FINSBURY GROWTH & INCOME TRUST PLC

Annual Report for the year ended 30 September 2021

LINDSELL TRAIN

Frostrow CAPITAL

Contents

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Financial Calendar

Financial Year End
30 September

Final Results Announced
December

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February

Half Year End
31 March

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May

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May and November

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Company Summary

The Company is an investment trust. Its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies ("AIC").

OBJECTIVES AND PERFORMANCE MEASUREMENT

The Company aims to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index (the Company's benchmark).

The Company's net assets as at 30 September 2021 were £2,064.7 million (2020: £1,842.5 million) and the market capitalisation was £1,970.9 million (2020: £1,829.1 million).

DIVIDENDS

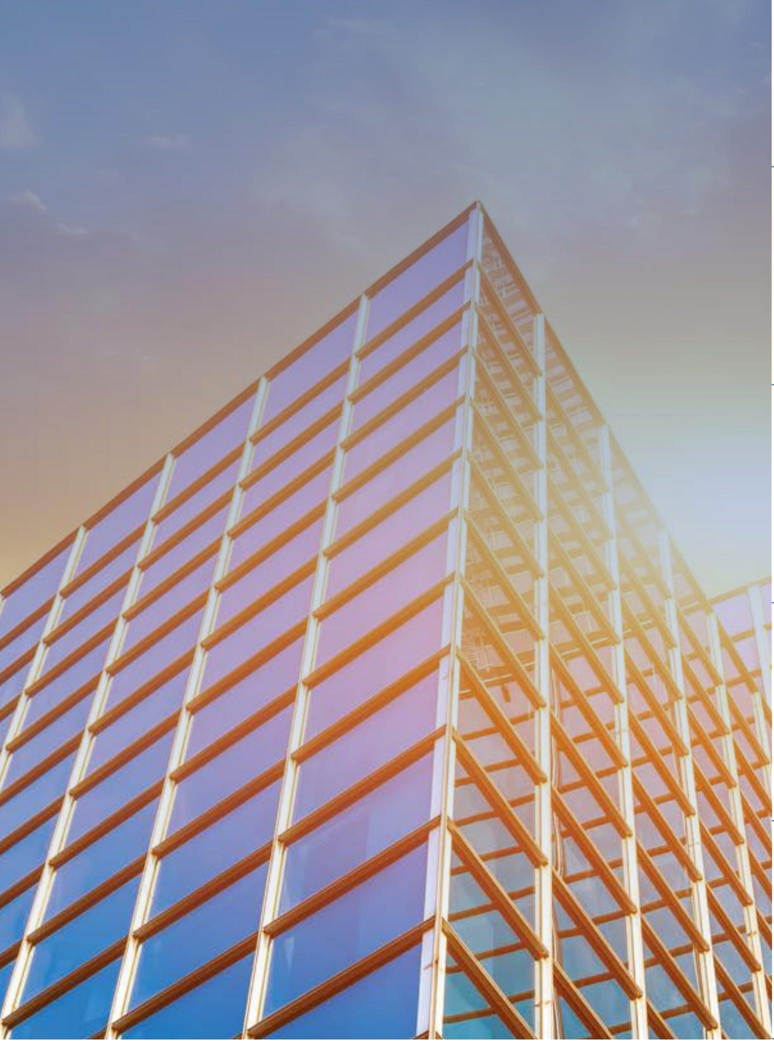
A first interim dividend of 8.0p per share was paid on 14 May 2021 to shareholders registered at the close of business on 6 April 2021. The associated ex-dividend date was 1 April 2021.

A second interim dividend of 9.1p per share was paid on 12 November 2021 to shareholders registered at close of business on 8 October 2021. The associated ex-dividend date was 7 October 2021.

The total dividend declared for the year was therefore 17.1p per share. An increase of 3% versus last year.

STRATEGIC REPORT

Company Performance



KEY FACTS

917.7p

Net asset value per share†
2020: 846.2p (change: +8.4%)

876.0p

Share price
2020: 840.0p (change: +4.3%)

4.5%

Discount of share price to net asset value per share^
2020: 0.7%

88.0p

Total return per share†
2020: (67.1p)

86.0%

Active share^, *
2020: 87.1%

17.1p

Total dividends per share for the year
2020: 16.6p (change: +3.0%)

FIVE YEAR PERFORMANCE SUMMARY

	30 SEP 2017	30 SEP 2018	30 SEP 2019	30 SEP 2020	30 SEP 2021
Share price	736.5p	818.0p	942.0p	840.0p	876.0p
Share price total return* ^	+14.2%	+13.2%	+17.4%	(9.0%)	+6.3%
Net asset value per share†	732.8p	812.8p	935.6p	846.2p	917.7p
Net asset value per share total return* ^	+13.7%	+13.1%	+17.4%	(7.7%)	+10.6%
FTSE All-Share Index total return** #	+11.9%	+5.9%	+2.7%	(16.6%)	+27.9%
Total return/(loss) per share†	89.6p	93.6p	143.8p	(67.1p)	88.0p
Dividends per share	14.2p	15.3p	16.6p	16.6p	17.1p

* Source: Morningstar
** Source: FTSE International Limited ("FTSE") © FTSE, 2021
# See glossary of terms and alternative performance measures on pages 83 to 86)
^ Alternative Performance Measure ("APM") (see glossary on pages 83 to 86)
† UK GAAP Measure

10.6%

Net asset value per share total return[1,^]
2020: (7.7%)

6.3%

Share price total return[1,^]
2020: (9.0%)

£2.065bn

Shareholders' funds[†]
2020: £1.843bn (change: +12.1%)

224,991,303

Number of shares in issue
2020: 217,751,303 (change: +3.3%)

0.62%

Ongoing charges[^]
2020: 0.64%

0.3%

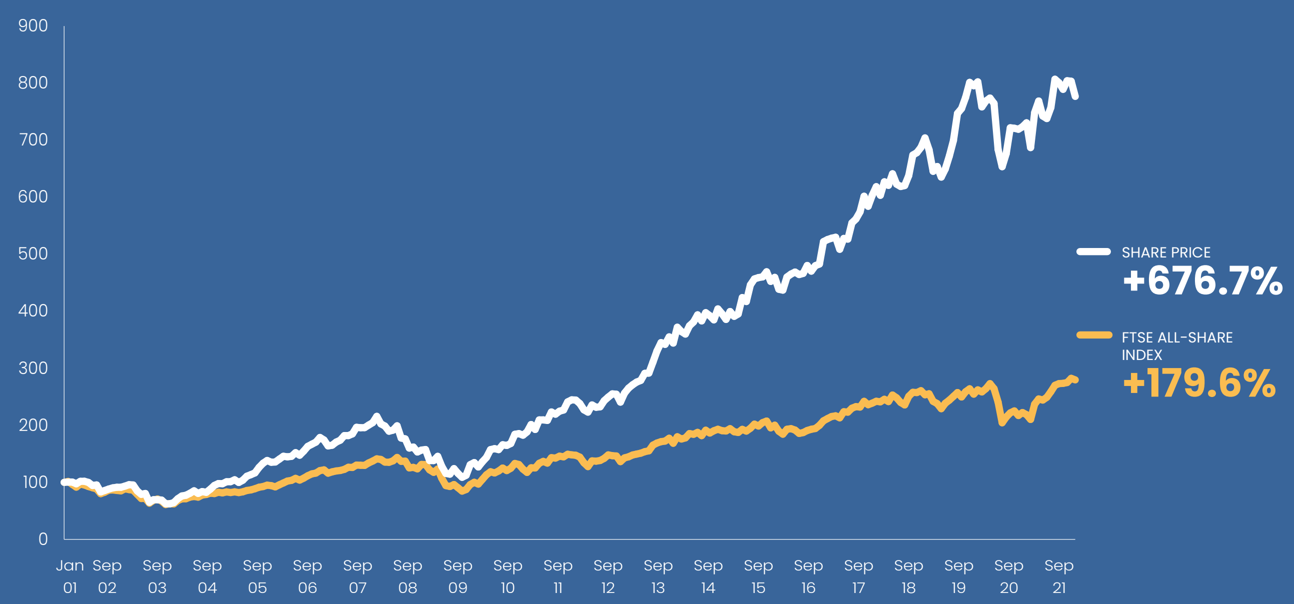
Gearing[^]
2020: 0.5%

^ Alternative Performance Measure (see glossary on pages 83 to 86)
† UK GAAP Measure

1 Source – Morningstar
2 Source – FTSE International Limited ("FTSE") © FTSE 2021* (see glossary on page 83)

The Company was incorporated in Scotland on 15 January 1926. Lindsell Train was appointed in December 2000. The total return of the Company's share price over the ten years to 30 September 2021 has been 248.1%, equivalent to a compound annual return of 13.3%[1]. This compares to a total return of 119.2%* from the Company's benchmark, equivalent to a compound annual return of 8.2%*.
* Source: Morningstar, FTSE International Limited ("FTSE") © FTSE2021

TOTAL SHARE PRICE RETURN PERFORMANCE SINCE THE DATE OF APPOINTMENT OF LINDSELL TRAIN AS PORTFOLIO MANAGER TO 30 SEPTEMBER 2021



Source: Morningstar
Rebased to 100 as at 1 January 2001

Key Performance Indicators

The Board reviews the performance of the portfolio in detail and hears the views of the Portfolio Manager at each meeting.

Information on the Company's performance is provided in the Chairman's Statement (beginning on page 6) and the Portfolio Manager's Review (beginning on page 10).

This performance is assessed against the following KPIs.

The Board has adjusted one of the Company's KPIs from Revenue Return per Share to Total Return per Share as it is believed to be a more appropriate measure of performance.

All other KPIs remain unchanged from last year.

^ Alternative Performance Measure (see glossary on pages 83 to 86)
† UK GAAP Measure
* Source: morningstar

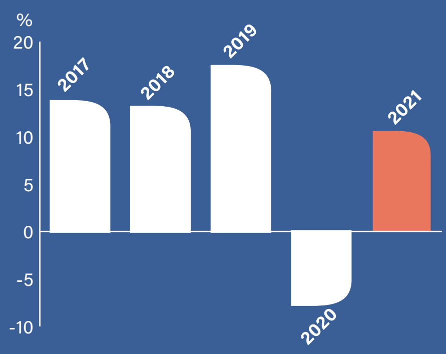
+10.6%

NET ASSET VALUE TOTAL RETURN^*

This reflects the growth in the Company's net asset value including the impact of reinvested dividends.

During the year under review the Company's net asset value per share total return was 10.6% (2020: -7.7%).

Over five years, the net asset total return was 54.2%, compared with 29.8% for the Company's benchmark.



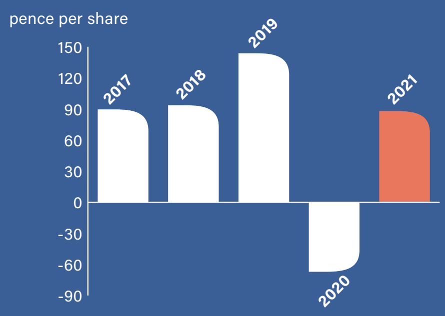
88.0p

TOTAL RETURN/(LOSS) PER SHARE†

The total return per share for the year was 88.0 pence per share (2020: -67.1 pence per share).

Over five years, the Company earned a total of 347.9p per share.

See the below chart for the five year history.



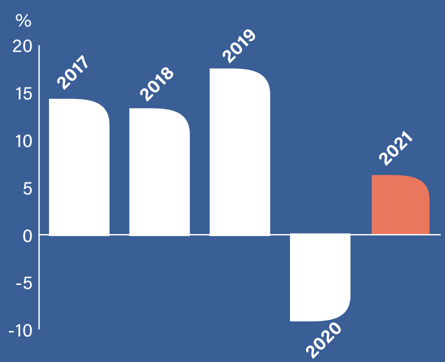
+6.3%

SHARE PRICE TOTAL RETURN^*

This reflects the growth in the value of the Company's share price including the impact of reinvested dividends.

During the year under review the Company's share price total return was 6.3% (2020: -9.0%).

Over five years, the share price total return was 47.1%.



^ Alternative Performance Measure (see glossary on pages 83 to 86)

(21.6%)

RELATIVE PERFORMANCE TO BENCHMARK AND PEER GROUP

The Company's benchmark is the FTSE All-Share Index (total return) which delivered a return of 27.9% (2020: -16.6%) over the year. This compares to the Company's share price total return of 6.3% (2020: -9.0%).

Over five years the share price total return was 47.1% compared to the Company's benchmark which delivered a return of 29.8%.

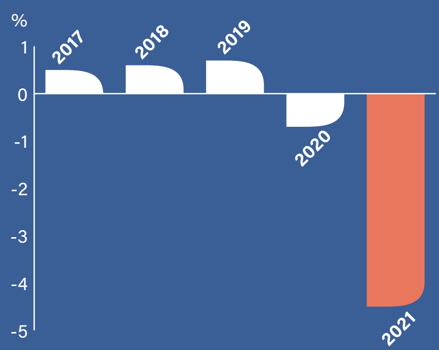
The Board also monitors the Company's net asset value per share return against its AIC peer group^. As at 30 September 2021 the Company's ranking against its peer group of UK growth and income sector investment trusts was:

Period	Rank out of 25
1 yr	21
3 yr	9
5 yr	2
10 yr	3

(4.5%)

SHARE PRICE (DISCOUNT)/ PREMIUM TO NET ASSET VALUE PER SHARE^

The Board reviews the level of (discount)/ premium to net asset value per share at every Board meeting and consideration is given to ways in which the share price performance may be enhanced, including the effectiveness of marketing, share issuance and buy-backs, where appropriate. Details of how the Company's (discount)/premium control mechanism works can be found in the Trust characteristics section on the Company's website.



Demand for the Company's shares led to the issue of a total of 7,240,000 new shares during the year (2020: 16,939,591) at a premium to the net asset value per share at the time of issue. At 30 September 2021 the Company's share price stood at a 4.5% discount to the Company's net asset value per share (2020: 0.7% discount).

The Company did not buy any shares back during the year (2020: 505,409).

Since the year end the Company has purchased 728,819 shares into treasury.

^ Alternative Performance Measure (see glossary on pages 83 to 86)
* Source: Morningstar

Chairman's Statement

"Despite the recent underperformance, under Nick Train's management the Company has performed strongly against its benchmark in 16 of the 20 years"

SIMON HAYES
CHAIRMAN

PERFORMANCE

The Company's net asset value per share total return^ for the year was 10.6% (2020: -7.7%) and the share price total return^ was 6.3% (2020:-9.0%). However, it is disappointing to report that the Company significantly underperformed its benchmark over this period - the FTSE All-Share Index, measured on a total return basis, rose by 27.9% over the same period (2020: -16.6%).

As I reported within my interim Chairman's Statement, our Portfolio Manager's investment approach involves building a concentrated portfolio of companies that have strong brands and/or powerful market franchises. As the Portfolio Manager points out in his report, 17 stocks account for some 98% of the portfolio. Inevitably, this concentrated approach results in a very different portfolio when compared with the constituents of the Company's benchmark, and demonstrates a high level of active management. The extent to which a portfolio differs from the benchmark can be quantified and expressed as a percentage ("Active Share"). At 30 September 2021, the Company's Active Share versus the Company benchmark was 86.0%.

Such an uncorrelated portfolio will inevitably perform very differently from its benchmark (positively or negatively) over different periods of time. We believe that over time our investment approach, selecting companies with durable business models that generate consistently higher returns, will ultimately be reflected in the share prices of the companies we own and hence in the performance of the Company. However, there will be periods, such as now, when the market does not reward this approach.

Despite the recent underperformance, under Nick Train's management the Company has performed strongly against its benchmark in 16 of the 20 years and has continued to outperform over the last three, five and ten years. The return over the year under review reflects relative underperformance in a period in which the market has rewarded companies with prospects for rapid recovery from the effects of the pandemic as opposed to those businesses which we own: businesses that offer consistent growth.

SHARE CAPITAL

Demand for the Company's shares led to the issue of a total of 7,240,000 new shares during the year, resulting in net proceeds received by the Company of £62.1 million which were invested in line with the Company's investment objective. These shares were issued from the shareholder authority which was renewed at the Company's last Annual General Meeting.

Renewal of the Company's share issuance authority will be proposed as usual at the Company's Annual General Meeting.

The Board keeps the Company's discount under close review and is committed to buying back its own shares at or near the 5% level. While share buy-backs will not necessarily prevent the discount from widening beyond this level, the Board believes that buy-backs enhance the net asset value ("NAV") per share for remaining shareholders, provide some additional liquidity and help to mitigate discount volatility which can damage shareholders returns. At the year end the discount was 4.5% and at the time of writing (at the close of the UK market on 13 December 2021), the discount was 4.7%. Since the year end the Company has bought back 728,819 shares into treasury at a cost of £6.5 million.

^ Alternative Performance Measure (see glossary on pages 83 to 86)

RETURN AND DIVIDEND

Your Board has declared two interim dividends for the year totalling 17.1 pence per share (2020: 16.6 pence).

The Income Statement shows a total gain of 88.0 pence per share (2020: a loss of 67.1 pence) consisting of a revenue return per share of 18.1 pence (2020: 16.5 pence) and a capital return per share of 69.9 pence (2020: loss of 83.6 pence).

In order for shareholders to receive dividend payments on a timely and cost effective basis, your Board continues to elect to distribute the Company's income to shareholders by means of two interim dividends rather than wait several months to secure shareholder approval at the Annual General Meeting ("AGM") to pay a final dividend. The dividend policy will again be proposed for approval at the forthcoming AGM.

ONGOING COSTS

The Board maintains a very conservative view on how it manages ongoing costs as they can have a significant impact on long-term returns to investors. The Company's ongoing charges^ figure reduced from 0.64% to 0.62% over the year to 30 September 2021.

This measure takes account of costs expected to be regularly incurred and while it does not include those incurred in buying and selling investments, the low level of portfolio turnover ensures these additional costs remain immaterial. The Board remains focused on delivering value for money for Shareholders.

BORROWING

As at 30 September 2021 the Company entered the final year of its three-year secured fixed term loan from Scotiabank Europe PLC, which consists of a committed revolving credit facility of £50 million together with an additional £50 million facility. As at 30 September 2021 a total of £36.7 million was drawn down under this facility (30 September 2020: £36.7 million).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG') MATTERS

Our investment approach, which sees us take significant positions in investee companies with long-term sustainable business models, is conducive to the integration of ESG considerations. This applies to both the due diligence and the research carried out in advance of investment as well as the continuing engagement with senior management of the companies we own.

Our Portfolio Manager's approach to ESG matters, which is endorsed by the Board, can be found on pages 28 to 30.

AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

A resolution is to be proposed to Shareholders at the Company's AGM to adopt new Articles of Association. The new provisions of the Company's Articles of Association will provide the Board with the flexibility to hold a combination of virtual and in-person shareholder meetings in the future, should the need arise. The Board is committed to holding in-person meetings provided that restrictions are not in place and meetings can be held safely. Certain other technical amendments have been made so that the Articles of Association conform to other applicable legislation and current best practice. In particular, changes have been made to provisions designed to enable the Company to comply with its obligations under various tax reporting requirements. Further details of the changes are set out on page 39.

ANNUAL GENERAL MEETING

The AGM of the Company this year will again be held at Guildhall, City of London EC2V 7HH (please use the Basinghall Street Entrance) on Wednesday, 9 February 2022 at 12 noon, and we hope as many Shareholders as possible will attend. This will be an opportunity to meet the Board and to receive a presentation from our Portfolio Manager.

At the time of writing, it is hoped that it will be possible to hold the AGM in its normal format at the venue set out above. The Board will keep the impact of the COVID-19 pandemic under review and will make necessary changes to the arrangements for the AGM should circumstances dictate. Any changes to the AGM will be communicated on the Company's website which Shareholders are encouraged to consult for any final arrangements.

The Board strongly encourages all Shareholders to exercise their votes in respect of the meeting in advance. Shareholders who hold their shares directly can vote online by visiting www.signalshares.com and following instructions. Shareholders who hold their shares on retail platforms can find details of how to vote on pages 10 to 12 of the Notice of Meeting. Shareholders who require a hard copy form of proxy may request one from the registrar, Link Group. Voting by proxy will ensure that your votes are registered in the event that attendance at the AGM is not possible or restricted. If the meeting is postponed your votes will still be valid when the meeting is eventually held.

OUTLOOK

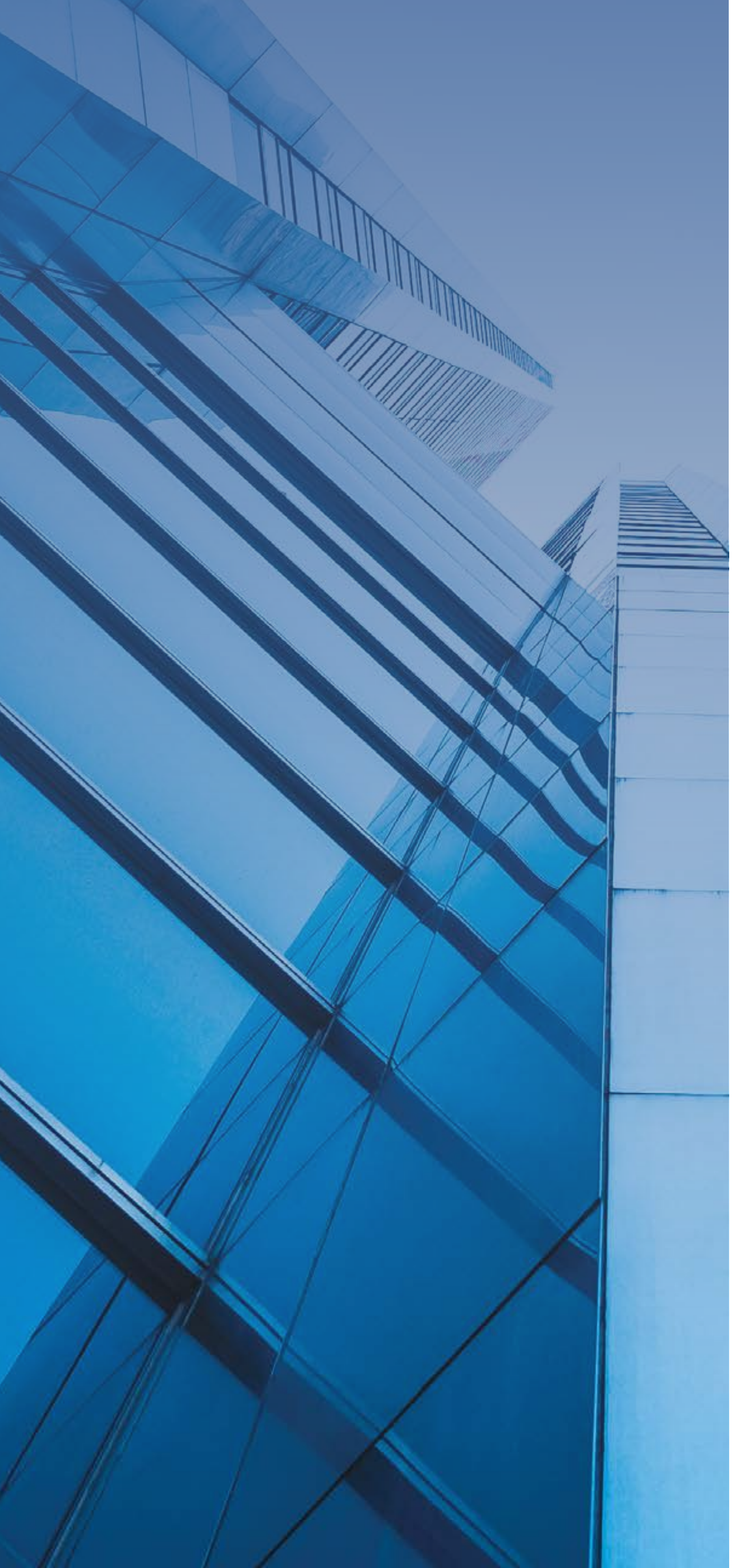
Your Board continues to support fully the Portfolio Manager's strategy of investing in high quality companies that own both durable and cash generative brands. We firmly believe that the strategy will continue to deliver strong investment returns to shareholders over the longer term.

Simon Hayes
Chairman

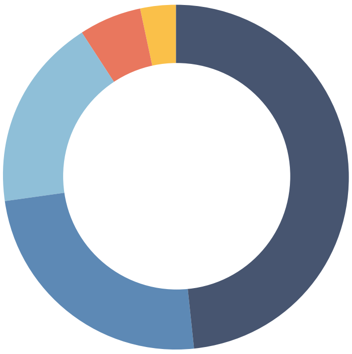
14 December 2021

^ Alternative Performance Measure (see glossary on pages 83 to 86)

Investment Portfolio



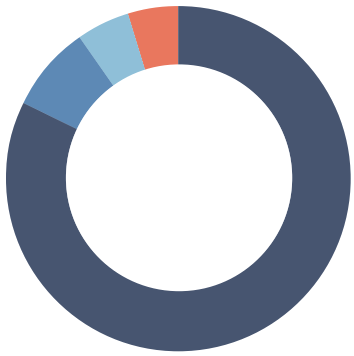
PORTFOLIO SECTOR WEIGHTINGS 2021



Consumer Staples ('CS')	48.4%
Financials ('F')	24.5%
Consumer Discretionary ('CD')	18.2%
Technology ('T')	5.6%
Industrials ('I')	3.3%

Source: Frostrow Capital LLP

GEOGRAPHICAL ALLOCATION 2021



United Kingdom	82.3%
United States of America	8.1%
France	4.9%
Netherlands	4.7%

Source: Frostrow Capital LLP

INVESTMENTS AS AT 30 SEPTEMBER 2021

SECTOR	INVESTMENTS	FAIR VALUE 2020 £'000	NET INVESTMENTS £'000	CAPITAL APPRECIATION/ (DEPRECIATION) £'000	FAIR VALUE 2021 £'000	% OF INVESTMENTS	TOTAL RETURN £'000	CONTRIBUTION PER SHARE (PENCE)◇
CS	Diageo	175,629	5,114	65,206	245,949	11.9	70,156	31.4
CD	RELX	172,188	13,001	45,227	230,416	11.1	50,336	22.5
F	London Stock Exchange	216,925	(3,307)	(34,047)	179,571	8.7	(32,203)	(14.4)
CS	Unilever	200,329	2,565	(32,561)	170,333	8.2	(26,244)	(11.7)
CS	Mondelez International[1]	172,731	–	(5,034)	167,697	8.1	(1,911)	(0.9)
F	Schroders[+]	125,666	–	41,624	167,290	8.1	47,197	21.1
CS	Burberry Group	121,026	4,115	20,594	145,735	7.0	24,001	10.8
T	Sage Group	118,286	486	(1,794)	116,978	5.6	1,068	0.5
F	Hargreaves Lansdown	118,565	1,053	(9,894)	109,724	5.3	(6,022)	(2.7)
CS	Remy Cointreau[2]	96,324	2,625	2,337	101,286	4.9	3,288	1.5
CS	Heineken[3]	87,877	3,263	6,140	97,280	4.7	7,280	3.3
I	Experian Group	23,209	42,518	3,277	69,004	3.3	3,824	1.7
CD	Daily Mail & General Trust (non-voting)	36,766	5,797	23,660	66,223	3.2	25,030	11.2
CS	Fever-Tree Drinks	32,215	11,104	91	43,410	2.1	349	0.2
CD	Manchester United[1]	25,373	210	7,100	32,683	1.6	7,398	3.3
F	Rathbone Brothers	21,341	340	6,600	28,281	1.4	7,628	3.4
CS	A.G. Barr	21,817	–	1,345	23,162	1.1	1,344	0.6
CD	Euromoney Institutional Investor	22,292	(7,941)	6,111	20,462	1.0	6,587	2.9
F	The Lindsell Train Investment Trust plc	11,300	–	3,050	14,350	0.7	3,550	1.6
CD	Pearson	25,713	(25,435)	10,164	10,442	0.5	10,994	4.9
CD	Young & Co's Brewery (non-voting)	5,985	–	3,087	9,072	0.4	3,087	1.4
CS	PZ Cussons	8,608	–	(348)	8,260	0.4	(136)	(0.1)
F	Frostrow Capital LLP[4] **	3,950	150	1,100	5,200	0.3	1,697	0.8
CD	Fuller Smith & Turner	3,780	–	1,190	4,970	0.2	1,190	0.5
CD	Celtic *	3,693	–	(205)	3,488	0.2	(198)	(0.1)
	Total Investments	**1,851,588**	**55,658**	**164,020**	**2,071,266**	**100.0**		
	Total Contributions to Total Return						**209,290**	**93.7**
	Expenses and Finance Charges						**(12,676)**	**(5.7)**
	Return on Ordinary Activities after Taxation						**196,614**	**88.0**

◇ Based on 223,371,358 shares, being the weighted average shares in issue during the year ended 30 September 2021.
\+ Includes Schroders (non-voting) shares, fair value £10,866,000 (2020: £8,315,000)
* Includes Celtic 6% cumulative convertible preference shares, fair value £236,000 (2020: £246,000)
** Includes Frostrow Capital LLP AIFM Investment, fair value £900,000 (2020: £750,000)
1 Listed in the United States
2 Listed in France
3 Listed in Netherlands
4 Unquoted

STRATEGIC REPORT

Portfolio Manager's Review

"Your portfolio is made up of strong businesses, with the potential to deliver both business growth and investment value for patient investors."

NICK TRAIN
LINDSELL TRAIN LIMITED
PORTFOLIO MANAGER

After a 12-month period of disappointing NAV performance Shareholders will not be surprised to read that I have engaged in some navel-gazing. As always in such circumstances I come back to the companies to which we have committed your capital. I ask myself - how are the companies performing as businesses (which is not necessarily the same as how their share prices are performing)? And most important, as a team, we ask ourselves – are we invested in brands and franchises that are going to endure and preferably prosper over time? If we get that second question right, I must assume everything will work out just fine. Please read the rest of this report in the context of this opening paragraph.

Today the 17 biggest holdings in your portfolio (that is all holdings above 1% of the NAV) account for c.98% by value of the whole.

The remaining holdings each represent less than 1%. We may add to some of these smaller positions, but others will be disposed of, at a time and valuation of our choosing.

By most standards 17 holdings, making up essentially all portfolio assets, is exceptionally concentrated. This is deliberate. The Company's portfolio is highly concentrated, because we have found this gives us the best chance of delivering the returns shareholders require to justify taking the risk of committing their precious savings to stock markets. We have no quibble with any rejoinder that what we do is risky. It is risky – both in the sense that the investment performance that results may turn out to be radically different from that of the benchmark our performance is measured against – in the Company's case the FTSE All-Share Index. But also risky in the sense that holding such big positions exposes shareholders to the risk of outsize capital losses if something existentially bad befalls any of the companies.

So, while we know of no way to obviate the risk of differentiated investment performance, compared to the Index or other managers (whether our differentiated investment performance turns out to be notably better or worse than the average); by contrast it is in our power to limit the risk of permanent loss of capital, by seeking to invest only in "good" businesses. This is why we have always placed such a great emphasis on the predictability, financial conservatism and enduring relevance of the companies we have chosen to commit your savings to.

Because of the paramount importance of individual holdings in a strategy like the Company's we have chosen to give an account below of the reasons why we own each of those 17 holdings. They are listed in descending order of size.

Diageo was the Company's most successful stock over the last 12 months, and, partly as a result, is the biggest position, at just under 12% of NAV.

There are decade-long secular trends driving Diageo's business. Most notably the propensity for consumers worldwide to drink less alcohol (which is a good thing), but instead to drink more of better-quality products. This growing taste for premium and super-premium beverage brands has accelerated with the incredible increase in consumer wealth over the last decade, notably in the USA and Asia. With arguably the best collection of prestige spirits brands (and Guinness) Diageo has been and will continue to be a prime beneficiary of these trends.

In addition, while we have no view as to whether the inflation pressures afflicting the world in 2021 will turn out to be ephemeral or entrenched, we are sure few companies are better positioned to maintain the real price of their products than Diageo. Would you sooner own a government bond on a running income yield of 2%, or Diageo on a starting dividend yield of 2%? We can't help worrying that pension schemes around the world that choose the government bond ahead of Diageo, on the grounds that "equities are riskier than bonds", are making a costly mistake.

RELX – Covid-19 lockdowns have evidently boosted the use of digital tools and data analytics across every industry. Andy Grove's (ex-Intel CEO) prediction that in the future every company will be an internet company looks increasingly prescient; every company we know is working to become more digital. In the UK we are fortunate that the FTSE contains several major companies that own globally significant troves of data; data their customers need to run their institutions or businesses day-by-day. RELX is one such company – its services deeply embedded in the scientific research, legal and insurance communities. Listen to or read what the executives of RELX have to say about the opportunities still presented to this company and you will understand why it is the Company's second largest holding.

LSE, like RELX, is another rare British company with globally significant data assets and the technology platform required to deliver data and analysis of that data at scale. It is true that a proportion of this data has been recently acquired, via its 2021 takeover of Refinitiv and also true that there are challenges involved in executing on a transaction of this size. But it is also apparent – on any consideration of the business and share price histories of similar companies, notably in the USA - that the rewards for shareholders of a successful integration of Refinitiv's data and transaction venues with those of the LSE would be very high indeed.

UK investors complain their home index is too exposed to 20th century declining industries and there are too few domestic technology and data winners in the FTSE. Yet the weakness in LSE's share price since the Refinitiv deal closed (and LSE has been a notable drag on the Company's returns in 2021) shows those same investors reluctant to back this obvious contender to be a global tech winner. The iron rule still holds - for those investors who yearn for certainty before committing - by the time you know for sure, it will be too late.

Unilever has been a detractor from the Company's performance over the last 12 months. Its wide diversification by brands and geography, that made it understandably "defensive" during the traumas of 2020, has counted against it. Especially so during the current period of rising input and logistics costs. It is undeniable that of all the consumer brand companies we own in the Company, Unilever is the one most at risk of a loss of pricing power across its product portfolio. Soap powder is more prone to price competition than Tanqueray or Crunchie Bars.

However, it is important to consider the lessons of Unilever's long history. Over many, many decades Unilever has successfully exploited its global distribution, its marketing skills, the knowledge it learns about changing consumer tastes and, crucially the billions of pounds of annual cash flows it generates from its brands. It uses all these attributes to develop or acquire new brands. As a result, the shape of Unilever today is very different from that of 30 years ago. Why shouldn't this formidable company continue to evolve and create value for its owners?

Some may counter that the Internet has changed everything for Unilever; for the worse. But at its recent results meeting, Alan Jope, CEO said: "It is a myth that the infinite shelf space of e-commerce favours middle and small-sized brands. E-commerce is very favourable to relevant big brands; they get first on the search and shopping list." Even noting the key adjective "relevant" in that quote, if Jope is right (and maybe it is still too soon to be certain) then current pessimism about Unilever is excessive.

The **Mondelez** position results from our historic major holding in Cadbury, with Oreos, Toblerone and other beloved confectionery and snack brands added to the mix. I have slightly mixed feelings about the investment. Over the last ten years Mondelez stock is up 2.6x. That return looks very satisfactory compared to the dismal showing of the FTSE All-Share, up 44%. But I have to contrast it to NASDAQ over the same period – that index has gone up more than 5-fold, highlighting the rewards for investing in innovative, high-growth tech companies during a period of industrial change.

Mondelez is a terrific company of its type, likely to protect its owners against inflation and to grow in real terms, as consumers all over the world enjoy its treats. But can the Mondelez tortoise ever outpace the successful tech-stock hare? Probably not. But my conclusion is that it is valuable to own both types of company and if Mondelez' shares are at $156 in 10 years ($60 today) we will be delighted and hope the Shareholders will be too.

Schroders recovered well from the COVID-19 bear market, both as a business and a share price. We continue to like being invested in an institution of such high reputation and financial conservatism. Schroders' assets under management have reached a record high in 2021, of very nearly US$1trillion (important to express in US$, because most of its big competitors are in the US).

Promisingly the mix of Schroders' assets has been shifting towards higher fee earning strategies, such as Private Equity and Wealth Management. We hope this means any future acceleration in Schroders' asset growth will be rewarded with a big share price gain.

Burberry – A cash-rich (no financial debt) global luxury brand, with a longstanding and wonderfully valuable place in the affections of Asian consumers. You would think Burberry would be one of the most highly valued and admired companies in the FTSE 100. Certainly, there is no other company like it in the index. But not so. The British media and analytical community barely have a positive word to say about this iconic franchise. Oh well. We find it remarkable we have been able to become the biggest shareholder in Burberry on such attractive terms; but are grateful for the opportunity.

It is true, we are disappointed that CEO Marco Gobbetti is stepping down - returning to Italy. But his valedictory ruminations on the fashion industry are worth considering – "I find it fascinating – five or seven years ago it was much more limited. The audience for fashion and luxury was not as wide as it has become today. The big change is how fashion and luxury have permeated society. The pandemic has been a great accelerator of luxury. There is a generational change, with younger consumers in the US in particular becoming attached to brands and engaging with them like never before." Luxury is definitely the right pond for investors to be fishing in today. And Burberry is definitely not a discarded shopping trolley at the bottom of that pond.

Sage – Few companies in your portfolio have tested my patience like this one. Look at the long-term price chart. Time and again the shares rally toward the peak of c£8. But each time the shares slip back, because the company persistently contrives to disappoint against its apparent growth potential. Many similar accounting software companies around the world have been great investments over the last two decades – Sage egregiously not. Other holders – including one we admire greatly – have had enough and sold out.

We are still invested for two reasons. First, in 2017 the previous CEO boldly made an ostensibly very expensive acquisition; Intacct, a US cloud software business. Four years later, Intacct has grown and its future prospects appear better than ever. Even on its own Intacct is worth an appreciable proportion of Sage's market value, we think. Next, the current executive team has boldly accepted a drop in profit margins by investing more aggressively in new product development and marketing. We must hope better late than never.

Encouragingly, the board has sanctioned two share buybacks over the last year, of £300m each. Sage's ability to do this speaks to its strong cash generation and balance sheet.

Hargreaves Lansdown – There is a cloud over the Hargreaves share price, relating to events of over two years ago. It is not obvious when or how those clouds will lift. All one can say is that Hargreaves' business has gone from strength to strength over that time and that like so many digital and "platform" businesses around the world it has been a beneficiary of the great COVID-19-acceleration in consumer digital engagement. It is also worth noting that Hargreaves has a very strong balance sheet indeed as well as a highly profitable business.

Remy Cointreau/Heineken – I do not lightly invest outside the UK for the Company. It is after all a UK equity mandate. Mondelez was effectively inherited from Cadbury, but this pair are the two non-UK holdings we have deliberately chosen to invest in. It is no accident, given our predilections and historic perspectives that both Remy and Heineken should be family-controlled global beverage companies. Looking back at financial history it is apparent that beloved beverage brands offer exceptional longevity and pricing power and have thereby protected the wealth of owners for generations. Add to that the secular growth open to Remy and Heineken with their premium cognac and beer brands and there is scope for centuries more wealth creation.

Experian is one of the newer holdings in the Company, initiated in mid-2020. It is, like RELX and LSE, a globally important data/analytics company that happens to have its primary listing on the London Stock Exchange. Frankly I should've invested in it years ago, but finally the pleading of my younger colleagues prevailed and we are now building what I expect will become one of the top holdings in the portfolio.

Daily Mail & General Trust ('DMGT') may or may not still be a constituent of your portfolio by the time you read this report. As I write this the company has received an offer for its outstanding equity by the controlling family shareholder. DMGT has always fascinated me as a collection of media and data assets, evidently very undervalued by other investors. The prospect of that value being crystalised by an offer at an all-time high for the share price has a definite appeal.

Fever-Tree is the other relatively new holding, and, like Experian, we intend to build it further. The shares present a challenge to investors. Its price earnings ratio is either absurdly high, if the company fails to develop its brand as successfully outside the UK as it has done here. Or it is absurdly low if Fever-Tree can truly become the world's premium mixer brand.

Manchester United – Members of the Glazer family have now sold over £200m of shares in Manchester United in 2021. It seems probable the family does not intend to be an "eternal" owner of the franchise, but equally probable no change of ownership is imminent (or why would they sell?). The destiny of this extraordinary "trophy" asset is unclear, but we are content to remain minority holders of such a unique franchise.

Rathbones – The provision of private wealth investment management services is a growth industry in the UK. Rathbones has a deserved blue-chip reputation, a cash-rich balance sheet and is participating in that industry growth. We expect it to be a bigger and more valuable company over time.

A.G. Barr used to be a major holding in your portfolio, but the position has drifted down to just over 1%, as we have chosen to invest elsewhere across the portfolio and as the shares have languished – now barely higher than 10 years ago. The company remains profitable, with valuable brands and net cash on its balance sheet. We look to its board to find ways to deploy that cash to return Barr to growth and stock market favour. We'd happily add to our holding as its strategy gains traction.

CONCLUSION

As always in these Annual Reports I barely comment on macroeconomic conditions nor make any guess about the next move in the stock market and absolutely not about how the Company's investment performance may develop. There is no point, in my opinion, speculating about factors that are unknowable. However, I do submit that your portfolio is made up of strong businesses, with the potential to deliver both business growth and investment value for patient investors. In this spirit may I confirm to shareholders that I have continued to add to my personal holding in the company. My family and I currently speak for 1.55% of the equity of the Company. This alignment of interest by no means guarantees successful investment returns, but I assure you the Company continues to command my keenest attention.

Nick Train
Director, Lindsell Train Limited
Portfolio Manager

14 December 2021

STRATEGIC REPORT

Business Review

The Strategic Report, set out on pages 2 to 32 provides a review of the Company's policies and business model, together with an analysis of its performance during the financial year and its future developments.

The Strategic Report has been prepared for Shareholders to assess how the Directors have performed their duty to promote the success of the Company. It also considers the principal risks and uncertainties facing the Company.

Information on how the Directors have discharged their duty under Section 172 of the Companies Act 2006 can be found on pages 24 to 27.

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the date of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

As an externally managed investment trust the Company has no executive directors, employees or internal operations. The Company delegates its day-to-day management to third parties. The principal service providers to the Company are Frostrow Capital LLP ("Frostrow") which acts as AIFM, company secretary and administrator; and Lindsell Train Limited ("Lindsell Train") which acts as Portfolio Manager. The Bank of New York Mellon (International) Limited is the Company's Depositary.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy as well as the review of investment performance and policy. It also has responsibility for all strategic issues, the dividend policy, the share issuance and buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

STRATEGY FOR THE YEAR ENDED 30 SEPTEMBER 2021

Throughout the year under review, the Company continued to operate as an approved investment trust, following its investment objective to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index. The Company's performance is discussed in the Chairman's Statement beginning on page 6 and the Portfolio Manager's Review beginning on page 10 explains why the Company holds various key investments in the portfolio.

During the year, the Board, AIFM and the Portfolio Manager undertook all ESG, strategic and administrative activities.

The Board is aware of the increased emphasis on ESG matters in recent years. The Portfolio Manager engages with all the companies in the portfolio to understand their ESG approach and has developed its own methodology to assess the carbon impact of the portfolio. Further details of the Portfolio Manager's approach to ESG matters can be found on pages 28 to 30.

Portfolio structure

82.3% INVESTED IN UK

17.7% INVESTED GLOBALLY

87.5% FTSE 100 COMPANIES (AND COMPARABLE OVERSEAS COMPANIES)

78.9% TOP TEN HOLDINGS

0.3%^ GEARING

86.0%^* ACTIVE SHARE

INVESTMENT POLICY

The Company's investment policy is to invest principally in the securities of companies either listed in the UK or otherwise incorporated, domiciled or having significant business operations within the UK. Up to a maximum of 20% of the Company's portfolio, at the time of acquisition, can be invested in companies not meeting these criteria.

The portfolio will normally comprise up to 30 investments. This level of concentration is likely to lead to an investment return which is materially different from the Company's benchmark index and may be considered to carry above average risk*.

Unless driven by market movements, securities in FTSE 100 companies and comparable companies listed on an overseas stock exchange will normally represent between 50% and 100% of the portfolio; securities in FTSE 350 companies and comparable companies listed on overseas stock exchanges will normally represent at least 70% of the portfolio.

The Company will not invest more than 15% of the Company's net assets, at the time of acquisition, in the securities of any single issuer. For the purposes of this limit only, net assets shall exclude the value of the Company's investment in Frostrow Capital LLP.

The Company does not and will not invest more than 15%, in aggregate, of the value of the gross assets of the Company in other listed closed ended investment companies. Further, the Company does not and will not invest more than 10%, in aggregate, of the value of its gross assets in other listed closed ended investment companies except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed ended investment companies.

The Company has the ability to invest up to 25% of its gross assets in preference shares, bonds and other debt instruments, although no more than 10% of any one issue may be held.

In addition, a maximum of 10% of the Company's gross assets can be held in cash, where the Portfolio Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities or to maintain liquidity.

The Company's gearing policy is that gearing will not exceed 25% of the Company's net assets.

No investment will be made in any company or fund managed by the Portfolio Manager without the prior approval of the Board.

In accordance with the Listing Rules of the Financial Conduct Authority ("FCA"), the Company can only make a material change to its investment policies with the approval of its shareholders.

* The Company publishes its Active Share score in its monthly fact sheet for investors and in both the annual and half-yearly reports to highlight how different the portfolio is from the Company's benchmark index.
^ Alternative Performance Measure (see glossary on pages 83 to 86).

DIVIDEND POLICY

The Company's aim is to increase or at least maintain the total dividend each year. A first interim dividend is typically paid in May and a second interim in November in lieu of a final dividend.

The level of dividend growth is dependent upon the growth and performance of the companies within the investment portfolio. The decision as to the level of dividend paid takes into account the income forecasts maintained by the Company's AIFM and Portfolio Manager as well as the level of revenue reserves. These forecasts consider dividends earned from the portfolio together with predicted future earnings and are regularly reviewed by the Board.

All dividends have been distributed from current year income and revenue reserves.

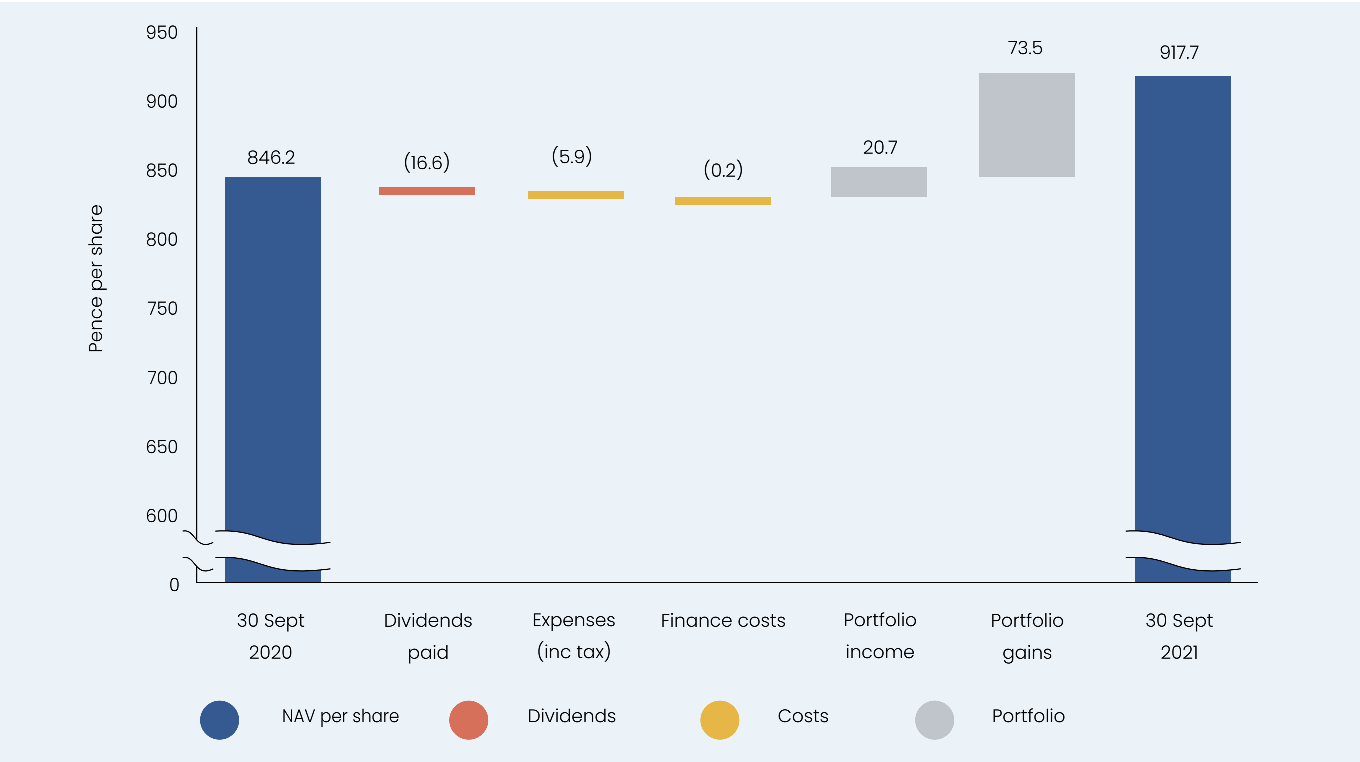
PERFORMANCE

Whilst the Board is disappointed that the Company has underperformed in the short term, the Portfolio Manager's report explains why he believes that the Company's portfolio remains appropriate. The Board fully supports the Portfolio Manager's view.

Whilst performance is measured against the FTSE All-Share Index, the Company's portfolio is constructed and managed without reference to a stock market index with the Portfolio Manager selecting investments based on his assessment of their long term value.

NAV PER SHARE RECONCILIATION

The chart below shows the contribution (in pence per share) attributable to the various components of investment performance and costs, which together add up to the rise from the starting NAV for the year of 846.2 pence to the year-end NAV of 917.7 pence, after the payment of dividends to Shareholders.



PROSPECTS

The Board continues to support fully the Portfolio Manager's strategy of investing in high quality companies that own both durable and cash generative brands. The Board firmly believes that this strategy will continue to deliver strong investment returns over the long-term.

This is supported by the Company's performance over the last ten years with a net asset value per share total return^ of 262.4% compared to a total return from the Company's benchmark index of 119.2%.

^ Alternative Performance Measure (see glossary on pages 83 to 86)

Principal Risks, Emerging Risks and Risk Management

The Board considers that the risks detailed within this report are the principal risks currently facing the Company that could affect the ability of the Company to deliver its strategy.

The Board is responsible for the ongoing identification, evaluation and management of the principal risks faced by the Company and has established a process for the regular review of these risks and their mitigation. This process accords with the UK Corporate Governance Code and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Board has carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. Further details of the risk management processes that are in place can be found in the Corporate Governance Statement on page 41.

The Audit Committee also considered the controls in place to mitigate the inherent risks and whether additional controls or actions were required to bring the residual risk down to an acceptable level. The Committee were satisfied with the controls that are in place.

THE COMPANY'S APPROACH TO RISK MANAGEMENT

Movement during the year: → No change, ↓ Decreased, ↑ Increased, * New risk included during the year

Movement	Principal Risks and Uncertainties	Key Mitigations
→	**Corporate Strategy** The Company's share price total return may differ materially from the NAV per share total return.	The Board operates a share buy-back policy which is intended to offer some protection against the share price widening beyond a 5% discount to NAV per share. There is also a share issuance programme which acts as a premium control mechanism. Further details of the Company's share buy-back policy and premium control mechanism can be found on the Company's website.
→	**Investment Strategy and Activity** The investment strategy adopted by the Portfolio Manager including the high degree of concentration of the investment portfolio, may lead to an investment return that is materially lower than the Company's benchmark index, thereby failing to achieve the Company's investment objective.	The Board discusses with the Portfolio Manager the structure of the portfolio, including asset allocation and portfolio concentration. The Board reviews the performance of the portfolio against the benchmark and the Company's peer group at every meeting. The Company publishes various measures and statistics in the monthly fact sheet and in both the annual and half-yearly reports, to highlight to investors the effects of the investment approach and to show how different the portfolio is from the Company's benchmark index. These measures include number of holdings, Active Share and portfolio turnover.
→	The departure of a key individual at the Portfolio Manager may affect the Company's performance.	The Board keeps the portfolio management arrangements under continual review. In turn, the Portfolio Manager reports on developments at Lindsell Train, including succession and business continuity plans. The Board meets regularly with other members of the wider team employed by the Portfolio Manager.
→	A global event such as COVID-19, ongoing supply chain issues and/or labour shortages may adversely impact the operational activities of the portfolio companies so that they are no longer appropriate to achieve the Company's investment objective.	The Board reviews the performance of the portfolio against the benchmark and the Company's peer group at every meeting. Over the course of the COVID -19 pandemic the Board has held extra review meetings by video conference, initially weekly and more recently monthly. The Portfolio Manager regularly engages with the portfolio companies to discuss any matters of concern that may effect operational activities.

Movement	Principal Risks and Uncertainties	Key Mitigations
→	**Investment Strategy and Activity – continued** The investment approach is not aligned with shareholder expectations in relation to Environmental, Social and Governance ("ESG") matters.	The Board conducts an annual review of the Portfolio Manager's ESG policy to ensure that it is consistent with that expected by the Board. The Board also conducts an annual review of other service providers' policies in relation to internal controls and governance matters notably modern slavery, GDPR, cyber security and whistleblowing. The Portfolio Manager has developed a propriety system to assess the inherent and emerging ESG risks for the investment portfolio which the Portfolio Manager uses when engaging with the portfolio companies. This informs the decision to invest, retain or divest any portfolio investment.
→	**Shareholder Relations and Governance** The Company's investment mandate no longer appeals to investors leading to long-term selling pressure which threatens the stability of the Company.	At each meeting the Board reviews movements in the Company's shareholder register. There are regular interactions and engagement with Shareholders (including at the AGM). Regular feedback from shareholders is received from the Company's broker. In addition, the Chairman and the Senior Independent Director meet with key shareholders to ascertain views. The Company publishes its Active Share score in its monthly fact sheet for investors and in both the annual and half-yearly reports to highlight how different the portfolio is from the Company's benchmark index.
→	Errors or irregularities in published information could lead to censure and/or result in reputational damage to the Company.	The Board reviews all information supplied to shareholders and the AIFM's marketing activity at each meeting and periodically reviews the Company's website. The AIFM's daily controls ensure accurate publication of information.
→	**Operational** Adverse reputational impact of one or more of the Company's key service providers which, by association, causes the Company reputational damage.	The Board receives regular updates from the AIFM of press references to the Company and its major service providers, the Board receives regular news on sector developments from the Company's broker and from the AIC. Together these sources of information keep the Board appraised of any potential sources of reputational damage arising from services providers. The Board has the ability to replace any service provider which may be the source of reputational concerns.
→	**Financial** Fraud (including unauthorised payments and cyber fraud) occurs leading to a loss.	The AIFM and Portfolio Manager have in place robust compliance monitoring programmes. The Board receives monthly compliance reviews and a quarterly expenses analysis. An annual statement is obtained by the Audit Committee from all service providers giving representations that there have been no instances of fraud or bribery.

THE COMPANY'S APPROACH TO RISK MANAGEMENT – CONTINUED

Movement	Principal Risks and Uncertainties	Key Mitigations
→	The Company is exposed to market price risk.	The Directors acknowledge that market risk is inherent in the investment process. The Portfolio Manager maintains a diversified portfolio which is concentrated in a few key sectors. The Board has imposed guidelines within its investment policy to limit exposure to individual holdings and limits the level of gearing. The AIFM reports to the Board with respect to compliance with investment guidelines on a monthly basis. The Portfolio Manager provides the Board with regular updates on market movements. No investment is made in derivative instruments and no currency hedging is undertaken. Further information on financial instruments and risk can be found in note 17 to the Financial Statements beginning on page 77.
→	**Accounting, Legal and Regulatory** The regulatory environment in which the Company operates changes materially, affecting the Company's modus operandi.	The Board monitors regulatory change with the assistance of the Company's AIFM, Portfolio Manager and external professional advisers to ensure that the Board is aware of any likely changes in the regulatory environment and will be able to adapt as required. The Directors attend AIC Roundtables and conferences to keep up to date on regulatory changes and receive industry updates from the AIFM.
→	The Company and/or the Directors fail(s) to comply with legal requirements in relation to FCA dealing rules/handbook procedures, the AIFMD, the Listing Rules, the Companies Act 2006, relevant accounting standards, the Bribery Act 2010, the Criminal Finances Act 2017, GDPR, tax regulations or any other applicable regulations.	The Board monitors regulatory change with the assistance of its AIFM, Portfolio Manager and external professional advisers to ensure compliance with applicable laws and regulations including the Companies Act 2006, the AIFM Rules, the Corporation Tax Act 2010 ('Section 1158'), the Market Abuse Regulation ('MAR'), the Disclosure Guidance and Transparency Rules ("DTRs") and the UKLA Listing Rules. The Board reviews compliance reports and internal control reports provided by its service providers, as well as the Company's Financial Statements and revenue forecasts. The Depositary reports twice yearly to the Audit Committee, confirming that the Company, acting through the AIFM, has been managed in accordance with the AIFMD, the FUND sourcebook, the Articles (in relation to the calculation of the NAV per share) and with investment restrictions and leverage limits. The Depositary Report can be found in the Shareholder information section of the Company's website. The Directors attend AIC Roundtables and conferences to keep up to date on regulatory changes and receive industry updates from the AIFM. The AIFM presents a quarterly report on changes in the regulatory environment, including AIC updates, and how changes have been addressed.

Movement	Principal Risks and Uncertainties	Key Mitigations
→	Poor adherence to corporate governance best practice or errors or irregularities in published information could lead to censure and/or result in reputational damage to the Company.	The Board reviews all information supplied to shareholders and the AIFM's marketing activity at each meeting. Details of the Company's compliance with corporate governance best practice, including information on relationships with shareholders, are set out in the Corporate Governance Report on pages 41 to 45.
*	**Emerging Risk** The adverse impact of climate change on the portfolio companies' operational performance.	The Board receives quarterly ESG updates, which include an update on any climate change related engagement, from the Portfolio Manager together with monthly portfolio updates. The Board challenges the Portfolio Manager on ESG matters to ensure that the portfolio companies are acting in accordance with the Board's ESG approach. The Portfolio Manager is a signatory to the UK Stewardship Code and actively engages with portfolio companies on ESG matters including climate change. Details of the Company's and Portfolio Manager's ESG policies together with the weighted average carbon intensity of the portfolio companies are set out on pages 28 to 30.

Following a review of the risk register the Board no longer considers the risks detailed below to be principal risks faced by the Company:

– The risk associated with the Company being unable to maintain its dividend policy;

– The risk associated with the under-performance of the Company's service providers or their failure to provide sufficient or accurate information to the Board;

– The risk associated with the Company's service providers becoming unable to meet their contractual obligations as a result of a global event such as a terrorist attack or pandemic; and

– The risk associated with the Company's exposure to credit risk.

EMERGING RISKS

The Company has carried out a detailed assessment of the Company's emerging and principal risks. The International Risk Governance Council definition of an 'emerging' risk is one that is new or is a familiar risk in a new or unfamiliar context or under new context conditions (re-emerging). Failure to identify emerging risks may cause reactive actions rather than being proactive and, in worst case, could cause the Company to become unviable or otherwise fail or force the Company to change its structure, objective or strategy.

The Audit Committee reviews a risk map at its half-yearly meetings. Emerging risks are discussed in detail as part of this process, and also throughout the year, to try to ensure that emerging (as well as known) risks are identified and, so far as practicable, mitigated. Any emerging risks and mitigations are added to the risk register (e.g. the potential adverse impact of climate change on some of the portfolio companies' operations affecting their investment value over the short to medium term).

The experience and knowledge of the Directors is useful in these discussions, as are update papers and advice received from the Board's key service providers such as the Portfolio Manager, the AIFM and the Company's broker. In addition, the Company is a member of the AIC, which provides regular technical updates as well as drawing members' attention to forthcoming industry and/or regulatory issues and advising on compliance obligations.

FUTURE DEVELOPMENTS

The Board's primary focus is on the Portfolio Manager's investment approach and performance. The subject is thoroughly discussed at every Board meeting.

In addition, the AIFM updates the Board on Company communications, promotions and investor feedback, as well as wider investment company issues.

An outline of performance, investment activity and strategy, and market background during the year, as well as the outlook, is provided in the Chairman's Statement on pages 6 and 7 the Portfolio Manager's Review on pages 10 to 13.

It is expected that the Company's strategy will remain unchanged in the coming year.

LONG TERM VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Directors have carefully assessed the Company's position and prospects as well as the principal risks stated on pages 18 to 21 and have formed a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five financial years. The Board has chosen a five year horizon in view of the long-term nature and outlook adopted by the Portfolio Manager when making investment decisions.

To make this assessment and in reaching this conclusion, the Audit Committee has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due:

- The portfolio is principally comprised of investments traded on major international stock exchanges. Based on current trading volumes, 93.6% of the current portfolio could be liquidated within 30 trading days, with 61.2% in seven days, and there is no expectation that the nature of the investments held within the portfolio will be materially different in future;
- The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position; and
- The Company has no employees, only its non-executive Directors. Consequently it does not have redundancy or other employment related liabilities or responsibilities.

The Audit Committee has considered the potential impact of its principal risks on pages 18 to 21 and various severe but plausible downside scenarios as well as stress testing and reverse stress testing. It has also made the following assumptions in considering the Company's longer-term viability:

- There will continue to be demand for investment trusts;
- The Board and the Portfolio Manager will continue to adopt a long-term view when making investments, and anticipated holding periods will be at least five years;
- The Company invests principally in the securities of UK listed companies to which investors will wish to continue to have exposure;
- The Company will maintain its bank loan facility;
- Regulation will not increase to a level that makes running the Company uneconomical; and
- The performance of the Company will continue to be satisfactory.

The ongoing COVID-19 pandemic was also factored into the key assumptions made by assessing its impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions. As part of this review the Board considered the impact of a significant and prolonged decline in the Company's performance and prospects.

ENGAGING WITH THE COMPANY'S STAKEHOLDERS

The following 'Section 172' disclosure, required by the Companies Act 2006 and the AIC Code, as explained on pages 24 to 27, describes how the Directors have had regard to the views of the Company's stakeholders in their decision-making.

Who?	Why?	How?
STAKEHOLDER GROUP	**THE BENEFITS OF ENGAGEMENT WITH THE COMPANY'S STAKEHOLDERS**	**HOW THE BOARD, THE AIFM AND THE PORTFOLIO MANAGER HAVE ENGAGED WITH THE COMPANY'S STAKEHOLDERS**
Investors	Clear communication of the Company's strategy and the performance against the Company's objective can help the share price trade closer to its NAV per share which benefits shareholders. New shares are issued to meet demand without net asset value per share dilution to existing shareholders. Increasing the size of the Company can benefit liquidity as well as spread costs. In an effort to try to eliminate discount volatility, Directors introduced a buy-back policy in 2004. Under the policy, the Company will normally buy in shares being offered on the stock market whenever the discount approaches a level of 5% and then either hold those shares in "treasury" or cancel them. Any shares held in treasury can later be sold back to the market if conditions permit.	The AIFM and the Portfolio Manager, on behalf of the Board, complete a programme of investor relations throughout the year. An analysis of the Company's shareholder register is provided to the Directors at each Board meeting along with marketing reports from Frostrow. The Board reviews and considers the marketing plans on a regular basis. Reports from the Company's broker are submitted to the Board on investor sentiment and industry issues. Key mechanisms of engagement include: • The Annual General Meeting • The Chairman and the Senior Independent Director make themselves available to engage with shareholders • The Company's website hosts reports, video interviews with the Portfolio Manager and monthly fact sheets • One-on-one investor meetings facilitated by Frostrow who actively engage with professional investors, typically discretionary wealth managers, some institutions and a range of execution-only platforms. Regular engagement helps to attract new investors and retain existing shareholders, and over time results in a stable share register made up of diverse, long term holders • Should any significant votes be cast against a resolution proposed at the Annual General Meeting, the Board will engage with Shareholders • The Board will explain in its announcement of the results of the AGM the actions it intends to take to consult shareholders in order to understand the reasons behind any significant votes against resolutions • Following the consultation, an update will be published no later than six months after the AGM and the Annual Report will detail the impact the Shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed

Who?	Why?	How?
STAKEHOLDER GROUP	**THE BENEFITS OF ENGAGEMENT WITH THE COMPANY'S STAKEHOLDERS**	**HOW THE BOARD, THE AIFM AND THE PORTFOLIO MANAGER HAVE ENGAGED WITH THE COMPANY'S STAKEHOLDERS**
Portfolio Manager	Engagement with the Company's Portfolio Manager is necessary to evaluate their performance against the Company's stated strategy and to understand any risks or opportunities this may present. The Board ensures that the Portfolio Manager's ESG approach meets standards set by the Board.	At each meeting the Board reviews movements in the Company's shareholder register. In addition, there are regular interactions and engagement with shareholders (including at the AGM). Regular feedback from shareholders is received from the Company's broker. The Board receives regular updates from the Portfolio Manager concerning engagement on ESG matters with the companies within the portfolio.
Service Providers	The Company contracts with third parties for other services including: depositary, investment accounting & administration as well as company secretarial and registrars. The Company ensures that the third parties to whom the services have been outsourced complete their roles in line with their service level agreements thereby supporting the Company in its success and ensuring compliance with its obligations. The ongoing COVID-19 pandemic has meant that it was vital to make certain there were adequate procedures in place at the Company's key service providers to ensure safety of their employees and the continued high quality service to the Company.	The Board and Frostrow engage regularly with other service providers both in one-to-one meetings and via regular written reporting. This regular interaction provides an environment where topics, issues and business development needs can be dealt with efficiently and collegiately. The Board together with Frostrow have maintained regular contact with the Company's key service providers during the pandemic, as well as carrying out a review of the service providers' business continuity plans and additional cyber security provisions. It is the Board's belief that Frostrow and Lindsell Train are the most significant service providers pertinent to the success of the Company. It was therefore felt to be of great importance that the Company invested in each of their businesses. Further details can be found on the Company's website.
Portfolio Companies	Gaining a deeper understanding of the portfolio companies and their strategies as well as incorporating consideration of ESG factors into the investment process assists in understanding and mitigating risks of an investment as well as identifying future potential opportunities.	During the year the Board discussed its approach to ESG matters with the Lindsell Train team providing more detail of their specific approach to responsible ownership which is further explained on pages 28 to 30. The Board does, of course, have to consider its approach to ESG as well as that of the companies in which the Company invests, and has developed its own Policy which can be found on page 28. The Board encourages the Company's Portfolio Manager to engage with companies and in doing so expects ESG issues to be a key consideration. The Board receives an update on Lindsell Train's engagement activities within a dedicated quarterly ESG report. A member of Lindsell Train's investment team attends each Board meeting to provide an update on ESG issues and engagement activities since the last Board meeting.

Who?	Why?	How?
STAKEHOLDER GROUP	**THE BENEFITS OF ENGAGEMENT WITH THE COMPANY'S STAKEHOLDERS**	**HOW THE BOARD, THE AIFM AND THE PORTFOLIO MANAGER HAVE ENGAGED WITH THE COMPANY'S STAKEHOLDERS**
The Company's Lender	Investment trusts have the ability to borrow with a view to enhancing long term returns to shareholders. Engagement with the Company's lender ensures that it fully understands the nature of the Company's business, the strategy adopted by the Portfolio Manager and the extent to which the Company complies with its loan covenants.	Regular reporting to the lender with respect to adherence with loan covenants and ad hoc meetings with the AIFM.

What?	Outcomes and actions
WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	**WHAT ACTIONS WERE TAKEN, INCLUDING PRINCIPAL DECISIONS?**
Investors	
Impact of market volatility on the performance of the Company arising from COVID-19.	Shareholders are provided with performance updates via the Company's website as well as the usual financial reports and monthly factsheets.
Ongoing dialogue with Shareholders concerning the strategy of the Company, performance and the portfolio.	The Portfolio Manager, Frostrow and the broker meet regularly with shareholders and potential investors to discuss the Company's strategy, performance and portfolio. The Chairman and Senior Independent Director meet with key shareholders from time to time. Information on how to vote your investment company shares on some major platforms can be found on pages 10 to 12 of the Notice of Meeting. The Directors were unable to have the usual face to face interactions with Shareholders this year due to the guidance from the UK government in respect of gatherings of people. During November and December 2021 the Chairman and the Chair of the Audit Committee met with some investors to discuss amongst other things, the performance of the Company. In November 2021 the Chairman wrote to the boards of major platforms to address the channels of communication with the individual shareholders who use platforms as a means to hold shares in the Company.
Share price performance and the widening of investment trust sector discounts.	The Board reviews the Company's share price discount/premium on a daily basis and has a share buy-back policy and details of this policy can be found on the Company's website.

What?	Outcomes and actions
WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	**WHAT ACTIONS WERE TAKEN, INCLUDING PRINCIPAL DECISIONS?**
Portfolio Manager	
Portfolio composition, performance, ESG matters, outlook, and business updates.	No specific action required.
The impact of COVID-19 upon their business and how some companies in the portfolio have sought to take advantage of the pandemic, in particular through increased digitalisation.	The Board has received regular updates from the Portfolio Manager throughout the COVID-19 pandemic, including its impact on investment decision making. In addition, the impact of new working practices adopted by the Portfolio Manager as a consequence of the pandemic have been reviewed by the Board.
The integration of ESG into the Portfolio Manager's investment processes.	The Portfolio Manager reports regularly any ESG issues in the portfolio companies to the Board.
Other service providers	
The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting and due diligence meetings or site visits by Frostrow. This engagement is completed with the aim of maintaining an effective working relationship and oversight of the services provided.	No specific action was required as the reviews of the Company's service providers have been positive and the Directors believe their continued appointment is in the best interests of the Company. The Company has invested in Frostrow and Lindsell Train. Further details can be found on the Company's website.
Continued compliance with covenants set out within the loan agreement between the Company and the lender.	No specific action was required due to compliance with loan covenants throughout the year.
Terms of the loan facility agreement	During the year the Company's loan facility agreement was amended following Regulator confirmation that LIBOR based agreements should be updated prior to the expiry of LIBOR.

RESPONSIBLE INVESTMENT

Our Policy

The Board recognises that the most material way for the Company to have an impact on Environmental, Social and Governance ("ESG") issues is through the responsible ownership of its investments.

It has delegated authority to its Portfolio Manager to engage actively with the management of investee companies and encourage that high standards of ESG practice are adopted.

The Company seeks to generate long term, sustainable returns on capital. The investee companies which consistently deliver superior returns over the long term are typically established, well-run companies whose managers recognise their impact on the world around them.

In its Responsible Engagement & Investment Policy, the Portfolio Manager states that its evaluation of ESG factors is an inherent part of the investment process.

The Board has delegated authority to the Portfolio Manager to vote the shares owned by the Company that are held on its behalf by its Custodian. The Board has instructed that the Portfolio Manager submit votes for such shares wherever possible and practicable. The Portfolio Manager may refer to the Board on any matters of a contentious nature.

The Portfolio Manager is a Tier 1 signatory of the 2020 UK Stewardship Code.

The Board does not believe it appropriate to set its own quantitative ESG targets for investee companies at this time. However, ESG issues are discussed at every board meeting.

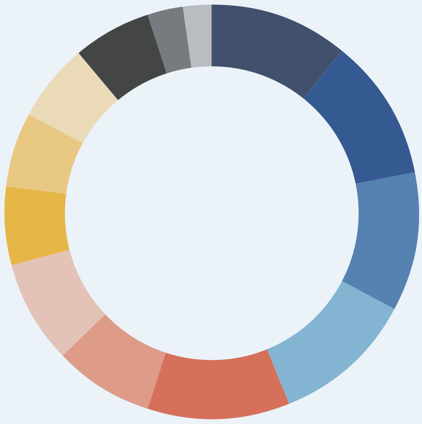
Lindsell Train's Policy

Stewardship

Engagement

Engaging with and monitoring investee companies on matters relating to stewardship has always been an essential element of our investment strategy. Our long-term approach generally leads us to be supportive of company management; however, where we disagree with a company's actions, we will try to influence management on specific matters or policies if we believe it is in the best interests of our clients. Constructive dialogue has more often than not resulted in satisfactory outcomes, thus limiting the need for escalation. However, where this is not the case, we will consider escalating our engagement and stewardship activities.

Engagement by Topic



Personnel (HR) matters	11%
Capital Allocation	11%
Governance structure and policies	11%
Sustainability/Clean energy transition	11%
Positive Impact	11%
Other Social matters (e.g. supply chain concerns)	8%
Remuneration	8%
Drinking in moderation	6%
Fair treatment of shareholders	6%
Diversity	6%
Waste reduction/Recycling	6%
Cruelty Free	3%
Data security	2%

Source: Lindsell Train. 1st October 2020 – 30 September 2021.
36 topics raised with 16 companies.

During the year, we have engaged with 16 companies on a wide range of environmental, social and governance issues as detailed in the chart above. We are also in the process of writing to several of our companies to complete an information gathering exercise aimed at clarifying our portfolio companies' stances on, and approaches to, certain ESG factors with the objective of ensuring that all our companies report this essential data going forward. As public supporters of the Task Force on Climate-Related Financial Disclosures ("TCFD") and The Sustainability Accounting Standards Board ("SASB"), we are also encouraging these companies to report in line with these, or similar (if more relevant to their business) frameworks, and also to report on positive impact goals and progress. This ongoing ESG research is further complimented by a series of ESG specific calls that we are hosting with each of our companies. This will enable us to identify additional matters of concern or opportunity that require additional scrutiny within our engagement programme.

ESG integration

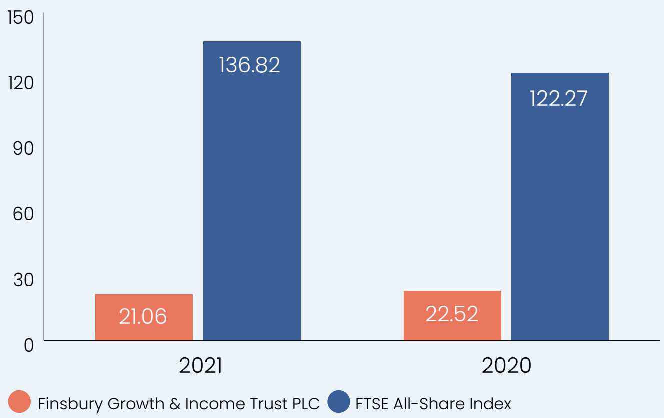
Seeking Sustainability

As long-term investors our aim is to identify companies that can generate long-term sustainable high returns on capital. We have historically found that such companies tend to exhibit characteristics associated with good corporate governance and responsible business practices. Indeed, we believe that companies which observe such standards, and that are serious in their intention of addressing environmental and social factors, will not only become more durable but will likely prove to be superior investments over time.

To that end our initial analysis and ongoing company engagement strategy seeks to incorporate all sustainability factors that we believe will affect the company's ability to deliver long term value to shareholders. Such factors may include but are not limited to: environmental (including climate change), social and employee matters (including turnover and culture) and governance factors (including remuneration and capital allocation), cyber resilience, responsible data utilisation, respect for human rights, anti-corruption and anti-bribery, and any other risks or issues facing the business and its reputation. This work is catalogued in a proprietary database of risk factors in order to centralise and codify our team's views, as well as to prioritise our ongoing research and engagement work and is cross-referenced with the SASB Materiality Map ©.

If, as a result of this assessment, we believe that an ESG factor is likely to materially impact a company's long-term business prospects (either positively or negatively) then we can reflect this in the long-term growth rate that we apply in our valuation of that company, which alongside our more qualitative research will influence any final portfolio decisions (for example, whether we start a new position or sell out of an existing holding).

Weighted Average Carbon Intensity*



Source: Morningstar.

* **Weighted Average Carbon intensity:** Portfolio's exposure to carbon-intensive companies, expressed in tons CO2e/ $M revenue.

Positive/Negative Screening

As a product of our investment philosophy, we do not invest in the following industries:

- capital intensive industries (energy, commodities or mining) or any companies involved in the extraction and production of coal, oil or natural gas; and
- industries that we judge to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns (e.g. tobacco, gambling or arms manufacturers).

Similarly, our investment approach has steered us to invest in a number of companies that play an important positive social or environmental role, for example through providing access to educational information (RELX), encouraging saving for the future (Schroders) or encouraging environmental progress and best practice (e.g., Unilever). We believe that such positive benefits for society should be consistent with our aim to generate competitive long-term returns, thus helping us meet our clients' investment objectives.

Climate Change

The risks associated with climate change represent the great issue of our era and the transition to a low-carbon economy will affect all businesses, irrespective of their size, sector or geographic location. Therefore, no company's revenues are immune and the assessment of such risks must be considered within any effective investment approach, particularly one like ours that seeks to protect our clients' capital for decades to come. As such, we have built a proprietary tool that measures the carbon footprint/intensity of our portfolios and we are pleased to note that the Company has a significantly lower weighted average carbon intensity than its comparable benchmark.

Key Engagement Examples:

Burberry – The next generation of Burberry's customers are increasingly well informed and highly alert to ESG issues. The company's future therefore depends upon innovating to stay ahead of the curve, whilst always offering the highest quality products.

We are pleased to see evidence of initiatives and behaviours within Burberry that address a growing number of environmental and social issues, including but not limited to: slave labour in supply chains, animal cruelty, water use, climate change and plastic pollution. In the aftermath of the 2020 Boohoo scandal involving slave labour in its supply chain, we engaged with the chairman of Burberry on this matter specifically. We were assured that the prevention of such issues is a priority, and that Burberry maintains tight control on its supply chain both from an ethical and a quality standpoint. Later in the year, we also engaged with Burberry investor relations in response to the Xinjiang cotton scandal. We were assured that Burberry sources no cotton whatsoever from this region, and indeed is a signatory to the Better Cotton Initiative which prevents the use of cotton from areas of conflict, or where growing the crop fails to meet sustainability best practices, for example by causing water stress.

PZ Cussons and Unilever – This engagement was in part in response to the recent news that from 1st May 2021, China will remove the mandatory animal testing requirements for imported cosmetics. In the case of Unilever, this follows 10 years of hard work to ban this practice and it will enable Unilever to develop its Chinese cosmetics business.

Animal testing of health and personal care products, cosmetics and fragrances is a practice that is not only unnecessary but also acts as a barrier to the growing numbers of cruelty-conscious consumers globally. Fortunately, the practice is less common these days and we have determined through our research that very few of our companies engage in animal testing. Indeed, only companies selling personal care products, cosmetics or fragrances into China will have made their products available for animal-testing. Nonetheless we have monitored this for some time and during Q1 2021 we engaged with the management of both Unilever and PZ Cussons on this matter.

Diageo – In February 2021 we hosted a call with CEO, Ivan Menezes during which we discussed the social benefits from the global shift to drinking less and how this would impact Diageo's business. Diageo's strategy is focused on encouraging their customers to drink less and drink better. To that end, marketing is very focused on ensuring drinking in moderation. The source of future growth is not from increased units per capita, but rather from customers trading up from beer to wine, and then to higher quality spirits. So whilst Diageo claims only 2.4% market share of global alcohol sales, they have an important role to play and take this responsibility seriously. Additionally, the company is taking seriously low or zero alcohol offerings and sees an attractive opportunity to build out an additional business stream, as part of the Diageo brand.

Proxy Voting

The primary voting policy of Lindsell Train is to protect or enhance the economic value of its investments on behalf of its clients. Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. However, the portfolio managers maintain decision making responsibility based on their detailed knowledge of the investee companies. It is our policy to exercise all voting rights which have been delegated to us by our clients.

Voting record:

	MANAGEMENT PROPOSALS	SHAREHOLDER PROPOSALS	TOTAL PROPOSALS
With Management	413	2	415
Against Management	0	0	0
Abstain	1*	0	1
Totals	**414**	**2**	**416**

Source: Glass Lewis. 1st October 2020 – 30 September 2021.

* Mondelez executive compensation resolution.

Votes against management have typically been in the low single-digit range. The main reason for this is that our long-term approach to investment generally leads us to be supportive of company management and, where required, we will try to influence management through our engagement activities. Given we often build up large, long-term, stakes in the businesses in which we invest we find that management are open to (and very often encourage) engaging with Lindsell Train. Furthermore, it is our aim to be invested in 'exceptional' companies with strong corporate governance and hence it ought to be rare that we find ourselves in a position where we are voting against management.

In the majority of cases where we have voted against management it has been on matters relating to remuneration. Where we do not believe that a company's compensation policy is aligned with the long-term best interests of the shareholders we will write to management to inform them of our intention to vote against such policies.

INTEGRITY AND BUSINESS ETHICS

The Company is committed to carrying out business in an honest and fair manner. The Board has adopted a zero-tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit from themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found in the Board and Policies section of the Company's website. The policy is reviewed regularly by the Audit Committee.

In response to the implementation of the Criminal Finances Act 2017, the Board adopted a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found in the Board and Policies section of the Company's website. The policy is reviewed annually by the Audit Committee.

In carrying out its activities, the Company aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues. As an investment trust with limited internal resource, the Company has little impact on the environment. The Company believes that high standards of ESG make good business sense and have the potential to protect and enhance investment returns. Consequently, the Portfolio Manager's investment criteria ensure that ESG and ethical issues are taken into account and best practice is encouraged. The Board's expectations are that its principal service providers have appropriate governance policies in place.

COMPANY PROMOTION

The Company has appointed Frostrow to promote the Company's shares to professional investors in the UK and Ireland. As investment company specialists, the Frostrow team provides a continuous, proactive marketing, distribution and investor relations service that aims to promote the Company by encouraging demand for the shares.

MANAGEMENT ARRANGEMENTS

Alternative Investment Fund Manager ("AIFM")

Frostrow under the terms of its AIFM agreement with the Company provides, inter alia, the following services:

- oversight of the portfolio management function delegated to Lindsell Train;
- promotion of the Company;
- investment portfolio administration and valuation;
- risk management services;
- share price discount and premium management;
- administrative and company secretarial services;
- advice and guidance in respect of corporate governance requirements;
- maintenance of the Company's accounting records;
- maintenance of the Company's website;
- preparation and publication of annual reports, half year reports and monthly fact sheets; and
- ensuring compliance with applicable legal and regulatory requirements.

The AIFM Agreement may be terminated by either party on giving notice of not less than 12 months.

Portfolio Manager

Under the Portfolio Management Agreement Lindsell Train, as delegate of the AIFM, is responsible for the management of the Company's portfolio of investments under an agreement between it, the Company and Frostrow (the "Portfolio Management Agreement").

Under the terms of its Portfolio Management Agreement, Lindsell Train provides, inter alia, the following services:

- seeking out and evaluating investment opportunities;
- recommending the manner by which monies should be invested, realised or retained;
- advising on how rights conferred by the investments should be exercised;
- analysing the performance of investments made; and
- advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company.

The Portfolio Management Agreement may be terminated by either party on giving notice of not less than 12 months.

Annual Fees

FEES ON THAT PART OF MARKET CAPITALISATION	AIFM	PORTFOLIO MANAGER
≤ £1 bn	0.15%	0.45%
Between £1 bn - £2 bn	0.135%	0.405%
£2 bn +	0.12%	0.36%

Performance Fees

The Company does not pay performance fees.

AIFM AND PORTFOLIO MANAGER EVALUATION AND RE-APPOINTMENT

The performance of Frostrow as AIFM and Lindsell Train as Portfolio Manager is continuously monitored by the Board with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by the AIFM and the Portfolio Manager as well as receiving regular reports and views from them. The Board also receives comprehensive long-term performance measurement reports to enable it to determine whether or not the performance objective set by the Board has been met.

Following a review at a Board meeting in September 2021 the Board considers that the continuing appointment of Frostrow and Lindsell Train, under the terms described above, is in the best interests of the Company's shareholders. In coming to this decision, it took into consideration the following additional reasons:

- the quality and depth of experience of the management, company secretarial, administrative and marketing team that the AIFM brought to the management of the Company; and
- the quality and depth of experience that the Portfolio Manager brought to the management of the portfolio, the clarity and rigour of the investment process, the level of past performance of the portfolio in absolute terms and also by reference to the benchmark index.

Depositary

The Bank of New York Mellon (International) Limited (the "Depositary") acts as the Company's depositary in accordance with the AIFMD on the terms and subject to the conditions of the depositary agreement between the Company, Frostrow and the Depositary (the "Depositary Agreement"). Under the terms of the Depositary Agreement the Company pays the Depositary a fee of 0.009% of net assets.

The Depositary provides the following services:

- responsibility for the safe-keeping of custodial assets of the Company;
- verification and maintenance of a record of all other assets of the Company and for the collection of income that arises from those assets;
- taking reasonable care to ensure that the Company is managed in accordance with the AIFMD, the FUND Sourcebook and the Company's instrument of incorporation, in relation to the calculation of the net asset value per share and the application of income of the Company; and
- monitoring the Company's compliance with investment restrictions and leverage limits set by the Board and the AIFM.

In accordance with the AIFM Rules the Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians. The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (The Global Sub-custodians).

As at the date of this report, the applicable active sub-custodians appointed by the Depositary who might be relevant for the purposes of holding the Company's investments are:

COUNTRY	NAME OF SUB-CUSTODIAN	REGULATOR
The Netherlands	The Bank of New York Mellon SA/NV	Financial Services and Markets Authority, Belgium
United States of America	The Bank of New York Mellon, New York	US Securities and Exchange Commission
France	The Bank of New York Mellon SA/NV	The Autorité des Marchés Financiers
The United Kingdom	Depositary and Clearing Centre (DCC) Deutsche Bank AG, London Branch	The Financial Conduct Authority
	The Bank of New York Mellon, New York	US Securities and Exchange Commission

The Global Sub-Custodian's safekeeping fees are charged according to the jurisdiction in which the holdings are based. The majority of the Company's assets attracted a fee of 0.0033% of their market value. Variable transaction fees were also chargeable.

The Depositary Agreement may be terminated by either party on giving notice of not less than 90 days.

Simon Hayes
Chairman

14 December 2021

Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

The Board of Directors supervises the management of Finsbury Growth & Income Trust PLC and looks after the interests of Shareholders. The re-election of Directors is sought annually at the Annual General Meeting.

SIMON HAYES

Chairman

Simon Hayes has served on the Board since 29 June 2015 and was appointed as Chairman with effect from 17 February 2021. Simon is the Chairman of Peel Hunt Limited. He joined Peel Hunt in 1993 and was appointed Head of Corporate Finance in 2003, Chief Executive in 2006 and Chairman in 2016.

*Shares held:	100,000
*Annual Remuneration:	£40,000
Shared directorships with other Directors:	None

SANDRA KELLY, ACA

Chair of the Audit Committee and Senior Independent Director

Sandra Kelly joined the Board on 9 October 2019. A Chartered Accountant, she was formerly Finance Director of the Canal & River Trust. Prior to that she spent eight years as Finance Director at NHBC (National House-Building Council). She is a Trustee of the Land Trust and Chair and Governor of Headington School in Oxford. She previously held senior finance positions in the commercial sector, most notably for BMW GB.

*Shares held:	5,822
*Annual Remuneration:	£32,000
Shared directorships with other Directors:	None

All members of the Board are non-executive. None of the Directors has any other connection with the Portfolio Manager or is employed by any of the companies in which the Company holds an investment or by any of the Company's service providers.

*information as at 30 September 2021

JAMES ASHTON

James Ashton has served on the Board since 14 October 2020. He is a financial journalist and consultant, formerly City Editor and Executive Editor of the Evening Standard and the Independent titles and before that City Editor of the Sunday Times. James is the author of two business books, a senior adviser to Portland Communications and chairman of the literacy organisation Oscar's Book Prize.

*Shares held:	1,008
*Annual Remuneration:	£26,000
Shared directorships with other Directors:	None

KATE CORNISH-BOWDEN

Kate Cornish-Bowden has served on the Board since 26 October 2017. Kate was formerly a fund manager for Morgan Stanley where she was managing director and head of the global core equity team. Kate is a non-executive director and chair of the audit committee at CC Japan Income & Growth Trust plc and a non-executive director and Senior Independent Director at Schroder Oriental Income Fund Limited and International Biotechnology Trust plc.

*Shares held:	8,061
*Annual Remuneration:	£26,000
Shared directorships with other Directors:	None

LORNA TILBIAN

Lorna Tilbian has served on the Board since 26 October 2017. Lorna is a non-executive director of ProVen VCT plc and Rightmove PLC. She was formerly an executive director of Numis Corporation PLC, a non-executive director of Euromoney Institutional Investor PLC, Jupiter UK Growth Investment Trust PLC and M&C Saatchi PLC, a director of WestLB Panmure Limited and S G Warburg Securities.

*Shares held:	Nil
*Annual Remuneration:	£26,000
Shared directorships with other Directors:	None

Report of the Directors

The Directors present their annual report on the affairs of the Company, together with the audited Financial Statements and the Independent Auditors' Report for the year ended 30 September 2021.

In accordance with the requirement for the Directors to prepare a Strategic Report and an enhanced Directors' Remuneration Report for the year ended 30 September 2021, the following information is set out in the Strategic Report: a review of the business of the Company including details about its objective, strategy and business model, future developments, details of the principal risks and uncertainties associated with the Company's activities (including the Company's financial risk management objectives and policies), information regarding community, social, employee, human rights and environmental issues and the Company's policy regarding Board diversity.

Information about Directors' interests in the Company's ordinary shares is included within the Annual Report in the Remuneration section of the Directors' Remuneration Report.

The Corporate Governance Statement forms part of this Directors' Report.

BUSINESS AND STATUS OF THE COMPANY

The Company is registered as a public limited company in Scotland (Registered Number SC013958) and is an investment company within the terms of Section 833 of the Companies Act 2006. Its shares are listed on the premium segment of The Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange which is a regulated market as defined in Section 1173 of the Companies Act 2006.

The Company has received approval from HM Revenue & Customs as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010. In the opinion of the Directors, the Company continues to conduct its affairs to qualify for such approval.

RESULTS AND DIVIDENDS

The Return on Ordinary Shares after taxation is shown on page 64. Details of the Company's dividend record can be found on page 2.

LOAN FACILITY

At 30 September 2021 the Company was entering the third year of its three-year secured fixed term committed revolving credit facility with Scotiabank Europe PLC of £50 million (with an additional £50 million facility available if required). As at 30 September 2021 a total of £36.7 million was drawn down from this facility (2020: £36.7 million) which equates to gearing of 0.3%, after taking into account net current assets including cash.^

^ Alternative Performance Measure (see glossary on pages 83 to 86)

DIRECTORS

The current Directors of the Company are listed on pages 34 and 35. With the exception of James Ashton, they all served as Directors throughout the year to 30 September 2021.

James Ashton has served as a Director since his appointment on 14 October 2020.

Anthony Townsend served as a Director until his retirement on 17 February 2021.

No other person was a Director during any part of the year or up to the approval of this Report.

Directors' Conflicts of Interest

Directors report on actual or potential conflicts of interest at each Board meeting. Any Director with a conflict would be excluded from any related discussion.

Directors' & Officers' Liability Insurance Cover

Directors' and officers' liability insurance cover was maintained by the Company during the year. It is intended that this policy will continue for the year ending 30 September 2022 and subsequent years.

Directors' Indemnity

The Company provides, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them and also liabilities owed to third parties, in either case arising out of their positions as Directors. This was in place throughout the financial year under review and up to the approval of this report.

A copy of each deed of indemnity is available for inspection at the Company Secretary's offices during normal business hours and will be available at the Annual General Meeting.

Directors' Fees

Reports on Directors' Remuneration and also the Directors' Remuneration Policy are set out on pages 46 to 51.

Appointment and Replacement of Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than three.

Directors' (and Other Senior Individuals) Interests

The beneficial interests in the Company of the Directors, of Nick Train, the individual with responsibility for managing the Company's portfolio at Lindsell Train, and of Alastair Smith, Managing Partner at Frostrow, and of the persons closely associated with them, are set out on page 49 of this Annual Report.

CAPITAL STRUCTURE

The Company's capital structure is composed solely of Ordinary Shares. Details are given in note 13 to the Financial Statements on page 76.

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of the Annual General Meeting.

Details of the substantial shareholders in the Company are listed below.

The giving of powers to issue or buy-back the Company's shares requires the relevant resolution to be passed by shareholders. Proposals for the renewal of the Board's current powers to issue and buy-back shares are detailed within the Notice of the Annual General Meeting.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regards to control attached to securities; no restrictions on voting rights; no agreements between holders of securities regarding their transfer known to the Company; and no agreements the Company is party to that might affect its control following a successful takeover bid.

Authority To Purchase Own Shares

It is intended that a special resolution will be proposed to grant the Company authority to purchase its own shares, so as to permit the purchase of up to 33,616,946 of the Company's ordinary shares (or such other number of shares as is equal to 14.99% of the total number of ordinary shares in issue at the date of the passing of the resolution) subject to the constraints set out in the special resolution. The Directors would intend to use this authority to purchase shares only if this would result in an increase in net asset value per share and would be in the best interests of shareholders generally. Ordinary shares which are purchased under this authority may be held in treasury or cancelled.

The Company has adopted a buy-back policy whereby the Company will buy-back shares as described above when the share price discount to the net asset value per share approaches 5%. Treasury shares can be sold back to the market at a later date at a premium to the cum income net asset value per share. The Company's share issuance policy allows the issuance of new shares at a small premium to the net asset value per share on a regular basis acting as a premium management tool. No shares were bought back into treasury during the year. A detailed description of this policy can be found on the Company's website.

The Directors believe that the benefits to shareholders of these policies are:

- The volatility of the Company's share price discount is minimised;
- The absolute level of the Company's share price discount is minimised;
- It is accretive to net asset value per share to the benefit of existing Shareholders;
- The Company's long-term prospects are preserved in that shareholders with a longer term investment horizon are attracted to the shareholder register; and
- The true value of the investment portfolio is captured as long-term returns are not affected by extraneous factors.

The Directors believe that granting the Board authority to purchase shares, as detailed above, is in the best interests of shareholders as a whole and therefore recommend that shareholders to vote in favour of this resolution.

Voting Rights

As permitted by applicable law, some of these rights are varied in respect of the upcoming Annual General Meeting of the Company due to the present circumstances regarding the COVID-19 pandemic. Subject to any rights or restrictions attached to any shares, on a show of hands, every member who is present in person has one vote and every proxy present who has been duly appointed has one vote. However, if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he or she has one vote for and one vote against the resolution. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation. On a poll, every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which they are the holder or in respect of which their appointment as proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members. A member is entitled to appoint another person as his proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company.

The appointment of a proxy shall be deemed also to confer authority to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them.

Share Capital

At the Annual General Meeting held on 17 February 2021, authority to allot up to 22,347,630 shares on a non pre-emptive basis at prices not less than the higher of the prevailing cum or ex income net asset value per share at the time of issuance was granted.

Further details of the resolutions concerning issuance authorities can be found in the Notice of Meeting.

The Company did not buy-back any shares into Treasury during the year (2020: 505,409).

During the year 7,240,000 new shares were issued by the Company at a premium to the higher of the prevailing cum or ex income net asset value per share at the time of issue.

Since the year end and to 14 December 2021 the Company bought back 728,819 shares into Treasury.

SUBSTANTIAL SHARE INTERESTS

The Company was aware of the following substantial registered interests in the voting rights of the Company as at 30 September 2021 and 30 November 2021, being the latest practicable date before publication of the annual report:

	30 NOVEMBER 2021		30 SEPTEMBER 2021	
	NUMBER OF SHARES	% OF CAPITAL	NUMBER OF SHARES	% OF CAPITAL
Hargreaves Lansdown	27,652,328	12.33	27,903,431	12.40
interactive investor	20,369,720	9.08	20,495,954	9.11
Brewin Dolphin	18,951,543	8.45	19,001,291	8.45
AJ Bell	15,203,096	6.78	15,656,162	6.96
Rathbones	11,305,596	5.04	11,362,736	5.05
Investec Wealth & Investment	10,281,521	4.58	10,430,066	4.64
Smith & Williamson Wealth Management	8,337,130	3.72	7,849,276	3.49
Charles Stanley	6,892,708	3.07	6,900,181	3.07

At 30 September 2021 the Company had 224,991,303 shares in issue. As at 30 November 2021 the Company had 224,301,336 shares in issue (excluding 689,967 Shares held in Treasury).

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

The beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, or to the Company directly.

AGM

The AGM will be held on Wednesday, 9 February 2022 and full details of the meeting arrangements and the business to be transacted will be sent under separate cover to Shareholders.

Further information concerning the AGM can be found in the Chairman's Statement beginning on page 6.

The full text of the resolutions to be proposed at the AGM and an explanation of each resolution are contained in the separate Notice of Meeting. The Directors recommend that you cast your proxy votes in favour of all resolutions proposed, as they will in respect of their own holdings.

ARTICLES OF ASSOCIATION

Explanatory Notes of Principal Changes to the Company's Articles of Association

Set out below is a summary of the main differences between the current and the proposed new Articles of Association (the "New Articles"):

General Meetings

The Company is proposing to amend the Articles of Association to allow for hybrid meetings and in exceptional circumstances virtual meetings. These amendments are being sought in response to challenges posed as a result of the COVID-19 pandemic, which have significantly restricted attendance of shareholders at physical general meetings and the resultant increase in use of remote working technology.

The New Articles permit the Company to hold general meetings (including annual general meetings) where shareholders are not required to attend in person but may attend and participate virtually. A meeting can be wholly virtual if attendees participate only by way of electronic means or a meeting may be "hybrid", where some attendees are based in a single physical location and others attend electronically. Certain consequential changes to facilitate this amendment have been made throughout the New Articles.

The Board is committed to ensuring that, under normal circumstances, general meetings (including annual general meetings) will incorporate a physical meeting where shareholders can meet with the Board in person.

Other changes

Other technical changes have been made so that the Articles of Association conform to other legislation applicable to companies, as currently in force and current best practice, in particular changes have been made to provisions designed to enable the Company to comply with its obligations under various tax reporting requirements.

A copy of the current Articles and of the proposed New Articles marked up to show the proposed amendments will be available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting, in each case until the conclusion of the meeting.

OTHER STATUTORY INFORMATION

The following information is disclosed in accordance with the Companies Act 2006:

- The rules on the appointment and replacement of directors are set out in the Company's articles of association (the "Articles"). Any change to the Articles would be governed by the Companies Act 2006.
- Subject to the provisions of the Companies Act 2006, to the Articles, and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. The powers shall not be limited by any special powers given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors. The Directors' powers to issue and buy-back shares, in force at the end of the year, are recorded in the Directors' Report.

There are no agreements:

i. to which the Company is a party that might affect its control following a takeover bid; and/or

ii. between the Company and its Directors concerning compensation for loss of office.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information, more applicable for traditional trading companies, in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Political Donations

The Company does not make political donations.

Global Greenhouse Gas (GHG) Emissions For The Year Ended 30 September 2021

The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. It has no GHG emissions to report from its operations 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 Company's underlying investment portfolio. Consequently, the Company consumed less than 40,000 kWh of energy during the year in respect of which the Directors' Report is prepared and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

Statement of Disclosure of Information to the Auditors

So far as the Directors are aware, there is no relevant information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware. The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information (as defined) and to establish that the Auditors are aware of such information.

The above confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

GOING CONCERN

The Company's portfolio, investment activity, the Company's cash balances and revenue forecasts, and the trends and factors likely to affect the Company's performance are reviewed and discussed at each Board meeting. The Board has considered a detailed assessment of the Company's ability to meet its liabilities as they fall due, including stress tests and reverse stress tests which modelled the effects of substantial falls in portfolio valuations and liquidity constraints on the Company's NAV, cash flows and expenses.

The Company's loan facility with Scotiabank is to remain in place until early October 2022, when it is expected to be renewed on similar terms.

Based on the information available to the Directors at the date of this report, including the results of these stress tests, the conclusions drawn in the Viability Statement in the Strategic Report on page 22, the Company's cash balances and access to funding, the Directors are satisfied that the Company has adequate financial resources to continue in operation for at least the next 12 months and that, accordingly, it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

In reaching these conclusions and those in the Viability Statement, the stress testing conducted also featured consideration of the effects of the COVID-19 pandemic.

By order of the Board

Frostrow Capital LLP
Company Secretary

14 December 2021

GOVERNANCE

Corporate Governance

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and recommendations of the AIC Code will provide the best information to shareholders and the Financial Reporting Council has confirmed that by following the AIC Code, boards of investment companies will meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the UK Listing Rules.

Statement of compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except in relation to certain provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Code, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company as it is 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. Therefore, the Company has not reported further in respect of these provisions.

Company

Company's Purpose, Values and Strategy

The Board assesses the basis on which the Company generates and preserves value over the long term. The Strategic Report describes how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy. The Company's investment objective and investment policy are set out on pages 1 and 15. The Board's key responsibilities are to set the Company's strategy, values and standards; to provide leadership within a controls framework which enables risks to be assessed and managed; to challenge constructively and scrutinise performance of all outsourced activities; and to review regularly the contracts, performance and remuneration of the Company's principal service providers and, in particular, the Portfolio Manager.

Board Committees

The Directors have decided that, given the size of the Board, it is unnecessary to form separate Remuneration and Nomination Committees; the duties that would ordinarily fall to those Committees are carried out by the Board as a whole.

The Audit Committee

The Audit Committee's key responsibilities are to monitor the integrity of the annual report and Financial Statements; to oversee the risk and control environment and financial reporting; and to review the performance of the Company's external auditor.

All Independent non-executive Directors are members of the Committee. Although Mr Hayes is Chairman of the Board, in light of his continued independence and his valued contributions in Committee meetings, the Audit Committee considers it appropriate that he continues to be a member.

Copies of the full terms of reference, which clearly define the responsibilities of the Audit Committee, can be obtained from the Company Secretary. They will be available for inspection at the Annual General Meeting or at the offices of the Company Secretary and can be found in the Corporate Information section on the Company's website.

Board Meetings

Representatives of the Portfolio Manager, AIFM and Company Secretary are expected to be present at all meetings. The primary focus at Board meetings is a review of investment performance and associated matters. The Chairman seeks to encourage open debate within the Board and a supportive and co operative relationship with the Company's AIFM, Portfolio Manager, advisers and other service providers. The table overleaf sets out the number of formal Board and Committee meetings held during the year ended 30 September 2021 and the number of meetings attended by each Director. In addition to the scheduled Board and Committee meetings, Directors attend ad-hoc meetings to consider matters such as the approval of regulatory announcements, management accounts and interim dividends.

During the start of the pandemic Directors attended weekly portfolio update briefings with representatives of the Portfolio Manager and AIFM. These updates reduced in frequency to fortnightly and then monthly as the volatility of the markets decreased.

	BOARD	AUDIT COMMITTEE
Total number of meetings	**5**	**3**
Simon Hayes	5	3
James Ashton*	5	3
Kate Cornish-Bowden	5	3
Sandra Kelly	5	3
Lorna Tilbian	5	3
Anthony Townsend**	2	1

*Mr Ashton was appointed to the Board on 14 October 2020.

** Mr Townsend retired from the Board on 17 February 2021.

All of the Directors attended the Annual General Meeting in February 2021.

Board

Role of The Board

The role of the Board is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

Board Leadership and Purpose

Responsibility for effective governance and for the overall management of the Company's affairs lies with the Board. The governance framework of the Company reflects the fact that as an investment company it outsources company secretarial, administration, marketing, portfolio and risk management services to Frostrow. Portfolio management is then delegated to Lindsell Train by Frostrow.

Culture

The Board seeks to establish and maintain a corporate culture characterised by fairness in its treatment of the Company's service providers, whose efforts are collectively directed towards delivering returns to shareholders in line with the Company's purpose and objectives. It is the Board's belief that this contributes to the greater success of the Company, as well as being an appropriate way to conduct relations between parties engaged in a common purpose.

Matters Reserved For Decision By The Board

The Board has adopted a schedule of matters reserved for its decision. This includes, inter alia, the following:

- Requirements under the Companies Act 2006, including approval of the half yearly and annual financial statements, recommendation of any dividend, the appointment or removal of the Company Secretary, and determining the policy on share issuance and buybacks.
- Matters relating to certain Stock Exchange requirements and announcements, the Company's internal controls, and the Company's corporate governance structure, policy and procedures.
- Decisions relating to the strategic objectives and overall management of the Company, including the appointment or removal of the AIFM and other service providers, and review of the Investment Policy.
- Matters relating to the Board and Board committees, including the terms of reference and membership of the committees, the appointment of Directors (including the Chairman) and the determination of Directors' remuneration. Day-to-day operational and portfolio management is delegated to Frostrow and Lindsell Train respectively.

The Board takes responsibility for the content of communications regarding major corporate issues, even if Frostrow or Lindsell Train act as spokesperson. The Board is kept informed of relevant promotional material that is issued by Frostrow.

Composition, Succession and Evaluation

The Board seeks to ensure that it is well-balanced and refreshed regularly by the appointment of new directors with the skills and experience necessary, in particular, to replace those lost by directors' retirements. The Board further ensures that it is comprised of members who collectively:

i. display the necessary balance of professional skills, experience, length of service and industry/Company knowledge; and

ii. are fit and proper to direct the Company's business with prudence and integrity; and provide policy guidance on the structure, size and composition of the Board (and its Committee) and the identification and selection of suitable candidates for appointment to the Board (and its Committee).

The composition and skills of the Board were reviewed as part of the triennial external Board evaluation in 2021.

Diversity Policy

The Board supports the principle of boardroom diversity.

The Company's policy is that the Board should be comprised of directors who collectively display the necessary balance of professional skills, experience, length of service and industry knowledge and that appointments to the Board should be made on merit, against objective criteria, including diversity in its broadest sense. The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. The Board believes that this will make the Board more effective at promoting the long term sustainable success of the Company and generating value for all shareholders by ensuring there is a breadth of perspectives among the Directors and the challenge needed to support good decision-making.

To this end achieving a diversity of perspectives and backgrounds on the Board will be a key consideration in any Director search process. The gender balance of two men and three women exceeds the recommendations of Lord Davies' reports on Women on Boards. The Board is aware that gender representation objectives have been set for FTSE 350 companies and that targets concerning ethnic diversity have been recommended. The Review set a target for each FTSE 100 Board to have at least one director of colour by 2021 and for each FTSE 250 Board to have the same by 2024.

Policy On Director Tenure

The tenure of each non-executive Director, including the Chairman, is not ordinarily expected to exceed nine years.

However, the Board has agreed that the tenure of the Chairman may be extended for an agreed time provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chairman is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Appointments To The Board

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association and the aforementioned succession planning policy. Where the Board appoints a new Director during the year or after the year end and before the notice of annual general meeting is published, that Director will stand for election by shareholders at the next Annual General Meeting.

When considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This will include an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates.

Subject to there being no conflict of interest, all Directors are entitled to vote on candidates for the appointment of new Directors and to recommend to shareholders the re-election of Directors at the Annual General Meeting. The Chairman will not chair the meeting when the Board is dealing with the appointment of his successor.

As part of the process to appoint James Ashton, the Board engaged the services of specialist recruitment consultants, Trust Associates, who prepared a list of potential candidates for consideration by the Board. A short list was then arrived at, the candidates were interviewed, and James Ashton was subsequently appointed. Trust Associates has no other connection with the Company.

Induction/Development

New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. New Directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board committee, the Company's corporate governance practices and procedures and the latest financial information. Directors are encouraged to participate in training courses where appropriate.

Division of Responsibilities

Responsibilities of the Chairman

The Chairman's primary role is to provide leadership to the Board, assuming responsibility for its overall effectiveness in directing the company. The Chairman is responsible for:

- ensuring that the Board is effective in its task of setting and implementing the Company's direction and strategy, taking the chair at general meetings and Board meetings, conducting meetings effectively and ensuring all Directors are involved in discussions and decision-making
- setting the agenda for Board meetings and ensuring the Directors receive accurate, timely and clear information for decision-making
- taking a leading role in determining the Board's composition and structure, overseeing the induction of new Directors and the development of the Board as a whole, leading the annual board evaluation process and assessing the contribution of individual Directors
- supporting and also challenging the AIFM and the Portfolio Manager (and other suppliers where necessary) ensuring effective communications with shareholders and, where appropriate, other stakeholders
- engaging with shareholders to ensure that the Board has a clear understanding of shareholder views

Responsibilities of the Senior Independent Director (SID)

The SID serves as a sounding board for the Chairman and acts as an intermediary for the other Directors and the Shareholders. The SID is responsible for:

- working closely with the Chairman and providing support
- leading the annual assessment of the performance of the Chairman
- holding meetings with the other non-executive Directors without the Chairman being present, on such occasions as necessary
- carrying out succession planning for the Chairman's role
- working with the Chairman, other Directors and Shareholders to resolve major issues
- being available to Shareholders and other Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (i.e. through the Chairman or the Portfolio Manager).

Company Secretary

The Directors have access to the advice and services of a specialist investment trust company secretary, who is responsible for advising the Board on all governance matters. The Company Secretary ensures governance procedures are followed and that the Company complies with applicable statutory and regulatory requirements.

Directors' Interests

The beneficial interests of the Directors in the Company are set out on page 49.

Directors' Independence

The Board consists of five non-executive Directors, each of whom is independent of Frostrow and Lindsell Train. No member of the Board has been an employee of the Company, Frostrow, Lindsell Train or any of its service providers. Accordingly, the Board considers that all the Directors are independent and there are no relationships or circumstances which are likely to affect or could appear to affect their judgement.

The Chairman is entitled to a seat on the board of the Company's AIFM by virtue of the Company's minority partnership interest in Frostrow. It is a non-executive position and therefore the Board does not believe that this compromises his independence from the Company. At this time the Board has decided the Chairman will not take a seat on the board of Frostrow, but continues to receive updates on the business as part of the review of Frostrow's valuation.

Directors' Other Commitments

During the year, none of the Directors took on an increase in total commitments. Each of the Directors assessed the overall time commitment of their external appointments and it was concluded that they have sufficient time to discharge their duties. When appointing new Directors, the Board takes into account other demands on the Directors' time. Any additional external appointments are not undertaken without prior approval of the Board.

Board Evaluation

During September and October 2021 an external independent review of the Board, its committee and individual Directors was carried out by an independent third party, Lintstock. The Board reviewed the report from Lintstock in December 2021 and the Chairman is leading on implementation of minimal changes recommended by the report that the Board considered should be made.

The review concluded that the Board worked in a collegiate, efficient and effective manner and did not identify any material weaknesses or concerns. The Chairman is satisfied that the structure and operation of the Board continues to be effective and relevant and that there is a satisfactory mix of skills, experience, length of service and knowledge of the Company. The Board has considered the position of all of the Directors as part of the evaluation process and believes that it would be in the Company's best interests to propose them for re-election.

Lintstock has no other connection with the Company or the individual Directors.

Independent Professional Advice

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense.

Risk and Internal Control

The Statement of Directors' Responsibilities on page 56 describes the Directors' responsibility for preparing this report.

The Audit Committee Report, beginning on page 52, explains the work undertaken to allow the Directors to make this statement and to apply the going concern basis of accounting. It also sets out the main roles and responsibilities as well as the work of the Audit Committee and describes the Directors' review of the Company's risk management and internal control systems.

A description of the principal risks facing the Company and an explanation of how they are being managed is provided in the Strategic Report on pages 18 to 21.

Stakeholders

As an externally managed investment company, the Company does not have employees. Its main stakeholders therefore comprise its shareholders and a small number of service providers.

Relationship With Other Service Providers

The Board has delegated a wide range of activities to external agents, in addition to the Portfolio Manager.

These services include investment administration, management and financial accounting, Company Secretarial and certain other administrative requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

Further information on the service providers is contained within the Strategic Report on pages 31 and 32.

The Board scrutinises the performance of the AIFM and Portfolio Manager at each meeting and reviews the contractual relationships with them both at least annually. Further information on the AIFM and Portfolio Manager fees are contained within the Strategic Report on page 31 and note 3 on page 71.

Exercise Of Voting Powers

The Board has delegated authority to Lindsell Train (as Portfolio Manager) to cast its vote in relation to the shares owned by the Company.

Please refer to pages 28 to 30 for further information.

Nominee Share Code

Where shares in the Company are held via a nominee company, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's Annual General Meeting and vote via proxy.

Stakeholders Engagement Reporting

The AIC Code requires directors to explain their statutory duties as stated in sections 171–177 of the Companies Act 2006. Under section 172, directors have a duty to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the consequences of any decisions in the long term, as well as having regard to the Company's stakeholders amongst other considerations.

The Board's report on its compliance with Section 172 of the Companies Act 2006 is contained within the Strategic Report on pages 24 to 27.

Annual General Meeting

The Annual General Meeting will be held at 12 noon on Wednesday, 9 February 2022. The formal notice of the Annual General Meeting is set out in the accompanying circular to Shareholders, together with explanations of the resolutions and arrangements for the meeting.

By order of the Board

Frostrow Capital LLP
Company Secretary
14 December 2021

Directors' Remuneration Report

STATEMENT BY THE CHAIRMAN OF THE BOARD

On behalf of the Board, I am pleased to present the Directors' Remuneration Report to shareholders.

This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The Directors' Remuneration Policy Report, which is separate to this report, can be found on page 50.

The law requires the Company's Auditors to audit certain disclosures within this report. Where disclosures have been audited they are indicated as such and the Auditors' opinion is included in their report to members on pages 57 to 63.

Due to the Company's size and to avoid the need to establish a separate Remuneration Committee, the Company's remuneration function is carried out by the full Board under my Chairmanship. The Board considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and comparison with other companies of a similar structure and size. This is in-line with the AIC Code.

The Directors exercise independent judgement and discretion when authorising remuneration outcomes, taking into account the Company's performance together with wider circumstances.

At the most recent review, held in September 2021, it was agreed that the Directors' fees should not be increased at this time. With effect from 1 October 2021, Directors' fees will therefore continue to be:

The Chairman – £40,000.

The Chair of the Audit Committee and SID – £32,000.

Other Directors – £26,000.

Table of Directors' Remuneration Components

COMPONENT	ANNUAL RATE (£)	PURPOSE AND OPERATION
Basic Annual Fee: Each Director	£26,000	In recognition of the time and commitment required by Directors of public companies as well as the responsibilities of the role. The basic fee is reviewed against those paid for peer companies to ensure that it reflects fair and adequate compensation for the role.
Additional Fee: Chairman of the Board	£14,000	For the additional time, commitment and responsibility required on the Company's business issues; and providing leadership as Chairman of the Board.
Additional Fee: Audit Committee Chairman	£6,000	For the greater time required on the financial and reporting affairs of the Company.
Additional Fee: Each Director	Variable	In the event that the Company undertakes a complex or large project, such additional fee as will fairly compensate for the additional time and commitment required by a Director.
Expenses: Each Director	Variable	Reimbursement of expenses properly incurred by Directors in attending meetings and/or otherwise in the performance of their duties to the Company.

No advice from remuneration consultants was received during the year under review although a review of remuneration of the Company's peer group of investment trusts was undertaken along with research by Nurole Limited and Trust Associates which indicated that the Company's remuneration levels are in line with the market.

Directors' Fees

The Directors are remunerated exclusively by fixed fees in cash and do not receive bonus payments, pension contributions or other benefits from the Company. Directors are not offered options to acquire shares in the Company.

All Directors are entitled to the reimbursement of reasonable out of pocket expenses incurred by them in order to perform their duties as directors of the Company.

As noted in the Strategic Report, all of the Directors are non-executive and therefore there is no Chief Executive Officer ("CEO"). The Company does not have any employees. There is therefore no CEO or employee information to disclose.

No payments were made to former Directors of the Company other than disclosed in the table shown on page 47.

At the last AGM held in February 2021 the result in respect of the resolution to approve the Directors' Remuneration Report was as follows:

Remuneration report	VOTES CAST FOR	VOTES CAST AGAINST	VOTES WITHELD*
Votes cast	91,424,573	155,015	137,048
% of votes cast	(99.83%)	(0.17%)	

* A vote Withheld is not a vote in law and is not counted in the calculation of the proportion of votes "For" and "Against" a resolution.

Shareholder approval of the Directors' Remuneration Report will be sought again at the AGM to be held in February 2022.

Single total figure of remuneration for the year ended 30 September 2021 (audited)

	DATE OF APPOINTMENT	FEES 2021	TAXABLE† BENEFITS 2021	TOTAL FEES 2021	FEES 2020	TAXABLE† BENEFITS 2020	TOTAL FEES 2020
Simon Hayes[1]	29 June 2015	£34,377	–	£34,377	£24,500	–	£24,500
James Ashton	14 October 2020	£25,133	–	£25,133	–	–	–
Neil Collins[2]	30 January 2008	–	–	–	£10,208	–	£10,208
Kate Cornish-Bowden	26 October 2017	£26,000	–	£26,000	£24,500	–	£24,500
David Hunt[3]	6 July 2006	–	–	–	£20,000	£499	£20,499
Sandra Kelly[4]	9 October 2019	£32,000	–	£32,000	£26,127	–	£26,127
Lorna Tilbian	26 October 2017	£26,000	–	£26,000	£24,500	–	£24,500
Anthony Townsend[5]	1 February 2005	£15,333	–	£15,333	£37,500	–	£37,500
		£158,843	–	£158,843	£167,335	£499	£167,834

1 Chairman of the Board with effect from 17 February 2021 and Senior Independent Director until 17 February 2021.
2 Retired from the Board on 28 February 2020.
3 Chair of the Audit Committee and SID until his retirement from the Board on 12 May 2020.
4 Appointed Chair of the Audit Committee on 12 May 2020 and Senior Independent Director with effect from 17 February 2021.
5 Chairman of the Board until his retirement on 17 February 2021.
† Taxable expenses primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London

Fees have been pro-rated where a change takes place during a financial year.

No fees were paid to third parties in respect of services provided.

The table below contains the annual percentage change in remuneration over the five financial years prior to the current year in respect of the various director roles.

Fee Rates:	YEAR TO 30 SEPT 2017	YEAR TO 30 SEPT 2018	YEAR TO 30 SEPT 2019	YEAR TO 30 SEPT 2020	YEAR TO 30 SEPT 2021
Chairman	£34,500 +4.5%	£34,500 0.0%	£37,500 +8.7%	£37,500 0.0%	£40,000 +6.7%
Chair of the Audit Committee	£27,250 +7.9%	£27,250 0.0%	£30,000 +10.1%	£30,000 0.0%	£32,000 +6.7%
Directors' fees	£23,000 +4.5%	£23,000 0.0%	£24,500 +6.5%	£24,500 0.0%	£26,000 +6.1%
Additional fees	–	–	–	–	–

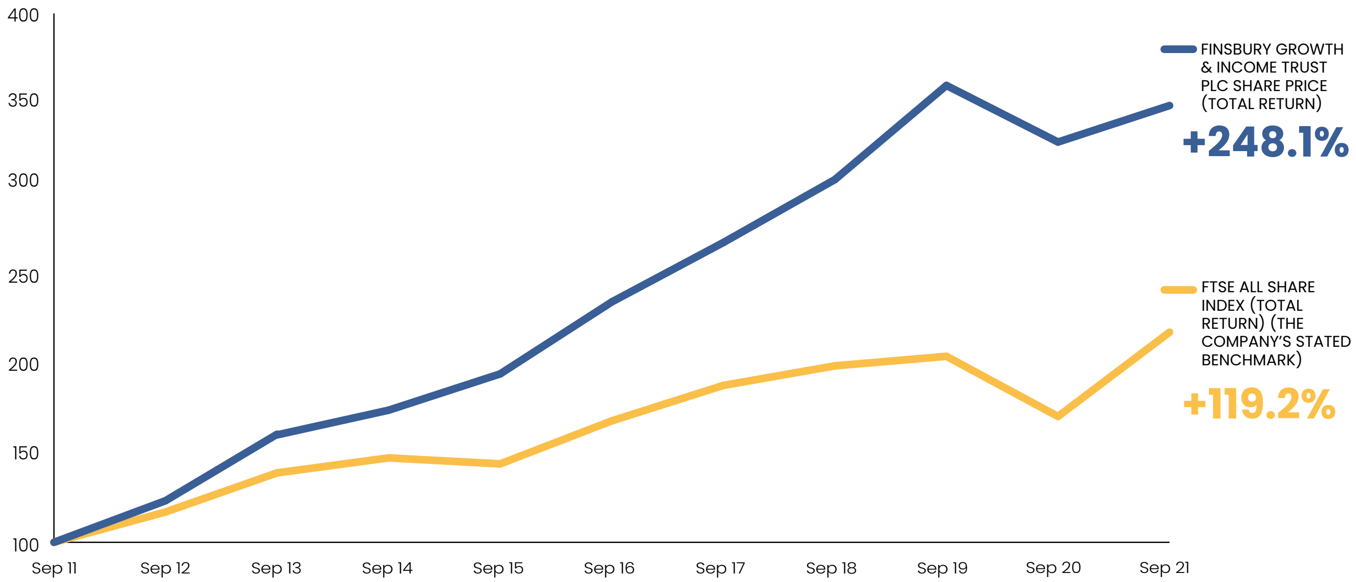
Loss of office

Directors do not have service contracts with the Company but are engaged under letters of appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Share Price Return

The chart below illustrates the shareholder return for the ten years to 30 September 2021 for a holding in the Company's shares as compared to the FTSE All-Share Index, which the Board has adopted as the measure for both the Company's performance and that of the Portfolio Manager.

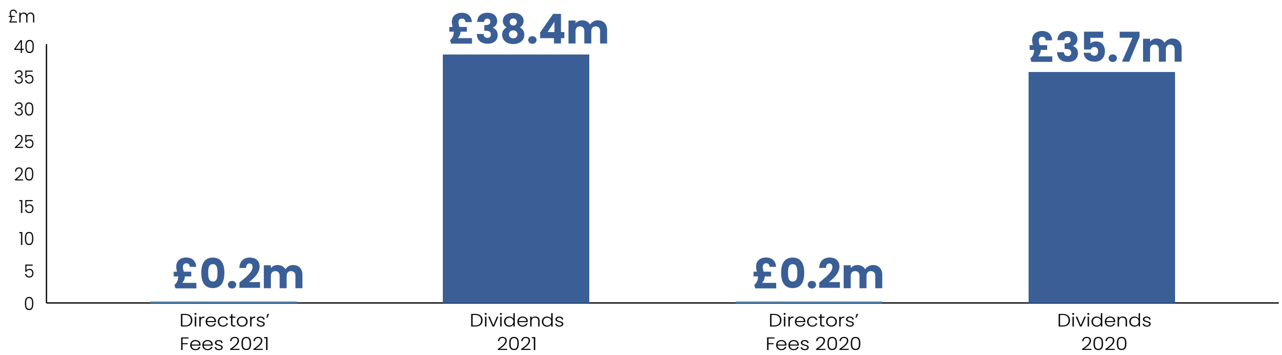
TEN YEARS TOTAL SHAREHOLDER RETURN TO 30 SEPTEMBER 2021



Source: Morningstar
Rebased to 100 at September 2011

RELATIVE COST OF DIRECTORS' REMUNERATION

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution in respect of the financial years ending 30 September 2020 and 2021.



Source: Frostrow Capital LLP

Directors' Interests in Ordinary Shares

The Directors' interests in the share capital of the Company are shown in the table below:

	NUMBER OF ORDINARY SHARES OF 25p HELD			
	(AUDITED) 30 SEPTEMBER 2021 SHARES HELD	VALUATION* 30 SEPTEMBER 2021 £'000	(AUDITED) 30 SEPTEMBER 2020 SHARES HELD	VALUATION* 30 SEPTEMBER 2020 £'000
Simon Hayes (Chairman)	100,000	876	66,488	558
James Ashton	1,008	9	–	–
Kate Cornish-Bowden	8,061	71	7,061	59
Sandra Kelly	5,822	51	4,645	39
Lorna Tilbian	–	–	–	–
Anthony Townsend[1]	N/A	N/A	206,534	1,735
Total	114,891	1,007	284,728	2,391

[1] Anthony Townsend retired from the Board on 17 February 2021.
* The Company's share price as at 30 September 2021 was 876.0p (2020: 840.0p)

None of the Directors was granted or exercised rights over shares during the year. None of the Directors has any contract (including service contracts) with the Company.

There are no provisions included within the Company's Articles of Association which require Directors to hold shares in the Company.

Managers' Interests in Ordinary Shares

Managers' interests in the share capital of the Company are shown in the table below:

	NUMBER OF ORDINARY SHARES OF 25p HELD			
	30 SEPTEMBER 2021 SHARES HELD	VALUATION* 30 SEPTEMBER 2021 £'000	30 SEPTEMBER 2020 SHARES HELD	VALUATION* 30 SEPTEMBER 2020 £'000
Alastair Smith (Managing Partner of Frostrow)	60,266	528	76,058	639
Nick Train (Portfolio Manager)	3,656,710	32,033	3,106,710	26,096

* The Company's share price as at 30 September 2021 was 876.0p (2020: 840.0p)

Annual Statement

On behalf of the Board I confirm that the Remuneration Policy, set out on pages 50 and 51, and this Remuneration Report summarise, as applicable, for the year ended 30 September 2021:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions were taken.

Simon Hayes
Chairman
14 December 2021

Directors' Remuneration Policy

The Company follows the recommendations of the AIC Code that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent. The Board's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive Directors. This policy is reviewed annually and it is intended that it will continue for the year ending 30 September 2022 and for subsequent financial years.

Shareholder approval of the Directors Remuneration Policy was last sought at the AGM held in February 2020 the result in respect of the resolution was as follows:

	VOTES CAST FOR	VOTES CAST AGAINST	VOTES WITHELD*
Votes cast	65,195,445	107,706	97,580
% of votes cast	(99.84%)	(0.16%)	

* Votes withheld are not votes by law and are therefore not counted in the calculation of votes for or against a resolution

Shareholder approval of the Directors' Remuneration Policy will be sought again at the AGM to be held in February 2023.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, the maximum aggregate limit currently being £200,000 per annum, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. Directors are entitled to claim reasonable expenses from the Company in relation to the performance of their duties. The current and projected Directors' fees for 2022 are shown in the following table. The Company does not have any employees.

	DATE OF APPOINTMENT TO THE BOARD	PROJECTED FEES YEAR ENDING 30 SEPTEMBER 2022	CURRENT FEES YEAR ENDED 30 SEPTEMBER 2021
Simon Hayes (Chairman)	29 June 2015	40,000	34,377
James Ashton	14 October 2020	26,000	25,133
Kate Cornish-Bowden	26 October 2017	26,000	26,000
Sandra Kelly (Chair of the Audit Committee and SID)	9 October 2019	32,000	32,000
Lorna Tilbian	26 October 2017	26,000	26,000
Anthony Townsend[1]	1 February 2005	–	15,333
		150,000	158,843

[1] Anthony Townsend retired from the Board on 17 February 2021.

The current level of Directors' fees will not be reviewed until at least September 2022. Any new Director being appointed to the Board who has not been appointed as either Chairman of the Board or as the Chair of the Audit Committee will, under the current level of fees, receive £26,000 per annum.

DIRECTORS' REMUNERATION YEAR ENDED 30 SEPTEMBER 2021

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment and to re election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office. The terms and conditions of the Directors' appointments are set out in formal letters of appointment which are available for review on request from the Company Secretary.

CONSIDERATION OF SHAREHOLDERS' VIEWS

In accordance with best practice recommendations the Board will put the Remuneration Policy to shareholders at the Annual General Meeting at least once every three years. Approval of this policy was last granted by shareholders at the Annual General Meeting held in February 2020.

Any feedback received from Shareholders is considered as part of the Board's annual review of remuneration. In respect of the year under review no feedback has been received from shareholders in relation to remuneration.

Audit Committee Report

On behalf of the Board, I am pleased to present the Audit Committee's Report for the year ended 30 September 2021.

ROLE AND COMPOSITION

The Audit Committee (the "Committee") comprises all the Directors of the Company.

The role of the Committee is to ensure that shareholder interests are properly protected in relation to the application of financial reporting and internal control principles, risk management and to assess the effectiveness of the audit. The Committee's role and responsibilities are set out in full in its terms of reference which are available in the Corporate Information section of the Company's website.

The Committee, as a whole, has competence relevant to the investment trust sector with Committee members having a range of financial and investment experience. The requirement for at least one member of the Committee to have recent and relevant experience is satisfied by me being a chartered accountant.

RESPONSIBILITIES

As Chair of the Committee I can confirm that the Committee's main responsibilities during the year and how it fulfilled them is set out below:

1. **To review the Company's half year and annual financial statements** together with announcements and other filings relating to the financial performance of the Company and issuance of the Company's shares. In particular, the Committee considered whether the Financial Statements were fair, balanced and understandable, allowing shareholders to assess the Company's strategy, investment policy, business model, financial performance and financial position at each period end.

2. **To review the risk management and internal control processes** of the Company and its key service providers. As part of this review the Committee reviewed the appropriateness of the Company's anti-bribery and corruption policy. During the year the Committee also reviewed the internal controls in place at the Company's AIFM, its Portfolio Manager, its Registrar and its Depositary and undertook a full review of the Company's risk register. Further details can be found on pages 30 and 31.

3. **To ensure compliance with Section 1158 of the Corporation Tax Act 2010**. The Committee obtained confirmation that the Company continues to meet the regulatory requirements.

4. **To recommend the appointment of external Auditors** and agree the scope of their work and their remuneration, reviewing their independence and the effectiveness of the audit process.

5. **To consider any non-audit work to be carried out by the Auditors**. The Committee reviews the need for non-audit services in accordance with the Company's non-audit services policy.

MEETINGS

The Committee held three meetings during the financial year and meeting attendance is shown on page 42. Representatives of Frostrow acting as AIFM attended each of the Committee's meetings and reported as to the proper conduct of business in accordance with the regulatory environment in which the Company and the AIFM operate. The Committee also met the Auditors twice during the year and once, following completion of the audit, without representatives of the AIFM being present.

SIGNIFICANT MATTERS CONSIDERED BY THE AUDIT COMMITTEE DURING THE YEAR

In summary, additional to the Committee's core responsibilities, the main matters arising in relation to 2021 were:

- As part of the Committee's detailed review of the financial statements, particular attention was paid to the allocation of expenses. The Company's current policy is to charge 67% of management fees and finance costs to capital and 33% to revenue. Following review it was agreed that from 1 October 2021 the Company's allocation of expenses policy would be amended to reflect that 75% of management fees and finance costs would be charged to capital and 25% to revenue. The revised allocation is in line with the AIC's statement of recommended practice which recommends that an investment trust recognises the allocation of expenses between income and capital that reflects returns over the longer term.
- Interim and year-end reporting: in light of the requirements of the Code of Corporate Governance issued by the AIC and FRC guidance to audit committees on key developments for annual reports and non-financial reporting, the Committee agreed the process, timing and responsibility for compliance. The Committee agreed to recommend to the Board that it should approve the Half Year and Annual Reports.
- In light of the relative simplicity of the operations and the use of independent external consultants, who report directly to the Committee, to advise on regulatory compliance and adherence to internal procedures, it was concluded that no internal audit function was required.

These matters were discussed by the Committee and any recommendations were fully considered and recommendations were then made to the Board.

Restoring trust in audit and corporate governance: proposals on reform issued by Department of Business, Enterprise, Industry and Skills ('BEIS')

The Company contributed to the AIC response to the proposals issued by BEIS and responded directly to BEIS supporting the AIC's recommendations.

COVID-19

The Committee continued to monitor how COVID-19 (which is captured in our Risk Register) developed, with its effects anticipated to appear in our assessment of global geopolitical risk or the ability to achieve our Investment Objective.

In mitigating the business risks caused by the pandemic, the Committee reviewed the operational resilience of its various service providers, who continued to demonstrate their ability to provide services to the expected level, whilst doing so remotely.

Financial Reporting Council (FRC) Review of the 2020 Annual Report

The FRC undertook a review of the 2020 annual report and the Audit Committee were pleased to be advised that the FRC concluded that "there are no questions or queries that we wish to raise with you at this stage".

The Committee noted that their review was based solely on the Company's report and accounts and that the FRC does not benefit from detailed knowledge of the Company or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

Internal Controls and Risk Management

The Directors have identified (Strategic Report pages 18 to 21) six main areas of risk: Corporate Strategy; Investment Strategy and Activity; Shareholder Relations and Corporate Governance; Operational; Financial; Accounting and Legal; and Regulatory. They have set out the actions taken to evaluate and manage these risks. The Committee reviews the various actions taken and satisfies itself that they are sufficient: in particular the Committee reviews the Company's schedule of key risks at each meeting and requires amendments to both risks and mitigating actions if necessary.

Last year the Audit Committee, undertook a review of the Company's risk management methodology and this year the Company is able to report on the change in risk profile compared to last year's assessment, which can be found in the Strategic Report on pages 18 to 22.

The Board has overall responsibility for the Company's risk management and systems of internal controls and for reviewing their effectiveness. In common with the majority of investment trusts, investment management, accounting, company secretarial and custodial services have been delegated to third parties. The effectiveness of the internal controls is assessed on a continuing basis by the AIFM, the Portfolio Manager and the Depositary. Each maintains its own systems and prepares independently audited internal control reports. The Committee receives these audited reports and additionally receives regular reports from these third parties. The Committee is satisfied that appropriate systems have been in place for the year under review.

ANNUAL REPORT AND FINANCIAL STATEMENTS

The Annual Report and the Financial Statements as a whole, are the responsibility of the Board. The Directors' Responsibility Statement is contained on page 56. The Board looks to the Committee to advise them in relation to the Financial Statements both as regards their form and content, and on any specific areas requiring judgement.

Although the Committee did not identify any significant issues as part of its review of the Annual Report and Financial Statements, it paid particular attention to:

Accounting Policies

The accounting policies, as set out on pages 68 to 70, have been applied throughout the year. In light of there being no unusual transactions during the year or other possible reasons, the Committee found no cause to change any of the policies.

Existence of investments

During the year the Committee met with representatives of the Depositary who provided reassurance concerning the safekeeping of the company's investments.

Valuation of Investments

The Committee reviewed the robustness of the AIFM's processes in place for recording investment transactions as well as ensuring the valuation of investments is in accordance with the adopted accounting policies.

Recognition of Revenue from Investments

The Committee received assurance that all dividends receivable, including special dividends, had been accounted for appropriately.

Interest in unquoted investment

The Committee reviewed the valuation methodology of the Company's partnership interest in Frostrow Capital LLP. The valuation, based upon multiple of earnings, was accepted.

Going Concern

Having considered the Company's financial position, the Committee satisfied itself that it is appropriate for the Board to present the Financial Statements on the going concern basis. During the year the Committee reviewed stress and reverse stress tests and are satisfied that it is unlikely that such scenarios would occur.

Long Term Viability

The Committee satisfied itself that it is appropriate for the Board to make the statement on page 22 that they have a reasonable expectation that the Company will be able to continue its operations over the next five years.

Internal audit

Since the company delegates its day to day operations to third parties and has no employees, the Committee again determined that there is no requirement for an internal audit function.

EXTERNAL AUDITORS

Meetings:

The nature and scope of the 2021 audit, together with PricewaterhouseCoopers LLP's ("PwC") audit plan, were reviewed by the Committee on 4 May 2021.

I, together with other Committee members, met with the Engagement Leader, Jeremy Jensen and the Senior Audit Manager on 23 November 2021 to discuss the audit and the draft 2021 Annual Report and Financial Statements. The Committee then met them again on 7 December 2021 to review the outcome of the audit.

Details of the fees paid to the Auditors for audit services are set out in note 4 to the Financial Statements on page 71.

Independence and Effectiveness:

In order to fulfil the Committee's responsibility regarding the independence of the Auditors, the Committee reviewed:

- the senior audit personnel in the audit plan,
- the Auditors' arrangements concerning potential conflicts of interest,
- the statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards, and
- the extent of any non-audit services in line with the Company's policy.

In order to consider the effectiveness of the audit process, the Committee reviewed:

- the Auditors' fulfilment of the agreed audit plan,
- the report arising from the audit itself, and
- feedback from the AIFM on the conduct of the audit.

The Committee satisfied itself concerning the Auditors' independence and the effectiveness of the audit process, together with the degree of diligence and professional scepticism brought to bear.

The Committee monitors the level of non-audit work carried out by the Auditors and seeks assurances from the Auditors that they maintain suitable policies and processes ensuring independence, and monitor compliance with the relevant regulatory requirements on an annual basis. No non-audit work was carried out by the Auditors during the year.

The Company does not allow any non-audit services permitted under the 70% fee cap set out in the FRC's 2019 ethical standard.

Auditor Tendering

The Committee reviews the re-appointment of the Auditors every year and the need to put the audit out to tender. Based on existing legislation, another tender process will be conducted no later than in 2023. The Company is therefore in compliance with the provisions of "The Statutory Audit Services for Large Companies Market Investigation" (Mandatory use of responsibilities) Order 2014 as issued by the Competition & Markets Authority.

PwC have been the Company's Auditors since June 2014, which was the last occasion an audit tender was held and this appointment has been renewed at each subsequent AGM.

The Audit Committee, following a review, remains satisfied with the effectiveness and independence of PwC. It has not, therefore, considered it necessary to require the audit to be put out to tender. When necessary the Audit Committee discusses engagement and partner rotation with PwC. There are no contractual or similar obligations restricting the Company's choice of auditors.

Independent Auditors Re-appointment

Having indicated their willingness to continue to act as Auditors to the Company for the forthcoming year a resolution re-appointing PwC as Auditors will be proposed at the forthcoming Annual General Meeting.

Performance Evaluation

As part of the external Board evaluation undertaken by Lintstock an evaluation of the Committee's performance was conducted during September and October 2021.

As part of its evaluation the following was reviewed:

- Its role
- Membership, Independence, Objectivity and Understanding
- Skills
- Scope of Work
- Communications

The review confirmed that the Committee conducted its affairs in accordance with its terms of reference and that the Committee had been effective.

Sandra Kelly, ACA

Chair of the Audit Committee

14 December 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law the Directors have prepared the Company's Financial Statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or profit of the Company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed for the Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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.

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 the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006; and
- the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

The Directors consider that the annual report and accounts, taken as a whole, are fair, balanced, understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the 'Board of Directors' on pages 34 and 35 confirm that, to the best of their knowledge:

- the Company's Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- the Strategic Report includes 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.

Approved by the Board of Directors and signed on its behalf by

Simon Hayes
Chairman

14 December 2021

Note to those who access this document by electronic means:

The Annual Report for the year ended 30 September 2021 has been approved by the Board of Finsbury Growth & Income Trust PLC. Copies of the Annual Report are circulated to shareholders and, where possible to potential investors. It is also made available in electronic format for the convenience of readers. Printed copies are available from the Company Secretary's office in London.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FINSBURY GROWTH & INCOME TRUST PLC

Report on the audit of the Financial statements

OPINION

In our opinion, Finsbury Growth & Income Trust PLC's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 30 September 2021; the Income Statement, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

OUR AUDIT APPROACH

Overview

Audit scope

- The Company is a standalone Investment Trust Company. The principal service providers to the Company are Frostrow Capital LLP which acts as AIFM, company secretary and administrator; and Lindsell Train Limited which acts as Portfolio Manager.
- We conducted our audit of the financial statements using information from the AIFM and Maitland Institutional Services, with whom the AIFM has engaged to provide certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

- Income from investments
- Valuation and existence of quoted investments

Materiality

- Overall materiality: £20,640,000 (2020: £18,400,000) based on 1% of net assets.
- Performance materiality: £15,480,000.

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The Scope of our Audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Consideration of impacts of COVID-19, which was a key audit matter last year, is no longer included because of the reduced uncertainty of the impact of COVID-19 in the current year as markets and economies continue to recover. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Income from investments Refer to page 54 (Audit Committee Report), page 68. (Accounting Policies) and page 70 (Notes to the financial statements). ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. For the Company we consider that 'income' refers to both revenue and capital (including gains and losses on investments). We focussed this risk on the existence/ occurrence of gains/losses on investments as well as the completeness and accuracy of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies' Statement of Recommended Practice (the "AIC SORP").	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to confirm that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income had been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. The gains/losses on investments held at fair value through profit or loss comprise realised and unrealised gains/losses. For unrealised gains and losses, we sample tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. We tested dividend receipts by agreeing the dividend rates from all investments to independent third party sources. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all listed investments during the year. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. No material misstatements were identified from this testing.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of quoted investments Refer to page 53 (Audit Committee Report), page 68 (Accounting Policies) and page 75 (Notes to the financial statements). The investment portfolio at the year-end principally compromised quoted equity investments valued at £2,066m. We focused on the valuation and existence of quoted investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position.	We tested the valuation of all quoted equity investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing the holdings of all quoted investments to an independently obtained custodian confirmation. No material misstatements were identified from this testing.

How we Tailored the Audit Scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£20,640,000 (2020: £18,400,000).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £15,480,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,032,000 (2020: £920,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by Covid-19;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in NAV as a result of market performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 30 September 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that 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. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these 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 company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors’ Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income (investment income and/or capital gains) or to overstate the net asset value of the Company. Audit procedures performed by the engagement team included:

- discussions with the AIFM and the Audit Committee, including specific enquiry of known or suspected instances of noncompliance with laws and regulation and fraud where applicable;
- reviewing relevant meeting minutes, including those of the Audit Committee;
- assessment of the Company’s compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- identifying and testing journal entries, in particular manual year end journal entries posted during the preparation of the financial statements; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 19 June 2014 to audit the financial statements for the year ended 30 September 2014 and subsequent financial periods. The period of total uninterrupted engagement is 8 years, covering the years ended 30 September 2014 to 30 September 2021.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

14 December 2021

Income Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	NOTE	YEAR ENDED 30 SEPTEMBER 2021 REVENUE £'000	YEAR ENDED 30 SEPTEMBER 2021 CAPITAL £'000	YEAR ENDED 30 SEPTEMBER 2021 TOTAL £'000	YEAR ENDED 30 SEPTEMBER 2020 REVENUE £'000	YEAR ENDED 30 SEPTEMBER 2020 CAPITAL £'000	YEAR ENDED 30 SEPTEMBER 2020 TOTAL £'000
Gains/(losses) on investments at fair value through profit or loss	9	–	164,020	164,020	–	(168,895)	(168,895)
Currency translations		–	(16)	(16)	–	(57)	(57)
Income	2	46,114	–	46,114	40,373	–	40,373
AIFM and portfolio management fees	3	(3,709)	(7,531)	(11,240)	(3,381)	(6,864)	(10,245)
Other expenses	4	(1,004)	(3)	(1,007)	(1,194)	(19)	(1,213)
Return/(loss) on ordinary activities before finance charges and taxation		41,401	156,470	197,871	35,798	(175,835)	(140,037)
Finance charges	5	(136)	(277)	(413)	(209)	(427)	(636)
Return/(loss) on ordinary activities before taxation		41,265	156,193	197,458	35,589	(176,262)	(140,673)
Taxation on ordinary activities	6	(844)	–	(844)	(736)	–	(736)
Return/(loss) on ordinary activities after taxation		40,421	156,193	196,614	34,853	(176,262)	(141,409)
Return/(loss) per share – basic and diluted	7	18.1p	69.9p	88.0p	16.5p	(83.6p)	(67.1p)

The "Total" column of this statement represents the Company's income statement.

The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (AIC).

All items in the above statement derive from continuing operations.

The Company had no recognised gains or losses other than those declared in the Income Statement; therefore no separate statement of Total Comprehensive Income has been presented.

The notes on pages 68 to 82 form part of these Financial Statements.

FINANCIAL STATEMENTS

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL SHAREHOLDERS' FUNDS £'000
At 1 October 2020	54,438	1,039,510	3,453	699,693	45,436	1,842,530
Net return from ordinary activities	–	–	–	156,193	40,421	196,614
Second interim dividend (8.6p per share) for the year ended 30 September 2020	–	–	–	–	(18,727)	(18,727)
First interim dividend (8.0p per share) for the year ended 30 September 2021	–	–	–	–	(17,906)	(17,906)
Issue of shares	1,810	60,337	–	–	–	62,147
At 30 September 2021	56,248	1,099,847	3,453	855,886	49,224	2,064,658

	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL SHAREHOLDERS' FUNDS £'000
At 1 October 2019	50,203	904,320	3,453	875,981	44,803	1,878,760
Net (loss)/return from ordinary activities	–	–	–	(176,262)	34,853	(141,409)
Second interim dividend (8.6p per share) for the year ended 30 September 2019	–	–	–	–	(17,297)	(17,297)
First interim dividend (8.0p per share) for the year ended 30 September 2020	–	–	–	–	(16,923)	(16,923)
Issue of shares	4,235	135,100	–	–	–	139,335
Repurchase of shares into treasury	–	–	–	(3,394)	–	(3,394)
Sale of shares from treasury	–	90	–	3,368	–	3,458
At 30 September 2020	54,438	1,039,510	3,453	699,693	45,436	1,842,530

The notes on pages 68 to 82 form part of these Financial Statements.

Statement of Financial Position

AS AT 30 SEPTEMBER 2021

	NOTE	2021 £'000	2020 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	2,071,266	1,851,588
Current assets			
Debtors	10	9,428	8,277
Cash and cash equivalents		22,531	20,440
		31,959	28,717
Current liabilities			
Creditors: amounts falling due within one year	11	(1,867)	(1,075)
		(1,867)	(1,075)
Net current assets		30,092	27,642
Total assets less current liabilities		2,101,358	1,879,230
Creditors: amount falling due after more than one year			
Bank loan	12	(36,700)	(36,700)
Net assets		2,064,658	1,842,530
Capital and reserves			
Called up share capital	13	56,248	54,438
Share premium account		1,099,847	1,039,510
Capital redemption reserve		3,453	3,453
Capital reserve	14	855,886	699,693
Revenue reserve		49,224	45,436
Total shareholders' funds		2,064,658	1,842,530
Net asset value per share	15	917.7p	846.2p

The Financial Statements on pages 64 to 82 were approved by the Board of Directors on 14 December 2021 and were signed on its behalf by:

Simon Hayes
Chairman

The notes on pages 68 to 82 form part of these Financial Statements.

Company Registration Number SC013958 (Registered in Scotland)

FINANCIAL STATEMENTS

Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	NOTE	2021 £'000	2020 £'000
Net cash inflow from operating activities before interest	18	31,953	26,587
Interest paid		(375)	(770)
Net cash inflow from operating activities		31,578	25,817
Investing activities			
Purchase of investments		(92,966)	(160,703)
Sale of investments		37,981	23,689
Net cash outflow from investing activities		(54,985)	(137,014)
Financing activities			
Dividends paid		(36,633)	(34,220)
Shares issued		62,147	143,471
Repurchase of Shares into treasury		–	(3,394)
Sale of shares from treasury		–	3,458
Net cash inflow from financing activities		25,514	109,315
Increase/(decrease) in cash and cash equivalents		2,107	(1,882)
Currency translations		(16)	(57)
Cash and cash equivalents at the beginning of the financial year		20,440	22,379
Cash and cash equivalents at the end of the financial year		22,531	20,440

The notes on pages 68 to 82 form part of these Financial Statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting Policies

The Company is a public limited company (PLC) incorporated in the United Kingdom, with registered office at 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ.

The principal accounting policies, all of which have been applied consistently throughout the year in the preparation of these Financial Statements, are set out below:

(A) BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with UK Generally Accepted Accounting Practice (GAAP) under UK Company Law, FRS 102 'The Financial Reporting Standard applicable in the UK, the Statement of Recommended Practice (SORP) for "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in April 2021 and the Companies Act 2006 under the historical cost convention as modified by the valuation of investments at fair value through profit or loss.

The Financial Statements have been prepared on a going concern basis. The disclosure on going concern on page 40 in the Statement of Directors' Responsibilities forms part of these Financial Statements.

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Sections 1158 and 1159 of the Corporation Tax Act 2010.

Significant Judgements and Critical Sources of Estimation Uncertainties

There were no significant judgements or critical estimates reported during the financial year ended 30 September 2021 (2020: none).

(B) INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments are measured under FRS 102, sections 11 and 12 and are measured initially, and at subsequent reporting dates, at fair value.

Changes in the fair value of investments and gains and losses on disposal are recognised in the Income Statement as a capital item. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the Board. Fair value for quoted investments is deemed to be bid market prices, or last traded price, depending on the convention of the stock exchange on which they are quoted.

All purchases and sales of investments are accounted for on the trade date basis.

The Company's policy is to expense transaction costs on acquisition/disposal through the gains on investment at fair value through profit or loss. The total of such expenses, showing the total amounts included in disposals and acquisitions are disclosed in note 9 on page 75.

(C) INCOME

Dividends receivable from equity shares are recognised in Revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is Capital in nature, in which case it is included in Capital. Overseas dividends are stated gross of any withholding tax.

When the Company has elected to receive scrip dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised in Revenue.

Fixed returns on non-equity shares are recognised on a time apportionment basis.

Special dividends: In deciding whether a dividend should be regarded as a Capital or Revenue receipt, the Company reviews all relevant information as to the reasons for and sources of the dividend on a case by case basis depending upon the nature of the receipt. Special dividends of a revenue nature are recognised through the revenue column of the Income Statement. Special Dividends of a capital nature are recognised through the capital column of the Income Statement.

The limited liability partnership (LLP) profit share is recognised in the financial statements when the entitlement to the income is established. Deposit interest receivable is taken to revenue on an accruals basis.

(D) DIVIDENDS PAYABLE

Dividends paid by the Company on its shares are recognised in the Financial Statements in the period in which they go ex-dividend and become payable and are shown in the Statement of Changes in Equity.

(E) EXPENDITURE AND FINANCE CHARGES

All the expense and finance costs are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

(1) expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or deducted from proceeds of that investment (as explained in 1(b) above);

(2) expenses are taken to the Capital reserve via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. Consequently 67% of the portfolio management fee, AIFM fee and finance costs are taken to the Capital reserve and the balance to the Revenue reserve.

With effect from 1 October 2021 75% of the portfolio management fee, AIFM fee and finance costs will be taken to the Capital reserve and 25% will be taken to the Revenue reserve.

(F) TAXATION

Current tax is provided at the amounts expected to be paid or recovered.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Statement of Financial Position date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided for at the rate of tax enacted or substantially enacted.

Any tax relief obtained in respect of AIFM and portfolio management fees, finance costs and other capital expenses charged are allocated to the capital column of the Income Statement.

(G) FOREIGN CURRENCY

Transactions recorded in overseas currencies during the year are translated into Sterling at the exchange rates ruling at the date of the transaction. Assets and liabilities denominated in overseas currencies at the Statement of Financial Position date are translated into sterling at the exchange rate ruling at that date. Profits or losses on the translation of foreign currency balances, whether realised or unrealised are credited or debited to the Income Statement.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents and demand deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value are defined as cash.

(I) BANK LOAN

Bank loans are initially recognised at fair value, net of transaction costs incurred. Bank loans are subsequently measured at amortised cost. The loan amounts falling due for repayment within one year are included under current liabilities in the Statement of Financial Position and the loan amounts falling due after one year are included under "Creditors: amounts falling due after more than one year" in the Statement of Financial Position.

Notes to the financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(J) NATURE AND PURPOSE OF RESERVES

Capital Redemption Reserve

This reserve arose when ordinary shares were bought by the Company and subsequently cancelled, at which point the amount equal to the par value of the ordinary share capital was transferred from the ordinary share capital to the Capital Redemption reserve.

Capital Reserve

This reserve reflects any:

- gains or losses on the disposal of investments;
- exchange differences of a capital nature;
- increases and decreases in the fair value of investments which have been recognised in the capital column of the Income Statement; and
- expenses which are capital in nature as disclosed in note 1(e).

Following amendments to the Company's Articles of Association in 2015, this reserve can be used to distribute certain capital profits by way of dividend.

Revenue Reserve

This reserve reflects all income and expenditure which are recognised in the revenue column of the Income Statement and may be distributable by way of dividend.

When making a distribution to shareholders, the Directors determine profits available for distribution by reference to 'Guidance on realised and distributable profits under the Companies Act 2006' issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The availability of distributable reserves in the Company is dependent on those distributions meeting the definition of qualifying consideration within that guidance and on available cash resources of the Company and other accessible sources of funds. The distributable reserves are therefore subject to these restrictions or limitations at the time such distribution is made.

2. Income

	2021 £'000	2020 £'000
Income from investments		
UK listed dividends*	39,167	34,236
Overseas dividends	6,350	5,629
Limited liability partnership – profit-share and priority profit share on AIFM capital contribution	597	508
Total income	46,114	40,373

* includes special dividends which have been credited to the revenue account totalling £949,000 (2020: £725,000)

3. AIFM and portfolio management fees

	2021			2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
AIFM fee	927	1,883	2,810	845	1,716	2,561
Portfolio management fee	2,782	5,648	8,430	2,536	5,148	7,684
Total fees	3,709	7,531	11,240	3,381	6,864	10,245

4. Other Expenses

	2021			2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Directors' fees	159	–	159	168	–	168
Auditors' fees –						
statutory annual audit	48	–	48	48	–	48
Stock listing and FCA fees	133	–	133	353	–	353
Depositary's fees	211	–	211	192	–	192
Custody fees	109	–	109	96	–	96
Registrar's fees	57	–	57	59	–	59
Promotional costs	51	–	51	51	–	51
Legal and professional fees*	10	3	13	16	19	35
Printing and postage	35	–	35	30	–	30
Company broker fees	37	–	37	27	–	27
Other expenses	154	–	154	154	–	154
Total expenses	1,004	3	1,007	1,194	19	1,213

* During the year the Company incurred additional legal fees totalling £5,000, in relation to an amendment to the Company's loan agreement with Scotiabank, of which 67% has been charged to capital and 33% charged to revenue. This is in line with the Company's accounting policy.

Further details of the amounts paid to Directors are included in the Directors' Remuneration Report on pages 46 to 49.

All of the above expenses include VAT where applicable, with the exception of the fees paid to the Company's Auditors, which are shown excluding VAT.

Notes to the financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Finance Charges

	2021			2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Interest payable on bank loan	123	250	373	184	373	557
Arrangement fee	–	–	–	12	26	38
Loan facility expenses	13	27	40	13	28	41
	136	277	413	209	427	636

6. Taxation on Ordinary Activities

(A) ANALYSIS OF CHARGE IN THE YEAR

	2021			2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
UK Corporation tax at 19% (2020: 19%)	–	–	–	–	–	–
Overseas withholding tax	1,036	–	1,036	880	–	880
Recoverable overseas withholding tax	(192)	–	(192)	(144)	–	(144)
	844	–	844	736	–	736

(B) FACTORS AFFECTING CURRENT TAX CHARGE FOR YEAR

The tax assessed for the year is higher (2020: higher) than the standard rate of UK corporation tax of 19% (2020: 19%).

The differences are explained below:

	2021			2020		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Total return/(loss) on ordinary activities before taxation	41,265	156,193	197,458	35,589	(176,262)	(140,673)
Return/(loss) on ordinary activities multiplied by UK corporation tax of 19% (2020: 19%)	7,840	29,677	37,517	6,762	(33,490)	(26,728)
Effects of:						
Overseas taxation	844	–	844	736	–	736
Franked investment income not subject to corporation tax – UK dividend income	(7,441)	–	(7,441)	(6,504)	–	(6,504)
Overseas dividends not taxable	(1,207)	–	(1,207)	(1,070)	–	(1,070)
Excess management expenses	808	–	808	812	–	812
Amounts charged to capital	–	1,484	1,484	–	1,389	1,389
Non-taxable (returns)/losses on investments*	–	(31,164)	(31,164)	–	32,090	32,090
Currency translations	–	3	3	–	11	11
Total tax charge for the year (note 6(a))	844	–	844	736	–	736

* (Return)/losses on investments are not subject to corporation tax within an investment trust company.

(C) DEFERRED TAXATION

As at 30 September 2021, the Company had unutilised management expenses and other reliefs for taxation purposes of £110,404,000 (2020: £98,428,000). It is unlikely that the Company will generate sufficient taxable income in excess of the available deductible expenses and therefore the Company has not recognised a deferred tax asset of £27,601,000 (2020: £18,701,000) based on the prospective corporation tax rate of 25% (2020: 19%).

Given the Company's status as an investment company and the intention to continue meeting the conditions required to maintain such status in the foreseeable future, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

Notes to the financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7. Return/(Loss) Per Share – Basic and Diluted

	2021 £'000	2020 £'000
The return/(loss) per share is based on the following figures:		
Revenue return	40,421	34,853
Capital return/(loss)	156,193	(176,262)
Total return/(loss)	196,614	(141,409)
Weighted average number of shares		
in issue during the year	223,371,358	210,795,674
Revenue return per share	18.1p	16.5p
Capital return/(loss) per share	69.9p	(83.6)p
Total return/(loss) per share	88.0p	(67.1)p

The calculation of the total, revenue and capital returns/(loss) per ordinary share is carried out in accordance with IAS 33, "Earnings per Share (as adopted in the EU)".

As at 30 September 2021 and 2020 there were no dilutive instruments in issue, therefore the basic and diluted return/(loss) per share are the same.

8. Dividends

In accordance with FRS 102 dividends are included in the Financial Statements in the year in which they are paid or approved by shareholders.

	EX-DIVIDEND DATE	REGISTER DATE	PAYMENT DATE	2021 £'000	2020 £'000
First interim dividend of 8.0p per share (2020: 8.0p)	1 April 2021	6 April 2021	14 May 2021	17,906	16,923
Second interim dividend of 9.1p per share (2020: 8.6p)	7 October 2021	8 October 2021	12 November 2021	20,474	18,727

The second interim dividend of 9.1p per share (2020: 8.6p) has not been included as a liability in these Financial Statements as it is only recognised in the financial year in which it is paid.

The total dividends payable in respect of the financial year which ensures compliance with Section 1158 of the Corporation Tax Act 2010 are set out below:

	2021 £'000	2020 £'000
Revenue available for distribution by way of dividend for the year	40,421	34,853
2021: First interim dividend of 8.0p per share (2020: 8.0p) paid on 14 May 2021	(17,906)	(16,923)
2021 Second interim dividend of 9.1p per share (2020: 8.6p) paid on 12 November 2021	(20,474)	(18,727)
Net additions to/(from) revenue reserves	2,041	(797)

The Company's dividend policy is set out on page 16.

9. Investments held at Fair Value Through Profit or Loss

ANALYSIS OF PORTFOLIO MOVEMENTS

	2021 £'000	2020 £'000
Opening book cost	1,244,210	1,093,373
Opening investment holding gains	607,378	795,461
Valuation at 1 October	1,851,588	1,888,834
Movements in the year:		
Purchases at cost	93,690	155,338
Sales proceeds	(38,032)	(23,689)
Gains/(losses) on investments	164,020	(168,895)
Valuation at 30 September	2,071,266	1,851,588
Closing book cost	1,303,097	1,244,210
Investment holding gains at 30 September	768,169	607,378
Valuation at 30 September	2,071,266	1,851,588

The Company received £38,032,000 (2020: £23,689,000) from investments sold in the year. The book cost of these investments when they were purchased was £34,803,000 (2020: £4,502,000). These investments have been revalued over time and until they were sold any unrealised gains/ losses were included in the fair value of the investments.

Purchase transaction costs for the year to 30 September 2021 were £213,000 (2020: £512,000). These comprise of stamp duty costs of £173,000 (2020: £449,000) and commission of £40,000 (2020: £63,000). Sales transaction costs for the year to 30 September 2021 were £15,000 (2020: £8,000) and comprise commission.

10. Debtors

	2021 £'000	2020 £'000
Amounts due from brokers	674	–
Accrued return of capital	–	623
Accrued income and prepayments	8,754	7,654
	9,428	8,277

11. Creditors: Amounts Falling Due Within One Year

	2021 £'000	2020 £'000
Amounts due to brokers	724	–
Other creditors and accruals	1,143	1,075
	1,867	1,075

Notes to the financial statements

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12. Bank Loan

	2021 £'000	2020 £'000
Bank loan	36,700	36,700

Scotiabank Europe PLC, the provider of the Company's loan facility, has a fixed and floating charge over the assets of the Company as security against any funds drawn down under the loan facility. The multi-currency revolving loan facility of £50 million (with an additional £50 million available if required) is due to expire in early October 2022.

The main covenant under the loan facility required that, at each month end, total borrowings should not exceed £100 million and the ratio of Adjusted Total Net Assets to Debt is not to be less than 4:1. There were no breaches of the covenant during the year.

The Board has set a gearing limit which must not exceed 25% of the Company's net asset value. (See the Strategic Report on pages 15 and 36 for further details).

13. Called Up Share Capital

	2021 £'000	2020 £'000
Allotted, issued and fully paid:		
224,991,303 (2020: 217,751,303) ordinary shares of 25p each	56,248	54,438

During the year 7,240,000 (2020: 16,939,591) new ordinary shares were issued for consideration of £62,147,000 (2020: £139,335,000) being an average price of 858.38p (2020: 822.54p) per share.

During the year the Company did not buy back any shares.

14. Capital Reserve

	CAPITAL RESERVE REALISED £'000	CAPITAL RESERVE INVESTMENT HOLDING GAINS UNREALISED £'000	2021 TOTAL £'000	2020 TOTAL £'000
At 1 October 2020	92,315	607,378	699,693	875,981
Net gains/(losses) on investments	3,229	160,791	164,020	(168,895)
Sale of shares from treasury	–	–	–	3,368
Repurchase of shares into treasury	–	–	–	(3,394)
Expenses charged to capital	(7,534)	–	(7,534)	(6,883)
Finance costs charged to capital	(277)	–	(277)	(427)
Currency translations	(16)	–	(16)	(57)
At 30 September 2021	87,717	768,169	855,886	699,693

The amount of the capital reserve that is distributable is complex to determine and is not necessarily the full amount of the reserve as disclosed within these Financial Statements of £855,886,000, as at 30 September 2021 as this is subject to fair value movements and may not be readily realisable at short notice.

15. Net Asset Value Per Share

	2021	2020
Net assets (£'000)	2,064,658	1,842,530
Number of shares in issue	224,991,303	217,751,303
Net asset value per share	917.7p	846.2p

As at 30 September 2021 and 2020 there were no dilutive instruments held, therefore the basic and diluted net asset value per share are the same.

16. Transactions with the AIFM, the Portfolio Manager and Related Parties

Details of the relationship between the Company, Frostrow and Lindsell Train are disclosed on the Company's website and also in the Report of the Directors on pages 31 and 32.

The Company has an investment in Frostrow with a book cost of £975,000 (2020: £825,000) and a fair value of £5,200,000 (including the AIFM capital contribution of £900,000) (2020: £750,000) as at 30 September 2021 (2020: 3,950,000).

The Company has an investment in The Lindsell Train Investment Trust plc, which is managed by Lindsell Train, with a book cost of £1,000,000 (2020: £1,000,000) and a fair value of £14,350,000 as at 30 September 2021 (2020: £11,300,000).

Details of the income received by the AIFM are disclosed in note 2 on page 70 and details of the remuneration payable to the AIFM and the Portfolio Manager are disclosed in note 3 on page 71.

Details of the fees of all Directors can be found on pages 46 to 51 and in note 4 on page 71. Directors' interests in the capital of the Company can be found on page 49. There were no other material transactions during the year with the Directors of the Company.

17. Risk Management

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 1. In pursuit of its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction in the revenue returns available for distribution.

The Company's financial instruments comprise mainly of equity investments, cash balances, borrowings, debtors and creditors that arise directly from its operations.

The principal risks inherent in managing the Company's financial instruments are market risk, liquidity risk and credit risk.

The principal and emerging risks and the Directors' approach to the management of those where the Directors consider there to be a high inherent risk are set out in the Strategic Report on pages 18 to 22.

MARKET RISK

Market risk comprises three types of risk: market price risk, interest rate risk and currency risk.

Market Price Risk

As an investment company, performance is dependent on the performance of the underlying companies and securities in which it invests. The market price of investee companies' shares is subject to their performance, supply and demand for the shares and investor sentiment regarding the company or the industry sector in which it operates. Consequently, market price risk is one of the most significant risks to which the Company is exposed.

Notes to the financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

At 30 September 2021, the fair value of the Company's assets exposed to market price risk was £2,071,266,000 (2020: £1,851,588,000 see page 9). If the fair value of the Company's investments at the Statement of Financial Position date increased or decreased by 10%, while all other variables remained constant, the capital return and net assets attributable to shareholders for the year ended 30 September 2021 would have increased or decreased by £207,127,000 or 92.1p per share (2020: £185,159,000 or 85.0p per share).

No derivatives or hedging instruments are currently utilised to manage market price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate movement may affect:

- the interest payable on the Company's variable rate borrowings
- the level of income receivable from variable interest securities and cash deposits
- the fair value of investments of fixed rate securities

The Company's main exposure to interest rate risk during the year ended 30 September 2021 was through its three year £50,000,000 secured multi-currency committed revolving credit facility (with an additional £50 million facility available if required) with Scotiabank Europe PLC maturing in October 2022. Borrowings at the year end amounted to £36,700,000 (2020: £36,700,000) at an interest rate of 1.033% (LIBOR plus 0.96% per annum).

If the above level of borrowing was maintained for a year a 1% increase/decrease in LIBOR in 2021/22 would decrease/increase the revenue return by £92,000, (2020: £121,000), decrease/increase the capital return in that year by £275,000 (2020: £246,000) and decrease/increase the net assets by £367,000 (2020: £367,000).

The weighted average interest rate, during the year, on borrowings under the above mentioned revolving credit facility was 1.02% (2020: 1.57%). At 30 September 2021, the Company's financial assets and liabilities exposed to interest rate risk were as follows:

	2021		2020	
	WITHIN ONE YEAR £'000	MORE THAN ONE YEAR £'000	WITHIN ONE YEAR £'000	MORE THAN ONE YEAR £'000
Exposure to floating rates:				
Assets				
Cash and cash equivalents	22,531	–	20,440	–
Liabilities				
Creditors: amount falling due within one year – borrowings on the loan facility	–	–	–	–
Creditors: amount falling due after more than one year				
– borrowings under the loan facility	–	(36,700)	–	(36,700)
Exposure to fixed rates:				
Assets				
Investments at fair value through profit or loss#	1,136	–	996	–
Liabilities	–	–	–	–

Celtic 6% cumulative convertible preference shares and Frostrow Capital LLP AIFM Investment.

Currency Risk

The Financial Statements are presented in sterling, which is the functional currency and presentational currency of the Company. At 30 September 2021, the Company's investments, with the exception of four, were priced in sterling. The four exceptions were, Heineken, listed in the Netherlands, Remy Cointreau listed in France, Manchester United and Mondelez International, both of which are listed in the United States and the aggregate of these four represents 19.3% of the portfolio.

The AIFM and the Portfolio Manager monitor the Company's exposure to foreign currencies on a continuous basis and regularly report to the Board. The Company does not hedge against foreign currency movements, but the Portfolio Manager takes account of the risk when making investment decisions.

Income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between its receipt and the time that the income is included in the Financial Statements.

Foreign Currency Exposure

At 30 September 2021 the Company held £200,380,000 (2020: £198,104,000) of investments denominated in U.S. dollars and £198,566,000 (2020: £184,201,000) in Euros.

Currency Sensitivity

The following table details the sensitivity of the Company's return after taxation for the year to a 10% increase or decrease in the value of sterling compared to the U.S. dollar and euro (2020: 10% increase and decrease).

The analysis is based on the Company's foreign currency financial instruments held at each Statement of Financial Position date.

This level of sensitivity is considered to be reasonably possible based on observation of current market conditions and historical trends.

If sterling had weakened against the U.S. dollar and euro, as stated above, assuming all other variables remain constant, this would have had the following effect:

	2021 £'000	2020 £'000
Impact on revenue return	231	175
Impact on capital return	44,314	42,472
Total return after tax/increase in shareholders' funds	44,545	42,647

If sterling had strengthened against the foreign currencies as stated above, assuming all other variables remain constant, this would have had the following effect:

	2021 £'000	2020 £'000
Impact on revenue return	(189)	(143)
Impact on capital return	(36,259)	(34,764)
Total return after tax/decrease in shareholders' funds	(36,448)	(34,907)

Credit Risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction, which could result in the Company suffering a loss. Credit risk is managed as follows:

- Investment transactions are carried out only with brokers which are considered to have a high credit rating.
- Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transactions entered into by the Company has delivered its obligation before any transfer of cash or securities away from the Company is completed.

Notes to the financial statements

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– Any failing trades in the market are closely monitored by both the AIFM and the Portfolio Manager.

– Cash is only held at banks that have been identified by the Board as reputable and of high credit quality. Bank of New York Mellon has a credit rating of Aa2 (Moody's) and AA- (Fitch).

At 30 September 2021, the exposure to credit risk was £32,195,000 (2020: £28,963,000), comprising:

	2021 £'000	2020 £'000
Fixed assets:		
Non-equity investments (preference shares)	236	246
Current assets:		
Other receivables (amounts due from brokers, dividends and priority profit share receivable)	9,428	8,277
Cash and cash equivalents	22,531	20,440
Total exposure to credit risk	32,195	28,963

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered significant as the majority of the Company's assets are investments in quoted equities. As at 30 September 2021 it is estimated that 93.6% of the investment portfolio could be liquidated within 30 days with 61.2% in seven days, based on current trading volumes.

Liquidity risk exposure

FINANCIAL LIABILITIES COMPRISE:	30 SEPTEMBER 2021 £'000	30 SEPTEMBER 2020 £'000
Due within one month:		
Balances due to brokers	724	–
Accruals	1,143	1,075
Due after three months and after one year:		
Bank loan	36,700	36,700

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or at a reasonable approximation of fair value.

VALUATION OF FINANCIAL INSTRUMENTS

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – quoted prices in active markets.
- Level 2 – prices of recent transactions for identical instruments.
- Level 3 – valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

AS AT 30 SEPTEMBER 2021	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Equity investments	2,065,830	–	–	2,065,830
Limited liability partnership interest (Frostrow)	–	–	4,300	4,300
AIFM capital contribution (Frostrow)	–	–	900	900
Preference share investments	236	–	–	236
	2,066,066	–	5,200	2,071,266

AS AT 30 SEPTEMBER 2020	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Equity investments	1,847,392	–	–	1,847,392
Limited liability partnership interest (Frostrow)	–	–	3,200	3,200
AIFM capital contribution (Frostrow)	–	–	750	750
Preference share investments	246	–	–	246
	1,847,638	–	3,950	1,851,588

The unquoted investment in Frostrow, has been re-valued by the Directors during the year, using two unobservable market data sources, being Frostrow's earnings and an agreed appropriate comparator multiple. This is the same methodology adopted to value Frostrow as at 30 September 2020.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

Level 3 Reconciliation of financial assets at fair value through profit or loss at 30 September

	2021 £'000	2020 £'000
Opening fair value	3,950	2,140
AIFM capital contribution (Frostrow)	150	150
Total gains included in gains on investments in the Income Statement	1,100	1,660
Closing fair value	5,200	3,950

If the earnings used in the valuation were to increase or decrease by 10% while all the other variables remained constant, the return and net costs attributable to shareholders for the year ended 30 September 2021 would have increased/decreased by £430,000 (2020: £320,000, applying the same assumptions).

CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The structure of the Company's capital is described in note 13 on page 76 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 65.

The Company's capital management objectives are:

- to ensure that it is able to continue as a going concern; and
- to achieve capital and income growth and to provide shareholders with a total return in excess of that of the FTSE All-Share Index through an appropriate balance of equity and debt.

The Board, with the assistance of the AIFM and the Portfolio Manager, regularly monitors and reviews the broad structure of the Company's capital. These reviews include:

- the level of gearing, set at a limit in normal market conditions, is not to exceed 25% of the Company's net assets, which takes account of the Company's position and the views of the Board, the AIFM and the Portfolio Manager on the market;

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- the extent to which revenue reserves should be retained or utilised; and
- ensuring the Company's ability to continue as a going concern.

The Company's objectives, policies and procedures for managing capital are unchanged from last year.

There were no breaches by the Company during the year of the financial covenants put in place by Scotiabank Europe plc in respect of the committed revolving credit facility provided to the Company.

These requirements are unchanged since last year and the Company has complied with them at all times.

18. Net Cash Inflow from Operating Activities before Interest

	2021 £'000	2020 £'000
Total return/(loss) before finance charges and taxation	197,871	(140,037)
(Deduct)/add: capital (gain)/loss before finance charges and taxation	(156,470)	175,835
Net revenue before finance charges and taxation	41,401	35,798
Increase in accrued income and prepayments	(1,111)	(1,803)
Increase/(decrease) in creditors	30	(45)
Taxation – overseas withholding tax paid	(833)	(480)
AIFM, portfolio management fees and other expenses charged to capital	(7,534)	(6,883)
Net cash inflow from operating activities	31,953	26,587

19. Substantial Interests

At 30 September 2021 the Company held interests in 3% or more of any class of capital in the following entities:

COMPANY OR LIMITED LIABILITY PARTNERSHIP	SHARES HELD	2021 FAIR VALUE £'000	% OF ISSUED SHARE CAPITAL OR LIMITED LIABILITY PARTNERSHIP INTEREST
A. G. Barr	4,480,000	23,162	4.0
Celtic	3,251,399	3,488	3.4
Frostrow Capital LLP (unquoted)+	–	5,200	10.0
Manchester United	2,275,000	32,683	5.3
The Lindsell Train Investment Trust plc*	10,000	14,350	5.0
Young & Co's Brewery (non voting shares)	1,050,000	9,072	5.5

* Also managed by Lindsell Train Limited which receives a portfolio management fee based on the Company's market capitalisation. The details of the fee arrangements with the Company are detailed on page 31.

+ Includes Frostrow Capital LLP's AIFM investment, which is £900,000.

Glossary of Terms and Alternative Performance Measures

ACTIVE SHARE

Active Share is expressed as a percentage and shows the extent to which a fund's holdings and their weightings differ from those of the fund's benchmark index. A fund that closely tracks its index might have a low Active Share of less than 20% and be considered passive, while a fund with an Active Share of 60% or higher is generally considered to be actively managed.

AIC

Association of Investment Companies.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (AIFMD)

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (AIFs) and requires them to appoint an Alternative Investment Fund Manager (AIFM) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

ALTERNATIVE PERFORMANCE MEASURE (APM)

An Alternative Performance Measure (APM) is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors and believe that each APM gives the reader useful and relevant information in judging the Company's performance and in comparing other investment companies.

BENCHMARK RETURN

Total return on the benchmark, assuming that all dividends received were re-invested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

DISCOUNT OR PREMIUM (APM)

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

DISCOUNT OR PREMIUM (APM)	PAGE	30 SEPTEMBER 2021	30 SEPTEMBER 2020
Share price (p)	2	876.0	840.0
Net asset value per share (p)	2	917.7	846.2
Discount	2 and 5	4.5%	0.7%

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GEARING (APM)

Gearing represents prior charges, adjusted for net current assets expressed as a percentage of net assets (AIC methodology).

Prior charges includes all loans and bank overdrafts for investment purposes.

	PAGE	30 SEPTEMBER 2021 £'000	30 SEPTEMBER 2020 £'000
Bank loan (prior charges)	66	(36,700)	(36,700)
Net current assets	66	30,092	27,642
Net debt		(6,608)	(9,058)
Net assets	66	2,064,658	1,842,530
Gearing	3	0.3%	0.5%

LEVERAGE

For the purpose of the Alternative Investment Fund Managers (AIFM) Directive, leverage is a method which increases the Company's exposure, including the borrowing of cash and the use of derivatives.

Leverage is calculated slightly differently to the AIC method of calculating gearing in that it is expressed as a ratio between the Company's exposure and its net asset value. It is calculated under gross and commitment methods. Under the gross method, exposure represents the Company's investment positions excluding sterling cash balances. Under the commitment method, exposure represents the Company's investment positions including sterling cash balances and after certain hedging and netting positions are offset (where applicable). For these purposes the Board has set a maximum leverage of 125% for both methods.

	30 SEPTEMBER 2021	30 SEPTEMBER 2020
Gross method	100.3%	100.5%
Commitment method	101.4%	101.6%

NET ASSET VALUE (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, less any liabilities. The NAV is also described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided by the number of shares that have been issued. The NAV per share is unlikely to be the same as the share price which is the price, at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

NET ASSET VALUE TOTAL RETURN PER SHARE (APM)

The theoretical total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

	PAGE	30 SEPTEMBER 2021	30 SEPTEMBER 2020
Opening NAV per share (p)	2	846.2	935.6
Increase/(decrease)in NAV per share (p)		71.5	(89.4)
Closing NAV per share (p)	2	917.7	846.2
Increase/(decrease) in NAV per share	2	+8.4%	(9.6%)
Impact of dividends re-invested*		+2.2%	+1.9%
NAV per share total return	2,3 and 4	+10.6%	(7.7%)

* Total dividends paid during the financial year of 16.6p (2020: 16.6p) were re-invested at the cum dividend NAV/share price during the year.

The source is Morningstar who have calculated the return on an industry comparative basis.

ONGOING CHARGES (APM)

Ongoing charges are calculated by taking the Company's annualised operating expenses expressed as a proportion of the average daily net asset value of the Company over the year. The costs of buying and selling investments are excluded, as are interest costs, taxation, cost of buying back or issuing ordinary shares and other non-recurring costs.

NAV TOTAL RETURN	PAGE	30 SEPTEMBER 2021 £'000	30 SEPTEMBER 2020 £'000
AIFM and portfolio management fees	64	11,240	10,245
Operating expenses	64	1,007	1,213
Total expenses		12,247	11,458
Average net assets during the year		1,988,069	1,779,936
Ongoing charges	3	0.62%	0.64%

PEER GROUP

Finsbury Growth & Income Trust PLC is part of the AIC's UK Equity Income Investment Trust Sector. The trusts in this universe are defined as trusts whose investment objective is to achieve a total return for shareholders through both capital and dividend growth. The members will normally have at least 80% of their assets in UK securities return.

REVERSE STRESS TEST

Reverse stress tests are stress tests that identify scenarios and circumstances which would make a business unworkable and identifies potential business vulnerabilities .

SASB

The Sustainability Accounting Standards Board.

SHARE PRICE TOTAL RETURN (APM)

The change in capital value of a company's shares over a given period, plus dividends paid to shareholders, expressed as a percentage of the opening value. The assumption is that dividends paid to shareholders are re-invested in the shares at the time the shares are quoted ex dividend.

SHARE PRICE TOTAL RETURN	PAGE	30 SEPTEMBER 2021	30 SEPTEMBER 2020
Opening share price share (p)	2	840.0	942.0
Increase/(decrease) in share price (p)		36.0	(102.0)
Closing share price (p)	2	876.0	840.0
Increase/(decrease) in share price	2	+4.3%	(10.8%)
Impact of dividends re-invested*		+2.0%	+1.8%
Share price total return	2	+6.3%	(9.0%)

* Total dividends paid during the financial year of 16.6p (2020: 16.6p) were re-invested at the cum dividend NAV/share price during the year.

The source is Morningstar who have calculated the return on an industry comparative basis.

STRESS TESTING

Is a forward-looking analysis technique that considers the impact of a variety of extreme but plausible economic scenarios on the financial position of the Company.

TCFD

Task Force on Climate-Related Financial Disclosures.

TREASURY SHARES

Shares previously issued by a company that have been bought back from shareholders to be held by the company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

FURTHER INFORMATION

Company Information

Share Prices

The Company's ordinary shares are listed on the London Stock Exchange under 'Investment Companies'.

Daily Net Asset Value per share

The daily net asset value per share of the Company's shares can be obtained on the Company's website (www.finsburygt.com) and is published daily via the London Stock Exchange.

Registered Office

50 Lothian Road,
Festival Square,
Edinburgh EH3 9WJ

Incorporated in Scotland with company no. SC013958 and registered as an investment company under Section 833 of the Companies Act 2006.

AIFM, Company Secretary and Administrator

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 020 3008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

Portfolio Manager

Lindsell Train Limited
3rd Floor,
66 Buckingham Gate,
London SW1E 6AU
Telephone: 020 7808 1225
Website: www.lindselltrain.com
Authorised and regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Depositary

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Global Custodian

Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

ISA STATUS

The Company's shares are eligible for Individual Savings Accounts ('ISAs') and for Junior ISAs.

Registrars

If you have any queries in relation to your shareholding please contact:
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL
email: enquiries@linkgroup.co.uk;
telephone +44 (0)371 664 0300+
Website: www.linkgroup.eu

+ Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Share Portal

If you hold your shares directly you can register online to view your holdings using the Share Portal, a service offered by Link Group www.signalshares.com.

The Share Portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access to your shareholding details.

Details of how Shareholders who hold their shares on retail platforms can vote can be found on pages 10 to 12 of the Notice of Meeting.

Corporate Broker

Winterflood Securities Limited
The Atrium Building,
Cannon Bridge,
25 Dowgate Hill,
London EC4R 2GA

Identification Codes

Shares:	SEDOL:	0781606
	ISIN:	GB0007816068
	BLOOMBERG:	FGT LN
	EPIC:	FGT

Legal Entity Identifier (LEI)

213800NN4ZKX2LGIGQ40

Global Intermediary Identification Number (GIIN)

QH4BH0.99999.SL.826

Disability Act

Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Link Asset Services, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator. For this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by The Royal National Institute for Deaf People) you should dial 18001 from your textphone followed by the number you wish to dial.

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Warning to Shareholders:

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Link Asset Services, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

Shareholders who suspect they may have been approached by fraudsters should advise the Financial Conduct Authority ('FCA') using the share fraud report form at www.fca.org.uk/scams or call the FCA Customer Helpline on 0800 111 6768. You may also wish to call either the Company Secretary or the Registrar whose contact details can be found on page 87.

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