

**TROY INCOME & GROWTH TRUST PLC**

**Company Number SC111955**

**Unaudited Interim Accounts for the period  
1 October 2012 to 30 June 2013**

**Prepared under Section 838  
Companies Act 2006**

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## **TROY INCOME & GROWTH TRUST PLC**

### **Statement of Directors' Responsibilities in respect of the interim accounts**

Company Law requires the Directors to prepare interim accounts prior to making any distribution where the distribution would be found to contravene the relevant section of the Companies Act if reference were made only to the Company's last annual accounts. These accounts are required to be properly prepared under s838 Companies Act 2006 and must consist of:

A balance sheet which gives a true and fair view of the state of the Company's affairs as at the balance sheet date; and

A profit and loss account which gives a true and fair view of the Company's profit or loss for the period. This requirement is met by the presentation of the total column in the Income Statement.

In preparing these accounts the Directors are required to:

Select suitable accounting policies and apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim accounts; and

Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The Directors are responsible for ensuring that proper accounting records are maintained, which enable them to ensure that the interim accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and, therefore, for taking reasonable steps for the prevention and detection of fraud and other irregularities. The accounts have been prepared on a going concern basis.

# TROY INCOME & GROWTH TRUST PLC

## Income Statement

	Notes	Period 1.10.12 to 30.06.13			Year ended 30.09.12		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit on investments held at fair value	7	-	9,162	9,162	-	7,765	7,765
Currency losses		-	(1)	(1)	-	(8)	(8)
REVENUE							
Income	2	4,583	-	4,583	3,885	-	3,885
Other income	2	1	-	1	1	-	1
		<u>4,584</u>	<u>9,161</u>	<u>13,745</u>	<u>3,886</u>	<u>7,757</u>	<u>11,643</u>
EXPENSES							
Investment management fee	3	(268)	(498)	(766)	(217)	(403)	(620)
Other administrative expenses	4	(312)	-	(312)	(364)	-	(364)
Finance cost of borrowings	5	-	-	-	(5)	(10)	(15)
		<u>(580)</u>	<u>(498)</u>	<u>(1,078)</u>	<u>(586)</u>	<u>(413)</u>	<u>(999)</u>
PROFIT BEFORE TAX		4,004	8,663	12,667	3,300	7,344	10,644
Taxation	6	(74)	-	(74)	(55)	-	(55)
PROFIT FOR THE PERIOD		<u>3,930</u>	<u>8,663</u>	<u>12,593</u>	<u>3,245</u>	<u>7,344</u>	<u>10,589</u>

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ('IFRS').

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

The Company does not have any income or expenses that are not included in the profit for the period, and therefore the 'profit for the period' is also the 'total comprehensive income for the period' as defined in International Accounting Standard 1 (revised).

All items in the above statement derive from continuing operations.

All income and losses are attributable to the equity holders of the company.

No operations were acquired or discontinued in the period.

The accompanying notes are an integral part of this statement.

# TROY INCOME & GROWTH TRUST PLC

## Balance Sheet

	Notes	As at 30.06.13 £'000	£'000	As at 30.09.12 £'000	£'000
NON-CURRENT ASSETS					
Listed investments	7		<u>138,718</u>		<u>118,440</u>
CURRENT ASSETS					
Accrued income & prepayments		997		608	
Other debtors		-		41	
Cash and cash equivalents		<u>3,774</u>		<u>6,596</u>	
			<u>4,771</u>		<u>7,245</u>
TOTAL ASSETS			<u>143,489</u>		<u>125,685</u>
CURRENT LIABILITIES					
Trade and other payables		(450)		(428)	
Dividends payable		<u>-</u>		<u>(732)</u>	
TOTAL LIABILITIES			<u>(450)</u>		<u>(1,160)</u>
NET ASSETS			<u>143,039</u>		<u>124,525</u>
ISSUED CAPITAL AND RESERVES					
Called-up share capital	8		60,131		56,421
Share premium account	9		35,885		30,941
Special reserve	10		58,163		58,163
Capital reserve	11		(14,708)		(23,371)
Revenue reserve	13		<u>3,568</u>		<u>2,371</u>
EQUITY SHAREHOLDERS' FUNDS			<u>143,039</u>		<u>124,525</u>

Approved by the Board on 16 July 2013 and signed on behalf of the Board by:

  
J M Brown, Director

The accompanying notes are an integral part of this balance sheet.

# TROY INCOME & GROWTH TRUST PLC

## Notes to the Financial Statements Period from 1 October 2012 to 30 June 2013

### 1 ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting policies set out in the statutory accounts of the Company for the year ended 30 September 2012. The financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 September 2012, which were prepared under full IFRS requirements, to the extent that they have been adopted by the European Union. The disclosures within these financial statements have been limited to those required to meet the statutory requirements of section 838 Companies Act 2006, requisite in respect of interim accounts prepared for a proposed distribution by a public company.

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 periods. Where the presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in January 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendation of the SORP.

#### Presentation of Income Statement

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 Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. In accordance with the Company's Articles of Association net capital returns may not be distributed by way of dividend. Additionally, the net profit is the measure the Directors believe is appropriate in assessing the Company's compliance with certain requirements set out in section 1159 of the Corporation Tax Act 2010.

#### (a) Basis of preparation

The financial statements are prepared on the historical cost basis except that investments are stated at their fair value.

#### (b) Investments

The Company has designated all its investments into the financial assets at fair value through profit and loss category. The fair value of investments is based upon their quoted market bid price at close of business on the balance sheet date.

#### (c) Gains and losses on investment transactions

Gains and losses arising on sales of investments and changes in the fair value of investments are recognised in the income statement as a capital item and taken to the capital reserve.

#### (d) Income and expenditure

Dividends on equity investments are credited to revenue on the date when the investment is first quoted ex-dividend at the amount receivable without any attributable tax credit.

Interest income from certain fixed interest securities is recognised in the income statement as it accrues, using the effective interest rate of the instrument calculated at the acquisition date. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of the interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Interest from deposits, interest payable and expenses of management are dealt with on an accruals basis.

The finance costs of borrowings and the fee payable to the Company's managers are charged partly to capital and partly to revenue in proportion to the expected long-term split of returns in the form of capital gains and income from the Company's entire investment portfolio. All other expenses of management are charged to revenue.

	01.10.12 to 30.06.13 £'000	01.10.11 to 30.09.12 £'000
2 REVENUE		
<i>Income from investments</i>		
UK dividend income	4,086	3,516
Overseas dividend income	497	369
	<u>4,583</u>	<u>3,885</u>
Other income	1	1
Total income	<u>4,584</u>	<u>3,886</u>

# TROY INCOME & GROWTH TRUST PLC

## Notes to the Financial Statements Period from 1 October 2012 to 30 June 2013

### 3 INVESTMENT MANAGEMENT FEE

Troy Asset Management Limited act as investment managers to the Company and their fee is at an annual rate of 0.75% of the amount of net assets up to £175 million and at a rate of 0.65% of the nest assets at or above £175 million. The fee is calculated monthly and paid quarterly and has been allocated 35% to revenue and 65% to capital.

	01.10.12 to 30.06.13 £'000	01.10.11 to 30.09.12 £'000
4 OTHER ADMINISTRATIVE EXPENSES		
Directors' remuneration - fees as directors	56	68
Fees payable to auditors and associates: - as auditors	17	22
Fees payable to auditors and associates: - taxation services	7	9
Other administrative expenses	232	265
	<u>312</u>	<u>364</u>

	Revenue £'000	Capital £'000	Total £'000
5 FINANCE COSTS OF BORROWINGS			
<b>Period 01.10.12 to 30.06.13</b>			
Bank loans and overdrafts	<u>0</u>	<u>0</u>	<u>0</u>
<b>Year from 01.10.11 to 30.09.12</b>			
Bank loans and overdrafts	<u>5</u>	<u>10</u>	<u>15</u>

	01.10.12 to 30.06.13 £'000	01.10.11 to 30.09.12 £'000
6 TAXATION		
Foreign tax suffered	<u>74</u>	<u>55</u>

Following changes to the Finance Bill 2009 dividends and other distributions from foreign companies received on or after 1 July 2009 have largely been exempt from UK corporation tax. However, the Company continues to be subject to irrecoverable US withholding tax of 15% on income received from US portfolio holdings.

	01.10.12 to 30.06.13 £'000	01.10.11 to 30.09.12 £'000
7 LISTED INVESTMENTS		
Opening value	118,440	57,246
Purchases for cash	23,593	34,517
Purchases financed by the issue of shares	-	21,933
Sales - proceeds	(12,477)	(3,021)
Sales - net gains / (losses) on sales	2,505	(276)
Movement in investment holdings gains	6,657	8,041
Closing value	<u>138,718</u>	<u>118,440</u>
Closing book cost	117,705	104,084
Closing fair value gains on investments held	21,013	14,356
Closing fair value	<u>138,718</u>	<u>118,440</u>

### GAIN ON INVESTMENTS

Net gains / (losses) on sales of investments	2,505	(276)
Movement in investment holdings gains	6,657	8,041
	<u>9,162</u>	<u>7,765</u>

# TROY INCOME & GROWTH TRUST PLC

## Notes to the Financial Statements Period from 1 October 2012 to 30 June 2013

### 8 CALLED-UP SHARE CAPITAL

	At 30.06.13		At 30.09.12	
	Number	£'000	Number	£'000
<i>Allotted, called up and fully paid</i> Ordinary shares of 25 pence each	240,524,445	60,131	225,684,445	56,421

9 SHARE PREMIUM ACCOUNT	At 30.6.13 £'000	At 30.09.12 £'000
Opening balance	30,941	1,547
Premium on issue of new shares	4,973	29,734
Costs incurred on issue of new shares	1	(558)
Contributions to costs incurred on issue of new shares	(3)	254
Discount control costs	(27)	(36)
Closing balance	35,885	30,941

10 SPECIAL RESERVE	At 30.06.13 £'000	At 30.09.12 £'000
Opening & Closing balance	58,163	58,163

11 CAPITAL RESERVES	At 30.06.13 £'000	At 30.09.12 £'000
Opening balance	(23,371)	(30,715)
Net gains / (losses) on sales of investments during the period (note 7)	2,505	(276)
Gains on holdings of listed investments (note 7)	6,657	8,041
Currency losses	(1)	(8)
Management fee	(498)	(403)
Finance cost of borrowings	-	(10)
Closing balance	(14,708)	(23,371)

The capital reserves are not distributable.

12 DIVIDENDS ON EQUITY SHARES	01.10.12 to 30.06.13 £'000	01.10.11 to 30.09.12 £'000
Fourth interim dividend of 2010/11 of 0.5p per share paid on 28 October 2011	-	633
Fifth interim dividend of 2011/12 of 0.125p per share paid on 26 October 2012	282	-
Four interim dividends for 2011/12 totalling 1.9p per share	-	2,863
First interim dividend for 2012/13 of 0.525p per share paid on 25 January 2013	1,215	-
Second interim dividend for 2012/13 of 0.525p per share paid on 26 April 2013	1,236	-
	2,733	3,496

The Company declared a third interim dividend in respect of the year to 30 September 2013 of 0.525p per share which is payable on 26 July 2013. The total amount payable in respect of this dividend is £1,262,753.

# TROY INCOME & GROWTH TRUST PLC

## Notes to the Financial Statements Period from 1 October 2012 to 30 June 2013

13	REVENUE RESERVE	At 30.06.13	At 30.09.12
		£'000	£'000
	Opening balance	2,371	2,622
	Profit for the period	3,930	3,245
	Dividends paid (note 12)	(2,733)	(3,496)
	Closing balance	<u>3,568</u>	<u>2,371</u>
	REVENUE RESERVE POST PAYMENT OF FIRST INTERIM DIVIDEND		
	B/f revenue reserve at 30 September 2012 per Annual Report		2,371
	Less: Fifth interim dividend of 2011/12 of 0.125p per share paid on 26 October 2012		<u>(282)</u>
	Adjusted revenue reserves at 1 October 2012 (Companies Act basis)		<u>2,089</u>
	Current period (see Revenue Account)		£'000
	Revenue on ordinary activities after taxation		3,930
	First interim dividend paid for 2012/13 of 0.525p per share paid on 25 January 2013		(1,215)
	Second interim dividend paid for 2012/13 of 0.525p per share paid on 26 April 2013		<u>(1,236)</u>
	Current year revenue reserves after dividends paid		<u>1,479</u>
	Adjusted revenue reserves at 1 October 2012		2,089
	Current year revenue reserves after dividends paid		<u>1,479</u>
	Revenue reserve post payment of 2nd interim dividend for 2013		<u>3,568</u>
14	NET ASSET VALUE		
		30.06.13	30.09.12
	Net assets attributable	143,039,000	124,525,000
	Number of ordinary shares	240,524,445	225,684,445
	Net asset value per share (pence)	59.47	55.18