

# TROY

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INCOME & GROWTH TRUST PLC

Half Yearly Report  
Six months to 31 March 2023

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\* Inside Back Cover

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## FINANCIAL CALENDAR

28 July 2023	Third interim dividend 2022/2023 payable to shareholders
31 October 2023	Fourth interim dividend 2022/2023 payable to shareholders
November 2023	Announcement of Annual Results for the year ending 30 September 2023
December 2023	Annual Report posted to shareholders
January 2024	Annual General Meeting
May 2024	Announcement of unaudited interim results for the six months ending 31 March 2024
May 2024	Half Yearly Report posted to shareholders

# INVESTMENT OBJECTIVE

The Company's investment objective is to achieve rising income and long-term capital growth through investment in a portfolio of predominantly UK equities.

## FINANCIAL HIGHLIGHTS

	31 March 2023	30 September 2022	change
Equity shareholders' funds	£186,264,000	£193,315,000	(3.6)%
Net asset value per share	72.05p	68.48p	5.2%
Share price (mid-market)	70.60p	67.00p	5.4%
Discount to net asset value	(2.0)%	(2.2)%	

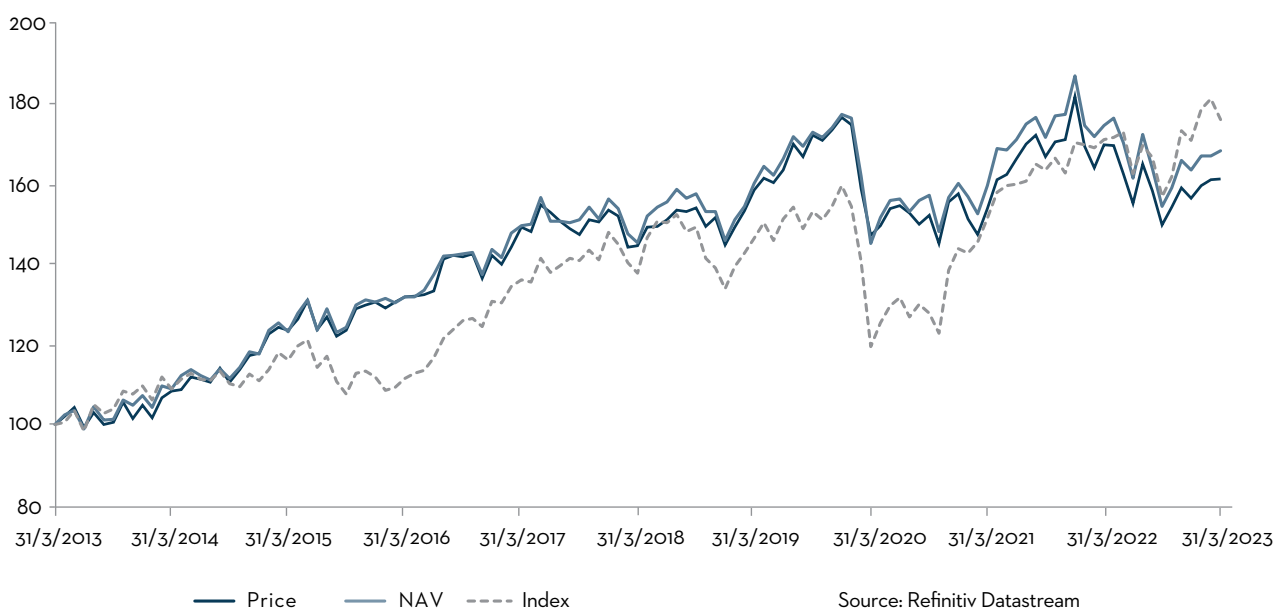
### Total Return\* (for the periods to 31 March 2023)

	Six Months	One Year	Three Years	Five Years	Ten Years
Share price	7.7%	(5.0)%	9.5%	11.5%	61.1%
Net asset value per share	8.9%	(3.6)%	16.0%	15.8%	68.1%
FTSE All-Share Index	12.3%	2.9%	47.4%	27.9%	75.9%

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

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

Ten years to 31 March 2023 (rebased to 100 at 31 March 2013)



# INTERIM BOARD REPORT

## Introduction

I am pleased to have joined Troy Income and Growth Trust plc ('the Company') as a non-executive Director and Chair. On behalf of myself and the rest of the Board, I would like to thank my predecessor, David Warnock, for his committed stewardship of the Company.

The Company has a clear proposition. It is a UK equity investment trust that invests in high-quality, predominantly UK-listed companies, capable of providing dividend growth every year. The Company aims to offer its Shareholders progressive annual dividend growth and good total returns with lower share price volatility than the FTSE All Share Index. Uniquely in the AIC UK Equity Income sector, it also offers Shareholders the ability to purchase and sell shares in the Company whenever they want at close to net asset value due to the implementation of a strict discount control mechanism.

## Company Aims

Since my arrival, the Board has focused on setting clearer objectives for the Company and has spent a full day's working session with the Managers to gain their input. We have agreed the Company will aim to provide the following:

- **Share price total return above the FTSE All Share Index over a 5-year period**

Recent performance has fallen short of this target, with the portfolio lagging the wider market return. Calendar year 2022 in particular was a challenging period, with the rapid rise in interest rates and inflation leading to significant polarisation within equity markets. Sectors typically eschewed by the Managers for their cyclical nature and capital intensity, particularly Energy and Mining, performed very strongly. Concurrently, many highly profitable and growth-oriented companies held in the portfolio suffered share price declines. The Managers see a considerably more balanced market today, with the environment well-suited to the Company's quality, dividend growth focused approach. Recent results and dividends reported by holdings provide reassurance on the strength of the portfolio and the outlook for returns in a variety of market scenarios.

- **Dividend growth of 4% per annum for Shareholders**

Having paid a dividend of 0.5p for the first quarter of the financial year, the Company paid 0.51p in the second quarter. This represents growth of c.4% on last year's second quarter dividend. It is the Board's intention going forward to target annual dividend growth of 4%, market conditions permitting.

Over recent years, the Company's portfolio has evolved. The Managers have prioritised companies able to deliver progressive dividend growth and sold out of companies with higher yields that lack the potential for long term

dividend growth. It is encouraging for the Board to see income growth from the portfolio feeding through to revenues. Given the Managers' confidence in the robustness of the portfolio's dividends, and the Company's strong revenue reserves, the Board has decided to increase the rate of dividend growth for the Company.

- **Share price volatility lower than the FTSE All Share Index**

The Managers emphasise high-quality, resilient, dividend-paying businesses that should drive consistent returns, avoiding the worst of market volatility. In particular, they believe a portfolio suffering fewer and less destructive drawdowns will be in a better position to compound returns over the long run. The Company has consistently fared better than the FTSE All-Share Index during market sell-offs and has continued to provide a return with lower share price volatility. The discount control mechanism has played an important role in this, ensuring the Company's share price remains closely aligned with net asset value.

The Board will closely monitor the Company's progress against these aims and will report on this in the annual report and accounts.

## Performance

The Company delivered a Net Asset Value ('NAV') per share total return of +8.9% and a share price total return of +7.7% over the six months to 31 March 2023. Over the same period, the FTSE All Share Index produced a total return of +12.3%. The average NAV total return for the AIC UK Equity Income sector was +12.6% for the same period. Looking back over time, it has not been unusual for the Company to lag the index and peers in periods of particularly strong markets. The two most significant drags were the Company's holdings in large, low cyclical Consumer Staples companies, and sterling's strong appreciation against the dollar impacting the Company's US-listed holdings.

There was strong performance from a range of large, stable holdings within the portfolio over the six-month period. RELX, Unilever, National Grid, Compass and AstraZeneca contributed most strongly to returns. Other areas of strength came from UK domestically focused businesses such as Next and Domino's Pizza, as these stocks recovered from the dislocation caused by the UK's September 2022 mini-budget. Another notable theme across markets over the period related to China's re-opening following over two years of strict COVID lockdowns. This was most obviously manifested within the portfolio by the sharp rise in the share price of InterContinental Hotels Group, a company with a strong exposure to Chinese travel. Across the broader index, commodity producers, which the Company does not hold, were also beneficiaries of this trend.

## Background

The market continued to digest the impact of high inflation and higher interest rates over the six-month period. UK inflation (CPI growth) hit 11.1% in October 2022, the highest level since the 1970's. Whilst it is likely that this reading represented peak inflation for this current cycle, the path for inflation returning to the Bank of England's ('BOE') 2% target is highly uncertain. In response to such readings, the BOE continued to hike interest rates. On the 23 March 2023, the UK base rate was raised for the eleventh consecutive time to 4.25%, having been as low as 0.1% in December 2021.

The magnitude and speed of interest rate rises in response to inflation is having acute and unpredictable impacts on the market. In September 2022, we witnessed a crisis in UK pensions. More recently, in March 2023, significant stress emerged in the US regional banking system. This resulted in Silicon Valley Bank's collapse, in what was the first major US bank run since the global financial crisis. Other banks across the world, including Credit Suisse, suffered varying degrees of contagion and whilst there has been limited direct read across so far to the UK banks, these events provided a reminder as to the risks associated with highly levered business models.

The Managers have chosen not to invest in banks, due to the leverage and cyclicity inherent in their business models. Instead, they seek to invest in resilient, high-quality dividend growth companies that have relatively lower levels of share price volatility.

## Portfolio

Large, high-quality, low cyclicity businesses continue to make up the core of the portfolio. Some of the Company's largest allocations include a c.30% weighting to Consumer Staples (e.g. Unilever, Diageo and Reckitt), c.20% to non-discretionary B2B-focused businesses (e.g. Compass Group, RELX and Bunzl) and c.10% to the relatively non-cyclical Healthcare sector (e.g. AstraZeneca and GSK).

Over the period, the Managers took advantage of market volatility to make new investments in London Stock Exchange Group, Sage, Smiths Group, Imperial Brands and Howden Joinery. All five are resilient, leading companies in their respective industries and have strong balance sheets and well-covered, growing dividends.

The Managers exited positions in Haleon, Halma and Aveva Group. Aveva was subject to a bid by its majority shareholder Schneider Electric, following which the position was sold. Haleon and Halma were sold on valuation and dividend yield grounds.

While the team follow a long-term, low turnover strategy, they will continue to seek to improve the growth of capital values and dividends within the portfolio.

## Discount Control Mechanism

The discount control mechanism ('DCM') is one way in which the Company sets itself apart from other trusts in the sector. The DCM materially improves the liquidity of the Company's shares and ensures Shareholders can purchase and sell shares in the Company at a price that closely reflects the NAV. This is particularly important during times of market stress, where it is not uncommon for other trusts to trade at a material discount to their NAV's.

The Company has operated the DCM since Troy became the Company's Manager in 2009 and it continues to be a key aspect of the Company's proposition.

## Dividends

The Board announced in March that the Company would pay a second interim dividend of 0.51p per share (2022 - 0.49p). This represents a step up in the rate of the Company's dividend growth to c.4% compared the prior year's second interim. Absent any unforeseen circumstances, it is the Board's objective to maintain this rate of dividend growth going forward.

This increase in the dividend signals the Managers' confidence in the underlying portfolio and the Board's strong desire to deliver dividend growth to Shareholders. The Company's dividend growth can be expected to be sustainable through a wide variety of market environments, with the current annual dividend covered by almost 11 months of revenue reserves.

Recent corporate results continue to demonstrate strong dividend growth from some significant portfolio holdings. Highlights included +10% growth in the final dividends from RELX and InterContinental Hotels Group, +8% from Croda and LSE Group, and +11% from Bunzl.

## Outlook

The Managers believe that the lagged impact of higher interest rates and high inflation will continue to affect companies, consumers, and certain parts of the financial system. March brought significant volatility to markets, with pockets of stress emerging in the US and European banking systems. Regulators have acted fast to avoid contagion, but after more than a decade of low rates, the Managers are braced for further speed bumps, as well as possible recessions in Europe and the US.

# INTERIM BOARD REPORT

The Board is confident that the companies held in the portfolio are resilient and adaptable. Over recent months, the Managers have digested encouraging results from a range of the Company's businesses. Strong operations are feeding through to strong dividend growth from several core holdings; 10% growth in RELX's latest dividend, 9% from Reckitt, 8% from Croda, and 10% from Bunzl – the latter marking 30 years of unbroken growth at a 10% compound annual rate. These are reassuring signals by management teams on the outlook for their businesses. All of these businesses have proven to be reliable, long-term income payers over many years, and are typical of the companies preferred by the Managers. The Board believes that the consistent, compounding dividend returns possible from such businesses support a robust outlook for total returns from your Company.

**Bridget Guerin**

Chairman

3 May 2023

## Principal Risks and Uncertainties

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

An explanation of these principal risks and how they are managed is contained in the Strategic Report within the Annual Report and Accounts for the year ended 30 September 2022.

The Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and no material changes are foreseen over the remainder of the year.

## Going Concern

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

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

Based on their assessment and considerations, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

## Directors' Responsibility Statement

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

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

The half yearly financial report for the six months to 31 March 2023 comprises the Interim Board Report, the Directors' Responsibility Statement and a condensed set of financial statements.

For and on behalf of the Board

**Bridget Guerin**

Chairman

3 May 2023

# INVESTMENT PORTFOLIO

As at 31 March 2023

	Valuation £'000	Total Portfolio %
<b>Ordinary shares</b>		
Unilever	14,310	7.6
Diageo	14,229	7.5
Relx	13,959	7.4
Reckitt Benckiser	12,152	6.4
Compass Group	7,498	4.0
GSK	7,385	3.9
Bunzl	6,393	3.4
Experian	6,239	3.3
National Grid	5,999	3.2
Nestle	5,724	3.0
<b>Ten largest investments</b>	<b>93,888</b>	<b>49.7</b>
Paychex	5,237	2.8
CME Group	5,175	2.7
British American Tobacco	5,148	2.7
St. James' Place	4,950	2.6
Croda International	4,850	2.6
Proctor & Gamble	4,559	2.4
InterContinental Hotels Group	4,395	2.3
Astrazeneca	4,302	2.3
Diploma	4,212	2.2
Domino's Pizza Group	3,547	1.9
<b>Twenty largest investments</b>	<b>140,263</b>	<b>74.2</b>
Admiral Group	3,544	1.9
Next	3,367	1.8
Medtronic	3,283	1.7
Roche Holdings	3,264	1.7
Intertek Group	3,201	1.7
London Stock Exchange	2,986	1.6
Schroders	2,845	1.5
Londonmetric Property	2,748	1.4
AJ Bell	2,502	1.3
Sage Group	2,392	1.3
<b>Thirty largest investments</b>	<b>170,395</b>	<b>90.1</b>



	Valuation £'000	Total Portfolio %
International Public Partnerships	2,206	1.2
Smiths Group	2,087	1.1
Fevertree Drinks	2,038	1.1
Imperial Brands	1,789	0.9
IntegraFin Holdings	1,758	0.9
Victrex	1,683	0.9
3i Infrastructure	1,586	0.8
Big Yellow Group	1,519	0.8
Primary Health Properties	1,374	0.7
Assura	1,351	0.7
Forty largest investments	<b>187,786</b>	<b>99.2</b>
Safestore Holdings	1,022	0.5
Howden Joinery Group	620	0.3
<b>Total Investments</b>	<b>189,428</b>	<b>100.0</b>

# PORTFOLIO ANALYSIS

## Distribution of Assets and Liabilities

As at 31 March 2023

	Valuation at 30 September 2022		Purchases	Sales	Increase/ (decrease)	Valuation at 31 March 2023	
	£'000	%	£'000	£'000	£'000	£'000	%
Listed investments							
Ordinary shares	194,448	100.6	21,819	(39,176)	12,337	189,428	101.7
Current assets	9,265	4.8				4,428	2.4
Current liabilities	(10,398)	(5.4)				(7,592)	(4.1)
Net assets	<b>193,315</b>	<b>100.0</b>				<b>186,264</b>	<b>100.0</b>
Net asset value per share	<b>68.48p</b>					<b>72.05p</b>	

## Analysis of Listed Equity Portfolio

### By sector (excluding cash)

	As at 31 March 2023 %	As at 30 September 2022 %
Consumer Staples	31.6	33.1
Industrials	19.1	17.5
Financials	12.5	10.0
Consumer Discretionary	10.3	9.1
Health Care	9.6	9.9
Real Estate	4.2	5.2
Information Technology	4.0	5.9
Materials	3.5	4.1
Utilities	3.2	2.9
Other	2.0	2.3
	<b>100.0</b>	<b>100.0</b>

### By region (excluding cash)

	As at 31 March 2023 %	As at 30 September 2022 %
United Kingdom	85.6	85.9
United States	9.6	11.8
Switzerland	4.8	2.3
	<b>100.0</b>	<b>100.0</b>

### By asset class (including cash and borrowings)

	As at 31 March 2023 %	As at 30 September 2022 %
Equities	101.1	100.2
Cash	1.6	2.4
Borrowings	(2.7)	(2.6)
	<b>100.0</b>	<b>100.0</b>

# STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 March 2023 (unaudited)			Six months ended 31 March 2022 (unaudited)			Year ended 30 September 2022 (audited)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Capital</b>										
Gains/(losses) on investments held at fair value		—	12,337	12,337	—	882	882	—	(25,889)	(25,889)
Net foreign currency gains		—	18	18	—	21	21	—	52	52
<b>Revenue</b>										
Income from listed investments	2	2,500	—	2,500	2,601	—	2,601	6,666	—	6,666
Other income	2	7	—	7	—	—	—	—	—	—
		2,507	12,355	14,862	2,601	903	3,504	6,666	(25,837)	(19,171)
<b>Expenses</b>										
Investment management fees		(187)	(347)	(534)	(258)	(479)	(737)	(465)	(864)	(1,329)
Other administrative expenses		(324)	—	(324)	(351)	—	(351)	(686)	—	(686)
Finance costs of borrowing		(50)	(93)	(143)	—	—	—	(19)	(35)	(54)
Profit/(loss) before taxation		1,946	11,915	13,861	1,992	424	2,416	5,496	(26,736)	(21,240)
Taxation	3	(74)	—	(74)	(58)	—	(58)	(109)	—	(109)
Total comprehensive income/(expense)		1,872	11,915	13,787	1,934	424	2,358	5,387	(26,736)	(21,349)
Earnings per Ordinary share (pence)	5	0.68	4.35	5.03	0.61	0.14	0.75	1.77	(8.80)	(7.03)

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with UK-adopted international accounting standards.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

No operations were acquired or discontinued during the period.

# STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2023 (unaudited) £'000	As at 31 March 2022 (unaudited) £'000	As at 30 September 2022 (audited) £'000
Non-current assets				
Investments in ordinary shares	6	189,428	229,141	194,448
Investments held at fair value through profit or loss		189,428	229,141	194,448
Current assets				
Accrued income and prepayments		850	878	890
Trade and other receivables		551	36	3,665
Cash and cash equivalents		3,027	5,388	4,710
Total current assets		4,428	6,302	9,265
Total assets		193,856	235,443	203,713
Current liabilities				
Bank loan		(5,000)	—	(5,000)
Trade and other payables		(2,592)	(940)	(5,398)
Total current liabilities		(7,592)	(940)	(10,398)
Net assets		186,264	234,503	193,315
Issued capital and reserves attributable to equity holders				
Called-up share capital	7	86,878	86,878	86,878
Share premium account		53,817	53,882	53,851
Special reserves		—	25,542	9,684
Capital reserve – unrealised		25,317	51,377	18,854
Capital reserve – realised		15,595	11,899	17,152
Revenue reserve		4,657	4,925	6,896
Total equity		186,264	234,503	193,315
Net asset value per Ordinary share (pence)	5	72.05	77.53	68.48

# STATEMENT OF CHANGES IN EQUITY

Six months ended 31 March 2023 (unaudited)	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve - unrealised £'000	Capital reserve - realised £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2022	86,878	53,851	9,684	18,854	17,152	6,896	193,315
Profit and total comprehensive income for the period	—	—	—	6,463	5,452	1,872	13,787
Equity dividends	—	—	—	—	—	(4,111)	(4,111)
Shares bought back into treasury	—	—	(16,693)	—	—	—	(16,693)
Discount control costs	—	(34)	—	—	—	—	(34)
Transfer from capital reserves	—	—	7,009	—	(7,009)	—	—
<b>Balance at 31 March 2023</b>	<b>86,878</b>	<b>53,817</b>	<b>—</b>	<b>25,317</b>	<b>15,595</b>	<b>4,657</b>	<b>186,264</b>

Six months ended 31 March 2022 (unaudited)	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve - unrealised £'000	Capital reserve - realised £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2021	86,878	53,909	38,890	54,428	8,424	6,092	248,621
(Loss)/profit and total comprehensive income for the period	—	—	—	(3,051)	3,475	1,934	2,358
Equity dividends	—	—	—	—	—	(3,101)	(3,101)
Shares bought back into treasury	—	—	(13,348)	—	—	—	(13,348)
Discount control costs	—	(27)	—	—	—	—	(27)
Balance at 31 March 2022	86,878	53,882	24,542	51,377	11,899	4,925	234,503

Year ended 30 September 2022 (audited)	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve - unrealised £'000	Capital reserve - realised £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2021	86,878	53,909	38,890	54,428	8,424	6,092	248,621
(Loss)/profit and total comprehensive income for the year	—	—	—	(35,574)	8,838	5,387	(21,349)
Equity dividends	—	—	(1,444)	—	—	(4,583)	(6,027)
Shares bought back into treasury	—	—	(27,872)	—	—	—	(27,872)
Discount control costs	—	(58)	—	—	—	—	(58)
Transfer from capital reserves	—	—	110	—	(110)	—	—
Balance at 30 September 2022	86,878	53,851	9,684	18,854	17,152	6,896	193,315

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

# CASH FLOW STATEMENT

	Six months ended 31 March 2023 (unaudited) £'000	Six months ended 31 March 2022 (unaudited) £'000	Year ended 30 September 2022 (audited) £'000
Cash flows from operating activities			
Investment income received	2,570	2,700	6,876
Administrative expenses paid	(872)	(1,182)	(2,140)
Cash generated from operations	1,698	1,518	4,736
Finance costs paid	(116)	—	(60)
Taxation	(106)	(58)	(179)
Net cash inflows from operating activities	1,476	1,460	4,497
Cash flows from investing activities			
Purchases of investments	(23,280)	(14,677)	(51,123)
Sales of investments	42,290	30,960	73,668
Capital distributions received from investee companies	—	—	113
Net cash inflows from investing activities	19,010	16,283	22,658
Net cash inflows before financing	20,486	17,743	27,155
Cash flows from financing activities			
Proceeds from loan	—	—	5,000
Cost of share buy backs	(19,365)	(13,199)	(25,365)
Dividends paid	(2,791)	(3,101)	(6,027)
Discount control costs	(31)	(27)	(56)
Net cash outflows from financing activities	(22,187)	(16,327)	(26,448)
Net (decrease)/increase in cash and cash equivalents	(1,701)	1,416	707
Cash and cash equivalents at the start of the period	4,710	3,951	3,951
Effect of foreign exchange rate changes	18	21	52
Cash and cash equivalents at the end of the period	3,027	5,388	4,710
Reconciliation of operating profit/(loss) to operating cash flows			
Profit/(loss) before taxation	13,861	2,416	(21,240)
Add interest payable	143	—	54
Adjustments for:			
(Gains)/losses on investments	(12,337)	(882)	25,889
Currency gains	(18)	(21)	(52)
Decrease in accrued income and prepayments	62	89	200
Decrease in trade and other payables	(13)	(84)	(115)
Cash generated from operations	1,698	1,518	4,736

# NOTES TO THE ACCOUNTS

## 1. Accounting policies

### (a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 - 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 30 September 2022 financial statements.

### (b) Dividends payable

Dividends are recognised on the ex-dividend date.

## 2. Income

	Six months ended 31 March 2023 £'000	Six months ended 31 March 2022 £'000	Year ended 30 September 2022 £'000
Income from listed investments			
UK dividend income	1,950	2,221	5,783
Overseas dividend income	550	380	883
	2,500	2,601	6,666
Other income from investment activity			
Deposit interest	7	—	—
Total income	2,507	2,601	6,666

## 3. Taxation

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

## 4. Revenue and Dividends

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

	Six months ended 31 March 2023* £'000	Six months ended 31 March 2022† £'000	Year ended 30 September 2022†† £'000
Revenue	1,872	1,934	5,387
Dividends declared and payable from revenue	(2,700)	(3,017)	(4,430)
	(828)	(1,083)	957

\* Dividends declared relate to the first two interim dividends (of 0.50p and 0.51p) declared in respect of the financial year 2022/2023.

† Dividends declared relate to the first two interim dividends (both 0.49p) declared in respect of the financial year 2021/2022.

†† Dividends declared relate to the first, second and fourth interim dividends declared in respect of the financial year 2021/2022 totalling 1.48p and paid from revenue. The third interim dividend of 0.49p was paid from the distributable capital reserve.

# NOTES TO THE ACCOUNTS

## 5. Return and net asset value per share

	Six months ended 31 March 2023 p	Six months ended 31 March 2022 p	Year ended 30 September 2022 p
Revenue return	0.68	0.61	1.77
Capital return	4.35	0.14	(8.80)
Total return	5.03	0.75	(7.03)

The figures above are based on the following:

	£'000	£'000	£'000
Revenue return	1,872	1,934	5,387
Capital return	11,915	424	(26,736)
Total return	13,787	2,358	(21,349)
Weighted average number of Ordinary shares in issue	273,794,251	313,192,468	303,874,343

The net asset value per share is based on net assets attributable to shareholders of £186,264,000 (31 March 2022 – £234,503,000; 30 September 2022 – £193,315,000) and on 258,507,487 (31 March 2022 – 302,462,487; 30 September 2022 – 282,284,487) Ordinary shares in issue at the period end.

## 6. Financial instruments

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2023 Total £'000
Financial assets at fair value through profit or loss as at 31 March 2023				
Investments	189,428	—	—	189,428

In accordance with International Financial Reporting Standards, investments are classified using the fair value hierarchy:

Level 1 reflects financial instruments quoted in an active market.

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

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

There were no transfers of investments between levels during the six months ended 31 March 2023.

The fair value of the Company's financial assets and liabilities as at 31 March 2023 was not materially different from the carrying value.



## 7. Ordinary share capital

	As at 31 March 2023 (unaudited) No. of shares	As at 31 March 2022 (unaudited) No. of shares	As at 30 September 2022 (audited) No. of shares
Ordinary shares of 25p each			
Allotted, called-up and fully paid	258,507,487	302,462,487	282,284,487
Held in treasury	89,004,500	45,049,500	65,227,500
	347,511,987	347,511,987	347,511,987

During the six months to 31 March 2023, the six months to 31 March 2022 and the year to 30 September 2022, the Company did not issue any new shares and no shares were re-issued from treasury.

During the six months to 31 March 2023 23,777,000 shares were repurchased by the Company at a total cost of £16,693,000 and placed in treasury. During the six months to 31 March 2022 17,426,500 shares were repurchased by the Company at a total cost of £13,348,000 and placed in treasury. During the year to 30 September 2022 37,604,500 shares were repurchased by the Company at a total cost of £27,872,000 and placed in treasury.

During the six months to 31 March 2023, the six months to 31 March 2022 and the year to 30 September 2022, no Ordinary shares were purchased for cancellation.

## 8. Transaction costs

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

	Six months ended 31 March 2023 £'000	Six months ended 31 March 2022 £'000	Year ended 30 September 2022 £'000
Purchases	92	70	243
Sales	14	11	29
	106	81	272

# NOTES TO THE ACCOUNTS

## 9. Publication of non-statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Sections 434-436 of the Companies Act 2006. The financial information for the six months ended 31 March 2023 and 31 March 2022 has not been audited.

The information for the year ended 30 September 2022 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

## 10. Approval

This Half Yearly Financial Report was approved by the Board on 3 May 2023.

# CORPORATE INFORMATION

## Directors

Bridget Guerin  
Brigid Sutcliffe  
David Garman  
Roger White

## Manager

Troy Asset Management Limited  
33 Davies Street  
London W1K 4BP  
[www.taml.co.uk](http://www.taml.co.uk)

## Secretary

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

## Registered Office

28 Walker Street  
Edinburgh EH3 7HR

## Alternative Investment Fund Manager

Juniper Partners Limited

## Auditors

PricewaterhouseCoopers LLP

## Solicitors

Dickson Minto W.S.

## Bankers & Custodian

J.P. Morgan Chase Bank N.A

## Depository

J.P. Morgan Europe Limited

## Corporate Broker

Numis Securities Limited

## Company Registration Number

111955 (Scotland)

## Regulatory Status

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

## Registrars and Transfer Office

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
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Lines are open 8.30 am to 5.30 pm Monday to Friday excluding public holidays in England and Wales.

## Website

[www.tigt.co.uk](http://www.tigt.co.uk)

## Data Protection

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

## Legal Notice

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