of control (other than through a change of control whereby the existing management team including Sebastian Lyon and Francis Brooke increase their aggregate holding in Troy to more than 50% of the voting rights or through a change of control which does not involve a change of control of the Manager's ultimate holding company), (e) if the Company ceases to satisfy the conditions for approval as an investment trust by reason of the Manager's negligence or wilful default or (f) if an FCA audit or investigation gives rise to an adverse finding in relation to any significant aspect of the Manager's business which might be expected to have a materially adverse effect on the Company's business or reputation.

Following the review by the Management Engagement Committee outlined on page 24, the Board considers the continuing appointment of the Manager to be in the best interests of the shareholders at this time.

As at 22 November 2019, the co-managers, Francis Brooke and Hugo Ure, held respectively 4,708,424 and 364,222 Ordinary shares in the Company.

Company Secretary

On 1 July 2010 PATAC was appointed to provide company secretarial, accounting and administration services to the Company. From 1 July 2010 to 30 September 2019, PATAC received an annual fee for these services of £95,000, adjusted annually by the higher of the increase in the Retail Price Index or the Consumer Price Index. From 1 October 2019, PATAC receives a fee for these services of £100,000 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 up to and including £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

The AIFMD requires the AIFM to appoint a depository for each Authorised Investment Fund it manages and J.P. Morgan Europe Ltd were appointed depository for the Company with effect from 22 July 2014. The Depository's responsibilities include 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

On 24 April 2019 the Company renewed its £20 million unsecured floating rate revolving credit facility with ING Luxembourg S.A for a further two years. The facility is for the acquisition of investments and for general corporate purposes. Further details are set out in note 5 to the financial statements.

Corporate Governance

The Statement of Corporate Governance is set out on pages 22 to 26 and forms part of this report.

Audit Committee

Details of the Audit Committee are contained within the Statement of Corporate Governance on page 23.

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 documented in the strategic report on pages 15 and 16. Based on their assessment, and as the assets of the Company consist mainly of securities which are readily realisable, the Directors believe that 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 operational existence for the foreseeable future.

Viability Statement

In accordance with provision C.2.2 of the 2016 UK Corporate Governance Code, 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 documented in the strategic report on pages 15 and 16
- 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 1
- The utilisation quantum of the discount control mechanism
- The level of income generated by the Company
- The liquidity of the Company's portfolio

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% of net assets. This includes both fixed and variable costs, the largest single element of which is the variable management fee. In addition the Company currently has no gearing. Based on these facts the Board have 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 is 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 2023.

Independent Auditors

Following a tender process in 2015, PricewaterhouseCoopers LLP were appointed the Company's Auditors in 2016. The lead audit engagement partner is Allan McGrath. 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 (continued)

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 PATAC. Up to 30 September 2019, the fee for this service was £33,000 per annum. From 1 October 2019, the fee for this service is £30,000 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 2019 AGM, the Company, at 30 September 2019, had the remaining authority to buy-back 43,317,532 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.

Risk Management

Details of the principal risks facing the Company and their management are set out in the Strategic Report on pages 15 and 16. Details of financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 15 to the financial statements.

Annual General Meeting

The notice convening the Annual General Meeting of the Company to be held on 20 January 2020 is given on pages 59 and 62. Among the resolutions being proposed are the following:

(i) Directors' Remuneration Policy

The remuneration policy is subject to a vote at least every three years. The remuneration policy was last approved by shareholders at the AGM held in 2017. The remuneration policy will therefore be put to shareholders for approval at the forthcoming AGM.

Resolution 2, which is an ordinary resolution, relates to the approval of the Directors' remuneration policy. Further details of the Directors' remuneration policy, including the full text of the policy, are set out in the Directors' Remuneration Report.

(ii) 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.

Although the policy includes a provision that would allow distributions to be made from capital it is not the current intention of the Board to utilise this provision.

Resolution 4, 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 capital.

(iii) Directors' Authority to Allot Shares

Resolution 11, 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 £26,488,000 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 12, 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 £7,946,400, 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 share for cash without first offering them to existing shareholders pro rata to their existing holdings.

In addition to this authority, resolution 13, 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 £7,946,400, 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 13, 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. 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 2021 or, if earlier, at the conclusion of the AGM of the Company to be held in 2021.

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

Resolution 14, 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 (approximately 47.6 million Ordinary shares as at the date of this document). This authority will expire on 31 March 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (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 20.

(v) Notice Period for General Meetings

Resolution 15, which is a special resolution, is required to reflect the Shareholders' Rights Regulations. The Shareholders' Rights Regulations, which amend 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

PATAC Limited

Secretary

22 November 2019

Statement of Corporate Governance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The AIC Code can be obtained from the AIC website at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code) will provide better information to shareholders.

The corporate governance codes pertinent to the Company during the year under review were the 2016 AIC Code and the 2016 UK Corporate Governance Code. A new UK Corporate Governance Code was issued in July 2018 and a new AIC Code was issued in February 2019, both effective for accounting periods beginning on or after 1 January 2019. Accordingly, the Company will report against these codes for the financial year ended 30 September 2020. Having considered the provisions of the new codes, the Board does not anticipate there will be any significant changes for the Company but has adopted a new policy on the tenure of the chair, as described below. The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below. The UK Corporate Governance Code includes provisions relating to:

- The role of the Chief Executive
- Executive Directors' remuneration
- The need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, it being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no Executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The Board

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 13 which 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. Copies of these letters are available for inspection at the registered office of the Company during normal business hours and will also be available for fifteen minutes prior to and during the Annual General Meeting.

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.

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.

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. In order to review its effectiveness, the Board carries out a process of formal self appraisal. 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 survey 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.

Directors have attended Board and Committee meetings during the year ended 30 September 2019, as follows:

Meetings held and attendance	Board	Audit Committee	Management Engagement Committee	Nomination Committee
D Warnock	6/6	2/2	1/1	1/1
J Brown	6/6	2/2	1/1	1/1
R White	6/6	2/2	1/1	1/1
D Garman	6/6	2/2	1/1	1/1

The Board has appointed PATAC to provide accounting and secretarial services and to act as AIFM from 22 July 2014. The Board and the AIFM have appointed Troy to manage the Company's investment portfolio within guidelines set by the Board in consultation with the AIFM. PATAC provides the Board with regular reports on the Company's activities. In the case of Board meetings, the information includes the investment manager's review, statistics analysing the Company's performance relative to its benchmark, peers and various stock market indicators, details of investments purchased and sold, projections of future income from investments, gearing and cash management details.

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 and PATAC.

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 PATAC and will also be available at the Annual General Meeting.

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 2019 to coincide with the interim and annual reporting and audit cycle. Jann Brown is the Chair of the Audit Committee.

The principal role of the Audit Committee is to review the annual and interim financial statements and the accounting policies applied therein and ensure compliance with financial and regulatory reporting requirements. During the year, the Audit Committee has maintained its focus on both the Internal Control environment and ensuring that the accounting is in accordance with International Financial Reporting Standards and represents a true and fair view of the results of the Company.

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.

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 auditor 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 auditor on any external or internal quality reviews of the audit.

In addition, at the end of the audit for the year, the Committee has used a questionnaire to evaluate the performance of the Auditors. No significant issues were identified.

Statement of Corporate Governance (continued)

The external Auditors attended both meetings of the Audit Committee during the year. In addition the Committee reviewed the independence of the external Auditor, PricewaterhouseCoopers LLP and reviewed and ratified their continued appointment.

In completing this review, the Audit Committee has taken into account the standing, experience and tenure of the Audit Partner, the nature and level of service provided and confirmation that they have complied with relevant UK independence guidelines. Following a tender process in 2015, the current Auditor was appointed during the year to 30 September 2016.

In the course of finalising the financial statements, the Committee focused its discussions on the following significant issue:

- The existence and valuation of investments. The AIFM regularly reconciles the portfolio holdings to confirmations from the Company's custodian and carries out testing of the prices obtained from the independent price source. Based on confirmation from the AIFM that these procedures have operated correctly at 30 September 2019 and based on conversations with and written reporting from the Auditor, the Committee are comfortable that there is no material misstatement in the context of the Annual Report and Financial Statements as a whole.

The Audit Committee's responsibilities also include reviewing the arrangements in place within Troy and PATAC 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.

Nominations Committee

The Nominations Committee, which comprises all of the Directors of the Company, considers the appointment of new Directors bearing in mind the balance of skills, knowledge, experience and diversity existing on the Board. The Chairman is David Warnock. It is not considered appropriate for the Company to have set targets in relation to diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment. Once a decision is made to recruit additional Directors to the Board, a job description is drawn up and each Director is invited to submit nominations and these are considered by the Committee. It is considered that this is the most appropriate method of facilitating Board appointments. However, external agencies may also be used if the Committee considers that there are no suitable nominations.

Under the Articles of Association new Directors are subject to re-election at the first Annual General Meeting after their appointment. Directors do not have a service contract or fixed term in office but in accordance with best practice the Board has decided that all Directors will submit themselves for re-election annually. As the composition of the Board is expected to reflect a breadth of commercial, professional and industrial experience, new Directors are provided with sufficient guidance and instruction to enable them to understand the economic environment in which investment trusts operate and carry out an effective and objective evaluation of the Company's performance therein.

Remuneration Committee

As noted in the Directors' Remuneration Report on pages 28 and 29, 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.

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.

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. Troy 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 aim is 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 Troy, the Manager; PATAC, 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. Troy and PATAC 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 22 on page 54), 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 the 'UK Stewardship Code' for institutional shareholders in July 2010 and revised it in September 2012. 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 FRC is encouraging institutional investors to make a statement of their commitment to the UK Stewardship Code.

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.

Statement of Corporate Governance (continued)

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.

By Order of the Board

PATAC Limited

Secretary

22 November 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements and the Directors' Remuneration Report, in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year and these have been prepared in accordance with IFRSs as adopted by the EU.

Under Company law, the Directors must not approve the financial statements unless they are satisfied they present fairly the financial position, financial performance and cash flows for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the EU is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and performance;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU subject to any material departures disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume 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.

Statement under Disclosure Guidance and Transparency Rules

Each of the Directors confirms that to the best of his or her knowledge:

- the financial statements, prepared in accordance with IFRSs, as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and the Directors' Report (incorporating the other sections of this document which are referred to in them) 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

Jann Brown

Chair of the Audit Committee

22 November 2019

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. As the Remuneration Policy set out below was approved by shareholders at the AGM held in 2017, and the policy is subject to a vote at least every three years, it will also be put to shareholders at the forthcoming AGM.

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 30 to 34.

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 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 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 2019 was £134,200.

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.

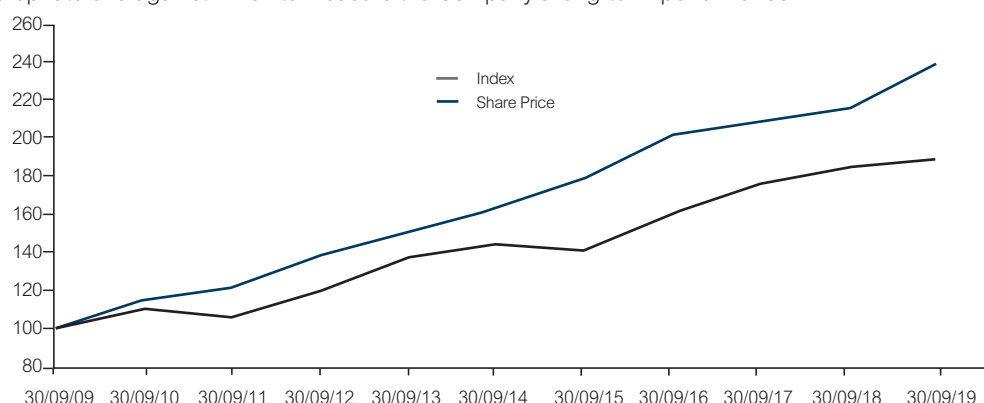
Following the 2019 review of Directors' remuneration, it was determined that the fee rates had fallen well behind market rates. The Board therefore agreed to increase the rates to bring them in line with the market, to ensure they appropriately reflect the current responsibilities and commitments of the Directors and to ensure the Company continues to be able to attract high-calibre individuals in the future.

The new Directors' remuneration rates, effective from 1 April 2019, are as follows:

	From 1 April 2019 £	From 1 April 2018 £
Chairman	35,000	28,730
Audit Committee Chair	28,000	22,240
Other Directors	24,000	19,050

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 2019. This index is deemed to be the most appropriate one against which to measure the Company's long-term performance.



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:

	2019 £	2018 £
D Warnock	31,865	28,315
J Brown	25,120	21,920
R White	21,525	18,775
D Garman	21,525	18,775
	100,035	87,785

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.

Directors' Interests (Audited Information)

The Directors at 30 September 2019 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 2019 Ordinary shares	At 30 September 2018 Ordinary shares
D Warnock	500,000	500,000
J Brown	87,563	87,563
R White	300,000	300,000
D Garman	100,000	100,000

As at the date of this report, David Warnock's beneficial interest in the share capital of the Company is 670,272 Ordinary shares. There have been no other changes in the interests of the Directors in the share capital during the period 1 October 2019 to 22 November 2019.

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 Annual General Meeting were as follows:

	In favour	Against
Directors' Remuneration Report	99.6%	0.4%

Approved by the Board of Directors on 22 November 2019 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 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 2019; 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 to the company.

We have provided no non-audit services to the company in the period from 1 October 2018 to 30 September 2019.

Our audit approach

Overview



- Overall materiality: £2.45 million (2018: £2.24 million), based on 1% of net assets.
- 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 PATAC 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, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at the Administrator, and adopted a fully substantive testing approach using reports obtained from the administrator.
- Income from investments.
- Valuation and existence of investments.

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. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the on-going qualification as an Investment Trust under 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 preparation of the financial statements such as the Companies Act 2006 and Chapter 15 of the UK Listing Rules applicable to closed-ended funds. 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 of inappropriate journal entries to increase income or to overstate the value of investments and increase the net asset value of the Company. Audit procedures performed by the engagement team included:

- Discussions with management and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of s1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or round sum amounts.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Income from investments</i></p> <p>Refer to pages 39 and 40 (Accounting Policies) and pages 41 and 45 (notes). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve the attractive income yield as per detailed in the objective of the Company.</p> <p>We focused on the accuracy and completeness of dividend income recognition and the valuation of investments with respect to realised and unrealised gains/losses and their 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').</p> <p>Dividend income totalled £8.9m and profits on investments held at fair value amounted to £14.1m.</p>	<p>We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy.</p> <p>We understood and assessed the design and implementation of key controls surrounding income recognition.</p> <p>We tested dividend receipts by agreeing the dividend rates from a sample of investments to independent third party sources. No misstatements were identified by our testing.</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 by a sample of investment holdings in the portfolio. Our testing did not identify any unrecorded dividends.</p> <p>We tested the allocation and presentation of dividend income between the income and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP.</p> <p>The gains/losses on investments held at fair value comprise realised and unrealised gains/losses:</p> <ul style="list-style-type: none"> – for realised gains/losses, we tested disposal proceeds by agreeing the proceeds to bank statements and sale agreements and we reperformed the calculation of a sample of realised gains/losses; – for unrealised gains/losses, we obtained an understanding of the valuation process as set out in the valuation and existence of investments area of focus. We tested the book cost reconciliation including testing on a sample basis the realised gains, purchases and sales to agree the total unrealised gains/losses incurred during the period. <p>No misstatements were identified by our testing which required to be reported to those charged with governance.</p>

Independent Auditors' Report to the Members of Troy Income & Growth Trust plc (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of investments</p> <p>Refer to page 24 (Audit Committee Report), page 39 (Accounting Policies) and page 45 (notes). The investment portfolio at the year end comprises listed equity investments (£241.0m).</p> <p>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.</p>	<p>We tested the valuation of the investment portfolio. For listed equity investments we agreed the prices used in the valuation to independent third party sources. No misstatements were identified by our testing.</p> <p>We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from J.P. Morgan Chase Bank N.A. No differences were identified by our testing.</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.

The company's accounting is delegated to the Administrator who maintains the company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at the Administrator to the extent relevant to our audit. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

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 materiality	£2.45 million (2018: £2.24 million).
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 agreed with the Audit Committee that we would report to them misstatements identified during our audit above £123,000 (2018: £112,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

<p>Reporting obligation</p> <p>We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.</p>	<p>Outcome</p> <p>We have nothing material to add or to draw attention to.</p> <p>However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.</p>
<p>We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.</p>	<p>We have nothing to report.</p>

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 the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

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. (CA06)

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on pages 15 and 16 of the Annual Report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 19 of the Annual Report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their 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 their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the company and statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the company and its environment obtained in the course of the audit. (*Listing Rules*)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 27, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company obtained in the course of performing our audit.
- The section of the Annual Report on pages 23 and 24 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- 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.

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. (CA06)

Independent Auditors' Report to the Members of Troy Income & Growth Trust plc (continued)

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 set out on page 27, 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.

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 received 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 4 years, covering the years ended 30 September 2016 to 30 September 2019.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
22 November 2019

Statement of Comprehensive Income

	Note	Year ended 30 September 2019			Year ended 30 September 2018		
		Revenue	Capital	Total	Revenue	Capital	Total
		return	return		return	return	
		£'000	£'000	£'000	£'000	£'000	£'000
Profits on investments held at fair value	9	–	14,100	14,100	–	1,927	1,927
Currency losses		–	(2)	(2)	–	(6)	(6)
Revenue	2						
Income from listed investments		8,944	–	8,944	9,038	–	9,038
Other income		4	–	4	2	–	2
		8,948	14,098	23,046	9,040	1,921	10,961
Expenses							
Investment management fees	3	(526)	(977)	(1,503)	(569)	(1,057)	(1,626)
Other administrative expenses	4	(500)	–	(500)	(476)	–	(476)
Finance costs of borrowing	5	(26)	(47)	(73)	(17)	(33)	(50)
Profit before taxation		7,896	13,074	20,970	7,978	831	8,809
Taxation	6	(149)	–	(149)	(127)	–	(127)
Total comprehensive income		7,747	13,074	20,821	7,851	831	8,682
Earnings per Ordinary share (pence)	8	2.70	4.56	7.26	2.73	0.29	3.02

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The supplementary revenue return and capital return columns are both prepared as explained in the accounting policies on page 39. 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

		As at 30 September 2019 £'000	As at 30 September 2018 £'000
	Note		
Non-current assets			
Investments in ordinary shares		241,001	213,743
Investments held at fair value through profit or loss	9	241,001	213,743
Current assets			
Accrued income and prepayments		810	642
Cash and cash equivalents		4,184	10,343
Total current assets		4,994	10,985
Total assets		245,995	224,728
Current liabilities			
Trade and other payables		(534)	(670)
Total current liabilities		(534)	(670)
Net assets		245,461	224,058
Issued capital and reserves attributable to equity holders			
Called-up share capital	10	73,495	72,699
Share premium account	11	25,166	23,124
Special reserves	12	63,397	57,831
Capital reserve	13	77,575	64,501
Revenue reserve	14	5,828	5,903
Total equity		245,461	224,058
Net asset value per Ordinary share (pence)	8	83.50	79.04

The financial statements on pages 35 to 54 were approved by the Board of Directors on 22 November 2019 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 2019

	Called-up share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'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 (note 7)	–	–	–	–	(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
Balance at 1 October 2017	72,699	23,149	63,504	63,670	5,670	228,692
Profit and total comprehensive income for the year	–	–	–	831	7,851	8,682
Equity dividends (note 7)	–	–	–	–	(7,618)	(7,618)
Shares bought back into treasury	–	–	(6,893)	–	–	(6,893)
Shares issued from treasury	–	8	1,220	–	–	1,228
Discount control costs	–	(33)	–	–	–	(33)
Balance at 30 September 2018	72,699	23,124	57,831	64,501	5,903	224,058

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

Cash Flow Statement

	Year ended 30 September 2019		Year ended 30 September 2018	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Investment income received	8,764		9,047	
Administrative expenses paid	(1,989)		(2,083)	
Cash generated from operations (note 20(a))		6,775		6,964
Finance costs paid		(73)		(50)
Taxation		(149)		(127)
Net cash inflows from operating activities		6,553		6,787
Cash flows from investing activities				
Purchases of investments	(37,439)		(34,061)	
Sales of investments	24,281		38,568	
Realised gain on forward currency contracts	—		149	
Net cash (outflow)/inflow from investing activities		(13,158)		4,656
Net cash (outflow)/inflow before financing		(6,605)		11,443
Financing activities				
Proceeds of issue of shares	9,331		1,228	
Cost of share buy backs	(1,028)		(6,759)	
Dividends paid	(7,822)		(7,618)	
Costs incurred on issue of shares	(33)		(33)	
Net cash inflow/(outflow) from financing activities		448		(13,182)
Net decrease in cash and short term deposits (note 20(b))		(6,157)		(1,739)
Cash and cash equivalents at the start of the year		10,343		12,088
Effect of foreign exchange rate changes		(2)		(6)
Cash and cash equivalents at the end of the year		4,184		10,343

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 International Financial Reporting Standards ('IFRS') and interpretations issued by the International Reporting Standards Interpretation Committee, to the extent that they have been adopted by the European Union.

The financial statements have also been prepared in accordance with the Companies Act 2006, as applicable to companies adopting IFRS.

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 November 2014 and updated in January 2018) 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 section 1159 of the Corporation Tax Act 2010.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- Amendments to IAS 12 – Income Taxes – Income tax consequences of dividends (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 7 – Financial Instruments: Disclosures – Pre-replacement issues in the context of the IBOR reform (effective for annual accounting periods beginning on or after 1 January 2020).
- Amendments to IFRS 9 – Financial Instruments – Prepayment features with negative compensation and modification of financial liabilities (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 9 – Financial Instruments – Pre-replacement issues in the context of the IBOR reform (effective for annual accounting periods beginning on or after 1 January 2020).
- IFRS 16 – Leasing (effective for annual accounting periods beginning on or after 1 January 2019).

The Directors do not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the financial results in the period of initial application. The Company intends to adopt the standards in the reporting period when they become effective.

The Company's adoption of IFRS 9 'Financial Instruments' did not result in any change to classification or measurement in either the current or the prior year. The Company's investments remain classified at fair value through profit or loss. The adoption of IFRS 15 'Revenue from Contracts with Customers' did not result in any amendment to the Company's current revenue recognition policy.

(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.

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.

Notes to the Financial Statements (continued)

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. Premiums received on traded option contracts are recognised as income evenly over the period from the date they are written to the date when they expire or are exercised or assigned. 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. Accordingly 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 Balance Sheet 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. There were no material 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	2019	2018
	£'000	£'000
Income from listed investments		
UK dividend income	8,189	8,405
Income from overseas investments	755	633
	8,944	9,038
Other income from investment activity		
Deposit interest	4	1
Underwriting income	—	1
Total income	8,948	9,040

3. Investment management fees

On 31 July 2009, Troy Asset Management Limited ('Troy') became the Manager. From 1 October 2012 to 31 December 2018 the investment management fee was paid at an annual rate of 0.75% of the Company's net assets up to £175 million and at an annual rate of 0.65% of the Company's net assets above £175 million. Since 1 January 2019, the investment management fee has been paid at an annual rate of 0.65% of the Company's net assets. The fee is calculated monthly and paid quarterly. PATAC were appointed to act as the Company's AIFM with effect from 22 July 2014 for a fee of £60,000 per annum. From the same date the portfolio management activities were delegated to Troy. The commercial terms of the delegation agreement are the same as the previous investment management agreement except that the investment management fee paid to Troy is reduced by the fees of £60,000 incurred for the services of the AIFM. The fee is allocated 35% to revenue and 65% to capital.

	2019			2018	
	Revenue	Capital	Total	Revenue	Capital
	return	return	return	return	return
	£'000	£'000	£'000	£'000	£'000
Investment management fees paid to Troy	505	938	1,443	548	1,018
AIFM fee paid to PATAC	21	39	60	21	39
Total investment management fees	526	977	1,503	569	1,057

Notes to the Financial Statements (continued)

4. Other administrative expenses	2019	2018
	£'000	£'000
Directors' remuneration – fees as Directors	100	88
Secretarial fees	120	116
Fees payable to auditors		
– fees payable to the Company's auditors for the audit of the annual financial statements †	25	24
Other management expenses	255	248
	500	476

† Includes irrecoverable VAT of £4,000 (2018 – £4,000).

The Company had no employees during the year (2018 – nil). No pension contributions were paid for Directors (2018 – £nil). Further details on Directors' remuneration can be found in the Directors' Remuneration Report on pages 28 and 29.

5. Finance costs of borrowing

	2019			2018		
	Revenue	Capital		Revenue	Capital	
	return	return	Total	return	return	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Bank revolving credit facility	26	47	73	17	33	50

On 12 April 2017 the Company arranged a £20 million two year revolving facility with ING Luxembourg S.A. which expired in April 2019. On 24 April 2019, the Company renewed the facility for a further two years. Under the terms of the facility, the Company can draw down up to £20 million at an interest rate of LIBOR as quoted in the market for the relevant loan period, plus a margin of 0.9%. The facility is unsecured and is subject to covenants which are customary for a credit agreement of this nature. At the year end the Company had not drawn down on the facility.

6. Taxation

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	return	return		return	return	
	£'000	£'000	£'000	£'000	£'000	£'000
Irrecoverable overseas tax	149	–	149	127	–	127

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% (2018 – 19.0%):

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	return	return		return	return	
	£'000	£'000	£'000	£'000	£'000	£'000
Profit on ordinary activities before taxation	7,896	13,074	20,970	7,978	831	8,809
Taxation of return on ordinary activities at the standard rate of corporation tax	1,500	2,484	3,984	1,516	158	1,674
Effects of:						
UK dividend income not liable to further tax	(1,444)	–	(1,444)	(1,485)	–	(1,485)
Overseas dividend income not liable to further tax	(143)	–	(143)	(120)	–	(120)
Capital profits not taxable	–	(2,679)	(2,679)	–	(365)	(365)
Excess management expenses and loan relationships	87	195	282	89	207	296
Overseas withholding tax suffered	149	–	149	127	–	127
Total taxation charge for the year	149	–	149	127	–	127

At 30 September 2019, the Company had surplus management expenses and unutilised non-trade relationship deficits of £12,052,000 (2018 – £10,440,000) with a tax value of £2,049,000 (2018 – £1,775,000) 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.

Notes to the Financial Statements (continued)

7. Dividends on equity shares

	2019 £'000	2018 £'000
Amounts recognised as distributions to equity shareholders in the year:		
Fourth interim dividend for the year ended 30 September 2017 of 0.66p per share	–	1,919
Fourth interim dividend for the year ended 30 September 2018 of 0.685p per share	1,940	–
Three interim dividends for the year ended 30 September 2019 totalling 2.055p (2018 – three interims totalling 1.98p) per share	5,882	5,699
	7,822	7,618

The fourth interim dividend of 0.695p per share, declared on 1 October 2019 and paid on 25 October 2019, has not been included as a liability in these 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.

	2019 £'000	2018 £'000
Three interim dividends for the year ended 30 September 2019 totalling 2.055p (2018 – three interim dividends totalling 1.98p) per share	5,882	5,699
Fourth interim dividend for the year ended 30 September 2019 of 0.695p (2018 – fourth interim dividend 0.685p) per share	2,065	1,940
	7,947	7,639

The dividend per share information is as follows:

	Rate per share	Ex date	Record date	Payment date
First interim dividend	0.685p	3 January 2019	4 January 2019	25 January 2019
Second interim dividend	0.685p	4 April 2019	5 April 2019	26 April 2019
Third interim dividend	0.685p	4 July 2019	5 July 2019	26 July 2019
Fourth interim dividend	0.695p	11 October 2019	12 October 2019	25 October 2019
2018/19	2.75p			
First interim dividend	0.660p	4 January 2018	5 January 2018	26 January 2018
Second interim dividend	0.660p	5 April 2018	6 April 2018	27 April 2018
Third interim dividend	0.660p	5 July 2018	6 July 2018	27 July 2018
Fourth interim dividend	0.685p	11 October 2018	12 October 2018	26 October 2018
2017/18	2.665p			

8. Return and net asset value per share

	2019 £'000	2018 £'000
The returns per share are based on the following figures:		
Revenue return	7,747	7,851
Capital return	13,074	831
Total	20,821	8,682
Weighted average number of Ordinary shares	286,744,223	287,811,840

The net asset value per share is based on net assets attributable to shareholders of £245,461,000 (2018 – £224,058,000) and on 293,979,045 (2018 – 283,489,045) Ordinary shares in issue at the year end.

9. Investments held at fair value through profit or loss

	2019 £'000	2018 £'000
Listed on recognised stock exchanges:		
United Kingdom	209,645	189,975
Overseas	31,356	23,768
Total investments	241,001	213,743

	2019 £'000	2018 £'000
Opening book cost	164,249	160,026
Opening fair value gains on investments held	49,494	56,039
Opening fair value	213,743	216,065
Purchases for cash	37,439	34,061
Sales – proceeds	(24,281)	(38,295)
– net gains on sales	3,377	8,457
Movement in fair value during the year	10,723	(6,545)
Closing fair value	241,001	213,743

Closing book cost	180,784	164,249
Closing fair value gains on investments held	60,217	49,494

Closing fair value	241,001	213,743
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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 9 and 10. The total transaction costs on purchases was £169,000 (2018 – £138,000) and on sales £8,000 (2018 – £25,000).

	2019 £'000	2018 £'000
Gains on investments held at fair value	£'000	£'000
Net gains on sales	3,377	8,457
Movement in fair value in investment holdings	10,723	(6,545)
Realised gain on forward currency contracts	–	149
Movement in loss on forward currency contracts	–	(134)
	14,100	1,927

Notes to the Financial Statements (continued)

10. Called-up share capital

	Ordinary shares of 25p each	
	Number	£'000
Allotted, called up and fully paid		
At 30 September 2019	293,979,045	73,495
Held in treasury	—	—
	293,979,045	73,495
Allotted, called up and fully paid		
At 30 September 2018	283,489,045	70,873
Held in treasury	7,305,000	1,826
	290,794,045	72,699

During the year to 30 September 2019 there were 1,190,000 Ordinary shares of 25p each repurchased by the Company (being 0.4% of the Company's issued share capital at the start of the year), at a total cost of £893,000 and placed in treasury.

During the year to 30 September 2018 there were 9,630,000 Ordinary shares of 25p each repurchased by the Company (being 3.4% of the Company's issued share capital at the start of the year), at a total cost of £6,893,000 and placed in treasury.

During the year to 30 September 2019 the Company re-issued 8,495,000 Ordinary shares of 25p each from treasury for proceeds totalling £6,699,000.

During the year to 30 September 2018 the Company re-issued 2,325,000 Ordinary shares of 25p each from treasury for proceeds totalling £1,228,000.

During the year to 30 September 2019 the Company issued 3,185,000 new Ordinary shares of 25p each for proceeds of £2,631,000.

During the year to 30 September 2018 there were no new Ordinary shares issued by the Company.

No shares were purchased for cancellation during the year (2018 – nil) and at the year end no shares were held in treasury (2018 – 7,305,000 shares).

The costs of the operation of the discount control mechanism of £33,000 (2018: £33,000) have been charged against the premium on shares issued.

11. Share premium account

	2019	2018
	£'000	£'000
At 1 October	23,124	23,149
Premium on issue of shares	2,075	8
Discount control costs (note 10)	(33)	(33)
At 30 September	25,166	23,124

12. Special reserves

	Distributable Capital Reserve	Special Reserve	Total Special Reserves	Total Special Reserves
	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
At 1 October	5,343	52,488	57,831	63,504
Shares bought back during the year into treasury	—	(893)	(893)	(6,893)
Shares issued during the year from treasury	—	6,459	6,459	1,220
At 30 September	5,343	58,054	63,397	57,831

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

	2019	2018
	£'000	£'000
At 1 October	15,007	7,497
Net gains on sales of investments during the year	3,377	8,457
Investment management fee	(977)	(1,057)
Currency losses	(2)	(6)
Finance costs of borrowing	(47)	(33)
Realised gains on forward currency contracts	—	149
At 30 September	17,358	15,007
Investment holdings gains		
At 1 October	49,494	56,173
Investment gains/(losses)	10,723	(6,545)
Loss on forward currency contracts	—	(134)
	60,217	49,494
Total capital reserve	77,575	64,501

14. Revenue reserve

	2019	2018
	£'000	£'000
At 1 October	5,903	5,670
Transfer (from)/to revenue account net of dividends	(75)	233
At 30 September	5,828	5,903

Notes to the Financial Statements (continued)

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 Company entered into forward currency contracts during the year ended 30 September 2018 to manage the exchange risk of holding foreign investments. These matured during the year ended 30 September 2018 and the fair value at 30 September 2019 was £nil (2018: fair value of £nil).

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, bank overdraft and forward currency contracts.

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.

15. Risk management, financial assets and liabilities (continued)

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 (there were no interest bearing financial securities and liabilities at the dates of the Statement of Financial Position):

	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
As at 30 September 2019			
Assets			
Cash	–	–	4,184
Total assets	–	–	4,184

	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
As at 30 September 2018			
Assets			
Cash	–	–	10,343
Total assets	–	–	10,343

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. 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 3 months or less 2019 £'000	Within 3 months or less 2018 £'000
Floating rate		
Cash	4,184	10,343

Notes to the Financial Statements (continued)

15. Risk management, financial assets and liabilities (continued)

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 50 basis points higher or lower and all other variables were held constant, the Company's profit before tax for the year ended 30 September 2019 and net assets would increase/decrease by £21,000 (2018 – increase/decrease by £52,000). 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.

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 2019		30 September 2018	
	Overseas investments	Net monetary assets	Overseas investments	Net monetary assets
	£'000	£'000	£'000	£'000
US Dollar	23,413	–	17,693	–
Swiss Franc	7,944	–	6,075	–
Total	31,357	–	23,768	–

15. Risk management, financial assets and liabilities (continued)

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 2019 would have increased/decreased by £24,100,000 (2018 – increase/decrease of £21,374,000). 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.

Notes to the Financial Statements (continued)

15. Risk management, financial assets and liabilities (continued)

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:

	2019		2018	
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Accrued income and prepayments	810	810	642	642
Cash and short term deposits	4,184	4,184	10,343	10,343
	4,994	4,994	10,985	10,985

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 has in place arrangements which would enable it to augment finance by obtaining short-term credit facilities.

The Company had no outstanding gearing 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:

	2019 £'000	2018 £'000
Called-up share capital	73,495	72,699
Retained earnings and other reserves	171,966	151,359
	245,461	224,058

16. Capital management policies and procedures (continued)

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 no gearing at the year end (2018 – nil).

17. Commitments and contingencies

At 30 September 2019 there were no contingent liabilities in respect of outstanding underwriting commitments or uncalled capital (2018 – £nil).

18. Post Balance Sheet Event

On 22 October 2019, the Board announced that they had reached agreement, in principle, on the terms of a merger with Cameron Investors Trust plc ('CIT') to be effected by way of a scheme of reconstruction of CIT under section 110 of the Insolvency Act 1986, resulting in the voluntary liquidation of CIT and CIT shareholders rolling over their interest in CIT into the Company (the 'Scheme'). At 30 September 2019, the Company had an investment in CIT of £2,652,000.

The Scheme was approved by the CIT shareholders on 8 November 2019 and became effective on 18 November 2019. The Scheme was effected on a NAV for NAV basis and so did not result in any NAV dilution for existing shareholders of the Company. On 18 November 2019, the Company issued 13,647,942 new Ordinary shares in relation to the Scheme and received assets of £13,956,000. Following the cancellation of the Company's own investment in CIT of £2,652,000, the resulting increase in the Company's net assets was £11,304,000.

19. Financial instruments measured at Fair Value

	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss								
Investments	241,001	–	–	241,001	213,743	–	–	213,743
Total	241,001	–	–	241,001	213,743	–	–	213,743

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. The Company's forward currency contract has been included in this level as fair value is achieved using the foreign exchange spot rate and forward points which vary depending on the duration of the contract.

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 2019 (2018 – none).

Notes to the Financial Statements (continued)

20. Notes to the Cash Flow Statement

(a) Reconciliation of operating profit to operating cash flows

	2019	2018
	£'000	£'000
Profit before taxation	20,970	8,809
Add interest payable	73	50
Adjustments for:		
Gains on investments	(14,100)	(1,927)
Currency losses	2	6
(Increase)/decrease in accrued income and prepayments	(168)	4
(Decrease)/increase in trade and other payables	(2)	22
	6,775	6,964

(b) Analysis of changes in net funds

	30 September 2018	Cash flow	Exchange movements	30 September 2019
	£'000	£'000	£'000	£'000
Cash at bank	10,343	(6,157)	(2)	4,184

21. 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 28 and 29.

22. 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, PATAC, 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 2019) are available from PATAC on request.

The Company's maximum and actual leverage levels at 30 September 2019 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	98.2%	100.0%

The Company's investor disclosure document was updated in the year to 30 September 2019 to reflect the revised investment management fee arrangements. The revised 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.

	2019	2018
Opening NAV per share	79.04p	78.64p
Increase in NAV per share	4.46p	0.40p
Closing NAV per share	83.50p	79.04p
% increase in NAV	5.6%	0.5%
Impact of reinvested dividends	4.1%	3.8%
NAV total return	9.7%	4.3%

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.

	2019	2018
Opening share price	78.30p	77.50p
Increase in share price	6.10p	0.80p
Closing NAV share price	84.40p	78.30p
% increase in share price	7.8%	1.0%
Impact of reinvested dividends	3.9%	3.5%
Share price total return	11.7%	4.5%

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.

		2019	2018
NAV per share	a	83.50p	79.04p
Share price	b	84.40p	78.30p
Premium/(Discount)	c $c=(b-a)/a$	1.1%	(0.9%)

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.

	2019	2018
	£'000	£'000
Management fee	1,503	1,626
Other operating expenses	500	476
Discount control costs	33	33
Total operating costs	2,036	2,135
Average net assets	223,194	223,194
Ongoing charges ratio	0.91%	0.96%

Alternative Performance Measures (continued)

Dividend Yield

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

		2019	2018
Dividend per share	a	2.75p	2.665p
Share price	b	84.40p	78.30p
Dividend yield	c c=a/b	3.3%	3.4%

Dividend Cover

Earnings per share divided by dividends per share.

		2019	2018
Earnings per share	a	2.70p	2.73p
Dividends per share	b	2.75p	2.67p
Dividend cover	c c=a/b	0.98%	1.02%

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. The benchmark used in these Financial Statements is the FTSE All-Share Index, a recognised and respected index, which measures the performance of approximately 642 of the largest quoted UK companies, comprising 98% of the UK's market capitalisation.

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue available for ordinary dividends (£'000)	2,104	2,220	3,245	5,194	5,308	6,039	6,962	8,325	7,851	7,747
Per share										
Net revenue return (p)	1.80	1.95	2.16	2.21	2.25	2.42	2.59	2.90	2.73	2.70
Net dividends paid/proposed (p)	1.80	1.92	2.03	2.13	2.23	2.33	2.43	2.56	2.67	2.75
Total return (p)	5.74	3.63	7.04	6.66	6.00	6.94	9.96	4.77	3.02	7.26
As at 30 September										
Net asset value per share (p)	48.06	50.00	55.18	60.22	64.05	68.87	76.41	78.64	79.04	83.50
Shareholders' funds (£m)	53.81	63.23	124.53	145.78	153.39	178.25	215.46	228.69	224.06	245.46

Cumulative Performance

(% of 30 September 2009 value)

As at 30 September	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NAV	100.0	108.9	113.2	125.9	136.5	145.2	156.2	173.3	177.7	179.0	189.5
Share price performance	100.0	113.7	118.2	133.3	144.0	153.0	165.2	183.3	184.5	186.4	201.0
Benchmark performance	100.0	108.8	100.7	113.8	130.7	134.1	126.6	142.5	153.7	156.7	154.2
NAV total return†	100.0	114.8	123.7	144.0	160.7	177.1	197.1	226.3	239.7	249.9	274.1
Share price total return†	100.0	119.2	128.5	151.6	168.5	185.3	207.0	237.6	247.0	258.2	288.4
FTSE All-Share Index total return†	100.0	112.5	107.6	126.1	150.0	159.1	155.5	181.6	203.3	215.3	221.0

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting of the Members of Troy Income & Growth Trust plc (the 'Company') will be held at the offices of Dickson Minto W.S., 16 Charlotte Square, Edinburgh EH2 4DF on 20 January 2020 at 11.00 am 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 auditor and the audited financial statements for the year to 30 September 2019.
2. To approve the Directors' Remuneration Policy for the three year period to 30 September 2022.
3. To approve the Directors' Remuneration Report for the year to 30 September 2019.
4. To approve the dividend policy of the Company as set out in the Annual Report.
5. To re-elect Mr D. Warnock as a Director of the Company.
6. To re-elect Ms J. Brown as a Director of the Company.
7. To re-elect Mr R. White as a Director of the Company.
8. To re-elect Mr D. Garman as a Director of the Company.
9. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
10. To authorise the Directors to determine the remuneration of the auditors of the Company.
11. 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 £26,488,000, such authority to expire on 31 March 2021 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:

12. That, subject to the passing of resolution 11 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 11 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 2021 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 £7,946,400.

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 11 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 11 in the notice of meeting" were omitted.

Notice of Annual General Meeting (continued)

13. That, in addition to the authority granted in resolution 12 and subject to the passing of resolution 11 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 11 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 2021 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 in connection with the Company’s discount control mechanism up to an aggregate nominal amount of £7,946,400.

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 11 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 11 in the notice of meeting” were omitted.

14. 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 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution (excluding treasury shares). If this resolution had been passed at the date of this notice, the maximum aggregate number of shares would be 47,646,762, but will increase or decrease relative to changes in the shares in issue between the date of this Notice and the Annual General Meeting;
- (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 2021 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.

15. 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

PATAC Limited

Secretary

Registered Office

10 St Colme Street Edinburgh EH3 6AA

22 November 2019

NOTES

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 6.30pm on 16 January 2020 (or, in the event that the Meeting is adjourned, at 6.30pm 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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 (i) and (ii) above do not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.
- (x) 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.
- (xi) As at close of business on 22 November 2019 (being the latest practicable date prior to publication of this document), the Company's issued share capital (excluding treasury shares) comprised 317,856,987 Ordinary shares of 25p each. The total number of voting rights in the Company as at 22 November 2019 is 317,856,987.

Notice of Annual General Meeting (continued)

- (xii) 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.
- (xiii) 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.
- (xiv) 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 Auditor's 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, 10 St Colme Street, Edinburgh EH3 6AA.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) There are special arrangements for holders of shares through the Equiniti Investment Account and Equiniti Shareview Dealing ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

Corporate Information

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)
Telephone: 0131 558 1400

Registered Office

10 St Colme Street
Edinburgh EH3 6AA

Alternative Investment Fund Manager

PATAC Limited

Independent Auditors

PricewaterhouseCoopers LLP

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

