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Troy Income & Growth Trust plc

Annual Report and Accounts
for the year ended 30 September 2015

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Financial Calendar

19 January 2016	Annual General Meeting
29 January 2016	First interim dividend 2015/16 payable
29 April 2016	Second interim dividend 2015/16 payable
May 2016	Interim results announced
May 2016	Interim Report published
29 July 2016	Third interim dividend 2015/16 payable
28 October 2016	Fourth interim dividend 2015/16 payable

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 is higher than the dividend yield on the FTSE All-Share Index and also that the dividend grows 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 2015 consisted of 258,824,045 Ordinary shares of 25p each, with no Ordinary shares held in treasury, and at 25 November 2015 there were 260,424,045 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 2014. 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 2018 and at each fifth AGM thereafter.

Financial Highlights

	2015	2014
Net asset value total return	**+11.2%**	+10.1%
Share price total return	**+11.7%**	+10.0%
FTSE All-Share Index total return	**-2.3%**	+6.1%
Increase in dividends per share	**+4.5%**	+4.7%
Dividend yield *	**3.4%**	3.5%
FTSE All-Share Index yield	**3.7%**	3.3%

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

Net Asset Value per Ordinary share
At 30 September – pence

Dividends per Ordinary share
pence

Share price per Ordinary share
At 30 September – pence

69.4

Financial Highlights (continued)

	30 September 2015	30 September 2014	% change
Total investments	£171,474,000	£150,656,000	+13.8
Shareholders' funds	£178,247,000	£153,391,000	+16.2
Market capitalisation	£179,572,000	£153,871,000	+16.7
Net asset value per share	68.87p	64.05p	+7.5
Share price (mid market)	69.38p	64.25p	+8.0
Premium to NAV	0.7%	0.3%	
Total gearing	0.0%	0.0%	
Ongoing charges[1]	1.03%	1.05%	
Dividends and earnings			
Revenue return per share[2]	2.42p	2.25p	+7.6
Dividends per share[3]	2.325p	2.225p	+4.5
Dividend cover	1.04	1.01	
Revenue reserves[4]	£4,013,000	£3,681,000	

[1] Excludes non-recurring items of £Nil (2014 – credit £4,500).
[2] Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Income Statement).
[3] The figures for dividends per share reflect the years in which they were earned (see note 7 on page 43).
[4] The revenue reserve figure does not take account of the fourth interim dividend amounting to £1,556,000 (2014 – fourth interim £1,380,000).

Performance

Total Return (for the periods to 30 September 2015)

	One Year	Three Years	Five Years
Share price	+11.7%	+36.6%	+73.7%
Net asset value per share	+11.2%	+36.8%	+71.6%
FTSE All-Share Index	-2.3%	+23.3%	+38.2%

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

Five years to 30 September 2015 (rebased to 100 at 30/09/10)

Performance

Ten Year Financial Record

Year to 30 September	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue available for ordinary dividends (£'000)	4,650	6,331	6,790	3,957	2,104	2,220	3,245	5,194	5,308	6,039
Per share										
Net revenue return (p)	5.32	5.43	5.58	3.26	1.80	1.95	2.16	2.21	2.25	2.42
Net dividends paid/proposed (p)	5.05	5.20	5.30	3.00	1.80	1.92	2.03	2.13	2.23	2.33
Total return (p)	16.16	5.24	(33.04)	(7.44)	5.74	3.63	7.04	6.66	6.00	6.94
As at 30 September										
Net asset value per share (p)	92.58	94.37	56.04	44.47	48.06	50.00	55.18	60.22	64.05	68.87
Shareholders' funds (£m)	87.01	115.08	68.04	53.99	53.81	63.23	124.53	145.78	153.39	178.25

Cumulative Performance

(% of 30 September 2005 value)

As at 30 September	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NAV	100.0	112.9	115.0	67.4	54.1	59.2	61.6	68.5	74.2	79.0	84.8
Share price performance	100.0	117.2	110.2	63.9	50.6	57.5	59.8	67.5	72.9	77.4	83.6
Benchmark performance	100.0	111.1	120.8	90.5	96.0	104.4	96.7	109.2	125.4	128.7	121.5
NAV total return†	100.0	119.8	128.6	80.3	71.4	82.0	88.4	102.9	114.8	126.5	140.7
Share price total return†	100.0	124.0	122.7	76.3	67.5	80.4	86.7	102.2	113.7	125.0	139.7
FTSE All-Share Index total return†	100.0	114.7	128.7	100.0	110.8	124.7	119.2	139.8	166.2	176.4	172.3

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

Share Price Premium/(Discount) to NAV

Five years to 30 September 2015

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 performance for the year to 30 September 2015 shows a Net Asset Value ("NAV") total return per share of +11.2% and a share price total return of +11.7%. This compares very favourably with the total return from the FTSE All-Share Index of -2.3%. The total dividends declared for the year were 2.325p, an increase of 4.5% over the previous year. The Managers' Review on pages 6 to 8 gives a more detailed analysis of the performance.

The Board is predominantly focused on longer-term performance and it is useful to record that over the three year period to 30 September 2015 the NAV total return per share was +36.8% and the share price total return was +36.6% compared with the FTSE All-Share Index total return of +23.3%.

Discount Control Mechanism and Costs

Our discount and premium control policy continues to provide excellent liquidity to shareholders. During the year to 30 September 2015, the Company did not have to repurchase any shares (although it stood ready and willing to do so) and issued 19.3 million shares. This increase in the size of the Company helps improve our cost ratio; the ongoing charges represented 1.03% of shareholders' funds during the year. In October 2012 it was agreed that the management fee would remain at the annual rate of 0.75% on the Company's net assets up to £175 million but would reduce to 0.65% on net assets above that amount. During the year the Company started to benefit from this tiered fee structure and continued net issuance of shares should result in the ongoing charges continuing to decline in percentage terms.

Economic Background

The last 12 months have borne witness to a more negative period for equity markets and risk assets generally. During the summer months the UK stock market fell over 10% for the first time since 2011 and some of the wind has finally been taken out of the sails of inflated equity valuation multiples. Volatility, which had remained fairly subdued for four years, saw a spike in the third calendar quarter of 2015 during which period the FTSE All-Share Index fell by 5.6%. Emerging market growth, and particularly that of China, is moderating to levels where it can no longer compensate for the uninspiring growth of developed economies. This deterioration in the global economy, together with lower prices in commodities and specifically oil, are putting downwards pressure on inflation in the western world. In this context the US Federal Reserve has, yet again, postponed a rise in interest rates. The Bank of England likewise has its hands tied by disinflationary and deflationary fears, rendering a tightening of monetary policy inappropriate for now. April 2015 saw the UK's first deflationary reading for over half a century at -0.1%. The portfolio remains invested in companies that are believed can preserve capital and grow income over the long term.

Gearing

The Company has been ungeared during the year although facilities are in place should opportunities emerge. The Company maintains a conservative and tactical approach to gearing.

Dividends

We are aware that, as at the year end, the yield on the Company's shares (3.4%) is below that of the FTSE All-Share Index (3.7%), a status that is at odds with our intention to deliver a yield premium. This is explained by two factors: Firstly, the strong price performance of the Company's shares (+8.0% capital return) when compared to the decline in the level of the FTSE All-Share Index (-5.6% capital return); and secondly a more modest growth of the Company's dividend (+4.5%) in relation to the estimated growth of the market dividend (+8.5%). The Board believes that, in due course, the Company's yield premium will be re-established as distributions from the wider market come under increasing pressure from a number of high profile dividend cuts. It is the Board's intention, barring unforeseen circumstances, at least to maintain the quarterly dividend rate of 0.60p per share for the full year to 30 September 2016.

Board and Management Changes

At the forthcoming Annual General Meeting in January 2016, our longest standing Director, Kevin Hart, will not stand for re-election and will retire from the Board. Kevin will have served as a Director for almost 13 years. His contribution over that period, which includes some very tough times and difficult decisions, has been excellent and I thank him for this. The search for a replacement is well advanced and has been helped by the use of a specialist recruitment consultancy firm, Trust Associates. The Board was pleased to announce in March 2015 that Hugo Ure had been appointed co-manager of the Company with Francis Brooke. Hugo has been assistant manager since September 2011 and has been involved with the Company's management since Troy Asset Management's appointment in July 2009.

Outlook

In the last year good progress has been made in enlarging the Company's net assets, increasing the dividends paid to shareholders and maintaining a strong record of investment performance. The investment outlook remains uncertain and as the portfolio is predominantly made up of equities, shareholders should expect to experience some volatility in the event of equity market weakness. However, the defensive characteristics of many of the investments should enable the Manager to take advantage of opportunities arising as a result.

D Warnock

Chairman

25 November 2015

Managers' Review

Background

The UK FTSE All-Share Index is down 2.3% over twelve months but this conceals more pronounced fluctuations in market confidence in the interim. We ended the previous fiscal year midway through a downwards lurch in equity prices as falling demand and rising supply prompted a precipitous decline in the oil price. The West Texas Intermediate price of oil fell from a peak of $107 in June 2014 to $54 by the end of the calendar year and has since hovered around this level. 16% of the FTSE All-Share Index comprises metals, mining and energy companies and these have been the worst performing sectors in the market, offsetting good performance from other areas.

China, whose industrial expansion had been responsible for a large part of the move upwards in commodity prices since the turn of the century, is seeing slower growth, the worst in six years according to August's PMI data (a survey of private sector companies). Capital outflows from China have caused the currency to devalue, and other emerging market countries are seeing the same. This has led to a relative strengthening of sterling, the dollar and the euro against many of their trading partners. Cheaper imports and lower commodity prices are creating a dual deflationary headwind for the developed, western world. This has particularly adverse implications for corporations with overseas sales translated into sterling/dollar/euro at lower rates of exchange.

Against this backdrop the US and UK central banks are attempting a normalisation of monetary policy. In June the bond markets were pricing in a greater than 50% probability that the US Federal Reserve would raise interest rates in September. Conviction increased as domestic employment and wage inflation figures improved. Within three months, the aforementioned headwinds of slower global growth and the threat of deflation had made it increasingly obvious that this would not happen. The market has, somewhat churlishly, responded with cheer at the prospect of a continuation of near-zero interest rates for at least another few weeks.

Performance & Investment Strategy

Your Company delivered a NAV total return of +11.2% and a share price total return of +11.7% over the year. This compares with the FTSE All-Share return of -2.3%. In its 21-strong peer group, the Company is positioned 4th over the twelve months. The full year dividend of 2.325p represents a +4.5% increase on the previous annual dividend.

The Company's outperformance of the stock market during the year reflects our lesser exposure to some of the more cyclical companies in the index which were hurt by lower metals and energy prices. Encouragingly the positive absolute return came from a broad base of sectors. Consumer staple stocks contributed most strongly. The insurance sector also generated impressive returns with the announced takeover of Amlin by Japanese insurer Sumitomo Mitsui contributing to this stock's +64.6% total return over the period. Property companies also performed well with LondonMetric generating +28.4% over the period. Provident Financial and WH Smith also stood out with returns of +52.5% and +48.2% respectively.

Portfolio Changes

In May 2015 we reduced exposure to a couple of our utility companies. Aware of the sensitivity that this sector has to rising interest rates, and the elevated valuations on which it trades, we took the opportunity to reduce our holdings in Severn Trent and Pennon.

The broad equity market remains acutely priced, even following the summer correction, and so, to date, we have been presented with limited opportunities. We have, however, continued to add to some of our highest conviction holdings including Royal Mail, Lloyds Banking Group and Sky. Following the accepted bid for Amlin by Mitsui, we reduced our position in Amlin and reinvested in Hiscox.

We took advantage of the higher volatility and marginally lower prices at the end of the summer to write Diageo put options. In early September Diageo's shares were trading within a few percent of our 1600p buying target and

option premia were elevated following a spike in equity market volatility. We were able to take advantage of this combination of events opportunistically to receive 41p per share for writing put options on Diageo over 1% of the Company's NAV. The premium, when annualised, represents a yield in excess of 10% on the underlying cash.

We would write further options of this nature only where we felt the risk-reward trade-off was attractive and when the strike price of the option matched the price at which our own fundamental analysis dictates we should be investing.

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 either side of NAV. The overall enhancement to your Company's NAV by repurchasing shares at a discount and issuing at a premium has been over £680,000 net of costs which equates to over 1.4% of the NAV when Troy became manager of the Company. The Company's commitment to this process of issuing and buying back shares to meet fluctuations in demand means the Company's shares enjoy much greater liquidity than other closed ended vehicles of a similar size. The number of shares in issue has more than doubled to 259 million since the discount control mechanism was activated in January 2010 giving a further boost to liquidity and reducing on-going charges from over 1.5% of NAV to 1.03% at the end of September. The chart below shows the movement in shares in issue since the activation of the DCM.

Troy Income & Growth Trust
Quarterly Buyback and Issuance (from 1st October 2009 to 30th September 2015)

Investment Outlook

Last year we wrote of the risks that deflation poses to corporate cash flows, noting that central bankers, well aware of these risks, will do all within their powers to avoid it. The threat of deflation has since become a reality. The UK has posted three months of negative inflation so far this year, its first since 1960, whilst the US has veered into deflation for the first time since 2009. It is therefore unsurprising that the moment for raising interest rates has been delayed for longer than the market was anticipating. Plus ça change, plus c'est la même chose.

Managers' Review (continued)

The market has risen following the Federal Reserve's decision not to raise interest rates at its Open Market Committee meeting in September. Whilst we must take into account the impact that the actions of central bankers have on financial markets, we do not and cannot invest on the basis of anticipated changes in monetary policy. Such a strategy would be more akin to speculation than investment. We continue to favour companies that we believe can generate consistent and attractive returns on the capital we invest.

The rising tide of QE had, until recently, lifted almost all equity valuations indiscriminately, leaving very few opportunities for a valuation-sensitive buyer. The spill-over of pain from emerging markets is starting to test the nerve of western investors. Following the mid-year correction, the average P/E multiple of the UK market still remains near the highs seen at the beginning of the year. However, it is important to note that the dispersion of equity market valuations has started to rise again. When P/E multiples were both elevated and closely bunched we were seeing very few opportunities to invest. The spread of valuations has now widened. This should provide us with windows of new opportunity to invest in a handful of high quality companies. That is what we require to construct a portfolio that we believe will deliver dividend growth and reasonable insulation against any further volatility.

Troy Asset Management Limited

25 November 2015

Investment Portfolio

As at 30 September 2015

	Valuation 2015 £'000	Total portfolio %
Unilever	7,381	4.3
Reynolds American	7,315	4.3
Provident Financial	6,843	4.0
Royal Mail	6,074	3.5
Imperial Tobacco	6,003	3.5
GlaxoSmithKline	5,376	3.1
British American Tobacco	5,355	3.1
AstraZeneca	5,227	3.1
Lloyds Banking Group	5,186	3.0
National Grid	5,099	3.0
Ten largest investments	**59,859**	**34.9**
Sage Group	4,993	2.9
Centrica	4,699	2.7
WH Smith	4,689	2.7
BP	4,509	2.6
Amlin	4,497	2.6
SSE	4,455	2.6
Experian	4,228	2.5
Land Securities Group	4,092	2.4
Sky	4,067	2.4
Schroders	4,045	2.4
Twenty largest investments	**104,133**	**60.7**
HSBC Holdings	3,990	2.3
ICAP	3,970	2.3
Vodafone	3,804	2.2
Compass Group	3,686	2.2
Reckitt Benckiser Group	3,592	2.1
Royal Dutch Shell	3,536	2.1
Jardine Lloyd Thompson	3,410	2.0
Pearson	3,378	2.0
Pennon Group	3,294	1.9
Nestlé	3,236	1.9
Thirty largest investments	**140,029**	**81.7**

Investment Portfolio (continued)

As at 30 September 2015

	Valuation 2015 £'000	Total portfolio %
Rathbone Brothers	3,213	1.9
Londonmetric Property	3,040	1.8
Dairy Crest	2,738	1.6
Severn Trent	2,730	1.6
Coca Cola	2,651	1.5
BG Group	2,473	1.4
Inmarsat	2,356	1.4
Primary Health Properties	2,312	1.3
Lancashire Holdings	2,176	1.3
3i Infrastructure	2,093	1.2
Forty largest investments	**165,811**	**96.7**
Verizon Communications	2,060	1.2
Hiscox	1,752	1.0
American Express	1,714	1.0
Indivior	137	0.1
Total Investments	**171,474**	**100.0**

Distribution of Assets and Liabilities

As at 30 September 2015

	Valuation at 30 September 2014		Purchases	Sales	Appreciation/ (depreciation)	Valuation at 30 September 2015	
	£'000	%	£'000	£'000	£'000	£'000	%
Listed investments							
Ordinary shares	150,656	98.2	19,585	(10,911)	12,144	171,474	96.2
Current assets	4,182	2.7				7,212	4.0
Current liabilities	(1,447)	(0.9)				(439)	(0.2)
Net assets	**153,391**	**100.0**				**178,247**	**100.0**
Net asset value per share	**64.05p**					**68.87p**	

Analysis of Listed Equity Portfolio

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

Your Board, Managers and Administrators

Back row (left to right):

Steven Cowie, Steven Budge (both Personal Assets Trust Administration Company Ltd), Francis Brooke, Hugo Ure (both Troy Asset Management Ltd).

Front row (left to right):

Directors – Kevin Hart, Jann Brown, David Warnock, Roger White.

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 is currently a Non-Executive Director of British Polythene Industries PLC and of Standard Life European Private Equity Trust PLC. He is also a director of Seneca Investment Managers Ltd and an active investor in a number of private companies. David co-founded the investment firm of Aberforth Partners and was a partner for 19 years until his retirement in 2008. He was previously with Ivory & Sime plc and 3i Group plc.

Fees for year £26,765; beneficial interest 400,000 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 Chair of the Audit Committee of John Wood Group PLC and is a former President of the Institute of Chartered Accountants of Scotland. Jann is also a member of the Board of Trustees of the University of Edinburgh Development Trust and former executive director of Cairn Energy plc and Senior Independent Director of Hansen Transmissions International NV.

Fees for year £20,705; beneficial interest 25,000 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 BDSA's Board of Management and Executive Council.

Fees for year £17,675; beneficial interest 100,000 shares.

Kevin Hart

B.Sc. (Hons)

Kevin was appointed a Non-Executive Director on 12 May 2003. He is currently Chief Executive of Bowleven plc. Kevin was formerly Group Finance Director of Cairn Energy plc, a former Senior Associate Director of Deutsche Morgan Grenfell Ltd and a former Director of Energy Services Hub Ltd.

Fees for year £17,675; beneficial interest 32,258 shares.

Troy Asset Management Ltd

Troy Asset Management Ltd is an independent fund management company aiming to generate absolute returns for investors over the long term. It manages or advises approximately £6.4 billion of assets including four open-ended investment funds: the Trojan Fund, the Trojan Income Fund, the Trojan Capital Fund and the Spectrum Fund; and two investment trusts: Troy Income & Growth Trust plc and Personal Assets Trust plc. Our investors include private individuals, charities, pension funds, trusts and endowments.

Personal Assets Trust Administration Company Ltd

Personal Assets Trust Administration Company Ltd 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 five listed investment companies and also acts as Alternative Investment Fund Manager to two listed investment companies, Troy Income & Growth Trust plc and Personal Assets Trust plc.

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 and they 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 Ltd ("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 and will vary as opportunities are identified and will include convertibles, preference shares, fixed income securities and corporate bonds. 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 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 per cent 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 per cent 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 per cent of net assets immediately following drawdown, with a maximum level of aggregate borrowings of 25 per cent 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;
  - 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
- dividend cover

Key performance indicators are shown in the financial highlights on pages 1 and 2, with historic performance data on pages 2 and 3. These are discussed in the Chairmans' 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
- resource and operational risk

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 47.

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 2015.

- 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 may 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 (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 50 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 Company's Manager to deliver against these objectives, they have also requested that the Manager take into account the broader social, ethical and environmental 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 ethical conduct, effective management of their stakeholder relationships, responsible management and mitigation of social and environmental impacts, as well as due regard for wider societal issues.

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 2015, 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 2015 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

Steven Cowie C.A.
Secretary

25 November 2015

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.

Results and Dividends

The financial statements for the year ended 30 September 2015 appear on pages 34 to 53. Dividends in respect of the year amounted to 2.325p per share (2014 – 2.225p). The fourth interim dividend of 0.6p per share announced on 1 October 2015 (2014 – fourth interim 0.575p) will be accounted for in the financial year ending on 30 September 2016.

Share Capital

At the Annual General Meeting ("AGM") held on 21 January 2015, shareholders approved the renewal of the authority permitting the Company to make market purchases of its own Ordinary shares. This authority (which, unless renewed, will expire at the conclusion of the Company's forthcoming AGM) is limited to Ordinary shares with a maximum aggregate nominal value of £9,273,467 (being equal to approximately 14.99% of the Ordinary shares in issue as at 21 January 2015). It is proposed that this authority will be renewed at the Company's forthcoming AGM (see Annual General Meeting on page 55). During the year ended 30 September 2015 no Ordinary shares were purchased and 2,569,000 Ordinary shares of 25p each re-issued. The issued share capital at 30 September 2015 consisted of 258,824,045 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 260,424,045 Ordinary shares of 25p each and no shares were 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. 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 Corporate Governance section below. Mr Hart, who will retire at the conclusion of the AGM in January 2016, will not stand for re-election.

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 maintains 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 that any Director or other Officer of the Company is to be indemnified 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. 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 2015 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	40,928,157	15.81
Rathbone Brothers plc	11,442,398	4.42
Troy Asset Management clients*	8,832,974	3.41

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

There have been no notifications of changes in interest since 30 September 2015 up to the date of this report.

Management Arrangements

In order to comply with the Alternative Investment Fund Managers Directive ("AIFMD"), the Company appointed Personal Assets Trust Administration Company Ltd ("PATAC"), as its Alternative Investment Fund Manager ("AIFM") with effect from 22 July 2014. The investment management agreement with Troy Asset Management Ltd ("Troy") was terminated on 22 July 2014 and the Company entered into a new 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 pursuant to a delegation agreement and Troy continues to provide portfolio management services to the Company as before. The delegation agreement between the Company, the AIFM and Troy is on the same commercial terms as the previous investment management agreement between the Company and Troy. These arrangements that have been put in place are fully compliant with the AIFMD.

The AIFM services are provided to the Company by PATAC for £60,000 per annum but Troy have reduced 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 the fee is 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 at or above £175 million.

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 increases their aggregate holding in Troy to more than 50 per cent 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 25, the Board considers the continuing appointment of the Manager to be in the best interests of the shareholders at this time.

As at 25 November 2015, Francis Brooke held 2,750,000 Ordinary shares in the Company, and Hugo Ure held 98,480 Ordinary shares in the Company.

Company Secretary

On 1 July 2010 Personal Assets Trust Administration Company Ltd ("PATAC") was appointed to provide Company Secretarial, accounting and administrative services, for an annual fee of £95,000 payable quarterly in advance. The appointment is terminable on three months' notice. This fee is adjusted annually by the higher of the increase in the Retail Price Index or the Consumer Price Index and is currently £109,767 per annum.

Depositary

The AIFMD requires the AIFM to appoint a depositary for each Authorised Investment Fund it manages and J P Morgan Europe Ltd were appointed depositary for the Company with effect from 22 July 2014. The Depositary'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 Depositary has delegated the custody function to J.P. Morgan Chase Bank N.A.

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

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as the assets of the Company consist mainly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. In reaching this view, the Directors reviewed the level of expenditure of the Company against the cash and asset liquidity within the portfolio.

Viability Statement

In accordance with provision C.2.2 of the 2014 UK Corporate Governance Code, the Directors have assessed the viability of the Company over the period to the March 2019.

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 2
- The utilisation quantum of the discount control mechanism
- The level of income generated by the Company
- The liquidity of the Company's portfolio

The 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 meets its ongoing operating costs as they fall due.

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 period to March 2019.

The Directors have determined that the period to March 2019 is an appropriate period over which to provide its viability statement as this is expected to be the latest date at which the Company's next continuation vote, as stated on page 1 of the Annual Report, will be held.

Auditor

As intimated in last year's Audit Committee report the Company's audit was put out to tender during the current year, with the appointment being effective for the financial year ending 30 September 2016. Three firms were invited to tender and following a robust tender process led by the Audit Committee Chair, the Board has decided to appoint

PricewaterhouseCoopers LLP. Therefore, Resolution 6, to appoint PricewaterhouseCoopers LLP as the Company's Auditor, will be put to the forthcoming Annual General Meeting along with Resolution 7, to authorise the Directors to determine their remuneration. 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 Auditor is 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 Auditor is aware of that information.

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 for a fee of £33,000 per annum (excluding VAT) and this has been 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 2015 AGM, the Company, at 30 September 2015, had the remaining authority to buy back 37,093,871 Ordinary 25p 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 UK Listing 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 a Share is below the net asset value per Ordinary share of the Company (taking into account any rights to which the Ordinary shares are trading "ex"). However, nothing in this discount policy will require the Directors to take any steps that would require the Company to make a tender offer for its shares or to publish a prospectus. Notwithstanding this discount policy, there is no guarantee that the Ordinary shares will trade at close to the net asset value per Ordinary share. Shareholders should note that this discount policy could lead to a reduction in the size of the Company over time.

Annual General Meeting

The notice convening the Annual General Meeting of the Company to be held on 19 January 2016 is given on pages 55 and 56. Among the resolutions being proposed are the following:

(i) Section 551 authority to allot shares

Resolution 8, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to an aggregate nominal value of £21,702,000 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, such authority to expire on 31 March 2017 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).

The Directors issue new shares only when they believe it is advantageous to the Company's shareholders to do so and for the purposes of operating the Company's discount policy. In no circumstances would such issue of new shares result in a dilution of net asset value per share.

(ii) Disapplication of Pre-emption Provisions

Resolution 9, which is a special resolution, is to enable the Directors to issue new shares and to resell shares held in treasury up to an aggregate nominal amount of £6,510,600 (representing approximately 10 per cent of the total Ordinary share capital in issue (including treasury shares) as at the date of this document). Resolution 9 will, if approved, give the Directors power to allot Ordinary shares (including Ordinary shares

held in treasury) for cash, otherwise than pro rata to existing shareholders, up to a maximum aggregate nominal amount of £6,510,600. Ordinary shares would be issued for cash only at a price not less than the net asset value per share. This authority will expire on 31 March 2017 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). As noted, this 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 prevailing at the date of sale.

(iii) Purchase of the Company's own Ordinary shares
Resolution 10, which is a special resolution, will be proposed to renew the Company's authorisation to make market purchases of its own 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 £39.04 million Ordinary shares). This authority will expire on 31 March 2017 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.

(iv) Notice period for general meetings
Resolution 11, 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. 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 Board unanimously recommends 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

Steven Cowie C.A.
Secretary
25 November 2015

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 issued in February 2015 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 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, Mr Warnock, is Chairman. The Senior Independent Director is Mr 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 independence is not compromised by length of tenure and that experience and continuity can add significantly to the Board's strengths. This is consistent with the AIC Code. The Board has considered with particular care the independence of Mr Hart, who has served on the Board for eleven years, and feels he displays all the characteristics of independence and can be relied upon so to act at all times. However, having served on the Board for twelve years, Mr Hart will retire at the conclusion of the 2016 Annual General Meeting.

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 Ms Brown, Mr Warnock and Mr White.

Directors have attended Board and Committee meetings during the year ended 30 September 2015, as follows:

Meetings held and attendance	Board	Audit Committee	Management Engagement Committee	Nominations Committee
D Warnock	6/6	2/2	1/1	2/2
J Brown	6/6	2/2	1/1	2/2
K Hart	6/6	2/2	1/1	2/2
R White	6/6	2/2	1/1	2/2

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 on 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 2015 to coincide with the interim and annual reporting and audit cycle. The Chairman is Ms Brown.

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 on 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.

At the request of the Board the Audit Committee has been asked to advise the Board whether the Annual Report and Accounts, 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 Accounts 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 Accounts 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.

The external auditor, Ernst & Young LLP, whose continued appointment is also reviewed and ratified by the Audit Committee, attended both meetings of the Audit Committee. In addition the Committee reviewed the independence of the external auditor.

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. The current Auditors were first appointed in the year to 30 September 2006. The Audit Partner rotates every five years in accordance with ethical guidance and 2015 is the fifth year of the current partner. As noted in the Directors' Report the Board, in consultation with the Audit Committee, has appointed PricewatherhouseCoopers LLP as auditors for the financial year ending 30 September 2016.

In the course of finalising the accounts, the Committee focused its discussions on two significant issues:

- The calculation and allocation of the management fee paid to Troy (the terms of which are set out on page 41 of this report). An incorrect calculation or allocation could impact on the stated profit for the year. The Board and AIFM regularly review the management fee calculations and on the basis of this work, and from conversations with and written reporting from the auditors, we are comfortable that the fee has been both properly calculated and allocated in accordance with our policy.
- 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 2015 and based on conversations with and written reporting from the auditor, we are comfortable that there is no material misstatement in the context of the Annual Report and Accounts as a whole.

The Audit Committee also reviewed the provision of non-audit services by the auditor. For the year ended 30 September 2015, these fees amounted to £8,000 (2014: £8,000) and relate to the provision of taxation services. The Audit Committee consider that the provision of such services is cost effective and does not impair the independence of Ernst & Young LLP whom they consider to be independent both of the Company and the Manager in all respects

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 Mr 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. During the year a search was initiated for a replacement Director, using an external agency, Trust Associates, who have no other connection with the Company.

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. Two meetings of the Nominations Committee were held in the period.

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 Investment Management Delegation Agreement with the Manager and the Investment Management Agreement with 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 Investment Management 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 conducts meetings with shareholders to discuss issues relating to the Company and also to give them the opportunity to meet the Board, if requested.

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, 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 21 on page 53), 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, regular reviews of the Company's detailed risk matrix with regular in-depth reviews of specific risk areas; the focus in the current year was on the Company's information technology risk. 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 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.

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 bribery.

By Order of the Board

Steven Cowie C.A.
Secretary

25 November 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report & Accounts 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; and
- 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.

The Directors consider that the Annual Report and Accounts, 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 Accounts 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 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
J Brown
Chairman of the Audit Committee

25 November 2015

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 Annual General Meeting. The Remuneration Policy set out below was approved by shareholders at the Annual General Meeting held in 2014 and the policy will now be subject to a vote at least every three years. If there is a change to this policy it will also require shareholder approval.

The Company's independent auditor is 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 auditor's opinion is included in the report on pages 30 to 33.

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 October 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 for the year ended 30 September 2015 was £91,400, and is subject to annual upward adjustment on 1 October each year in line with the change in the Retail Price Index and also subject to a pro-rata adjustment should the number of Directors be increased either temporarily or permanently.

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

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

The Directors' remuneration rates were as follows:

	From 1 April 2014 £	From 1 April 2015 £
Chairman	26,500	27,030
Audit Committee Chairman	20,500	20,910
Other Directors	17,500	17,850

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 2015. 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:

	2015	2014
	£	£
D Warnock	26,765	23,060
J Brown	20,705	19,750
K Hart	17,675	17,000
R White (appointed 29.04.14)	17,675	7,404
R G Hanna (retired 23.01.14)	–	7,910
	82,820	75,124

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 2015 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 2015 Ordinary shares	At 30 September 2014 Ordinary shares
D Warnock	400,000	400,000
J Brown	25,000	25,000
K Hart	32,258	32,258
R White	100,000	100,000

There have been no changes in the interests of Directors in the share capital during the period 1 October 2015 to 25 November 2015.

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	99.70%	0.30%

Approved by the Board of Directors on 25 November 2015 and signed on its behalf by:

D Warnock
Chairman

Independent Auditor's Report to the Members of Troy Income & Growth Trust plc

Our audit opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2015 and of its net return for the year then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our audit opinion on matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

What we have audited

We have audited the financial statements of the Company for the year ended 30 September 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

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 and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies applied are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of the risk of material misstatement and our audit response

The risks included in the table below represent those material risks of misstatement that have had the greatest impact on our audit strategy and approach for the year ended 30 September 2015 (including the allocation of resources and the directing of efforts of the engagement team). The risks that we have identified are consistent with those risks that were identified in the prior year with the exception of income from investment which was considered to be area of focus for the 2015 audit. The Audit Committee have set out their assessment of the significant issues in relation to the financial statements on page 24. The table below also includes our audit response to each of these risks:

Risk Identified	Our response
The income from investments recognised by the Company during the year is incorrectly recorded. The income from investments for the year, as disclosed in note 2 to the financial statements, is £7 million (2014: £6.2 million).	• We agreed a sample of dividend receipts on investments held to an independent source. • We agreed, on a sample basis, investee company dividend announcements from an independent source to the income recorded by the Company. • We agreed all accrued dividends to an independent source. • We have reviewed the recognition criteria applied to the special dividend received during the year to ensure that the accounting treatment adopted is consistent with our interpretation of the underlying commercial circumstances giving rise to the related dividend.
The valuation of the assets held in the investment portfolio is incorrect or proper legal title to these assets is not held by the Company. The Company's investment portfolio, as disclosed in note 9 to the financial statements, amounted to £171 million (2014: £151 million) as at 30 September 2015.	• We agreed 100% of the year end prices of the investments to an independent source; • We agreed the exchange rates used to translate the year end valuation of non-sterling investments to an independent source. • We obtained directly from the custodian and depository, a confirmation of the investments held as at 30 September 2015. We agreed this to the Company's records.

Our application of materiality

We have defined the concept of materiality and planning materiality below.

We determined materiality for the Company to be £1.8 million, which is one per cent of net assets (2014: £1.5 million based on one per cent of net assets). We have derived our materiality calculation based on a proportion of net assets as we consider it to be the most important financial metric on which shareholders would judge the performance of the Company.

We determined performance materiality for the Company to be 75% of materiality, or £1.3 million (2014: £1.2 million).

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing materiality of £306k (2014: £270k) for the revenue column of the Income Statement, being 5% of the profit before taxation.

In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £89,000 (2014: £77,000), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

In accordance with the scope of our audit, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We apply the concept of materiality for the purposes of obtaining sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. For this reason, we also define a separate performance materiality threshold which reflects our tolerance for misstatement in an individual account balance and is set as a proportion of our overall materiality.

Our objective in setting the performance materiality threshold is to identify the amount of testing required in respect of each balance to reduce to an appropriately low level the probability that the aggregate of any uncorrected and undetected misstatements in the financial statements as a whole exceeds our materiality level.

We evaluate any uncorrected misstatements and potential audit differences against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

We applied the concept of materiality in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements on the financial statements, and in forming our audit opinion. When establishing our overall audit strategy, we determined the magnitude of omissions or uncorrected misstatements that we judged would be material to the financial statements as a whole. This provided a basis for determining the nature of our risk assessment procedures, identifying and assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

Matters on which we are required to report by exception

We are required by the International Standards on Auditing (UK and Ireland), the Companies Act 2006 and the Listing Rules to report to you by exception if certain matters are identified during the course of our audit. These matters are listed below and we have nothing to report in respect of any of these matters.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We have nothing material to add or draw attention to in relation to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, 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' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the directors' explanation in the annual report as to how they have assessed the prospects of the entity, 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 entity 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.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statements in relation to going concern and the longer-term viability, set out on page 19; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Ernst & Young LLP

Susan Dawe (Senior statutory auditor)

For and on behalf of Ernst & Young LLP
Statutory Auditor
Edinburgh

25 November 2015

Statement of Comprehensive Income

	Notes	Year ended 30 September 2015 Revenue return £'000	Capital return £'000	Total £'000	Year ended 30 September 2014 Revenue return £'000	Capital return £'000	Total £'000
Profits on investments held at fair value	9	–	12,144	12,144	–	9,585	9,585
Currency gains/(losses)		–	11	11	–	(4)	(4)
Revenue	2						
Income from listed investments		6,996	–	6,996	6,193	–	6,193
Other income		17	–	17	1	–	1
		7,013	12,155	19,168	6,194	9,581	15,775
Expenses							
Investment management fees	3	(453)	(842)	(1,295)	(392)	(728)	(1,120)
Other administrative expenses	4	(442)	–	(442)	(403)	–	(403)
Finance costs of borrowings	5	–	–	–	(5)	(10)	(15)
Profit before taxation		6,118	11,313	17,431	5,394	8,843	14,237
Taxation	6	(79)	–	(79)	(86)	–	(86)
Profit for the year		6,039	11,313	17,352	5,308	8,843	14,151
Earnings per Ordinary share (pence)	8	2.42	4.52	6.94	2.25	3.75	6.00

The "Profit for the year" is also the Total Comprehensive Income for the year as defined in IAS1 (revised).

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 38. 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

	Notes	As at 30 September 2015 £'000	As at 30 September 2014 £'000
Non-current assets			
Ordinary shares		**171,474**	150,656
Investments held at fair value through profit or loss	9	**171,474**	150,656
Current assets			
Accrued income and prepayments		**582**	690
Trade and other receivables		**–**	737
Cash and cash equivalents		**6,630**	2,755
Total current assets		**7,212**	4,182
Total assets		**178,686**	154,838
Current liabilities			
Trade and other payable		**(420)**	(1,447)
Traded Option Contracts		**(19)**	–
Total current liabilities		**(439)**	(1,447)
Net assets		**178,247**	153,391
Issued capital and reserves attributable to equity holders			
Called-up share capital	10	**64,706**	60,514
Share premium account	11	**7,525**	86
Special reserves	12	**63,504**	61,924
Capital reserve	13	**38,499**	27,186
Revenue reserve	14	**4,013**	3,681
Equity shareholders' funds		**178,247**	153,391
Net asset value per Ordinary share (pence)	8	**68.87**	**64.05**

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2015 and were signed on its behalf by:

D Warnock
Chairman

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

Statement of Changes in Equity

For year ended 30 September 2015

	Share capital £'000	Share premium account £'000	Special reserves £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2014	60,514	86	61,924	27,186	3,681	153,391
Total comprehensive income for the year	–	–	–	11,313	6,039	17,352
Equity dividends	–	–	–	–	(5,707)	(5,707)
Costs of cancellation of share premium account	–	–	(4)	–	–	(4)
Discount control costs	–	(33)	–	–	–	(33)
Shares issued from treasury	–	36	1,584	–	–	1,620
New shares issued	4,192	7,436	–	–	–	11,628
Balance at 30 September 2015	**64,706**	**7,525**	**63,504**	**38,499**	**4,013**	**178,247**

For year ended 30 September 2014

Balance at 30 September 2013	60,514	36,432	58,163	(12,900)	3,569	145,778
Total comprehensive income for the year	–	–	–	8,843	5,308	14,151
Equity dividends	–	–	–	–	(5,196)	(5,196)
Cancellation of share premium account	–	(36,621)	36,621	–	–	–
Transfer to Capital Reserve	–	–	(31,243)	31,243	–	–
Costs of cancellation of share premium account	–	–	(31)	–	–	(31)
Shares bought back into treasury	–	–	(7,002)	–	–	(7,002)
Discount control costs	–	(36)	–	–	–	(36)
Shares issued from treasury	–	311	5,416	–	–	5,727
Balance at 30 September 2014	**60,514**	**86**	**61,924**	**27,186**	**3,681**	**153,391**

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

Cash Flow Statement

	Year ended 30 September 2015		Year ended 30 September 2014	
	£'000	**£'000**	£'000	£'000
Cash flows from operating activities				
Investment income received	**7,103**		6,198	
Deposit interest received	**–**		1	
Administrative expenses paid	**(1,696)**		(1,537)	
Cash generated from operations (note 19(a))		**5,407**		4,662
Finance costs paid		**–**		(15)
Taxation		**(76)**		(94)
Net cash inflows from operating activities		**5,331**		4,553
Cash flows from investing activities				
Purchases of investments	**(20,628)**		(24,582)	
Sales of investments	**11,656**		25,057	
Net cash (outflow)/inflow from investing activities		**(8,972)**		475
Net cash (outflow)/inflow before financing		**(3,641)**		5,028
Financing activities				
Proceeds of issue of shares	**13,248**		5,727	
Cost of share buy backs	**–**		(7,002)	
Dividends paid	**(5,707)**		(5,196)	
Costs incurred on cancellation of share premium account and on issue of new shares	**(36)**		(41)	
Net cash inflow/(outflow) from financing activities		**7,505**		(6,512)
Net increae/(decrease) in cash and short term deposits (note 19(b))		**3,864**		(1,484)
Cash and cash equivalents at the start of the year		**2,755**		4,243
Effect of foreign exchange rate changes		**11**		(4)
Cash and cash equivalents at the end of the year		**6,630**		2,755

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

Notes to the Accounts

1. Accounting Policies

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

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 January 2009) 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 Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. 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.

The following Standards and Interpretations became effective during the year, but had no material impact on the financial results for the period:

- Amendments to IAS 24 – Related Party Disclosures – Entities providing key management personnel (effective for annual periods beginning on or after 1 July 2014).
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).
- Amendment to IFRS 10, IFRS 12 and IAS 27 – investment entity exception (effective for annual periods beginning on or after 1 January 2014).

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

- Amendments to IAS 1 – Disclosure Inititative (effective for accounting periods beginning on or after 1 January 2016).
- Amendment to IAS 27 – Separate Financial Statements (2011) (effective for annual periods beginning on or after 1 January 2016).
- Amendment to IAS 34 – Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 7 – Financial Instruments Disclosures – (effective for annual periods beginning on or after 1 January 2016).
- IFRS 9 – Financial Instruments – Classification and Measurement (effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 10 – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 12 – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2016).

- IFRS 15 – Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018).

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.

(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.

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.

(d) Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Income Statement, 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. 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.

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 income statement 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Use of estimates

The preparation of financial statements requires the Company to make 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 instruments. Although these 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 estimates in the current period.

2. Income	2015 £'000	2014 £'000
Income from listed investments		
UK dividend income	**6,468**	5,618
Income from overseas investments	**528**	575
	6,996	6,193
Other income from investment activity		
Deposit interest	**–**	1
Traded option premiums	**17**	–
Total income	**7,013**	6,194

3. Investment management fees

On 31 July 2009, Troy Asset Management Limited ("Troy") became the Investment Manager. From 1 October 2012 the investment management fee has been 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 at or above £175 million. The fee is calculated monthly and paid quarterly. As explained in the Directors' Report on page 18, PATAC were appointed to act as the Company's AIFM with effect from 22 July 2014. 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 is reduced by the fees incurred for the services of the AIFM. The fee is allocated 35% to revenue and 65% to capital.

	2015			2014		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Investment management fees paid to Troy	**432**	**803**	**1,235**	389	721	1,110
AIFM fee paid to PATAC	**21**	**39**	**60**	3	7	10
Total investment management fees	**453**	**842**	**1,295**	392	728	1,120

4. Other administrative expenses	2015 £'000	2014 £'000
Directors' remuneration – fees as Directors	**83**	75
Secretarial fees	**109**	107
Fees payable to auditor		
– fees payable to the Company's auditor for the audit of the annual accounts †	**22**	22
– fees payable to the Company's auditor for taxation compliance services	**8**	8
Other management expenses *	**220**	191
	442	403

† Includes irrecoverable VAT of £3,700 (2014 – £3,700).

* Includes non–recurring items of £nil (2014 – credit £4,500).

The Company had no employees during the year (2014 – nil). No pension contributions were paid for Directors (2014 – £nil). Further details on Directors' remuneration can be found in the Directors' Remuneration Report on pages 28 and 29.

5. Finance costs of borrowings

	2015			2014		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Bank loans and overdrafts repayable within one year	–	–	–	5	10	15

Interest on bank overdrafts is at floating rates related to the lenders' UK base rates.

6. Taxation

	2015			2014		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Irrecoverable overseas tax	**79**	–	**79**	86	–	86

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 20.5% (2014 – 22%):

	2015			2014		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Profit on ordinary activities before taxation	**6,118**	**11,313**	**17,431**	5,394	8,843	14,237
Taxation of return on ordinary activities at the standard rate of corporation tax	**1,254**	**2,319**	**3,573**	1,187	1,946	3,133
Effects of:						
UK dividend income not liable to further tax	**(1,253)**	–	**(1,253)**	(1,170)	–	(1,170)
Overseas dividend income not liable to further tax	**(108)**	–	**(108)**	(127)	–	(127)
Capital profits not taxable	–	**(2,492)**	**(2,492)**	–	(2,108)	(2,108)
Movement in unutilised management expenses	**107**	**173**	**280**	110	162	272
Overseas withholding tax suffered	**79**	–	**79**	86	–	86
Total taxation charge for the year	**79**	–	**79**	86	–	86

At 30 September 2015, the Company had surplus management expenses of £6,062,000 (2014 – £4,717,000) with a tax value of £1,213,000 (2014 – £943,000) to carry forward. No deferred tax asset has been recognised in the current or prior period 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.

7. Dividends on equity shares

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity shareholders in the year:		
Fourth interim dividend for the year ended 30 September 2013 of 0.55p per share	–	1,331
Fourth interim dividend for the year ended 30 September 2014 of 0.575p per share	**1,380**	–
Three interim dividends for the year ended 30 September 2015 totalling 1.725p (2014 – three interims totalling 1.65p) per share	**4,327**	3,865
	5,707	5,196

The fourth interim dividend of 0.6p per share, declared on 1 October 2015 and paid on 30 October 2015, 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.

	2015 £'000	2014 £'000
Three interim dividends for the year ended 30 September 2015 totalling 1.725p (2014 – three interim dividends totalling 1.65p) per share	**4,327**	3,865
Fourth interim dividend for the year ended 30 September 2015 of 0.6p (2014 – fourth interim dividend 0.575p) per share	**1,556**	1,380
	5,883	5,245

The dividend per share information is as follows:

	Rate per share	xd date	Record date	Payment date
First interim dividend	0.575p	8 January 2015	9 January 2015	30 January 2015
Second interim dividend	0.575p	6 April 2015	7 April 2015	24 April 2015
Third interim dividend	0.575p	9 July 2015	10 July 2015	31 July 2015
Fourth interim dividend	0.6p	8 October 2015	9 October 2015	30 October 2015
2014/15	**2.325p**			
First interim dividend	0.55p	31 December 2013	3 January 2014	31 January 2014
Second interim dividend	0.55p	2 April 2014	4 April 2014	25 April 2014
Third interim dividend	0.55p	2 July 2014	4 July 2014	25 July 2014
Fourth interim dividend	0.575p	9 October 2014	10 October 2014	31 October 2014
2013/14	**2.225p**			

8. Return and net asset value per share

	2015 £'000	2014 £'000
The returns per share are based on the following figures:		
Revenue return	**6,039**	5,308
Capital return	**11,313**	8,843
Total	**17,352**	14,151
Weighted average number of Ordinary shares	**249,946,644**	235,820,922

The net asset value per share is based on net assets attributable to shareholders of £178,247,000 (2014 – £153,391,000) and on 258,824,045 (2014 – 239,488,445) Ordinary shares in issue at the year end.

9. Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Listed on recognised stock exchanges:		
United Kingdom	**154,497**	135,111
Overseas	**16,977**	15,545
	171,474	150,656

	2015 £'000	2014 £'000
Opening book cost	**122,736**	117,940
Opening fair value gains on investments held	**27,920**	23,299
Opening fair value	**150,656**	141,239
Purchases for cash	**19,585**	25,625
Sales – proceeds	**(10,911)**	(25,793)
– net gains on sales	**2,334**	4,964
Movement in fair value during the year	**9,810**	4,621
Closing fair value	**171,474**	150,656
Closing book cost	**133,743**	122,736
Closing fair value gains on investments held	**37,731**	27,920
Closing fair value	**171,474**	150,656

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 £99,900 (2014 – £105,000) and on sales £16,100 (2014 – £20,000).

Gains on investments held at fair value	2015 £'000	2014 £'000
Net gains on sales	**2,334**	4,964
Movement in fair value in investment holdings	**9,810**	4,621
	12,144	9,585

10. Called-up share capital

	Ordinary shares of 25p each	
	Number	**£'000**
Allotted, called up and fully paid		
At 30 September 2015	**258,824,045**	64,706
Held in treasury	**–**	–
	258,824,045	64,706
Allotted, called up and fully paid		
At 30 September 2014	**239,488,445**	59,872
Held in treasury	**2,569,000**	642
	242,057,445	60,514

During the year to 30 September 2015 there were no Ordinary shares of 25p each repurchased by the Company.

During the year to 30 September 2014 there were 11,359,000 Ordinary shares of 25p each repurchased by the Company (being 4.7% of the Company's issued share capital), at a total cost (including transaction costs) of £7,002,081 and placed in treasury.

During the year to 30 September 2015 the Company re-issued 2,569,000 Ordinary shares of 25p each from treasury for proceeds totalling £1,620,215.

During the year to 30 September 2014 the Company re-issued 8,790,000 Ordinary Shares of 25p each from treasury for proceeds totalling £5,727,205.

During the year to 30 September 2015 there were 16,766,600 new Ordinary shares of 25p each issued by the Company for cash proceeds totalling £11,628,000.

During the year to 30 September 2014 there were no new Ordinary Shares issued by the Company.

No shares were purchased for cancellation during the year (2014 – nil) and at the year end no shares were held in treasury (2014 – 2,569,000).

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

11. Share premium account

	2015	2014
	£'000	£'000
At 1 October	**86**	36,432
Premium on issue of shares	**7,491**	311
Costs incurred on issue of new shares	**(19)**	–
Discount control costs (note 10)	**(33)**	(36)
Cancellation of share premium (note 12)	**–**	(36,621)
At 30 September	**7,525**	86

12. Special reserves

	Distributable Capital Reserve 2015 £'000	Special Reserve 2015 £'000	Total Special Reserves 2015 £'000	Total Special Reserves 2014 £'000
At 1 October	**5,347**	**56,577**	**61,924**	58,163
Cancellation of Share Premium (note 11)	**–**	**–**	**–**	36,621
Transfer to Capital Reserve (note 13)	**–**	**–**	**–**	(31,243)
Costs of cancellation of Share Premium	**(4)**	**–**	**(4)**	(31)
Shares bought back during the year into treasury	**–**	**–**	**–**	(7,002)
Shares issued during the year from treasury	**–**	**1,584**	**1,584**	5,416
At 30 September	**5,343**	**58,161**	**63,504**	61,924

On 29 August 2014, following the Special Resolution passed at the Annual General Meeting held on 23 January 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.

13. Capital reserve

	2015 £'000	2014 £'000
At 1 October	**(735)**	(36,200)
Net gains on sales of investments during the year	**2,334**	4,964
Finance costs of borrowings	**–**	(10)
Investment management fee	**(842)**	(728)
Currency gains/(losses)	**11**	(4)
Transfer from Special Reserves (note 12)	**–**	31,243
At 30 September	**768**	(735)
Investment holdings gains		
At 30 September	**27,921**	23,300
Investment gains	**9,810**	4,621
	37,731	27,921
Total capital reserve	**38,499**	27,186

14. Revenue reserve

	2015 £'000	2014 £'000
At 1 October	**3,681**	3,569
Transfer to revenue account net of dividends	**332**	112
At 30 September	**4,013**	3,681

15. Risk management, financial assets and liabilities

Risk management

With effect from 17 September 2009, the Company's objective changed to that of providing 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 and 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. During the year the Company entered into one derivative contract and the open position on this contract at 30 September 2015 was valued at a liability of £19,000 as disclosed in the Balance Sheet. During the prior year no derivatives were utilised.

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 open traded option positions.

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;
- 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 Balance Sheet date was as follows (there were no interest bearing financial securities and liabilities at the Balance Sheet dates):

As at 30 September 2015	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets			
Cash	–	–	6,630
Total assets	**–**	**–**	**6,630**

As at 30 September 2014	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets			
Cash	–	–	2,755
Total assets	**–**	**–**	**2,755**

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

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 Balance Sheet date was as follows:

	Within 3 months or less 2015 £'000	**Within 3 months or less 2014 £'000**
Floating rate		
Cash	6,630	2,755

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the Balance Sheet date 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 2015 and net assets would increase/decrease by £33,000 (2014 – increase/decrease by £14,000). 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 currency exposure is detailed below:

	30 September 2015		30 September 2014	
	Overseas Investments £'000	**Net monetary assets £'000**	Overseas investments £'000	Net monetary assets £'000
US Dollar	**13,741**	**121**	12,598	132
Swiss Franc	**3,236**	**–**	2,947	–
Total	**16,977**	**121**	15,545	132

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 Balance Sheet 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 2015 would have increased/decreased by £17,147,000 (2014 – increase/decrease of £15,066,000). 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 balance sheet date 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;
- 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.

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

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 30 September was as follows:

	2015		2014	
	Balance Sheet £'000	**Maximum exposure £'000**	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	**–**	**–**	–	–
Current assets				
Accrued income	**582**	**582**	690	690
Other debtors	**–**	**–**	737	737
Cash and short term deposits	**6,630**	**6,630**	2,755	2,755
	7,212	**7,212**	**4,182**	**4,182**

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 facilties.

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:

	2015 £'000	2014 £'000
Equity share capital	**64,706**	60,514
Retained earnings and other reserves	**113,541**	92,877
	178,247	153,391

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 (2014 – nil).

17. Commitments and contingencies

At 30 September 2015 there were no contingent liabilities in respect of outstanding underwriting commitments or uncalled capital (2014 – £nil).

18. Financial instruments measured at Fair Value

				2015				2014
	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	**171,474**	**–**	**–**	**171,474**	150,656	–	–	150,656
Financial liabilities at fair value through profit or loss								
Derivatives	**(19)**	**–**	**–**	**(19)**	–	–	–	–

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.

19. Notes to the Cash Flow Statement

(a) Reconciliation of operating profit to operating cash flows

	2015 £'000	2014 £'000
Profit before taxation	**17,431**	14,237
Add interest payable	**–**	15
Adjustments for:		
Gains on investments	**(12,144)**	(9,585)
Currency (gains)/losses	**(11)**	4
Decrease in accrued income and prepayments	**89**	5
Increase/(decrease) in trade and other payables	**42**	(14)
	5,407	4,662

(b) Analysis of changes in net funds

	30 September 2014 £'000	Cash flow £'000	Exchange movements £'000	30 September 2015 £'000
Cash at bank	2,755	**3,864**	**11**	**6,630**

20. Related party transactions

The following are considered to be related parties:

- The Directors of the Company.
- The Manager.

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 Notes 3 and 4.

Details of the remuneration of all of the Directors can be found on pages 28 and 29.

21. Alternative Investment Fund Managers Directive (AIFMD)

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Personal Assets Trust Administration Company Ltd ("PATAC"), is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy is available from PATAC on request and the numerical remuneration disclosures in respect of the AIFM's first relevant reporting period (year ending 30 April 2016) will be made available in due course.

The Company's maximum and actual leverage levels at 30 September 2015 are shown below:

	Gross Method	Commitment Method
Maximum limit	**200%**	**200%**
Actual	**96%**	**100%**

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 accounts is the FTSE All-Share Index, a recognised and respected index, which measures the performance of approximately 647 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 Group'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 Group's Net Asset Value. A level expressed as 0% indicates there is no gearing.

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 all other operating expenses excluding interest, expressed as a percentage of the average of the end of day daily net assets during the year.

Preference Shares
These entitle the holder to a fixed rate of dividend out of the profits of a company, to be paid in priority to other classes of shareholder.

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 less current liabilities.

Total Return
Total Return involves reinvesting the net dividend in the month that the share price goes 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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty-seventh 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 19 January 2016 at 11.00 am to transact the following business:

Ordinary 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 2015.

2. To approve the Directors' Remuneration Report for the year to 30 September 2015.

3. To re-elect Mr D. Warnock as a Director of the Company.

4. To re-elect Ms J. Brown as a Director of the Company.

5. To re-elect Mr R. White as a Director of the Company.

6. To appoint PricewaterhouseCoopers LLP as auditor of the Company.

7. To authorise the Directors to determine the remuneration of the auditor of the Company.

8. 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 £21,702,000, such authority to expire on 31 March 2017 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:

9. That, subject to the passing of resolution 8 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 8 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 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and

   (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £6,510,600.

   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 8 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 8 in the notice of meeting" were omitted.

10. 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 39,037,564, but will increase or decrease relative to changes in the shares in issue between the date of this Notice and 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 2017 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.

11. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear working 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

Steven Cowie C.A.
Secretary

Registered Office
10 St Colme Street Edinburgh EH3 6AA

25 November 2015

Notes to Notice of Annual General Meeting

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 these accounts. 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) 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 6.00pm on 15 January 2016 (or, in the event that the Meeting is adjourned, at 6.00pm 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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 does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

(ix) 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.

(x) As at close of business on 24 November 2015 (being the latest practicable date prior to publication of this document), the Company's issued share capital (excluding treasury shares) comprised 260,424,045 Ordinary shares of 25p each. The total number of voting rights in the Company as at 24 November 2015 is 260,424,045.

(xi) 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 and Transparency Rules.

(xii) 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.

Notes to Notice of Annual General Meeting (continued)

(xiii) 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 accounts, 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 (i) members representing at least 5% of the total voting rights of the Company or (ii) 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.

(xiv) 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.

(xv) 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.

(xvi) 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.

(xvii) 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 proxy form) 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.

(xviii) 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
Brookfield House
44 Davies Street
London W1K 5JA

www.taml.co.uk

Secretary and Registered Office
Steven Cowie C.A.
Personal Assets Trust Administration Company Limited
10 St Colme Street
Edinburgh EH3 6AA
Registration Number: 366565 (Scotland)

Alternative Investment Fund Manager
Personal Asset Trust Administration Company Limited

Auditor
Ernst & Young LLP

Solicitors
Dickson Minto W.S.

Bankers & Custodian
J.P. Morgan Chase Bank N.A.

Depositary
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 Herald

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

Company Registration Number
111955 (Scotland)

Regulatory Status
As an investment trust pursuant to section 1158 of the Corporation Taxes 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

Troy Income & Growth Trust plc, 10 St Colme Street, Edinburgh EH3 6AA.
Telephone: 0131 538 6610. Website: www.tigt.co.uk