4 December 2024

Finsbury Growth & Income Trust PLC
(the â€œCompanyâ€)
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<u>This announcement contains regulated information</u>

Annual Financial Report for the year ended 30 September 2024

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Finsbury Growth & Income Trust PLC is a listed investment company and a constituent of the FTSE 250. The Company is a member of the Association of Investment Companies (â€œAICâ€).

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 Companyâ€™s benchmark).

The net asset value per share increased by 8.2% during the financial year to 30 September 2024 on a total return basis (2023: 7.2%).

DIVIDENDS

During the year the Company paid two interim dividends totalling 19.6p (2023: 19.0p) which was an increase of 3.2%.

KEY FACTS

943.4p
Net asset value per share
2023: 891.2p (+5.8%)

861.0p
Share price
2023: 852.0p (+1.1%)

8.7%
Discount of share price to net asset value per share
2023: 4.4%

57.7p
Return per share[â€]
2023: 61.4p (-6.0%)

84.1%
Active Share[*]
2023: 85.3%

19.6p
Total dividends per share for the year[â€]
2023: 19.0p (+3.2%)

8.2%
Net asset value per share total return[*,]
2023: 7.2%

Â£1.582bn
Shareholdersâ€™ funds[â€]
2023: Â£1.823bn (-13.2%)

0.61%
Ongoing charges
2023: 0.61%

3.4%
Share price total return[*,]
2023: 7.5%

0.7%
Gearing
2023: 0.8%

167,717,668
Number of shares in issue (excluding 57,273,635 shares held in Treasury)
2023: 204,519,434 (-18.0%) (Treasury shares 2023: 20,471,869)

* Source â€“ Morningstar
Alternative Performance Measure (see glossary)
â€ UK GAAP Measure

FIVE YEARS SUMMARY

AS AT 30 SEPTEMBER	2020	2021	2022	2023	2024
Share price	840.0p	876.0p	800.0p	852.0p	861.0p
Net asset value per share	846.2p	917.7p	848.4p	891.2p	943.4p
Discount of Share price to net asset value per share	0.7%	4.5%	5.7%	4.4%	8.7%
Â	Â	Â	Â	Â	Â
YEAR ENDED 30 SEPTEMBER	**2020**	**2021**	**2022**	**2023**	**2024**
Share price total return*	(9.0)%	+6.3%	(5.6)%	+7.5%	+3.4%
Net asset value per share total return*	(7.7)%	+10.6%	(5.8)%	+7.2%	+8.2%
FTSE All-Share Index total return** #	(16.6)%	+27.9%	(4.0)%	+13.8%	+13.4%
Total (loss)/return per shareâ€	(67.1)p	88.0p	(53.4)p	61.4p	57.7p
Dividends per shareâ€	16.6p	17.1p	18.1p	19.0p	19.6p

* Source: Morningstar
** Source: FTSE International Limited (â€œFTSEâ€) Â© FTSE, 2024
# See glossary of terms and alternative performance measures)
Alternative Performance Measure (â€œAPMâ€) (see glossary)
â€ UK GAAP Measure

The Company was incorporated in Scotland on 15 January 1926. Lindsell Train Limited (â€œLindsell Trainâ€) was appointed as Portfolio Manager in December 2000. The total return of the Companyâ€™s share price over the ten years to 30 September 2024 has been 108.4%, equivalent to a compound annual return of 7.6%. This compares with a total return of 83.6%* from the Companyâ€™s benchmark, equivalent to a compound annual return of 6.3%*.

Key Performance Indicators (â€œKPIsâ€)

The Board uses certain financial and non-financial KPIs to monitor and assess the performance of the Company in achieving its strategic aims.

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 and the Portfolio Manager's Review.

This performance is assessed against the following KPIs which are unchanged from last year.

Alternative Performance Measures (â€œAPMâ€)

The Board believes that each of the APMs, which are typically used within the investment company sector, provides additional useful information to Shareholders in order to assess the Companyâ€™s performance between reporting periods and against its peer group. The APMs used for the year under review are unchanged from last year. Further information on each of the APMs can be found in the glossary.

Alternative Performance Measure (see glossary)
â€ UK GAAP Measure
* Source: Morningstar

8.2%
Net asset value total return *

This reflects the change in the Companyâ€™s net asset value including the impact of reinvested dividends.

During the year under review the Companyâ€™s net asset value per share total return was 8.2% (2023:Â 7.2%).

19.6p
Dividends per shareâ€

The total dividend declared for the year was 19.6 pence per share (2023: 19.0 pence per share), an increase of 3.2%.

57.7p
Return per shareâ€

The total return per share for the year was 57.7 pence per share (2023: return of 61.4 pence per share).

Over five years, the Company earned a total of 86.6 pence per share.

3.4%
Share price total return *

This reflects the change in the value of the Companyâ€™s share price including the impact of reinvested dividends.

During the year under review the Companyâ€™s share price total return was 3.4% (2023: 7.5%).

8.7%
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 Companyâ€™s share buy-back and issuance policy works can be found in the Statutory Documentation section on the Companyâ€™s website.

At 30 September 2024 the Companyâ€™s share price stood at an 8.7% discount to the Companyâ€™s net asset value per share (2023: 4.4% discount).

During the year, the Company bought back 36,801,766 shares into Treasury (2023: 11,218,558) at an average price of 844.5 pence and an average discount of 7.4%.

Since the year end to 2 December 2024 the Company has purchased a further 9,913,457 shares to be held in Treasury. As at 2 December 2024 the Companyâ€™s discount was 8.5%.

(10.0)%pt
Relative underperformance to benchmark

Under the Companyâ€™s Business Model, a Portfolio Manager is appointed with the capability and resources to manage the Companyâ€™s assets through asset allocation, stock selection, gearing and risk management. The Companyâ€™s portfolio is constructed and managed without reference to a stock market index with the Portfolio Manager selecting investments based on their assessment of their long-term value.

The performance of the Company relative to its benchmark and its peers is a KPI measured by the Board on an ongoing basis.

The Companyâ€™s benchmark is the FTSE All-Share Index (total return) which delivered a return of 13.4% (2023: 13.8%) over the year. This compares with the Companyâ€™s share price total return of 3.4% (2023: 7.5%) resulting in a 10.0% underperformance against the benchmark.

The Board also monitors the Companyâ€™s share price return* against its AIC peer group . As at 30Â September 2024 the Company's ranking against its peer group of UK Equity income sector was:

Â	Rank out of 23	
Period	**2024**	**2023**
1 yr	21	14
3 yr	19	22
5 yr	21	9
10 yr	4	2

Alternative Performance Measure (see glossary)
* Source: Morningstar

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Chairmanâ€™s Statement

Simon Hayes, Chairman

PERFORMANCE

As we approach Finsburyâ€™s 100th anniversary and after almost ten years on your Board I am very aware of how essential it is that investment managers have a long-term perspective.Â However, managing funds over such time horizons is inevitably difficult and I am disappointed to report another year of underperformance by your Company when measured against the performance of the benchmark, the FTSE All-Share Index. While the Companyâ€™s long-term track record remains impressive, this will provide little solace to more recent investors for whom returns will be substantially below what they may have hoped for.

The Companyâ€™s net asset value (â€œNAVâ€) per share delivered a total return of 8.2% over the financial year compared with a benchmark total return of 13.4%. The share price return over the same period was 3.4%, reflecting a widening of the discount to NAV.

In the face of this ongoing period of challenging performance your Board has continued to provide constructive challenge to the Portfolio Manager, regularly reviewing the investment process, portfolio themes and individual holdings throughout the year. The Board has also undertaken a series of meetings with institutional Shareholders (representing approximately a third of the Companyâ€™s share capital), to ascertain their views of the Company and the extent of their continued support for the investment approach. While no one wants to experience a prolonged period of underperformance, it is clear that there remains significant support from investors for the Companyâ€™s concentrated investment portfolio. No Shareholder has expressed to us any appetite for a material change in approach.

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We are grateful for this continued support but do not take it for granted. With that in mind, and as part of broader shareholder engagement, your Board will hold a continuation vote after the current financial year ends inÂ September 2025 (expected to be held at the Companyâ€™s AGM in January 2026).Â This will offer all Shareholders, in particular our retail shareholders who represent a significant proportion of our register, an opportunity to express their support, or otherwise, for the continuation of the Company with its current investment strategy.

In the meantime, your Board remains committed to buying back shares, as described in more detail below, aware of the value of the additional liquidity an active buy-back strategy offers and of the enhancement in net asset value that buy-backs provide. In the past financial year, the Company has bought back over Â£310 million worth of its own shares which is more then three times the value bought back in 2023.

As it is always important to point out, a highly concentrated portfolio means higher risk, particularly in the short term. At 30 September 2024, the Companyâ€™s Active Share â€“ a measure of how much it varies from the FTSE All-Share Index benchmark - was 84.1% (2023: 85.3%). Such an uncorrelated portfolio will inevitably perform very differently from the wider market, whether positively or negatively.

I urge you to read Nick Trainâ€™s very helpful review where he discusses the reasons for the relative underperformance and explains why he holds the top ten holdings of the portfolio and why he is optimistic for better future returns.

SHARE BUY-BACKS

As at 30 September 2024 the discount to NAV was 8.7% (2023: 4.4%). During the year under review the Company bought back a total of 36,801,766 shares (18.0% of the shares in issue) at a cost of over Â£310Â million (2023: Â£97.7 million) and at an average discount of 7.4%. This resulted in the NAV per share being 14p higher than it would otherwise have been.

As at the close of the UK market on 2 December 2024, the discount was 8.5%. Since the year end, a further 9,913,457 shares have been bought back at a cost of Â£85.3 million. As at 2 December 2024, the Company had 157,804,211 shares in issue (excluding 67,187,092 shares held in Treasury).

While share buy-backs will not necessarily prevent a discount from widening further, particularly in times of market volatility, they may, to a limited extent, mitigate a widening trend. In addition, buy-backs enhance the NAV per share for remaining Shareholders, provide some additional liquidity and help to dampen discount volatility which can damage Shareholder returns.

Discounts are affected by many factors outside the Companyâ€™s control, including investor sentiment towards the Company, the sector and towards equity markets in general, but where it is in Shareholdersâ€™ interests (taking account of market conditions), the Company remains committed to buying back shares at a discount to NAV, as demonstrated over the past year.

Reflecting the Companyâ€™s commitment to buying back shares, the Company held a General Meeting in August 2024 to renew Shareholder authority to buy-back shares when it became clear that the Shareholder authority to buy-back 14.99% of the Companyâ€™s share capital granted at the AGM in January 2024 would be exhausted before the expected date of the 2025 AGM. The Companyâ€™s share buy-back authority will as usual be proposed for renewal at the Companyâ€™s Annual General Meeting to be held in January 2025.

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RETURN AND DIVIDEND

The Income Statement shows a total return of 57.7p per share (2023: 61.4p) consisting of a revenue return per share of 20.8p (2023: 20.0p) and a capital return per share of 36.9p (2023: 41.4p).

Your Board has declared two interim dividends for the year totalling 19.6p per share (2023: 19.0p), an increase of 3.2%. In order to facilitate dividend payments on a timely and cost-effective basis, your Board continues to elect to distribute the Companyâ€™s income to Shareholders by means of two interim dividends rather than wait several months to secure Shareholder approval to pay a final dividend at the Annual General Meeting. This dividend policy will again be proposed for approval at the forthcoming Annual General Meeting.

CANCELLATION OF SHARE PREMIUM ACCOUNT

On 7 August 2024, the Companyâ€™s share premium account of Â£1.1 billion was cancelled pursuant to a Court Order dated 12 July 2024, in order to provide the Company with additional distributable reserves, which can be used in the future for all permitted purposes, including, if required, to fund share buy-backs or other returns of capital in accordance with applicable law. This provides the Company with more flexibility in how capital may be returned in the future.

THE BOARD

As reported earlier this year, after nine years as a Director of the Company, I will be standing down at the conclusion of the Companyâ€™s forthcoming Annual General Meeting in January 2025. I am delighted that Pars Purewal, who joined the Board in November 2022, has been chosen by my Board colleagues to succeed me as Chairman.

I have thoroughly enjoyed my time with the Company. This is principally down to the hard work and professionalism of colleagues at Lindsell Train and Frostrow and the exemplary levels of commitment and engagement of my fellow Directors. I would like to thank them all for making my job easier and wish Pars and the team every success for the future.

CHANGE OF AUDITOR

During the year the Audit Committee led a competitive audit tender process, which resulted in the recommendation that Deloitte LLP be appointed as the Companyâ€™s new auditor.

ARTICLES OF ASSOCIATION

It is proposed that new Articles of Association (the â€œNew Articlesâ€) be adopted with effect from the conclusion of the Annual General Meeting, principally in order to increase the Companyâ€™s flexibility in respect of how the Company can manage untraced Shareholders, unclaimed dividends and the payment of dividends. The new Articles are being updated to reflect developments in the market since the Existing Articles were adopted in 2022, with a view to balancing the Companyâ€™s administrative burden with the need to safeguard Shareholder rights.

A summary of the principal changes to the Existing Articles is included within the Explanatory Notes to the Notice of Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company this year will again be held at Guildhall, City of London EC2V 7HH (please use the Basinghall Street Entrance) on Tuesday, 28 January 2025 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.

The Board strongly encourages all Shareholders to exercise their votes in respect of the meeting in advance. Details of how Shareholders can vote, whether holding their shares directly or on retail platforms, are set out in the Notice of Meeting. Any Shareholder who requires a hard copy form of proxy may request one from the Registrar, Link Group.

OUTLOOK

During this period of disappointing performance it is worth remembering that the interests of Shareholders, your Board and your Portfolio Manager are closely aligned. First, significant buy-backs at a discount increase the NAV per share for those Shareholders who maintain their holding. Secondly, fees are levied on the market capitalisation of the Company and not the NAV, meaning that fees payable decline commensurately with the size of any discount. Finally, our Portfolio Manager has continued to buy shares in the Company. Over the last year, Nick Train has acquired 222,800 shares and currently speaks for 3.5% of the equity of the Company (December 2023: 2.6%).

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Your Board continues to fully support the Portfolio Managerâ€™s disciplined strategy of investing for the long term in high quality companies that own both durable and cash generative franchises. As an investment trust, our portfolio is permitted to be concentrated on the highest conviction ideas. When those ideas pay off, the impact on performance will be significant. We believe that it is only a matter of time before the Company resumes its excellent long-term record.Â

It has been a privilege to serve the Company and its Shareholders and I wish you all the very best for the future.

Simon Hayes
Chairman

3 December 2024

Investment Portfolio

PORTFOLIO SECTOR WEIGHTINGS+

Â	**2024**	2023
Consumer Staples (â€œCSâ€)	28.7%	38.0%
Financials (â€œFâ€)	25.2%	22.3%
Consumer Discretionary (â€œCDâ€)	22.4%	23.4%
Industrials (â€œIâ€)	13.5%	7.9%
Technology (â€œTâ€)	10.2%	8.4%

Source: Frostrow Capital LLP

+ FTSE Industrial Classification Benchmark (â€œICBâ€) sectors.

GEOGRAPHICAL ALLOCATIONâ€

Â	2024	2023
United Kingdom	97.1%	84.2%
United States of America	1.4%	7.3%
France	1.2%	4.8%
Netherlands	0.3%	3.7%

Source: Frostrow Capital LLP

â€ Â The Companyâ€™s investment policy classifies geographical location based on where companies are listed or otherwise incorporated, domiciled or having significant business operations.

â€ Â The Companyâ€™s Investment Policy restricts the Company from owning more than 20% of the portfolio in overseas companies.

INVESTMENTS AS AT 30 SEPTEMBER 2024

SECTOR	INVESTMENTS	FAIR VALUE 1 OCTOBER 2023 Â£'000	NET INVEST-MENTS Â£'000	CAPITAL APPRE-CIATION/ (DEPRE-CIATION) Â£'000	FAIR VALUE 30 SEPTE-MBER 2024 Â£â€™000	% OF INVES-TMENTS	TOTAL RETURN Â£000	CONTRIBU-TION PER SHARE (PENCE)
I	Experian	144,803	(3,437)	73,954	215,320	13.5	76,694	40.9
F	London Stock Exchange	212,962	(52,923)	47,018	207,057	13.0	49,702	26.5
CD	RELX	227,828	(84,855)	52,741	195,714	12.3	56,410	30.1
CS	Unilever	163,699	(7,507)	29,563	185,755	11.7	35,308	18.8
CS	Diageo	182,495	18,059	(26,270)	174,284	10.9	(21,048)	(11.2)
T	Sage Group	154,066	2,634	5,281	161,981	10.2	8,370	4.5
F	Hargreaves Lansdown	58,334	4,906	26,771	90,011	4.8	29,905	15.9
CD	Rightmove	4,821	71,853	8,219	84,893	5.6	9,377	5.0
F	Schroders	101,313	(11,776)	(13,546)	75,991	5.3	(8,618)	(4.6)
CD	Burberry Group	147,145	(5,261)	(91,349)	50,535	3.2	(86,720)	(46.2)
Â	**Top 10 Investments**	Â	Â	Â	**1,441,541**	**90.5**	Â	Â
CS	Fever-Tree	40,908	1,006	(13,200)	28,714	1.8	(12,606)	(6.7)
CS	Mondelez International#	133,956	(108,031)	(3,848)	22,077	1.4	(2,499)	(1.3)
CS	A.G. Barr	21,702	(4,337)	4,658	22,023	1.4	5,262	2.8
CS	Remy Cointreau	68,168	(28,672)	(20,302)	19,194	1.2	(19,690)	(10.5)
CD	Manchester United#	37,334	(19,132)	(945)	17,257	1.1	(945)	(0.5)
F	Rathbone Brothers	23,298	(6,418)	132	17,012	1.1	693	0.3
F	The Lindsell Train Investment Trust plc	8,760	â€“	(1,120)	7,640	0.5	(605)	(0.3)
CD	Celtic*	4,331	â€“	1,397	5,728	0.3	1,404	0.7
CS	Heinekenâ€	88,569	(83,487)	265	5,347	0.3	871	0.4
CD	Young & Co's Brewery (non-voting)	7,108	(2,707)	(941)	3,460	0.2	(756)	(0.4)
F	Frostrow Capital LLPâˆ†**	3,725	â€“	(500)	3,225	0.2	(14)	0.0
CD	Cazoo#	79	(12)	(67)	â€“	0.0	(67)	0.0
CD	Fuller Smith & Turner	1,256	(1,351)	95	â€“	0.0	102	0.1
Â	**Total Investments**	**1,836,660**	**(321,448)**	**78,006**	**1,593,218**	**100.0**	**120,530**	**64.3**
Â	**Bank interest**	Â	Â	Â	Â	Â	**407**	**0.2**
Â	**Total Contributions to Total Return**	Â	Â	Â	Â	Â	**120,937**	**64.5**
Â	**Expenses, Currency Translation and Finance Charges**	Â	Â	Â	Â	Â	**(12,759)**	**(6.8)**
Â	**Return on Ordinary Activities after Taxation**	Â	Â	Â	Â	Â	**108,178**	**57.7p**

* Includes Celtic 6% cumulative convertible preference shares, fair value Â£363,000 (2023: Â£267,000)
** Includes Frostrow Capital LLP AIFM Investment, fair value Â£125,000 (2023: Â£125,000)
# Listed in the United States
Listed in France
â€ Listed in Netherlands
âˆ† Unquoted
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Portfolio Managerâ€™s Review

Nick Train, Lindsell Train Limited, Portfolio Manager

Periods of lacklustre performance are inevitable for all investors. When you are in the midst of such a period, as we are, it is important to keep your nerve and stick to your investment principles. However, it is also important to consider, and answer honestly, searching questions about the underperformance. Our clients excel at asking searching questions. And three in particular have been put to us that I propose to address in this report.

1 Do we understand why we have underperformed and have we taken measures to mitigate the risk of future underperformance?

2 Has the period of underperformance created a buying opportunity?

3 Finally, is our continuing company research generating attractive new investment ideas?

The first question; what has been our problem? Candidly, the portfolio has been a victim of its previous success. The peak of our relative performance was in 2020. What drove the strong performance for much of the preceding decade were the strong returns from our investments in consumer branded goods owners, such as Burberry, Diageo and Unilever, amongst others. As a result of that success the combined weight of the holdings in consumer brands was 50% of the whole portfolio as at year-end September 2020. In hindsight, this was too high. Covid-19 and its inflationary aftermath have been unhelpful for many consumer companies and their share prices have fallen or stagnated, hurting our overall investment performance. Between year ended September 2020 and 2024, for instance, Burberryâ€™s share price has fallen 55%, Diageo is down 2% and Unilever up only 1%. How have we responded?

Well, the headline is that exposure to consumer brands is now c.32% of the portfolio, a marked reduction. We still like the consumer brand companies we retain exposure to, but there are other investment themes available in the UK stock market that we believe offer even better prospects and since 2020 we have tilted the portfolio in their direction.

Moving on to the second question â€“ is this a buying opportunity for your portfolio? I would say, unequivocally, yes. And I have put my money where my mouth is by buying more shares.

There are two aspects to my optimism. First, I want to reiterate the attraction of investing in owners of world-class consumer brands; particularly when you can access their shares at low prices, as is arguably the case today. Diageo and Unilever are examples of such world-class businesses, we believe, and we have maintained and even increased exposure to both during their recent share price weakness. To understand the nature of the opportunity, Iâ€™d ask Shareholders to consider the accompanying graph on page 11 of the Annual Report which shows the share price total returns of Diageo and Unilever since the start of the century, compared with the returns on various stock market indices, all in Sterling. You may be surprised to see that not only have Diageo and Unilever handsomely outperformed the UK stock market over the last nearly quarter of a century, they have also outperformed the S&P500 and even the NASDAQ Composite. This is the case even after Diageo and Unileverâ€™s disappointing performance of the last four years. Now, of course, you can prove almost anything by cherry-picking a favourable start-date and, no doubt, the NASDAQ Composite was at a temporary peak at the start of 2000, while Diageo and Unilever were out of favour (interestingly, you could argue that both those conditions pertain today). Nonetheless, it is impressive, I contend, that both should have performed so competitively since 2000 and their performance is consistent with the proposition that global brands as resonant and still relevant as Guinness and Johnnie Walker or Dove and Hellmannâ€™s can help you get rich, albeit slowly.

The 23% total return from Unilever shares over the last 12 months is a welcome reminder that well-run (orÂ in Unileverâ€™s case, better-run) consumer companies can still reward investors.

The second reason for my optimism; I mentioned above that we have tilted the portfolio toward investment ideas that we expect offer even better prospects than those of consumer brand-owners. Today by far the biggest thematic exposure, 60% of the portfolio at the year-end, is to London-listed data, software and technology platform companies. We own six businesses â€“ Experian, Hargreaves Lansdown, London Stock Exchange Group (â€œLSEGâ€), RELX, Rightmove and Sage â€“ and I have three observations to make about the sextet.

First, even though several of them have been strong performers over the last couple of years, particularly RELX and Sage, it is not difficult to demonstrate the valuations they are accorded are lower than is the case for comparable companies listed on other markets. That presents an opportunity, we believe.

Next, that apparent undervaluation of the group has been confirmed by the fact that two of them have received takeover bids during 2024, namely Hargreaves Lansdown and Rightmove. It looks as though the offer for the former will succeed, at a price 43% above where the shares traded at the end of September 2023. Meanwhile, Rightmove has successfully rebuffed a bid that was also c.43% above its share price of a year ago.

I invite Shareholders to review the table below. It illustrates why we remain so optimistic about the prospect for future gains from this part of the portfolio. The table draws on research done by Bank of America in 2023, that sought to identify the criteria likely to help companies become beneficiaries of, rather than losers from, developments in Artificial Intelligence. To be clear, Bank of America provided the framework, but the company analysis is ours. The top criteria for AI success, according to Bank of America, is ownership of large amounts of proprietary data. If a company owns or generates data that others cannot, then that company has the opportunity to derive unique insights from that data and create new commercial opportunities. It is said in the 21st century that â€œdata is the new oilâ€. The proprietary data curated by, in particular, Experian, LSEG, RELX and Rightmove has already made these businesses world-class in their respective fields. We hope new tools, for instance Sageâ€™s AI-powered accounting tool Copilot, will accelerate all these companiesâ€™ growth as we get deeper into the 21st century.

I have no doubt that the increase to our Digital Winners has improved the quality of the portfolio. At 30 September 2024 and based on figures from Bloomberg, we calculate an average Return on Equity (ROE) of 30% for the portfolio, the highest level it has been for a number of years, and notably higher than for the average of the UK stock market, of 9%. In the long run, ROE is a good measure of the quality of a company, the higher the better. Over time we must believe the superior business returns earned by our portfolio companies will lead to superior share price returns too. The question then is whether we are overpaying for such quality. We donâ€™t think so. The portfolioâ€™s 12 month forward Price-to- Earnings (P/E) ratio of 22x is higher than the Index at 12x, though by a lesser degree than the ROE. And whilst the ROE of the portfolio has increased, the P/E premium compared to the market has fallen more recently. This is of course no guarantee of future performance, but it does gives us confidence that we own high quality companies at what to us appear to be reasonable valuations.

Finally, the third question, are we unearthing new investment ideas? The answer is â€œyesâ€, even if it is relatively rare for us to initiate new holdings. I have always worked on the Warren Buffet principle that often the best thing to do with investible funds is to buy more of what you already own (assuming what you own is of high quality). Nonetheless, when we do have compelling new ideas we back them with conviction. There have been three initiations since 2020 â€“ Experian, Fever-Tree and, more recently, Rightmove. We are currently having to be patient with Fever-Tree, as investors wait to see whether the brand can replicate its domestic success internationally (we believe it can). Meanwhile, Experian has become one of the top-3 holdings in the portfolio and is, we believe, a relatively rare thing â€“ a world-class data business listed on the London stock market. The accompanying chart within the Annual Report shows the long-term investment success of Experian, since it listed in 2006; but note the sideways period for its shares between 2021 and 2024, a period that allowed us to accumulate the holding. Subsequently Experianâ€™s share price has hit new highs and we are hoping for much more.

So far as Rightmove is concerned, we believe the company was right to resist being taken over. Certainly we did not buy it in the expectation of a quick bounce, but rather hope to benefit from years of profitable growth as the company innovates new services for home buyers and agents.

Experian

Over 180 million individuals around the world now voluntarily provide Experian with their personal financial data, in return for credit scores and other services. This is a unique asset for Experian, which makes its data services increasingly valuable to its banking customers.

We purchased Experian in 2020 and as you can see from the chart in the Annual Report, concerns over interest rates and the credit cycle have allowed us to build the position at a lower price over the past four years. The shares have been much stronger in 2024 though we are hopeful thereâ€™s much more to come from the company.

LSEG

According to LSEG it can now offer a wider range of crucial services to global financial institutions than any of its competitors. This means its customers can derive cost savings and business efficiencies when they subscribe to more of its services. New products derived from LSEGâ€™s joint venture with Microsoft (and soon to be released) are likely to make its services even more crucial to its customers. LSEGâ€™s shares hit a high in February 2021 of Â£98, then spent three years trading sideways to down. It wasnâ€™t until August 2024 that they pushed through that level and are now trading well above Â£100. The shares are up 24x since LSEG listed back in 2001 and while a repeat of that return over the next couple of decades seems far-fetched today, there is no doubt LSEG has a big growth opportunity and is highly profitable. That combination can lead to outsize investment returns.

RELX

Scientists, lawyers and risk consultants around the world are increasingly reliant on RELXâ€™s data and software. The company is a trusted and credible provider of AI-enhanced services to those communities and this offers it the prospect of accelerating revenue growth. It is noteworthy that RELXâ€™s market capitalisation is now higher than BPâ€™s, making it the fifth biggest company on the London market. Perhaps data really is the new oil.

Diageo

Diageo is contending with a variety of headwinds that have hurt its share price in 2024. To us these are predominantly cyclical not structural. We prefer to focus on the companyâ€™s structural advantages. Specifically that Scotch, Irish Stout and Tequila are Diageoâ€™s three biggest categories, where the company has world-class brands and, as a result, a growth opportunity not available to its competitors. We also believe the long-term propensity for individuals to drink less alcohol, but to drink higher quality alcohol is likely to continue and is advantageous for Diageo, as the worldâ€™s biggest premium alcoholic beverage company.

Schroders

We support Schrodersâ€™ strategy of shifting its business toward higher profit margin investment services, such as Private Equity and Private Wealth and believe the company has made more progress with this strategy than its current depressed share price suggests.

Sage

In 2017 Sage acquired a US cloud-computing business called Intacct. This was transformative for the company. Intacctâ€™s subsequent success has helped return Sageâ€™s overall business to double digit revenue growth and there remains a big opportunity for Intacct in its home market and internationally.

Unilever

The energy and improved execution of a new management team has reminded investors of Unileverâ€™s formidable strengths. Its existing global brands are already very valuable, but there is a further opportunity to use its innovation and distribution capabilities and marketing expertise to create or acquire new brands and give them global scale. Unileverâ€™s fast-growing Health, Wellbeing and Premium Beauty brands are pertinent examples.

Rightmove

The investment appeal of Rightmoveâ€™s business was recently confirmed by the bids the company received from Australian peer REA. We believe that, like us, REA was attracted by Rightmoveâ€™s dominant market position in property classified advertising and by the growth opportunities presented to Rightmove from selling additional services to property agents and home buyers themselves. We were relieved in the end the bids did not eventuate, because we believe Rightmove is at the early stages of a multi-year period of growth and losing that potential would have been a shame for Shareholders (and, indeed, for the UK stock market).

Hargreaves Lansdown

It is likely we will lose this investment to takeover in early 2025 and it is likely we will replace it with new holdings with similar business characteristics. Specifically, we are interested in companies that are technology-driven and own or create unique data sets.

Burberry

All Burberry Shareholders, including us, were shocked by the fall in its share price and the severity of the profit decline now forecast for 2024. After extensive engagement with the company, discussions with industry experts and a detailed review of the investment case we find ourselves in agreement with the opinion of Burberryâ€™s new CEO. In his view, Burberry should be one of the top four or five most valuable luxury brands in the world, based on its heritage and purpose-led products (outerwear). If he is right, Burberryâ€™s current market value is far too low and we have retained the holding.

Since the year end we have added two new positions to the portfolio, though, we are not yet ready to reveal their identity at this stage given we are still building them from low levels. All I will say is that, as you might expect, the long period of disappointing returns from the UK stock market has thrown up interesting opportunities, with world-class companies languishing at attractive valuations. That proposition is confirmed by the decision we have taken to reduce the non-UK holdings in the portfolio. The Companyâ€™s weighting to UK-listed companies has increased from 81% to 97% in the five years to year-end September 2024. The UK and, in particular, the key UK holdings in this portfolio offer world-beating value, in our opinion.

TOP TEN HOLDINGS

The portfolio is concentrated, with the top ten holdings accounting for c.90% of portfolio value at the year end. Given that concentration it is appropriate to provide an account of the opportunity we see for each of the ten. I ask Shareholders to note how many of these are global businesses, with big global growth opportunities. The London stock market boasts more truly impressive global companies than its reputation implies. Also note the wide range of geographic markets and industries these companies serve. This means the portfolio is more diverse than the tight number of individual holdings suggests.

CONCLUSION

I share in your Boardâ€™s disappointment with recent performance and acknowledge this has been a frustrating period for Shareholders. But I remain convinced that the best way we can get the NAV and share price moving up again is to implement the same investment approach that generated good returns for Shareholders in the 20 years prior to 2021. That is, to run a concentrated portfolio, built around the shares of exceptional UK companies.

It remains a great privilege to me to be responsible for the management of the Companyâ€™s portfolio, and thereby the precious savings of many investors, including my own. I told you last year that skin in the game is no guarantee of superior investment performance, and the last 12 months have unfortunately proven that correct. But I continue to increase my personal holding in the Company. Why?. It is true that I believe an alignment of interest between investment manager and investor is important, but to be candid that is not my main motivation. When I look at the portfolio today, I am more enthused about its prospectsÂ â€"Â and by association the UK stock market â€" than at any time this century. I have increased my holding because LSEG, Experian, Diageo, Sage and RELX (and I could go on), not only happen to be listed on the London market, but are genuine world class companies with substantive growth opportunities in front of them. Finsbury Growth & Income Trust PLC holds those businesses in big quantities, and if our analysis of them is right, the impact on returns in the coming years will be very significant indeed.

Nick Train
Director, Lindsell Train Limited
Portfolio Manager

3 December 2024
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Business Review

The Strategic Report provides a review of the Companyâ€™s policies and business model, together with an analysis of its performance during the financial year and its future developments.

PORTFOLIO STRUCTURE AS AT 30 SEPTEMBER 2024

97.1% **2023: 84.2%** **Invested in UK domiciled companies**	**2.9%** **2023: 15.8%** **Invested globally**	**93.4%** **2023: 91.9%** **FTSE 100 companies** **(and comparable overseas companies)**
90.5%	**0.7%**	**84.1%**

2023: 84.7%	**2023: 0.8%**	**2023: 85.3%**
Top ten holdings	**Gearing**	**Active Share**

Please see Glossary of Terms and Alternative Performance Measures.

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

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 company there are 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 (â€œFrostrowâ€) which acts as AIFM, company secretary and administrator; and Lindsell Train Limited (â€œLindsell Trainâ€) which acts as Portfolio Manager. The Bank of New York Mellon (International) Limited is the Companyâ€™s Depositary.

The Board is responsible for all aspects of the Companyâ€™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 as well as corporate governance matters.

STRATEGY FOR THE YEAR ENDED 30 SEPTEMBER 2024

Throughout the year under review, the Company continued to operate as an approved investment company, 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 Companyâ€™s performance is discussed in the Chairmanâ€™s Statement and the Portfolio Managerâ€™s Review.

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

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. Lindsell Train became a signatory of the Net Zero Asset Managers initiative (â€œNZAMâ€) in December 2021. This reflects Lindsell Trainâ€™s enhanced efforts as a firm to support the goal of net zero greenhouse gas emissions by 2050.

INVESTMENT POLICY

The Companyâ€™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 Companyâ€™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 Companyâ€™s benchmark* index and is likely to be more volatile and carry more 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 Companyâ€™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 Companyâ€™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 Companyâ€™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 publishes its Active Share scores 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 Companyâ€™s benchmark index.

The Companyâ€™s gearing policy is that gearing will not exceed 25% of the Companyâ€™s net assets.

No investment will be made in any fund or investment company managed by Lindsell Train Limited without the prior approval of the Board.

In accordance with the UK Listing Rules of the Financial Conduct Authority (â€œFCAâ€), the Company can only make a material change to its investment policy with the approval of its Shareholders and HMRC.

DIVIDEND POLICY

The Companyâ€™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 Companyâ€™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 Managerâ€™s report explains why he believes that the Companyâ€™s portfolio remains appropriate. The Board remains supportive of the Portfolio Managerâ€™s view. Please refer to the Chairmanâ€™s Statement for further information.

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

PROSPECTS

The Board continues to support the Portfolio Managerâ€™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 Companyâ€™s performance over the last ten years with a net asset value per share total return of 128.2% compared with a total return from the Companyâ€™s benchmark index of 83.6%.

Alternative Performance Measure (see glossary)

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Principal Risks, Emerging Risks and Risk Management

The Board is responsible for managing the risks faced by the Company. Through delegation to the Audit Committee, the Board has established procedures to manage risk, to review the Companyâ€™s internal control framework and to establish the level and nature of the principal risks the Company is prepared to accept in order to achieve its long-term strategic objective. At least once a year the Audit Committee carries out a robust detailed assessment of the principal and emerging risks.

A risk management process has been established to identify and assess risks, their likelihood and the possible severity of impact. Further information is provided in the Audit Committee within the Annual Report.

These principal risks and the ways they are managed or mitigated are set out as follows

For each risk identified, during the year the Audit Committee considers both the likelihood and impact of the risk and then assigns an inherent risk score. The scoring of the risk is then reconsidered once the respective key mitigations are applied and a residual risk score is assigned.

The Boardâ€™s policy on risk management has not materially changed during the course of the reporting period and up to the year end.

During the year, the Audit Committee conducted an exercise to identify and assess any new or emerging risks affecting the Company and to take any necessary actions to mitigate their impact. Further information can be found in the report of the Audit Committee within the Annual Report.

THE COMPANY'S APPROACH TO RISK MANAGEMENT

Change in inherent risk assessment over the last financial year: No change, Decreased, Increased, New risk included during the year

Principal Risks and Uncertainties	Change	Key Mitigations
Corporate Strategy The Companyâ€™s investment objective or the UK Equity Income sector becomes unattractive to Shareholders.	Â	At each meeting the Board reviews movements in the Companyâ€™s shareholder register. There are regular interactions and engagement with Shareholders (including at the AGM). Regular feedback from Shareholders is received from the Companyâ€™s broker. Frostrow meets regularly with major Shareholders on the Companyâ€™s behalf. In addition, the Chairman, the incoming 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 Companyâ€™s benchmark index.
The Companyâ€™s share price total return may differ materially from the NAV per share total return.	Â	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 Companyâ€™s share buy-back policy and premium control mechanism can be found on the Companyâ€™s website. During the year the majority of the shares available under the buy-back authority granted at the 2024 AGM were bought back and the Company held a General Meeting on 23 August 2024 where shareholder authority was obtained to buy back a further 25,779,973 shares on the same basis. The Board continues to keep this matter under close review and receives feedback from the Companyâ€™s broker and major Shareholders.
Investment Strategy and Activity The departure of a key individual at the Portfolio Manager may affect the Companyâ€™s performance.	Â	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.
Prolonged underperformance against the Benchmark.	Â	The Board challenges the Portfolio Manager on the structure of the portfolio, including asset allocation and portfolio concentration. The Board reviews the performance of the portfolio against the benchmark and the Companyâ€™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 Companyâ€™s benchmark index. These measures include number of holdings, Active Share and portfolio turnover.
A major geopolitical or natural event such as war, terrorism, natural disaster or pandemic, and the financial, monetary and/or political responses to such events may have an adverse impact on the revenues and operations of portfolio companies to the extent that they may no longer promise returns sufficient to meet the Companyâ€™s investment objective. Portfolio companies experience a reduction in share price	Â	The Board reviews the performance of the portfolio against the benchmark and the Companyâ€™s peer group at every meeting. The Board holds frequent portfolio update meetings with the Portfolio Manager in addition to Board meetings. The Portfolio Manager regularly engages with the portfolio companies to discuss any matters of concern that may effect operational resilience.

and dividends.		
The investment approach is not aligned with shareholder expectations in relation to ESG matters.	Â	The Board conducts an annual review of the Portfolio Managerâ€™s ESG policy to ensure that it is consistent with that expected by the Board. In addition the Board reviews the ESG activities of Lindsell Train to ensure progress is being made by portfolio companies. The Board also conducts an annual review of other service providersâ€™ policies in relation to internal controls and governance matters, notably modern slavery, GDPR, cyber security and whistleblowing policies. 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.
The adverse impact of climate change on the portfolio companiesâ€™ operational performance.	Â	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 Boardâ€™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. Lindsell Train developed its own methodology to assess the carbon impact of the portfolio. Lindsell Train became a signatory of the NZAM initiative in December 2021. This reflects Lindsell Trainâ€™s enhanced efforts as a firm to support the goal of net zero greenhouse gas emissions by 2050. Â
Operational Service providers to the Company deliver poor performance or fail to meet their contractual obligations to the Company, include errors or irregularities in information published on behalf of the Company.	Â	The Board reviews all information supplied to Shareholders and the AIFMâ€™s marketing activity at each meeting. The AIFMâ€™s daily controls ensure accurate publication of information. The Board receives regular updates from the AIFM of press references to the Company and its major service providers, as well as regular news on sector developments from the Companyâ€™s broker and the AIC. The Board has the ability to replace any service provider which may be the source of reputational concerns. The Audit Committee receives assurance from all service providers that they have adequate business continuity plans and internal controls in place. These controls are reviewed by the AIFM who also meets with the Companyâ€™s principal service providers during the year.
	Â	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 assurances that there have been no instances of fraud or bribery. The Board reviews the cyber security policies of all service providers.

Financial Fraud (including unauthorised payments and cyber crime) occurs leading to a loss. Risk of increased cyber crime on the portfolio companies which could lead to the potential loss of confidential data and impact the confidentiality, integrity or availability of data and systems, potentially resulting in financial losses.		
The Company is exposed to market price risk (i.e. performance of investee companiesâ€™ shares).	Â	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.
Accounting, Legal and Regulatory The Company and/or the Directors fail to comply with their legal and regulatory obligations.	Â	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. The Board reviews compliance reports and internal control reports provided by its service providers, as well as the Companyâ€™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 Investment Funds 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 Companyâ€™s website. The AIFM presents a quarterly report on changes in the regulatory environment, including AIC updates, and how changes have been addressed.
	Â	The Board reviews all information supplied to Shareholders and the AIFMâ€™s marketing activity at each meeting. Details of the Companyâ€™s compliance with corporate governance best practice, including information on relationships with Shareholders, are set out in the Corporate Governance Report in the Annual Report.

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.

EMERGING RISKS

During the year, the Audit Committee conducted an exercise to identify and assess any new or emerging risks affecting the Company and to take any necessary actions to mitigate their impact.

The Audit Committee regularly reviews the risk register. The scoring of each risk and any emerging risks are discussed in detail as part of this process to ensure that emerging as well as known risks are identified and, so far as practicable, mitigated.

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

As well as offering investment opportunities, the Board believes the development and exploration of technological breakthroughs, such as artificial intelligence, may damage the revenue and operations of portfolio companies to the extent that they no longer offer the promise of returns consistent with the Companyâ€™s investment objective.

During the year, the Board identified the global standing of the London Stock Exchange as an emerging risk. International competition for new listings and a significant number of market departures could mean it is harder for a UK equity strategy to capture exposure to important global growth themes.

To mitigate these risks the Board holds monthly portfolio update meetings with the Portfolio Manager, who continues to monitor the situation closely.

The Committee will continue to review newly emerging risks that arise from time to time to ensure that the implications for the Company are properly assessed and mitigating controls introduced where necessary.

FUTURE DEVELOPMENTS

The Boardâ€™s primary focus is on the Portfolio Managerâ€™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 Chairmanâ€™s Statement and the Portfolio Managerâ€™s Review.

It is expected that the Companyâ€™s strategy will remain unchanged in the coming year.

LONG-TERM VIABILITY STATEMENT

The Directors have carefully assessed the Companyâ€™s financial position and prospects as well as the principal risks facing the Company 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 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 Companyâ€™s financial position and its ability to liquidate its portfolio and meet its liabilities as they fall due and notes the following:

- The portfolio is principally comprised of investments traded on major international stock exchanges. Based on current trading volumes, 98.1% of the current portfolio could be liquidated within 30 trading days, with 79.6% in seven days, and there is no expectation that the nature of the investments held within the portfolio will be materially different in future;
- With an ongoing charges ratio of 0.61%, 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;
- Expenses of the Company are covered more than four times by investment income;
- The closed-ended nature of the Company means that, unlike an open-ended fund, it does not need to realise investments when Shareholders wish to sell their shares;
- The founder directors of Lindsell Train Limited have given their verbal assurance that they remain committed to Lindsell Train Limited for at least seven years on a rolling basis; 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 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 Companyâ€™s longer-term viability:

- There will continue to be demand for investment companies;
- 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 continue to wish 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 be satisfactory.

The Boardâ€™s long-term view of viability will, of course, be updated each year in the Companyâ€™s Annual Report.

ENGAGING WITH THE COMPANY'S STAKEHOLDERS

The following â€˜Section 172â€™ disclosure, required by the Companies Act 2006 and the AIC Code describes how the Directors have had regard to the views of the Companyâ€™s stakeholders in their decision-making.

Stakeholder group	The benefits of engagement with the Companyâ€™s stakeholders	How the board, the AIFM and the Portfolio Manager have engaged with the Companyâ€™s stakeholders
Investors	Clear communication of the Companyâ€™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 may be 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. Under the share buy-back 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 Companyâ€™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 Companyâ€™s broker are submitted to the Board on investor sentiment and industry issues. Key mechanisms of engagement include: • The Annual General Meeting • The Chairman, the incoming Chairman and the Senior Independent Director make themselves available to engage with Shareholders • The Chairman writes to major Shareholders each year offering them the opportunity to meet with himself and the Senior Independent Director. • The Companyâ€™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 • 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 (defined for this purpose as 20% or more) 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 At each meeting the Board reviews movements in the Companyâ€™s shareholder register. There are regular interactions and engagement

		with Shareholders (including at the AGM). Regular feedback from Shareholders is received from the Companyâ€™s broker.
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. • better understand the internal controls in place at Lindsell Train. The Board ensures that the Portfolio Manager's ESG approach meets standards set by the Board.	The Board meets regularly with representatives of the Portfolio Manager throughout the year, with quarterly presentations and also monthly performance and compliance reporting. This provides the opportunity for both the Board and Portfolio Manager to explore and understand how the portfolio has performed and what may be expected in the future. The Board receives regular updates from the Portfolio Manager concerning engagement on ESG matters with the companies within the portfolio. The Audit Committee also meets with members of the risk management and investment compliance teams at Lindsell Train to better understand the Portfolio Managerâ€™s internal controls. The Audit Committee reviews Lindsell Trainâ€™s control reports annually. 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. The Board considers its approach to ESG as well as that of the companies in which the Company invests, and has developed its own policy. The Board encourages the Companyâ€™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 Trainâ€™s engagement activities within a dedicated quarterly ESG report. A member of Lindsell Trainâ€™s investment team attends each Board meeting to provide an update on ESG issues and engagement activities since the last Board meeting. The Board holds at least one meeting at the offices of Lindsell Train each year, where Directors meet with members of the Lindsell Train team.
Other 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 and are able to continue to provide these services, thereby supporting the Company in its success and ensuring compliance with its obligations.	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 Audit Committee reviews Frostrowâ€™s AAF controls report annually and no issues have been identified.
The Companyâ€™s Lender	Investment companies have the ability to borrow with a view to enhancing long-term returns to Shareholders. Engagement with the Companyâ€™s lender ensures that it fully understands the nature of the Companyâ€™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.

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Key areas of engagement	**Main decisions and actions taken**
Investors The impact of market volatility caused by certain geopolitical events on the portfolio.	Shareholders are provided with performance updates via the Companyâ€™s website as well as the annual and half-year financial reports and monthly factsheets.
Ongoing dialogue with Shareholders concerning the strategy of the Company, performance and the portfolio.	The Portfolio Manager and Frostrow meet regularly with Shareholders and potential investors to discuss the Companyâ€™s strategy, performance and portfolio. Both the Portfolio Manager and Frostrow also engage with the Press on the Companyâ€™s behalf. Â The Chairman, the incoming Chairman and Senior Independent Director, accompanied by members of the Frostrow team, met with representatives from major Shareholders to discuss, amongst other things, shareholder engagement. Further details concerning ongoing discussions with major Shareholders can be found in the Chairmanâ€™s Statement.
Share price performance	The Board reviews the Companyâ€™s share price discount/premium on a daily basis and has a share buy-back policy, which during the year resulted in 36,801,766 shares being bought back. Details of the Companyâ€™s share issuance and buy-back policy can be found on the Companyâ€™s website.
Portfolio Manager Portfolio composition, performance, ESG matters, outlook, and business updates.	The Portfolio Manager has set ESG targets and engages regularly with investee companiesâ€™ executive management. The Board receives quarterly ESG updates from the Portfolio Manager. During the year the Board engaged with the Portfolio Manager concerning the outcome of the potential sale of Hargreaves Lansdown.

The impact of market volatility upon their business and how some companies in the portfolio have sought to take advantage of the increase of digitisation and AI. The integration of ESG into the Portfolio Managerâ€™s investment processes.	The Board has received regular updates from the Portfolio Manager throughout the recent period of market volatility, including its impact on investment decision making. The Portfolio Manager reports regularly any ESG issues in the portfolio companies to the Board.
Climate Change	During the year the Audit Committee considered the Portfolio Managerâ€™s assessment of the risks associated with climate change on the portfolio and how the transition to a low-carbon economy will affect all businesses, irrespective of their size, sector or geographic location.
Other service providers 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. The Board has delegated a wide range of activities to external agents, in addition to the Portfolio Manager. These services include AIFM, 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. The Directors have frequent engagement with the Companyâ€™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.	The Board met regularly with Frostrow (the AIFM), representatives of which attend every Board meeting to provide updates on risk management, accounting, administration and corporate governance matters. Reviews of the Companyâ€™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 The Lindsell Train Investment Trust plc. Further details can be found on the Companyâ€™s website.
Auditor	During the year the Audit Committee led a competitive audit tender process, which resulted in the recommendation that Deloitte LLP be appointed as the Companyâ€™s new auditor. Â The Audit Committee met with Deloitte LLP to review the audit plan for the year, agree their remuneration, review the outcome of the annual audit and to assess the quality and effectiveness of the audit process. Â
The Companyâ€™s Lender Continued compliance with covenants set out within the loan agreement between the Company and the lender.	The Board ensures compliance with loan covenants throughout the year.

RESPONSIBLE INVESTMENT

Our Policy

The Board recognises that the most material way for the Company to have an impact on Environmental, Social and Governance (â€œESGâ€) 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 signatory of the 2021 UK Stewardship Code and became a signatory of Net Zero Asset Managers initiative in December 2021.

LINDSELL TRAINâ€™S POLICY

ESG integration

Sustainability Key To Long-Term Investing

At the heart of the investment approach at Lindsell Train Limited (â€œLindsell Trainâ€) is a conviction that inefficiencies exist in the valuation of â€˜exceptionalâ€™ companies. Specifically, Lindsell Train believes that durable, cash generative franchises are not only rare but also appear to be undervalued by other investors for most of the time. Nick Train and the investment team invest in such â€˜exceptionalâ€™ companies with the expectation of holding them for the very long term. It is the resultant long-term partnerships that they build with portfolio companies that form the cornerstone of their approach to ESG and Responsible Investing.

The truly strategic time horizon (note that the long-term turnover of the Company is under 5%, which implies an average holding period of 20 years) means the investment team at Lindsell Train must be continually alert to all relevant long-term issues, with the objective of pre-empting risk and enhancing returns. Hence the consideration of all ESG factors which might affect holdings and potential holdings has always been central to the investment approach. Historically, Lindsell Train has typically found that â€˜exceptionalâ€™ companies tend to exhibit characteristics associated with good corporate governance and responsible business practices.

The average age of holdings currently held in the Company is over

146 years*

* excluding Frostrow Capital LLP and The Lindsell Train Investment Trust plc

In Lindsell Trainâ€™s experience, companies with poor corporate governance do not tend to have such longevity.

Furthermore, Lindsell Train argues 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.

Lindsell Trainâ€™s initial analysis and ongoing company engagement strategy seeks to incorporate all sustainability factors that they believe will affect the companyâ€™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 (Sentinel) of risk factors in order to centralise and codify the teamâ€™s views, as well as to prioritize Lindsell Trainâ€™s ongoing research and engagement work and is cross-referenced with the SASB Materiality Map Â©.

If, as a result of this assessment, Lindsell Train believes that an ESG factor is likely to materially impact a companyâ€™s long-term business prospects (either positively or negatively) then this will be reflected in the long-term growth rate that is applied in the investment teamâ€™s valuation of that company, which alongside the teamâ€™s more qualitative research will influence any final portfolio decisions (for example, whether Lindsell Train starts a new position or sell out of an existing holding).

CASE STUDY

ESG EVALUATION FOR INVESTMENT BUY CASE

Lindsell Trainâ€™s long-term investment approach means that it seldom buys and sells new holdings. Indeed, over the past five years, Portfolio Manager Nick Train has only added three new companies to the Companyâ€™s portfolio. The most recent of these was Rightmove, which was first bought in Q4 2023. Consideration of ESG risk and opportunity is integrated into the pre-investment work that Lindsell Train does on all holdings, and indeed Rightmove has been monitored on Sentinel â€“ Lindsell Trainâ€™s ESG risk and opportunity database â€“ for a number of years, as it has long been considered a serious potential investment.

As with existing holdings, any ESG risk that Lindsell Train deems to be materially significant requires careful assessment to ensure that the investment team is comfortable that it does not pose an existential threat to the business. In the case of Rightmove, the UKâ€™s largest online property portal, Lindsell Train identified no ESG risks that the team deemed materially significant. Perhaps the key risk â€“ common to all data owners â€“ is the potential for leakage of sensitive information (Rightmoveâ€™s customers are estate agents, who ultimately deal with details of individualsâ€™ houses), necessitating the robust cyber security measures the company has in place. But having this unique view into the housing market also brings opportunity, as political changes drive more demand for data on properties â€“ for example the mandatory displaying of Energy Performance Certificate (â€œEPCâ€) ratings on all houses put on the market â€“ and Rightmove has more data than anybody in the UK.

As a capital-light, primarily digital company with low carbon emissions, Rightmoveâ€™s inclusion marginally decreases the weighted carbon footprint of the Portfolio. Additionally, from a net zero alignment perspective, Rightmove is currently â€œAligningâ€, which suggests that the company is moving in the right direction; however we will engage with management to encourage further progress.

Positive / Negative Screening

The characteristics that Lindsell Train seeks in its investee companies means that it typically invests in a fairly narrow set of sectors and industries, and avoids others altogether. For example, Lindsell Train has typically avoided:

- capital intensive industries (energy, commodities or mining) or any companies involved in the extraction and production of coal, oil or natural gas. The Companyâ€™s exposure to the Energy sector isÂ 0%.
- industries that Lindsell Train judges to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns. The Companyâ€™s exposure to Tobacco, Gambling and Arms Manufacturers is 0%.

COMPANY SECTOR/INDUSTRY EXPOSURE

Consumer Staples (â€œCSâ€)	28.7%
Financials (â€œFâ€)	25.2%
Consumer Discretionary (â€œCDâ€)	22.4%
Industrials (â€œIâ€)	13.5%
Technology (â€œTâ€)	10.2%

Source: Frostrow Capital LLP

Similarly, Lindsell Trainâ€™s investment approach has steered Nick Train (who is also Chairman of Lindsell Trainâ€™s ESG Committee) and the investment team 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, Hargreaves Lansdown) or encouraging environmental progress and developing best practice (e.g., Diageo, Mondelez). Lindsell Train believes that such positive benefits for society should be consistent with its aim to generate competitive long-term returns, thus helping it meet its clientsâ€™ investment objectives. Furthermore, through its engagement strategy, Lindsell Train increasingly seeks to encourage and support its companies to meet their own ESG commitments with the aim of improving standards and enhancing returns. Thus Lindsell Trainâ€™s evaluation of ESG factors is a natural part of its investment process and the exercise of its stewardship responsibilities is integral to the research process.

Climate Change

The risks associated with climate change and the transition to a low-carbon economy will affect all businesses, irrespective of their size, sector or geographic location. Therefore, no companyâ€™s revenues are immune and the assessment of such risks must be considered within any effective investment approach, particularly one like Lindsell Trainâ€™s that seeks to protect its clientsâ€™ capital for decades to come. That said, evidently the transition to a low-carbon economy will affect some sectors more than others and typically Lindsell Train avoids those sectors that are most notably capital-intensive industries and companies involved in the extraction and production of coal, oil or natural gas. As a result, we are pleased to note that the Trust continues to have a significantly lower than average weighted average carbon intensity than its comparable benchmarks.

Lindsell Train supports the recommendations of the Task Force on Climate-Related Financial Disclosures (â€œTCFDâ€) and its efforts to encourage companies to report their climate related disclosures and data in a uniform and consistent way. During 2024, Lindsell Train published TCFD Product Reports ahead of the FCAâ€™s deadline, including for the Company. The report can be found on the Companyâ€™s website, and includes analysis on the Trustâ€™s Scope 1, 2 & 3 emissions relative to the benchmark.

As a relatively small company with a single office location and fewer than 30 employees, Lindsell Trainâ€™s climate exposure comes predominantly from the investment portfolios that it manages on behalf of its clients. Lindsell Train recognises the systemic risk posed by climate change and the potential financial impacts associated with a transition to a low-carbon economy. To help address this, Lindsell Train became a signatory of the Net Zero Asset Managers (â€œNZAMâ€) initiative in December 2021, which affirms its commitment to support the goal of net zero greenhouse gas emissions by 2050 or sooner. In line with this ambition, Lindsell Train published a 2030 interim target in Q4 2022 which has since been approved by The Institutional Investors Group on Climate Change (â€œIIGCCâ€). Lindsell Train selected to use the Paris Aligned Investment Initiative Net Zero Investment Framework (â€œNZIFâ€) target setting approach. Of the four specific targets recommended by NZIF, Lindsell Train believed it most appropriate to adopt a portfolio coverage target, given the strategic nature of its approach and the well below average carbon footprints of its investee companies. Lindsell Train has targeted 55% of its asset-weighted committed[1] assets to be considered Aligned[2] by 2030, as set out by the PAII Net Zero Investment Framework. This represents a c.50% improvement from its baseline of 36% of assets being Aligned as of 2022, consistent with a fair share of the 50% global reduction in CO2 identified as a requirement in the Intergovernmental Panel on Climate Change (â€œIPCCâ€) special report on global warming of 1.5Â°C.

With regards to the current status of Lindsell Train portfolios, Lindsell Train has not yet formally published its progress as at 2024; however Lindsell Train has committed to do so in early 2025 once it has had a chance to digest the revised Net Zero Investment Framework â€œNZIF 2.0â€, which was released in June thisÂ year.

Whilst Lindsell Train has not formally published a figure for 2024 at a portfolio level, it has been encouraged by the progress of a number of companies over the past year, including some that are held in the Trust. Our engagement work this year has shown that the introduction of mandatory TCFD reporting has had the desired effect of driving progress and supporting consistency of reporting. Where action is not mandated, there is a risk that certain companies or geographies fail to prepare appropriately for the costs and business risks brought about by the climate emergencyâ€™s physical and transition risks.

Two years on from having measured our baseline and set our interim target, we are pleased with the progress that has been made by the companies within the portfolio. The chart within the Annual Report shows the progress made by all strategies at Lindsell Train, including the UK Equity Strategy of which the Company forms a part. The proportion of companies aligned, aligning, committed to aligning and not aligned remained broadly unchanged over the two years, though we have identified examples where companies have made progress. For example, Young & Co Brewery has advanced from â€œCommitted to Aligningâ€ to the â€œAligningâ€ stage. If there are cases of companies not making adequate progress, we will continue to remind management of our expectations and point them to similar companies where we have identified improvements, to encourage collaboration, as well as supplying details of potentially useful â€˜gold standardâ€™ resources such as the Science Based Targets Initiative.

Lindsell Trainâ€™s clients have urged it to set realistic targets and the investment team feel strongly that targets should be set in line with industry expectation, which they truly believe are achievable and will therefore strive to meet or better. The 55% target figure is above the IIGCCâ€™s recommendation that 50% of portfolio companies should be â€œAlignedâ€ by 2030 and is also philosophically in line with the requirement to deliver a fair share of the 50% global reduction in CO2 emissions by 2030, identified as a requirement in the IPCC special report on global warming of 1.5Â°C.

Further information on Lindsell Trainâ€™s TCFD related disclosures can be found in its 2023 TCFD Report, which can be found on Lindsell Trainâ€™s website.

Engagement

Where Lindsell Train has specific concerns with managementâ€™s strategy, company performance (financial and non-financial), or risk profile, or where it deems it necessary to protect its clientsâ€™ interests, the investment team will proactively engage with management. Lindsell Train will consider the individual circumstances of the company and the issue at hand, in order to determine realistic objectives and define the scope of our engagement, ensuring that:

- The objective is suitably focused on long-term value preservation and creation
- The objective is specific and there is clarity around delivery
- The objective is realistic and achievable

In most circumstances Lindsell Train arranges a meeting with senior management, board members, or if appropriate with the company chairperson or the senior non-executive director. The feedback from these meetings is then discussed amongst the Investment Team. In some instances, the matter on which it is engaging is swiftly resolved, and in other cases, the response may be a multistage, multi-year process. As long as the dialogue is constructive and ongoing, and management clearly outline a proposed course of action, Lindsell Train is typically comfortable with a longer timeline to resolution. Where this is not the case, it will consider escalating our engagement.

The long-term approach generally leads Lindsell Train to be supportive of company management; however, where required and if in the best interests of our clients, Lindsell Train will try to influence management on specific matters or policies. Lindsell Trainâ€™s intention is to have open and constructive dialogue with management and board members, in order to broaden its knowledge of the companyâ€™s strategy and operations and to ensure any concerns it might have are assuaged. Given Lindsell Train often builds up large, long-term, stakes in the businesses in which it invests, Lindsell Train finds that management are open to (and very often encourage) engaging with the Investment Team. As mentioned above, constructive dialogue has more often than not resulted in satisfactory outcomes, thus limiting the need for escalation.

During the year, Lindsell Train engaged with 13 companies held within the Companyâ€™s portfolio on a wide range of environmental, social and governance issues, there were 25 engagements in total.

CASE STUDY

ENGAGEMENT CASE STUDY

Company name: Unilever

Year Founded: 1929

Year FGT first invested: 2000

Sector: Consumer Staples

Engagement topics: Capital Allocation & Strategy and Reputation

Date of engagements: July 2024

Engagement format: Call

Reason for Engagement: Ongoing engagement regarding Unileverâ€™s capital allocation and strategy.

During the second half of 2023, the Lindsell Train investment team engaged with Unilever on its decision to retain its presence in Russia, and changes to capital allocation & strategy. On Russia, it sought justification for this decision and, whilst the team recognises that there was no easy choice, Lindsell Train conveyed its expectation that management would keep the situation under active review with the hope of finding the â€˜least worstâ€™ outcome.

As we are long-term holders of Unilever in both our UK and Global strategy, we have continued to engage regularly with management over our holding period. During 2024, we closely monitored Unileverâ€™s position in Russia and were pleased to receive confirmation that the company had completed the sale of the Russian subsidiary during October this year.

Separately, during Q3 2024, following news that Unilever will spin off its ice cream business, we reignited our engagement with CFO, Fernando Fernandes, to review capital allocation and strategic priorities. We were particularly interested to understand why Unilever continues to maintain substantial debt on its balance sheet. Fernandes reconfirmed Unileverâ€™s capital allocation policy, which remains unchanged, noting that the business priority remains focused on increasing volume growth to 2+%, up from 1% at present. From a strategic perspective, the CFO is acutely alert to the need to be in premium segments with global scalability and so future capital allocation will be fundamentally concentrated in the US and India where the largest opportunities exist. Similarly, prestige beauty represents one third of growth in Health & Wellbeing and will be c.8% of revenue once ice cream is gone. This is a strong business which has grown for 14 consecutive quarters, but management is aiming for it to be a Â£10bn business and so ensuring adequate capital allocation to priority segments such as this is important.

Next steps: The engagement regarding Unileverâ€™s capital allocation and strategy has been productive and insightful. But as with all our companies we will continue to monitor progress closely and engage with management on aspects of their corporate strategy on an ongoing basis.

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 Investment Team maintains decision making responsibility based on its detailed knowledge of the investee companies. It is Lindsell Trainâ€™s policy to exercise all voting rights which have been delegated to Lindsell Train by its clients.

Voting record for companies held in Finsbury Growth & Income Trust PLC:

Â	Management Proposals	Shareholder Proposals	Total Proposals
With Management	382	3	385
Against Management	0	0	0
Abstain	0	1	1
Totals	**382**	**4**	**386**

Source: Glass Lewis. 1 October 2023 â€“ 30 September 2024.

Votes against management and abstentions have typically been in the low single-digit range. As mentioned above, the main reason for this is that our long-term approach to investment generally leads us to be supportive of company management. Furthermore, it is Lindsell Trainâ€™s aim to be invested in â€˜exceptionalâ€™ companies with strong corporate governance and hence it ought to be rare that Lindsell Train finds itself in a position where it is voting against management.

During Q2 2024, Lindsell Train abstained on a shareholder proposal for Mondelez, proposing an independent chair. In general, Lindsell Train has a preference for chairs to be independent, though we sympathise with managementâ€™s view that the existing set-up is appropriate for the business. As a result, we decided to abstain on this resolution rather than vote against.

2024 â€“ ESG HIGHLIGHTS AT LINDSELL TRAIN

- **Improved United Nations Principles for Responsible Investment scorecard (â€œPRIâ€)** â€“ Lindsell Train received the PRIâ€™s updated 2023 scorecard in Q1 2024, which shows that Lindsell Train has scored 4/5 in all three relevant categories. This improved scorecard reflects on its enhanced efforts as a company to continue to integrate stewardship and responsible investment into its investment decision making, reporting and governance activities.
- **Enhanced ESG Training** â€“ Lindsell Train recognises the importance of ongoing training for all employees and importantly the Investment Team and ESG Committee. In October 2023 and July 2024 Lindsell Train hosted workshops for all staff and were extremely grateful to have been supported by two portfolio companies, Burberry and Heineken.
- **Strengthened commitment to the abolishment of Modern Slavery** â€“ Lindsell Train updated its Responsible Investment and Engagement Policy to specifically reflect on this commitment and have strengthened its partnership with CCLA and other members of Find It, Fix It, Prevent it.
- **Formalised its Engagement Framework including the Engagement Policy** â€“ this was finalised in Q2 2024.
- **Additional TCFD reporting** â€“ Lindsell Trainâ€™s TCFD Entity and Product reports were published on its website ahead of the FCA deadline in Q2 2024.
- **Added dedicated ESG resource** â€“ Lindsell Train welcomed Azjin Ali to the team as Responsible Investment Lead in Q3 2024. Prior to joining Lindsell Train, Azjin worked at Aon as an Associate Investment Consultant and Head of Biodiversity. Madeline Wright continues in her role as Head of Investment ESG, coordinating the investment teamâ€™s work on ESG.
- **Continued partnership with UpReach** â€“ culminated with Lindsell Trainâ€™s hosting of its annual intern day in August 2024, which had 11 UpReach associates attended. The session included presentations from all departments at Lindsell Train, helping those in attendance to learn about asset management and how Lindsell Train approaches the investment challenge.

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 Companyâ€™s Anti Bribery and Corruption Policy can be found in the Board and Policies section of the Companyâ€™s website. The policy is reviewed annually 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 Companyâ€™s policy on preventing the facilitation of tax evasion can be found in the Board and Policies section of the Companyâ€™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 company 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 Managerâ€™s investment criteria ensure that ESG and ethical issues are taken into account and best practice is encouraged. The Boardâ€™s expectations are that its principal service providers have appropriate governance policies in place.

COMPANY PROMOTION

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

MANAGEMENT ARRANGEMENTS

Alternative Investment Fund Manager (â€œAIFMâ€)

Under the terms of its AIFM agreement with the Company, Frostrow 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 Companyâ€™s accounting records;
- maintenance of the Companyâ€™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

Lindsell Train, as delegate of the AIFM, is responsible for the management of the Companyâ€™s portfolio of investments under an agreement between it, the Company and Frostrow (the â€œPortfolio Management Agreementâ€).

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

Â FEES ON THAT PART OF MARKET CAP	Â AIFM	PORTFOLIO MANAGER
â‰¤ Â£1 bn	0.15%	0.45%
Between Â£1 bn - Â£2 bn	0.135%	0.405%
Â£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 has also considered the assessment carried out by the AIFM as required by the FCAâ€™s Consumer Duty obligations, that the Companyâ€™s Shares provide fair value. It 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 the Board meeting in September 2024, the Board considers that the continuing appointment of Frostrow and Lindsell Train, under the terms described above, is in the best interests of the Companyâ€™s Shareholders. In coming to this decision, it took into consideration the following additional reasons:

- the quality and depth of experience of the 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, consideration of ESG targets, the high degree of engagement with portfolio companies on ESG matters, the level of past long-term 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 â€œDepositaryâ€) acts as the Companyâ€™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 â€œDepositary Agreementâ€). Under the terms of the Depositary Agreement the Company pays the Depositary a fee between 0.007% and 0.008% 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;
- 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 Investment Funds Sourcebook and the Companyâ€™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 Companyâ€™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 Companyâ€™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 AutoritÃ© des MarchÃ©s Financiers

Custodian

The Global Sub-Custodiansâ€™ safekeeping fees are charged according to the jurisdiction in which the holdings are based. The majority of the Companyâ€™s assets attract a custody fee of 0.0033% of their market value. Variable transaction fees are also chargeable.

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

On behalf of the Board

Simon Hayes
Chairman

3 December 2024

Statement of Directorsâ€™ 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 year. Under that law the Directors have prepared the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 â€œThe Financial Reporting Standard applicable in the UK and Republic of Irelandâ€, and applicable law).

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 profit or loss 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- 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 Directorsâ€™ Remuneration Report comply with the Companies Act 2006.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website.

Financial statements are published on the Companyâ€™s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Companyâ€™s website is the responsibility of the Directors.

The Directorsâ€™ responsibility also extends to the ongoing integrity of the financial statements contained therein.

RESPONSIBILITY STATEMENT

The Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced, understandable and provide the information necessary for Shareholders to assess the Companyâ€™s position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the â€˜Board of Directorsâ€™ section within the Annual Report, confirms that, to the best of their knowledge:

- the Company's Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards 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

3 December 2024

Note to those who access this document by electronic means:

The Annual Report for the year ended 30 September 2024 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.
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Income Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Â	Â	YEAR ENDED 30 SEPTEMBER 2024			YEAR ENDED 30 SEPTEMBER 2023		
Â	Â	**REVENUE**	**CAPITAL**	**TOTAL**	**REVENUE**	**CAPITAL**	**TOTAL**
Â	**NOTE**	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**
Gains on investments at fair value through profit or loss	9	â€“	78,006	78,006	â€“	96,387	96,387
Currency translations	Â	â€“	(185)	(185)	â€“	(65)	(65)
Income	2	43,160	â€“	43,160	47,391	â€“	47,391
AIFM and portfolio management fees	3	(2,260)	(6,781)	(9,041)	(2,609)	(7,828)	(10,437)
Other expenses	4	(1,184)	(126)	(1,310)	(1,150)	(17)	(1,167)
Return on ordinary activities before finance charges and taxation	Â	39,716	70,914	110,630	43,632	88,477	132,109
Finance charges	5	(556)	(1,667)	(2,223)	(517)	(1,548)	(2,065)
Return on ordinary activities before taxation	Â	39,160	69,247	108,407	43,115	86,929	130,044
Taxation on ordinary activities	6	(229)	â€“	(229)	(1,186)	â€“	(1,186)
Return on ordinary activities after taxation	Â	38,931	69,247	108,178	41,929	86,929	128,858
Return per share â€“ basic and diluted	7	20.8p	36.9p	57.7p	20.0p	41.4p	61.4p

The â€œTotalâ€ column of this statement represents the Companyâ€™s income statement.

The â€œRevenueâ€ and â€œCapitalâ€ columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (â€œAICâ€).

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 Comprehensive Income has been presented.

The notes form part of these Financial Statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Â	NOTE	CALLED UP SHARE CAPITAL Â£â€™000	SHARE PREMIUM ACCOUNT Â£â€™000	SPECIAL DISTRIBUTABLE RESERVE Â£â€™000	CAPITAL REDEMPTION RESERVE Â£â€™000	CAPITAL RESERVE Â£â€™000	REVENUE RESERVE Â£â€™000	TOTALÂ SHAREHOLDERSâ€™Â FUNDSÂ Â£â€™000Â
At 1 October 2023	Â	56,248	1,099,847	â€“	3,453	604,212	58,969	1,822,729Â
Net return from ordinary activities	Â	â€“	â€“	â€“	â€“	69,247	38,931	Â 108,178Â
Second interim dividend (10.5p per share) for the year ended 30Â September 2023	8	â€“	â€“	â€“	â€“	â€“	(21,454)	Â Â Â (21,454)Â
First interim dividend (8.8p per share) for the year ended 30Â September 2024	8	â€“	â€“	â€“	â€“	â€“	(16,477)	Â Â Â (16,477)Â
Transfer to special reserve account	Â	â€“	(1,099,847)	â€“	â€“	â€“	â€“	Â (1,099,847)Â
Transfer from share premium account	Â	â€“	â€“	1,099,847	â€“	â€“	â€“	Â 1,099,847Â
Repurchase of shares into Treasury	13	â€“	â€“	(49,839)	â€“	(260,969)	â€“	Â (310,808)Â
At 30 September 2024	Â	56,248	â€“	1,050,008	3,453	412,490	59,969	1,582,168Â

On 7 August 2024 the Companyâ€™s Share Premium Account was cancelled and a new Special Distributable Reserve was created. See Note 1(J) for further details.

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Â	NOTE	CALLED UP SHARE CAPITAL Â£â€™000	SHARE PREMIUM ACCOUNT Â£â€™000	SPECIAL DISTRIBUTABLE RESERVE Â£â€™000	CAPITAL REDEMPTION RESERVE Â£â€™000	CAPITAL RESERVE Â£â€™000	REVENUE RESERVE Â£â€™000	TOTALÂ SHAREHOLDERSâ€™Â FUNDSÂ Â£â€™000Â
At 1 October 2022	Â	56,248	1,099,847	â€“	3,453	614,947	55,889	1,830,384Â
Net return from ordinary activities	Â	â€“	â€“	â€“	â€“	86,929	41,929	Â 128,858Â
Second interim dividend (9.8p per share)								Â Â

for the year ended								Â
30Â September 2022	8	â€“	â€“	â€“	â€“	â€“	(21,182)	(21,182)Â
First interim dividend								Â
(8.5p per share)								Â
for the year ended								Â
30Â September 2023	8	â€“	â€“	â€“	â€“	â€“	(17,667)	(17,667)Â
Repurchase of shares								Â
into Treasury	13	â€“	â€“	â€“	â€“	(97,664)	â€“	(97,664)Â
At 30 September 2023	Â	56,248	1,099,847	â€“	3,453	604,212	58,969	1,822,729Â

The notes form part of these Financial Statements.

Statement of Financial Position

AS AT 30 SEPTEMBER 2024

Â	Â	**2024**	**2023**
Â	**NOTE**	**Â£â€™000**	**Â£â€™000**
Fixed assets	Â	Â	Â
Investments held at fair value through profit or loss	9	1,593,218	1,836,660
Current assets	Â	Â	Â
Debtors	10	7,509	10,209
Cash and cash equivalents	Â	14,639	17,426
Â	Â	22,148	27,635
Current liabilities	Â	Â	Â
Creditors: amounts falling due within one year	11	(3,998)	(4,866)
Â	Â	(3,998)	(4,866)
Net current assets	Â	18,150	22,769
Total assets less current liabilities	Â	1,611,368	1,859,429
Creditors: amount falling due after more than one year	Â	Â	Â
Bank loan	12	(29,200)	(36,700)
Net assets	Â	1,582,168	1,822,729
Capital and reserves	Â	Â	Â
Called up share capital	13	56,248	56,248
Share premium account	Â	â€“	1,099,847
Special distributable reserve	Â	1,050,008	â€“
Capital redemption reserve	Â	3,453	3,453
Capital reserve	14	412,490	604,212
Revenue reserve	Â	59,969	58,969
Total Shareholdersâ€™ funds	Â	1,582,168	1,822,729
Net asset value per share	15	943.4p	891.2p

The Financial Statements were approved by the Board of Directors on 3 December 2024 and were signed on its behalf by:

Simon Hayes
Chairman

The notes form part of these Financial Statements.

Company Registration Number SC013958 (Registered in Scotland)

Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024	**2023**
Â	**NOTE**	**Â£â€™000**	**Â£â€™000**
Net cash inflow from operating activities	18	33,805	36,895
Investing activities	Â	Â	Â
Purchase of investments	Â	(123,825)	(41,840)
Sale of investments	Â	445,464	154,301
Net cash inflow from investing activities	Â	321,639	112,461
Financing activities	Â	Â	Â
Dividends paid	Â	(37,931)	(38,849)
Repurchase of shares into Treasury	Â	(310,392)	(98,792)
Interest paid	Â	(2,223)	(2,059)
Repayment of loans	Â	(7,500)	â€“
Net cash outflow from financing activities	Â	(358,046)	(139,700)
(Decrease)/increase in cash and cash equivalents	Â	(2,602)	9,656
Currency transactions	Â	(185)	(65)
Cash and cash equivalents at the beginning of the financial year*	Â	17,426	7,835
Cash and cash equivalents at the end of the financial year*	Â	14,639	17,426

Reconciliation of net debt

Â	**2024**	**2023**
Â	**Â£â€™000**	**Â£â€™000**
Cash and cash equivalents*	14,639	17,426
Borrowings	(29,200)	(36,700)
Net debt	(14,561)	(19,274)

* Comprises solely cash held at bank.

The notesÂ form part of these Financial Statements.

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Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 and Republic of Ireland Company Law, FRS 102 â€˜The Financial Reporting Standard applicable in the UK, the Statement of Recommended Practice (SORP) for â€œFinancial Statements of Investment Trust Companies and Venture Capital Trustsâ€ issued by the Association of Investment Companies in July 2022 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 in the Statement of Directorsâ€™ 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 Companyâ€™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 30Â September 2024 (2023: 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.

In estimating the fair value of unquoted investments, the AIFM and Board apply valuation techniques which are appropriate in light of the nature, facts and circumstances of the investment and use judgement and assumptions and apply these consistently.

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

The Companyâ€™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, is disclosed in note 9.

(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, following the conclusion of the partnershipâ€™s annual audit. Deposit interest receivable is taken to Revenue on an accruals basis.

(D) DIVIDENDS PAYABLE

Dividends paid by the Company are recognised in the Financial Statements and are shown in the Statement of Changes in Equity in the period in which they became legally binding, which in the case of an interim dividend is the point at which it is paid and for a final dividend when it is approved by Shareholders in line with the ICAEW Tech Release 02/17BL.

(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:

Â(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);

Â(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. In line with the Boardâ€™s expected long-term split of returns, 75% of the portfolio management fee, AIFM fee and finance costs are taken to the Capital reserve and the balance to the Revenue reserve.

(F) TAXATION

Dividend income received by the Company may be subject to withholding tax imposed in the country of origin. The tax charges shown in the Income Statement relates to overseas withholding tax on dividend income.

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.

(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 Revenue or Capital column of the Income Statement depending on whether the gain or loss is of a revenue or capital nature.

(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 â€œCreditors: amounts falling due after more than one yearâ€ in the Statement of Financial Position.

(J) REPURCHASE OF SHARES FOR CANCELLATION OR TO HOLD IN TREASURY

The cost of repurchasing ordinary shares (for cancellation or to hold in Treasury) including the related stamp duty and transaction cost is charged to the â€˜Capital Reserveâ€™ and the newly created Special Distributable Reserve account, and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis.

With effect from 7 August 2024, the date in which the Companyâ€™s Share Premium account was cancelled, all shares bought back to be held in Treasury have been charged to the Special Distributable Reserve. Prior to this date all Shares cancelled were charged to the Capital Reserve account.

Where shares are cancelled (or are subsequently cancelled having previously been held in Treasury), the nominal value of those shares is transferred out of â€˜Called up share capitalâ€™ and into the â€˜Capital redemption reserveâ€™.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised capital profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to â€˜Share premiumâ€™.

(K) OPERATING SEGMENTS

The Company defines operating segments and segment performance in the financial statements based on information used by the Board of Directors which is considered the Chief Operating Decision Maker . The Directors are of the opinion that the Company is engaged in a single segment of business, being the investments business. The results published in this Annual Report therefore correspond to this sole operating segment.

(L) 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;
- expenses which are capital in nature as disclosed in note 1(E); and
- excess of the purchase price over the nominal value of shares which have been bought back by the Company for cancellation or to be held in Treasury. See note 1(J) above for further details.

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

Special Distributable Reserve

This reserve was created upon the cancellation of the Share Premium Account on 7 August 2024; it is distributable and is used to fund any repurchases of the Companyâ€™s own shares.

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.

See glossary of terms.

When making a distribution to Shareholders, the Directors determine profits available for distribution by reference to â€˜Guidance on realised and distributable profits under the Companies Act 2006â€™ 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

Â	2024	2023
Â	Â£â€™000	Â£â€™000
Income from investments	Â	Â
UK listed dividends	39,474	39,247
Overseas dividends*	2,793	7,496
Limited liability partnership â€“ profit-share	486	443
Other operating income â€“ bank interest	407	205
Total income	43,160	47,391

* Include special dividends which have been credited to the revenue account totalling Â£nil (2023: Â£591,000):

3. AIFM and portfolio management fees

Â		2024			2023	
Â	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
AIFM fee	565	1,695	2,260	652	1,957	2,609
Portfolio Management fee	1,695	5,086	6,781	1,957	5,871	7,828
Total fees	2,260	6,781	9,041	2,609	7,828	10,437

75% of the Portfolio management and AIFM fees are taken to the Capital reserve and 25% is taken to the Revenue reserve. See note 1(E) for further details.

4. Other Expenses

Â	Â	2024	Â	Â	2023	Â
Â	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Directorsâ€™ fees	192	â€“	192	178	â€“	178
Auditorsâ€™ fees â€“ statutory annual audit	72	â€“	72	69	â€“	69
Depositaryâ€™s fees	160	â€“	160	175	â€“	175
Stock listing and FCA fees	173	â€“	173	152	â€“	152
Custody fees	130	â€“	130	119	â€“	119
Index costs	85	â€“	85	85	â€“	85
Registrarâ€™s fees	79	â€“	79	64	â€“	64
Promotional costs	55	â€“	55	55	â€“	55
Legal fees	12	126	138	6	17	23
Other expenses	226	â€“	226	247	â€“	247
Total expenses	1,184	126	1,310	1,150	17	1,167

Further details of the amounts paid to Directors are included in the Directorsâ€™ Remuneration Report within the Annual Report.

During the year ended 30 September 2024 there were no non-audit services provided by the Company's Auditor (2023: nil).

All of the above expenses include VAT where applicable. The Auditorâ€™s fees for the statutory annual audit were Â£60,000 excluding VAT (2023: Â£57,780).

During the year the Company incurred legal expenses amounting to Â£126,000 in relation to the cancellation of the share premium account; these expenses have been charged 100% to the capital account.

5. Finance Charges

Â	Â	2024	Â	Â	2023	Â
Â	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Interest payable on bank loan	528	1,584	2,112	483	1,445	1,928
Loan facility commitment fees	28	83	111	23	69	92
Arrangement fee	â€“	â€“	â€“	11	34	45
Â	556	1,667	2,223	517	1,548	2,065

6. Taxation on Ordinary Activities

(A) ANALYSIS OF CHARGE IN THE YEAR

Â	Â	2024	Â	Â	2023	Â
Â	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
UK Corporation tax at 25% (2023: 22%)	â€“	â€“	â€“	â€“	â€“	â€“
Overseas withholding tax	476	â€“	476	1,308	â€“	1,308
Recoverable overseas withholding tax	(247)	â€“	(247)	(122)	â€“	(122)
Â	229	â€“	229	1,186	â€“	1,186

(B) FACTORS AFFECTING TOTAL TAX CHARGE FOR YEAR

The tax assessed for the year is lower (2023: lower) than the standard rate of UK corporation tax of 25% (2023: 22%). The differences are explained below:

Â	Â	2024	Â	Â	2023	Â
Â	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Total return on ordinary activities before taxation	39,160	69,247	108,407	43,115	86,929	130,044
Return on ordinary activities multiplied by UK						

corporation tax of 25% (2023: 22%)	9,790	17,312	27,102	9,485	19,124	28,609
Effects of:						
Overseas taxation	229	â€“	229	1,186	â€“	1,186
Franked investment income not subject to corporation tax â€“ UK dividend income	(9,869)	â€“	(9,869)	(8,634)	â€“	(8,634)
Overseas dividends not taxable	(698)	â€“	(698)	(1,649)	â€“	(1,649)
Non allowable capital expenses *inÂ relation to the cancellation of the Share premium account*	â€“	32	32	â€“	â€“	â€“
Excess management expenses	777	2,112	2,889	798	2,067	2,865
Non-taxable (return) on investments*	â€“	(19,502)	(19,502)	â€“	(21,205)	(21,205)
Currency translations	â€“	46	46	â€“	14	14
Total tax charge for the year (note 6(A))	229	â€“	229	1,186	â€“	1,186

* Returns on investments are not subject to corporation tax within an investment company.

(C) DEFERRED TAXATION

As at 30 September 2024, the Company had unused management expenses and other reliefs for taxation purposes of Â£146,618,000 (2023: Â£135,063,000). 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 Â£36,655,000 (2023: Â£33,766,000) based on the prospective corporation tax rate of 25% (2023: 25%).

Given the Companyâ€™s status as an investment company and the intention to continue to meet the conditions required to maintain such status in the foreseeable future, the Company has not provided for a deferred tax asset.

7. Return per share â€“ Basic and Diluted

Â **Â**	**2024** **Â£â€™000**	**2023** **Â£â€™000**
The return per share is based on the following figures:	Â	Â
Revenue return	38,931	41,929
Capital return	69,247	86,929
Total return	108,178	128,858
Weighted average number of shares in issue during the year	187,520,280	209,802,492
Revenue return per share	20.8p	20.0p
Capital return per share	36.9p	41.4p
Total return per share	57.7p	61.4p

The calculation of the total, revenue and capital returns per ordinary share is carried out in accordance with IAS 33, â€œEarnings per Share (as adopted in the UK)â€.

As at 30 September 2024 and 2023 there were no dilutive instruments in issue, therefore the basic and diluted return per share are the same.

* Excludes shares held in Treasury.

8. Dividends

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

Amounts recognised as distributable to Shareholders for the year ended 30 September 2024 were as follows:

Â **Â**	**EX-DIVIDEND DATE**	**PAYMENT DATE**	**2024** **Â£â€™000**	**2023** **Â£â€™000**
Second interim dividend paid for the year ended 30 September 2023 of 10.5p per share	Â 5 October 2023	10 November 2023	21,454	â€“
First interim dividend paid for the year ended 30 September 2024 of 8.8p per share	4 April 2024	17 May 2024	16,477	â€“
Second interim dividend paid for the year ended 30 September 2022 of 9.8p per share	29 September 2022	4 November 2022	â€“	21,182
First interim dividend paid for the year ended 30 September 2023 of 8.5p per share	6 April 2023	19 May 2023	â€“	17,667
Â	Â	Â	37,931	38,849
* Second interim dividend of 10.8p per share for the year ended 30 September 2024 (2023: 10.5p)	3 October 2024	8 November 2024	18,097	21,454

* The second interim dividend of 10.8p per share (2023: 10.5p) 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 maximum retention permitted under Section 1158 of the Corporation Tax Act 2010 is c.Â£6.5 million (2023: c.7.0 million).

The total dividends payable in respect of the financial year which forms the basis of the retention test are set out below:

Â **Â**	**2024** **Â£â€™000**	**2023** **Â£â€™000**
Revenue available for distribution by way of dividend for the year	38,931	41,929
2024 First interim dividend of 8.8p per share (2023: 8.5p) paid on 17 May 2024	(16,477)	(17,667)
2024 Second interim dividend of 10.8p per share (2023: 10.5) paid on 8Â November 2024	(18,097)	(21,454)
Net additions to revenue reserves	4,357	2,808

9. Investments held at Fair Value Through Profit or Loss

ANALYSIS OF PORTFOLIO MOVEMENTS

	Â **Â**	**2024** **Â£â€™000**	**2023** **Â£â€™000**

Opening book cost	1,244,868	1,293,409
Opening investment holding gains	591,792	558,669
Valuation at 1 October	1,836,660	1,852,078
Movements in the year:	Â	Â
Purchases at cost	122,156	42,619
Sales proceeds	(443,604)	(154,424)
Gains on investments	78,006	96,387
Valuation at 30 September	1,593,218	1,836,660
Closing book cost	1,100,447	1,244,868
Investment holding gains at 30 September	492,771	591,792
Valuation at 30 September	1,593,218	1,836,660

The Company received Â£443,604,000 (2023: Â£154,424,000) from investments sold in the year. The realised gains of these investments were Â£177,027,000 (2023: Â£63,263,000) and the book cost of these investments when they were purchased was Â£266,577,000 (2023: Â£91,161,000). 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 2024 were Â£516,000 (2023: Â£50,000). These comprise stamp duty costs of Â£471,000 (2023: Â£33,000) and commission of Â£45,000 (2023: Â£17,000). Sales transaction costs for the year to 30 September 2024 were Â£127,000 (2023: Â£55,000) and comprise commission.

10. Debtors

	Â	**2024**	**2023**
	Â	**Â£â€™000**	**Â£â€™000**
Amounts due from brokers in respect of portfolio trading â€“ disposals		2,261	4,121
Accrued income and prepayments		5,248	6,088
Â		7,509	10,209

11. Creditors: Amounts Falling Due Within One Year

	Â	**2024**	**2023**
	Â	**Â£â€™000**	**Â£â€™000**
Amounts due to brokers in respect of portfolio trading â€“ purchases		â€“	1,669
Amounts due to brokers in respect of shares repurchased by the Company		2,550	2,134
Other creditors and accruals		1,448	1,063
Â		3,998	4,866

12. Bank Loan

	Â	**2024**	**2023**
	Â	**Â£â€™000**	**Â£â€™000**
Bank loan		29,200	36,700

Bank of Nova Scotia, London Branch, the provider of the Companyâ€™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. As at 30 September 2024 the Company was in the second year of its three year secured fixed term multi-currency revolving loan facility of Â£60 million (with an additional Â£40 million available if required).

The three year facility will expire in early October 2025.

The main covenant under the loan facility required that, at each month end, total borrowings should not exceed Â£100 million (2023: Â£100 million), Net Asset Value must not fall below Â£750 million (2023: Â£750 million) and the ratio of Adjusted Total Net Assets to Debt is not to be less than 4:1 (2023: 4:1). There were no breaches of the covenants during the year.

The Board has set a gearing limit which must not exceed 25% of the Companyâ€™s net asset value.

13. Called Up Share Capital

Â Â	2024 Â£â€™000	2023 Â£â€™000
Allotted, issued and fully paid:	Â	Â
167,717,668 (2023: 204,519,434) ordinary shares of 25p each	41,930	51,130
57,273,635 (2023: 20,471,869) ordinary shares of 25p held in Treasury	14,318	5,118
224,991,303 (2023: 224,991,303) total ordinary shares of 25p each	56,248	56,248

No shares were issued by the Company during the year (2023: Nil).

During the year, the Company bought back 36,801,766 shares to be held in Treasury at a cost of Â£310,808,000 (2023: 11,218,558 shares were bought back at a cost of Â£97,664,000).

Between 1 October 2024 and 2 December 2024, the Company bought back a further 9,913,457 shares into Treasury at a cost of Â£85,300,000.

14. Capital Reserve

Â	CAPITAL RESERVE REALISED Â£â€™000	CAPITAL RESERVE INVESTMENT HOLDING GAINS UNREALISED Â£â€™000	2024 TOTAL Â£â€™000	CAPITAL RESERVE REALISED Â£â€™000	CAPITAL RESERVE INVESTMENT HOLDING GAINS UNREALISED Â£â€™000	2023 TOTAL Â£â€™000
At 1 October 2023	12,420	591,792	604,212	56,279	558,668	614,947
Net gains/(losses) on investments	177,027	(99,021)	78,006	63,263	33,124	96,387
Repurchase of shares into Treasury	(260,969)	â€“	(260,969)	(97,664)	â€“	(97,664)
Expenses charged to capital	(6,907)	â€“	(6,907)	(7,845)	â€“	(7,845)
Finance costs charged to capital	(1,667)	â€“	(1,667)	(1,548)	â€“	(1,548)
Currency translations	(185)	â€“	(185)	(65)	â€“	(65)
At 30 September 2024	(80,281)	492,771	412,490	12,420	591,792	604,212

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 Â£412,490,000 as at 30Â September 2024 (2023: Â£604,212,000) as this is subject to fair value movements and may not be readily realisable at short notice.

15. Net Asset Value Per Share

Â	2024	2023
Net assets (Â£â€™000)	1,582,168	1,822,729
Number of shares in issue (excluding shares held in Treasury)	167,717,668	204,519,434
Net asset value per share	943.4p	891.2p

As at 30 September 2024 and 2023 there were no dilutive instruments held, therefore the basic and diluted net asset value per share are the same.

At 30 September 2024 57,273,635 shares were held in Treasury (2023: 20,471,869).

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

Details of the relationship between the Company, Frostrow and Lindsell Train are disclosed in the Report of the Directors in the Annual Report and also on the Companyâ€™s website.

As at 30 September 2024, the Company had an investment in Frostrow with a book cost of Â£200,000 (2023: Â£200,000) and a fair value of Â£3,225,000 (2023: Â£3,725,000) (including the AIFM capital contribution of Â£125,000 (2023: Â£125,000)). During the year Frostrow earned a total of Â£2,260,000 (2023: Â£2,609,000) in respect of AIFM fees, of which Â£171,000 was outstanding at 30 September 2024 (2023: Â£209,000).

The Company has an investment in The Lindsell Train Investment Trust plc, which is managed by Lindsell Train, with a book cost of Â£1,000,000 (2023: Â£1,000,000) and a fair value of Â£7,640,000 as at 30Â September 2024 (2023: Â£9,720,000). During the year Lindsell Train earned a total of Â£6,781,000 (2023: Â£7,828,000) in respect of Portfolio Management fees of which Â£512,000 was outstanding at 30Â September 2024 (2023: Â£626,000).

Further details can be found in the Corporate Information section of the Companyâ€™s website.

Details of the income received from the AIFM are disclosed in note 2 and details of the remuneration payable to the AIFM and the Portfolio Manager are disclosed in note 3.

Details of the fees of all Directors can be found in the Annual Report and in note 4. There were no other material transactions during the year with the Directors of the Company.

17. Risk Management

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

The Companyâ€™s financial instruments comprise mainly equity investments, cash balances, borrowings, debtors and creditors that arise directly from its operations.

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

The principal and emerging risks of the Company and the Directorsâ€™ approach to the management of those where the Directors consider there to be a high inherent risk are set out in the Strategic Report.

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 companiesâ€™ 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.

At 30 September 2024, the fair value of the Companyâ€™s assets exposed to market price risk was Â£1,593,218,000 (2023: Â£1,836,660,000). If the fair value of the Companyâ€™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 2024 would have increased or decreased by Â£159,322,000 or 94.99p per share (2023: Â£183,666,000 or 89.80p 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 Companyâ€™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 Companyâ€™s main exposure to interest rate risk during the year ended 30 September 2024 was through its three year Â£60 million (2023: Â£60 million) secured multi-currency committed revolving credit facility (with an additional Â£40 million facility available if required (2023: Â£40 million)) with Bank of Nova Scotia, London Branch.

Borrowings at the year end amounted to Â£29,200,000 (2023: Â£36,700,000) at an interest rate of 6.5% (5.2% SONIA plus 1.30% margin) (2023: 6.5% (5.2% SONIA plus 1.30% margin and fees)).

If the above level of borrowing was maintained for a year, a 10% increase or decrease in SONIA would decrease or increase the revenue return by Â£38,000, (2023: Â£48,000), decrease or increase the capital return in that year by Â£114,000 (2023: Â£142,000) and decrease or increase the net assets by Â£152,000 (2023: Â£190,000).

The weighted average interest rate, during the year, on borrowings under the above mentioned revolving credit facility was 6.49% (2023: 5.15%). At 30 September 2024, the Companyâ€™s financial assets and liabilities exposed to interest rate risk were as follows:

Â	**2024**		**2023**	
Â	**WITHIN ONE YEAR Â£â€™000**	**MORE THAN ONE YEAR Â£â€™000**	**WITHIN ONE YEAR Â£â€™000**	**MORE THAN ONE YEAR Â£â€™000**
Exposure to floating rates:	**Â**	**Â**	**Â**	**Â**
Assets	**Â**	**Â**	**Â**	**Â**
Cash and cash equivalents	14,639	â€“	17,426	â€“
Liabilities	**Â**	**Â**	**Â**	**Â**
Creditors: amount falling due after more than one year	Â	Â	Â	Â
â€“ borrowings under the loan facility	â€“	(29,200)	â€“	(36,700)
Exposure to fixed rates:	**Â**	**Â**	**Â**	**Â**
Assets	**Â**	**Â**	**Â**	**Â**
Investments at fair value through profit or loss[#]	488	â€“	392	â€“
Liabilities	â€“	â€“	â€“	â€“

[#] Celtic 6% cumulative convertible preference shares and Frostrow Capital LLP AIFM Capital Contribution.

Currency Risk

The Financial Statements are presented in sterling, which is the functional and presentational currency of the Company. At 30 September 2024, the Companyâ€™s investments, with the exception of five, were priced in sterling. The five exceptions were: Heineken, listed in the Netherlands, Remy Cointreau listed in France, Manchester United, Cazoo and Mondelez, all of which are listed in the United States. The aggregate of these represents 4.0% of the portfolio.

The AIFM and the Portfolio Manager monitor the Companyâ€™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 2024 the Company held Â£39,334,000 (2023: Â£171,369,000) of investments denominated in U.S. dollars and Â£24,541,000 (2023: Â£156,737,000) in euros.

Currency Sensitivity

The following table details the sensitivity of the Companyâ€™s return after taxation for the year to a 10% increase or decrease in the value of sterling compared with the U.S. dollar and euro (2023: 10% increase and decrease).

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

In addition to the foreign currency exposure on investments held at 30 September 2024, the Company also held Â£385,000 (2023: Â£1,125,000) in debtors denominated in U.S. dollars and Â£1,230,000 (2023: Â£2,117,000) denominated in Euros.

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:

Â	**2024**	**2023**
Â	**Â£â€™000**	**Â£â€™000**
Impact on revenue return	106	259
Impact on capital return	7,170	36,568
Total return after tax/increase in Shareholdersâ€™ funds	7,276	36,827

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

Â	**2024**	**2023**
Â	**Â£â€™000**	**Â£â€™000**
Impact on revenue return	(87)	(212)
Impact on capital return	(5,866)	(29,918)
Total return after tax/decrease in Shareholdersâ€™ funds	(5,953)	(30,130)

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 undertaken on a delivery versus payment basis whereby the Companyâ€™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.
- 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 (Moodyâ€™s) and AA- (Fitch).

As at 30 September 2024, the exposure to credit risk was Â£17,263,000 (2023: Â£21,814,000), comprising:

Â Â	2024 Â£â€™000	2023 Â£â€™000
Fixed assets:	Â	Â
Non-equity investments (preference shares)	363	267
Current assets:	Â	Â
Other receivables (amounts due from brokers)	2,261	4,121
Cash and cash equivalents	14,639	17,426
Total exposure to credit risk	17,263	21,814

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 Companyâ€™s assets are investments in quoted equities. As at 30 September 2024 it is estimated that 98.1% of the investment portfolio could be realised within 30 days with 79.6% in seven days, based on current trading volumes.

Liquidity risk exposure

FINANCIAL LIABILITIES COMPRISE:	30 SEPTEMBER 2024 Â£â€™000	30 SEPTEMBER 2023 Â£â€™000
Due within one month:	Â	Â
Balances due to brokers in respect of portfolio trading - purchases	â€“	1,669
Amounts due to brokers in respect of shares repurchased by the Company	2,550	2,134
Accruals	1,448	1,063
Due after three months and after one year:	Â	Â
Bank loan	29,200	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 asset, noting that most of the Companyâ€™s investments are quoted assets, which have been categorised as level 1 investments:

- Level 1 â€“ quoted prices in active markets.
- Level 2 â€“ prices of recent transactions for identical instruments.
- Level 3 â€“ 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 2024	LEVEL 1 Â£â€™000	LEVEL 2 Â£â€™000	LEVEL 3 Â£â€™000	TOTAL Â£â€™000
Equity investments	1,584,265	5,365	â€“	1,589,630
Limited liability partnership interest (Frostrow)	â€“	â€“	3,100	3,100
Frostrow - AIFM capital contribution	â€“	â€“	125	125
Preference share investments	â€“	363	â€“	363
Â	1,584,265	5,728	3,225	1,593,218

During the year the investment in Celtic was moved to level 2 due to low trading volumes.

AS AT 30 SEPTEMBER 2023	LEVEL 1 Â£â€™000	LEVEL 2 Â£â€™000	LEVEL 3 Â£â€™000	TOTAL Â£â€™000
Equity investments	1,832,668	â€“	â€“	1,832,668
Limited liability partnership interest (Frostrow)	â€“	â€“	3,600	3,600
Frostrow - AIFM capital contribution	â€“	â€“	125	125
Preference share investments	267	â€“	â€“	267
Â	1,832,935	â€“	3,725	1,836,660

The unquoted investment in Frostrow is valued by taking the EBITDA and applying a multiple; it has been re-valued by the Directors during the year, using two unobservable market data sources, being Frostrowâ€™s earnings and an agreed appropriate comparator multiple. This was the same methodology adopted to value Frostrow as at 30 September 2023.

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

Â	2024	2023
Â	Â£â€™000	Â£â€™000
Opening fair value	3,725	4,725
Total losses included in gains on investments in the Income Statement	(500)	(1,000)
Closing fair value	3,225	3,725

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 30Â September 2024 would have increased/decreased by Â£310,000 (2023: Â£360,000, applying the same assumptions).

CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The structure of the Companyâ€™s capital is described in note 13 and details of the Companyâ€™s reserves are shown in the Statement of Changes in Equity.

The Companyâ€™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 Companyâ€™s capital. These reviews include:

- the level of gearing, set at a limit in normal market conditions, is not to exceed 25% of the Companyâ€™s net assets, which takes account of the Companyâ€™s position and the views of the Board, the AIFM and the Portfolio Manager on the market;
- the extent to which revenue reserves should be retained or utilised; and
- ensuring the Companyâ€™s ability to continue as a going concern.

The Companyâ€™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 Bank of Nova Scotia, London Branch in respect of the committed revolving credit facility provided to the Company.

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

18. Net Cash Inflow from Operating Activities

Â	2024	2023
Â	Â£â€™000	Â£â€™000
Total return before finance charges and taxation	110,630	132,109
Deduct capital gain before finance charges and taxation	(70,914)	(88,477)
Net revenue before finance charges and taxation	39,716	43,632
Decrease in accrued income and prepayments	1,406	2,235
Increase/(decrease) in creditors	385	(18)
Taxation â€“ overseas withholding tax paid	(795)	(1,109)
AIFM, portfolio management fees and other expenses charged to capital	(6,907)	(7,845)
Net cash inflow from operating activities	33,805	36,895

19. Substantial Interests

At 30 September 2024 the Company held interests in 3% or more of any class of capital in the following entities:

COMPANY OR LIMITED LIABILITY PARTNERSHIP	NUMBER OF SHARES HELD	2024 FAIR VALUE Â£â€™000	% OF ISSUED SHARE CAPITAL OR LIMITED LIABILITY PARTNERSHIP INTEREST
A. G. Barr	3,535,000	22,023	3.2
Frostrow Capital LLP (unquoted)â€	â€“	3,225	9.7
The Lindsell Train Investment Trust plc*	10,000	7,640	5.0

â€ Includes Frostrow Capital LLPâ€™s AIFM Capital Contribution, fair value Â£125,000.

* Also managed by Lindsell Train Limited which receives a portfolio management fee based on the Companyâ€™s market capitalisation.

20. Post Balance Sheet Events

During the period from 1 October 2024 to 2 December 2024, a further 9,913,457 shares were bought back and held in Treasury at a cost of Â£85,300,000.

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Glossary of Terms and Alternative Performance Measures â€“ Unaudited

ACTIVE SHARE (APM)

Active Share is expressed as a percentage and shows the extent to which a fundâ€™s holdings and their weightings differ from those of the fundâ€™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. The Company has a distinctive strategy: a concentrated portfolio of holdings invested across a small number of sectors and themes. Active Share helps quantify the extent to which the portfolio differs from the benchmark index.

The Active Share data is sourced from Morningstar.

AIC

Association of Investment Companies. The AIC represents a broad range of investment companies, investment trusts, VCTs and other closed-ended funds.

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 (â€œAPMâ€)

An Alternative Performance Measure (APM) is a numerical measure of the Companyâ€™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 consider the key objectives and expectations of typical investors and believe that each APM gives the reader useful and relevant information in judging the Companyâ€™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.

CHIEF OPERATING DECISION MAKER

The Chief Operating Decision Maker of the Company is considered to be the Board of Directors. It is a Generally Accepted Accounting Principal (GAAP) requirement to disclose who the chief operating decision maker is.

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 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. The Board regularly reviews the level of the discount/premium of the Companyâ€™s share price to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of share buy-backs, where appropriate.

DISCOUNT OR PREMIUM (APM)	Â	30 SEPTEMBER 2024	30 SEPTEMBER 2023
Share price (p)	Â	861.0	852.0
Net asset value per share (p)	Â	943.3	891.2
Discount	Â	8.7%	4.4%

ENTERPRISE VALUE INCLUDING CASH (â€œEVICâ€)

EVIC is the denominator used to measure carbon emissions. EVIC means the sum of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.

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GEARING (APM)

Gearing represents prior charges, adjusted for net current assets, expressed as a percentage of net assets (AIC methodology). The Directors believe that it is appropriate to show net gearing in relation to Shareholdersâ€™ funds as it represents the amount of debt funding on the investment portfolio. The gearing policy is that borrowing will not exceed 25% of the Companyâ€™s net assets.

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

Â Â Â	Â Â Â	30 SEPTEMBER 2024 Â£â€™000	30 SEPTEMBER 2023 Â£â€™000
Bank loan (prior charges)	Â	(29,200)	(36,700)
Net current assets	Â	18,150	22,769
Bank loan adjusted for net current assets	Â	(11,050)	(13,931)
Net assets	Â	1,582,168	1,822,729
Gearing	Â	0.7%	0.8%

THE INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE (â€œIIGCCâ€)

IIGCC membership enables organisations to ensure that they are part of the solution to climate change.

THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (â€œIPCCâ€)

The IPCC is the United Nations body for assessing the science related to climate change.

NET ZERO ASSET MANAGERS INITIATIVE (â€œNZAMâ€)

The Net Zero Asset Managers initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner.

NET ASSET VALUE (â€œNAVâ€)

The value of the Companyâ€™s assets, principally investments made in other companies and cash being held, less any liabilities. The NAV is also described as â€œShareholdersâ€™ fundsâ€. 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 Companyâ€™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 companies which is not affected by movements in discounts or premiums. The Directors regard the Companyâ€™s net asset value total return per share as being the overall measure of value delivered to Shareholders over the long term. The Board considers the principal comparator to be its benchmark, the FTSE All-Share Index.

NAV TOTAL RETURN	**Â**	**30 SEPTEMBER 2024**	**30 SEPTEMBER 2023**
Opening NAV per share (p)	Â	891.2	848.4
Increase in NAV per share (p)	Â	52.1	42.8
Closing NAV per share (p)	Â	943.3	891.2
Increase in NAV per share	Â	5.8%	5.0%
Impact of dividends re-invested*	Â	+2.4%	+2.2%
NAV per share total return	Â	8.2%	7.2%

* The NAV total return is calculated on the assumption that the total dividends of 19.3p (2023: 18.3p) paid by the Company during the year were reinvested into assets of the Company at the NAV per share at the ex-dividend date. The Treasury shares held by the Company have been excluded from this calculation.

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

ONGOING CHARGES FIGURE (APM)

Ongoing charges are calculated by taking the Companyâ€™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. Ongoing charges represent the costs that Shareholders can reasonably expect to pay from one year to the next, under normal circumstances.

Â **Â** **Â**	**Â** **Â** **Â**	**30 SEPTEMBER 2024 Â£â€™000**	**30 SEPTEMBER 2023 Â£â€™000**
AIFM and portfolio management fees	Â	9,041	10,437
Operating expenses	Â	1,310	1,167
Total expenses	Â	10,351	11,604
Average net assets during the year	Â	1,697,345	1,907,121
Ongoing charges figure	Â	0.61%	0.61%

THE PARIS AGREEMENT

The Paris Agreementâ€™s central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

THE PARIS ALIGNED INVESTMENT INITIATIVE (â€œPAIIâ€)

The PAII was launched by the Institutional Investors Group on Climate Change (â€œIIGCCâ€) in Europe in May 2019, to explore how investors can align their portfolios with the goals of the Paris Agreement.

PEER GROUP

Finsbury Growth & Income Trust PLC is part of the AICâ€™s UK Equity Income 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.

REVERSE STRESS TEST

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

SASB

The Sustainability Accounting Standards Board (â€œSASBâ€) aims to establish industry-specific disclosure standards across ESG topics that facilitate communication between companies and investors about financially material, information that is useful for decision-making.

SHARE PRICE TOTAL RETURN (APM)

The change in capital value of a companyâ€™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. The Directors regard the Companyâ€™s share price total return to be a key indicator of performance. This reflects share price growth of the Company which the Board recognises is important to investors.

SHARE PRICE TOTAL RETURN	Â	30 SEPTEMBER 2024	30 SEPTEMBER 2023
Opening share price share (p)	Â	852.0	800.0
Increase in share price (p)	Â	9.0	52.0
Closing share price (p)	Â	861.0	852.0
Increase in share price	Â	1.1%	6.5%
Impact of dividends re-invested*	Â	+2.3%	+1.0%
Share price total return	Â	3.4%	7.5%

* The share price total return is calculated on the assumption that the total dividends of 19.3p (2023: 18.3p) paid during the year were reinvested into shares of the Company at the share price at the ex-dividend date.

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

STERLING OVERNIGHT INDEX AVERAGE (â€œSONIAâ€)

SONIA is an interest rate published by the Bank of England. SONIA can be seen as the average interest rate at which a selection of financial institutions lend to one another in British pound sterling (GBP) with a maturity of 1 day (overnight).

STRESS TESTING

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

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (â€œTCFDâ€) to improve and increase reporting of climate-related financial information.

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.
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2024 Accounts
The figures and financial information for 2024 are extracted from the Annual Report and financial statements for the year ended 30 September 2024 and do not constitute the statutory accounts for the year.Â The Annual Report and financial statements include the Report of the Independent Auditor which is unqualified and does not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.Â The Annual Report and financial statements have not yet been delivered to the Registrar of Companies.
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2023 Accounts
The figures and financial information for 2023 are extracted from the published Annual Report and financial statements for the period ended 30 September 2023 and do not constitute the statutory accounts for that year.Â The Annual Report and financial statements have been delivered to the Registrar of Companies and included the Report of the Independent Auditor which was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.
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Annual report and financial statements
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Copies of the Annual Report and financial statements will be posted to shareholders in mid-December 2024.Â Â Members of the public may obtain copies from Frostrow Capital LLP, 25 Southampton Buildings, London WC2A 1AL or from the Companyâ€™s website www.finsburygt.com where up to date information on the Company, including daily NAV, share prices and fact sheets, can also be found.
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The Company's AnnualÂ Report for the period ended 30 September 2024Â has been submitted to the Financial Conduct Authority and will shortly be available for inspection on the National Storage Mechanism (NSM) via https://data.fca.org.uk/#/nsm/nationalstoragemechanism.Â
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The Annual General Meeting will be held on Tuesday, 28 January 2025.
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Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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-ENDS-

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