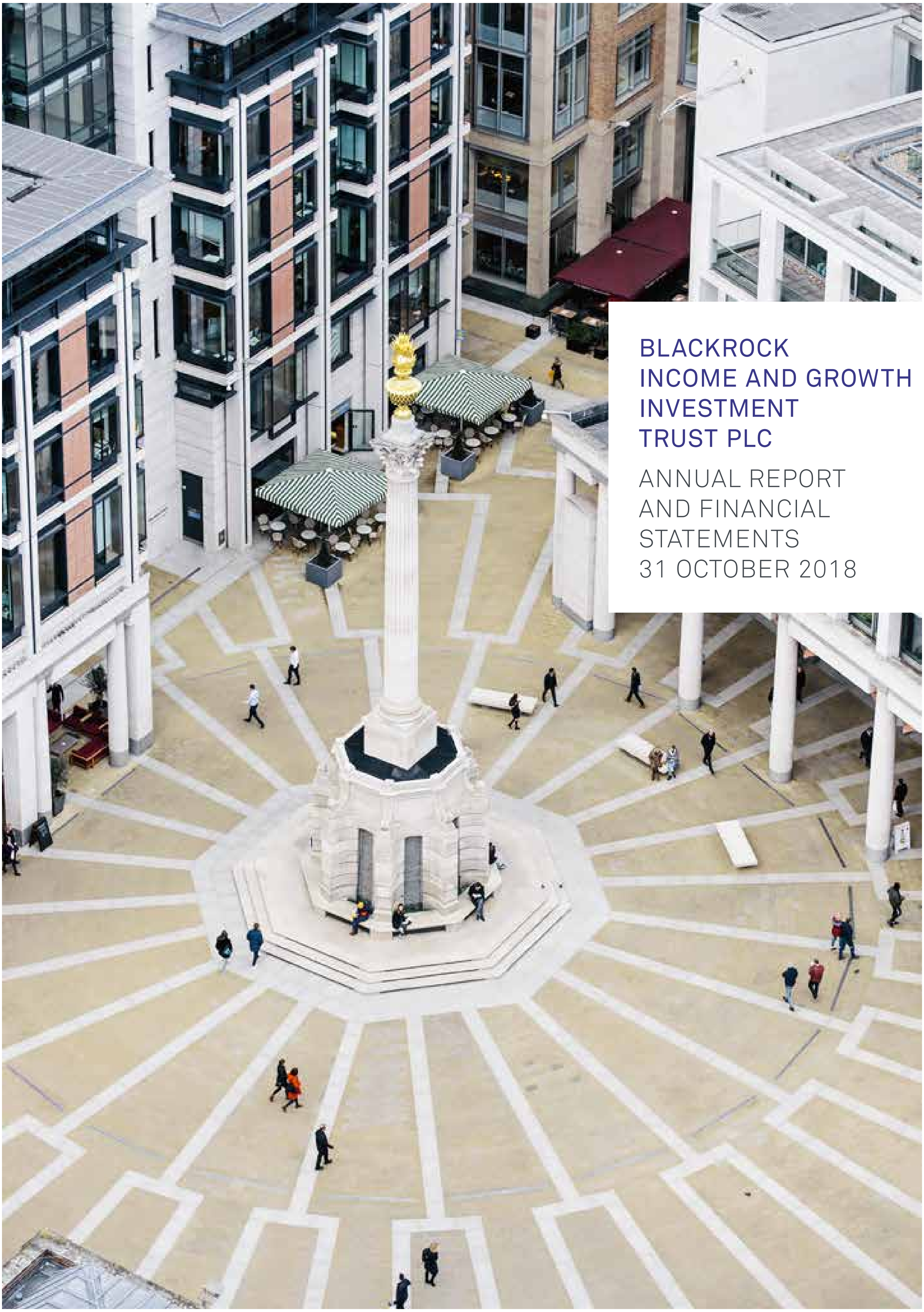

BLACKROCK INCOME AND GROWTH INVESTMENT TRUST PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 OCTOBER 2018

BLACKROCK®

NM1123U-3258146-1/82

Contents

BlackRock Income and Growth Investment Trust plc

Investment Objective

The Company's objective is to provide growth in capital and income over the long term through investment in a diversified portfolio of principally UK listed equities.

A MEMBER OF THE ASSOCIATION OF INVESTMENT COMPANIES

Details about the Company are available on the BlackRock website blackrock.co.uk/brig

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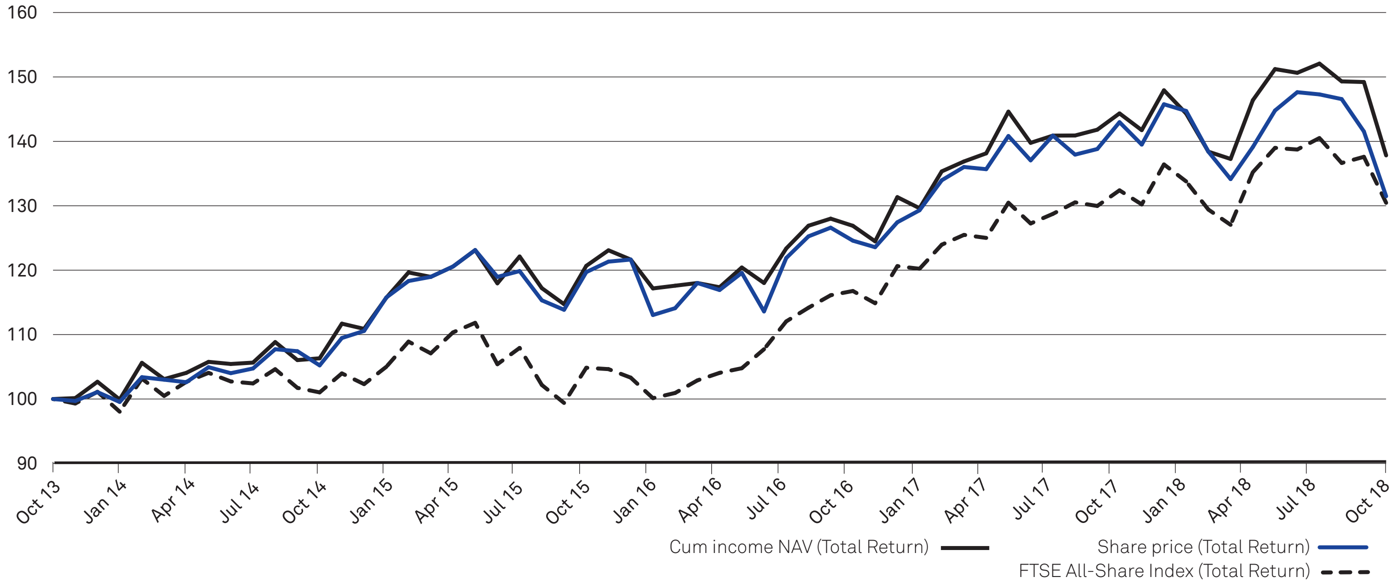
FINANCIAL HIGHLIGHTS

Attributable to ordinary shareholders	As at 31 October 2018	As at 31 October 2017	Change %
Assets			
Net asset value per ordinary share	194.26p	209.96p	-7.5
- with dividends reinvested*			-4.5
Ordinary share price (mid-market)	183.00p	205.50p	-10.9
- with dividends reinvested*			-8.0
FTSE All-Share Index (total return)**	6,947.84	7,051.23	-1.5
Net assets (£'000)***	46,738	51,680	-9.6
Discount to net asset value	5.8%	2.1%	

	Year ended 31 October 2018	Year ended 31 October 2017	Change %
Revenue			
Revenue profit per ordinary share	7.09p	6.63p	+6.9
Net profit after taxation (£'000)	1,724	1,668	+3.4
Dividends per ordinary share			
Interim	2.50p	2.50p	–
Final	4.40p	4.10p	+7.3
Total dividends paid and payable	6.90p	6.60p	+4.5

* Net asset value and share price performance include the reinvestments of dividends.
** The benchmark index.
***The change in net assets reflects the market movements during the year and the purchase of the Company's own shares.

PERFORMANCE FROM 1 NOVEMBER 2013 TO 31 OCTOBER 2018



Sources: BlackRock Investment Management (UK) Limited and DataStream.
Share price, cum income NAV and FTSE All-Share Index (all on a Total Return basis) at 1 November 2013, rebased to 100.
Performance figures are calculated in sterling terms, with dividends reinvested.

Overview

Chairman's Statement

Dear Shareholder,

I present the annual report and financial statements of BlackRock Income and Growth Investment Trust plc for the year ended 31 October 2018.

PERFORMANCE

During the year the Company's Net Asset Value per share (NAV) returned -4.5%. By comparison, the Company's benchmark, the FTSE All-Share Index, returned -1.5% (all percentages are in sterling with dividends reinvested).

A detailed commentary on the portfolio's performance, its positioning, and the investment outlook for the forthcoming year can be found in the Investment Manager's report on page 13.

The performance of the portfolio has been disappointing this year. Relative underperformance largely arose from stock specific factors, and in particular the holdings in Patisserie Holdings and TP ICAP. Patisserie Valerie, as has been reported extensively, suffered an alleged significant fraud and the shares are currently suspended. TP ICAP released a trading update where, despite a good revenue performance, the outlook for cost growth was negative and the shares fell significantly. The holding has been sold.

Although relative performance over the 5 years to 31 October 2018 has been satisfactory, over the past three years, despite reasonable absolute returns, relative returns have failed to meet our expectations. This period has been characterised by the ongoing uncertainties surrounding Brexit, which have acted as a headwind for sterling assets as the currency has depreciated. Dollar-focused industries such as Mining and Oil, where the Company has had an underweight position, have performed better, but these are not sectors we favour over the long-term given the capital intensity of the two industries. This factor has combined with the ongoing political uncertainty impacting the portfolio's holdings in the Banks, Utilities and Retail sectors. The Investment Managers have confirmed that they will remain true to their long-term investment philosophy, building a portfolio based on fundamental analysis and conviction. They believe that, over the longer term, earnings and cash flow are the principal drivers of returns and they remain focused on improving relative investment performance.

REVENUE RETURN AND DIVIDENDS

The Company's revenue return per share for the year to 31 October 2018 amounted to 7.09 pence compared with 6.63 pence for the previous year.

An interim dividend of 2.50 pence per share (2017: 2.50 pence) was distributed to shareholders on 3 September 2018. The Directors are mindful of shareholders' desire for income in addition to capital growth and are proposing a final dividend per share of 4.40 pence (2017: 4.10 pence) giving total dividends for the year of 6.90 pence per share. This represents a 4.5% increase over the prior year (2017: 6.60 pence per share). Subject to approval at the Annual General Meeting, the final dividend will be paid on 19 March 2019 to shareholders on the Company's register at the close of business on 8 February 2019 (ex-dividend date is 7 February 2019).

POLICY ON SHARE PRICE DISCOUNT

The Directors recognise the importance to investors that the Company's share price should not trade at a significant discount to NAV, and therefore, in normal market conditions, may use the Company's share buy back, sale of shares from treasury and share issue powers to seek to ensure that the share price is broadly in line with the underlying NAV.

The existing authority to buy back up to 14.99% of the Company's issued share capital (excluding treasury shares) will expire at the conclusion of the 2019 Annual General Meeting and a resolution will be put to shareholders to renew the authority at that meeting. Currently, ordinary shares representing up to 35% of the Company's issued ordinary share capital can be allotted as new ordinary shares or sold from treasury. It is proposed to renew the authority at the forthcoming Annual General Meeting.

During the year, a total of 554,600 ordinary shares were purchased at an average price of 201.50 pence per share, for a total consideration (including costs) of £1,117,000. These shares were placed in treasury for potential reissue, thereby saving the associated costs of an issue of new shares if demand arises. No shares were issued or sold from treasury this year. Subsequent to the year end, a further 13,445 ordinary shares have been purchased for a total consideration of £24,000. The average discount for the year to 31 October 2018 was 3.1% and the discount at the year-end was 5.8% which resulted in a share price return of -8.0% over the financial year. At the time of writing the discount is 2.8%.

GEARING

The Company operates a flexible gearing policy which depends on prevailing market conditions and is subject to a maximum level of 20% of net assets at the time of investment. The maximum gearing used during the year was 4.6% and at 31 October 2018 net gearing was 2.3%. The Company has in place a borrowing facility of up to £4 million, provided by ING Luxembourg S.A. At the year end and at the date of this report the Company has drawn down fully on the facility.

OUTLOOK

As you will read in the Investment Manager's report on page 13, the outlook for global economic growth looks positive in the near term, although growth rates are likely to vary across the major developed economies. However, global markets remain volatile, largely driven by heightened geopolitical tensions; in particular the threat of a continuation of the US/China trade-war, concerns over rising US interest rates, tightening financial conditions globally and a wind down of the quantitative easing and easy monetary policy seen in recent years.

In Europe, the UK's exit process from the European Union ('EU') continues to contribute to volatility in both European and UK equity markets sentiment. At the time of writing the UK Government has yet to reach agreement with the EU on the terms of the Withdrawal Agreement. There remains substantial uncertainty on how the Brexit process will play out and its longer term impact on the UK economy, particularly the UK financial services sector. In this context it is worth remembering that the UK equity market derives well over two thirds of its revenues from currencies other than sterling and for our largest companies the principal driver of future returns will be events in the global rather than domestic economy. Further information on the Brexit process can be found in the Viability Statement on page 11.

As you will read in their report on page 13, the Investment Managers have been adjusting the portfolio, which is now slightly more defensively positioned, focusing on companies with dependable cashflow generation and balance sheet strength in anticipation of continued market volatility and more challenging economic conditions. However, their fundamental approach has not changed and the focus remains on bottom-up stock selection, assembling a portfolio of individual companies which, taken as a whole, should prove capable of growing the Company's revenue and supporting dividend growth into the future. Your Board is fully supportive of this approach.

BOARD COMPOSITION

The Board consists of four independent Non-executive Directors. There have been no changes to the composition of the Board or its committees during the year. The Board has a succession plan in place which ensures that a suitable balance of skills, knowledge, experience, independence and diversity is achieved to enable the Board to effectively discharge its duties. Additionally, the Board is mindful of the revised UK Corporate Governance Code, applicable for accounting periods beginning on or after 1 January 2019. Further information on the Board's policy on director tenure and succession planning can be found in the Directors' Report on page 23. In accordance with best practice and developing corporate governance, the Directors have agreed to submit themselves to annual re-election. Therefore, all Directors will retire and will stand for re-election at the forthcoming Annual General Meeting ('AGM').

Further information on the experience and background of the Directors can be found in their biographies on page 20.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held on Thursday, 14 March 2019 at 12.00 noon at the offices of BlackRock at 12 Throgmorton Avenue, London, EC2N 2DL. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 72 to 75 of this Annual Report. The Investment Manager will make a presentation to shareholders on the Company's progress and the outlook for the year ahead.

JONATHAN CARTWRIGHT

Chairman

20 December 2018

Performance

Strategic report

The Directors present the Strategic Report of the Company for the year ended 31 October 2018.

INVESTMENT OBJECTIVE

The Company's objective is to provide growth in capital and income over the long term through investment in a diversified portfolio of principally UK listed equities.

BUSINESS AND MANAGEMENT OF THE COMPANY

BlackRock Income and Growth Investment Trust plc is an investment trust company that has a premium listing on the London Stock Exchange. Its principal activity is portfolio investment. Investment trusts, like unit trusts and OEICs, are pooled investment vehicles which allow exposure to a diversified range of assets through a single investment thus spreading, although not eliminating, investment risk.

Investment trusts, unlike unit trusts and OEICs, have the ability to borrow for investment purposes and to manage dividend distributions through revenue reserves. They also enjoy, unlike unit trusts and OEICs, the benefit of continuous dealing during market hours.

The Company is an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive (AIFMD). BlackRock Fund Managers Limited (the Manager) is the Company's Alternative Investment Fund Manager. The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager. The Manager, operating under guidelines determined by the Board, has direct responsibility for decisions relating to the running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Company delegates fund accounting services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager), which in turn sub-delegates these services to the Fund Accountant, The Bank of New York Mellon (International) Limited and also sub-delegates registration services to the Registrar, Computershare Investor Services PLC. Other service providers include the Depositary, The Bank of New York Mellon (International) Limited. Prior to 1 November 2017, the entity appointed as the Company's Depositary was BNY Mellon Trust & Depositary (UK) Limited. Details of the contractual terms with these service providers are set out in the Directors' Report on pages 21 and 22.

BUSINESS MODEL

The Company invests in accordance with the investment objective. The Board is collectively responsible to shareholders for the long term success of the Company and is its governing body. There is a clear division of responsibility between the Board and the Manager. Matters reserved for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing, capital structure, governance, and appointing and monitoring the performance of service providers, including the Manager.

The Company's business model follows that of an externally managed investment trust, therefore the Company does not have any employees and outsources its activities to third party service providers, including the Manager which is the principal service provider.

INVESTMENT STRATEGY AND POLICY

The Company's policy is that the portfolio will usually consist of approximately 30-60 securities and will only invest in UK securities, which include the shares of companies listed, domiciled or carrying out the majority of their business in the UK.

The Company may hold a maximum of 10% of the issued ordinary share capital of any company. No more than 15% of the gross asset value of the Company may be invested in the securities of any one issuer, calculated at the time of any relevant investment. Cash or non-benchmark stocks may not exceed 10% of the net asset value of the Company. Each stock held is subject to a lower limit of 0% and an upper limit of plus 4 percentage points against its weighting in the FTSE All-Share Index on an ongoing basis, subject to an absolute sector weighting upper limit of 20% of the Company's net assets at any time.

The Company may deal in derivatives, including options, futures, contracts for difference and derivatives not traded on or under the rules of a recognised or designated investment exchange for the purpose of efficient portfolio management. Derivatives and exchange traded funds may be dealt in only with the prior consent of the Board.

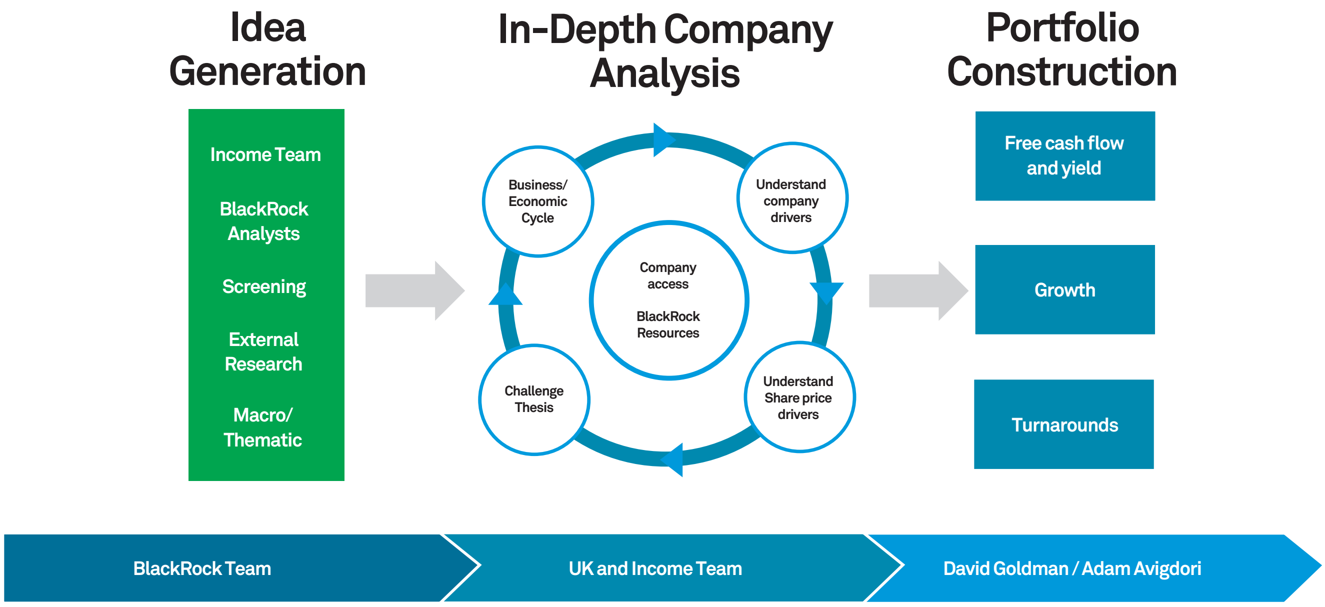
The performance of the Company is measured by reference to the FTSE All-Share Index (the Index) on a total return basis. The Company achieves an appropriate spread of risk by investing in a diversified portfolio of securities.

No material change can be made to the investment policy without the approval of shareholders by ordinary resolution.

INVESTMENT APPROACH AND PROCESS

In assembling the Company's portfolio, a relatively concentrated approach to investment is adopted to ensure that the fund manager's best ideas contribute significantly to returns. We believe that it is the role of the portfolio overall to achieve a premium level of yield rather than every individual company within it. This gives increased flexibility to invest where returns are most attractive. This relatively concentrated approach results in a portfolio which differs substantially from the Index and in any individual year, the returns will vary, sometimes significantly from those of the Index. Over longer periods the objective is to achieve returns greater than the Index.

Investment approach



The foundation of the portfolio, approximately 70% by value, is in high free cash flow companies that can sustain cash generation and pay a growing yield whilst aiming to deliver a double digit total return. Additionally, the investment managers seek to identify and invest 20% by value of the portfolio in 'growth' companies that have significant barriers to entry and scalable business models that enable them to grow consistently. Turnaround companies are also sought, at around 10% by value, which represent those companies that are out of favour by the market, facing temporary challenges with high yields/very low valuations, but with recovery potential. The return from this segment is expected to contribute meaningfully to returns over time.

Gearing and Borrowings

The appropriate use of gearing can add value and the Company may, from time to time, use borrowings to achieve this. The Board is responsible for the level of gearing in the Company and reviews the position at every meeting. Gearing, including borrowings and gearing through the use of derivatives (which requires prior Board approval), when aggregated with underwriting participations, will not exceed 20% of the net asset value at the time of investment, drawdown or participation. Any borrowing, except for short term liquidity purposes, is used for investment purposes or to fund the purchase of the Company's own shares.

The Company has entered into a new two year unsecured sterling revolving credit facility of £4 million, provided by ING Luxembourg S.A, to replace the existing facility which expired on 31 October 2018. At the date of this report the new facility is fully drawn down.

PERFORMANCE

Details of the Company's performance for the year are given in the Chairman's Statement on page 4. The Investment Manager's report on page 13 includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

RESULTS AND DIVIDENDS

The Company's revenue earnings for the year amounted to 7.09p per share (2017: 6.63p per share). The total loss for the year, after taxation, was £2,220,000 (2017: profit of £6,474,000) of which the revenue return amounted to £1,724,000 (2017: £1,668,000) and the capital loss amounted to £3,944,000 (2017: profit of £4,806,000). Details of dividends paid and declared in respect of the year are set out in the Chairman's Statement on page 4.

KEY PERFORMANCE INDICATORS

A number of performance indicators (KPIs) are used to monitor and assess the Company's success in achieving its objectives and to measure its progress and performance.

The principal KPIs are described below:

Performance against the benchmark

The performance of the portfolio together with the performance of the Company's net asset value and share price are reviewed at each Board meeting and compared to the return of the Company's benchmark, the FTSE All-Share Index.

Performance

Strategic report continued

Premium/discount to NAV

At each meeting the Board monitors the level of the Company's premium or discount to NAV and considers strategies for managing any premium or discount. Further details of the discount policy are provided on page 4. In the year to 31 October 2018, the Company's share price to NAV traded in the range of a premium of 0.4% to a discount of 6.9%, both on a cum income basis. The Company bought back a total of 554,600 ordinary shares during the year at an average discount of 4.8% and at an average price of 201.11p per share. The total consideration (including costs) was £1,117,000. A further 13,445 ordinary shares have been bought back since the year end for a total consideration of £24,000. No shares were issued or sold from treasury.

Ongoing charges

The ongoing charges represent the Company's management fee and all other recurring operating and investment management expenses, excluding finance costs, expressed as a percentage of average net assets.

The Board reviews the ongoing charges and monitors the expenses incurred by the Company at each meeting. The Board also compares the level of ongoing charges against those of its peers.

Performance

The Board also regularly reviews the Company's performance attribution analysis to understand how performance was achieved. This provides an understanding of how components such as sector exposure, stock selection and asset allocation impact performance.

The table below provides performance information for the current and prior year. Further details are provided in the Investment Manager's Report on page 13.

Alternative performance measures (see glossary on pages 76 and 77).

	Year ended 31 October 2018	Year ended 31 October 2017
NAV per share[1]	194.26p	209.96p
Share price[2]	183.00p	205.50p
Net asset value total return[3#]	-4.5%	13.8%
Share price total return[3#]	-8.0%	14.8%
Change in benchmark index[4]	-1.5%	13.4%
Discount to net asset value	5.8%	2.1%
Revenue return per share	7.09p	6.63p
Dividends per share	6.90p	6.60p
Ongoing charges[5]	1.10%	1.08%

1 Calculated in accordance with AIC guidelines.
2 Mid-market share price.
3 This measures the Company's share price and NAV total return, which assumes dividends paid by the Company have been reinvested.
4 FTSE All-Share Index (total return).
5 Ongoing charges represent the Company's management fee and all other recurring operating and investment management expenses, excluding transaction charges and finance costs, expressed as a percentage of average net assets.
Refer to the glossary on pages 76 and 77.

Performance against the Company's peers

Whilst the principal objective is to achieve growth in capital and income relative to the benchmark, the Board also monitors performance relative to a range of competitor funds, particularly those also within the AIC UK Equity Income sector.

PRINCIPAL RISKS

The Company is exposed to a variety of risks and uncertainties. The Board has in place a robust process to identify, assess and monitor the principal risks of the Company. A core element of this process is the Company's risk register which identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the controls established for mitigation. A residual risk rating is then calculated for each risk. The risk register is regularly reviewed and the risks reassessed. The risk environment in which the Company operates is also monitored and regularly appraised. New risks are also added to the register as they are identified which ensures that the document continues to be an effective risk management tool.

The risk register, its method of preparation and the operation of key controls in the Manager's and third party service providers systems of internal control are reviewed on a regular basis by the Audit Committee. In order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes and how these apply to the Company's business. The Audit Committee periodically receives presentations from BlackRock's Internal Audit and Risk & Quantitative Analysis functions. The Audit Committee also reviews Service Organisation Control (SOC 1) reports from the Company's service providers.

As required by the UK Corporate Governance Code (2016 Code), the Board has undertaken a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks have been described in the table on pages 9 and 10, together with an explanation of how they are managed and mitigated. The Board will continue to assess these risks on an ongoing basis.

The current risk register includes a range of risks which are categorised under the following headings:

- investment performance;
- income/dividend;
- gearing;
- legal and regulatory compliance;
- operational;
- market; and
- financial.

Principal Risk	Mitigation/Control
Investment performance The Board is responsible for: ▸ setting the investment strategy to fulfil the Company's objective; and ▸ monitoring the performance of the Investment Manager and the implementation of the investment strategy. An inappropriate investment strategy may lead to: ▸ poor performance compared to the Benchmark Index and the Company's peer group; ▸ a widening discount to NAV; ▸ a reduction or permanent loss of capital; and ▸ dissatisfied shareholders and reputational damage.	To manage this risk the Board: ▸ regularly reviews investment performance; ▸ regularly reviews the Company's investment mandate and long term strategy; ▸ is required to provide prior consent to the use of derivatives and exchange traded funds; ▸ has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on; ▸ reviews changes in gearing and the rationale for the composition of the investment portfolio; ▸ monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with factors specific to particular sectors, based on the diversification requirements inherent in the investment policy; and ▸ monitors the discount to NAV and use of the granted buy back powers.
Income/Dividend The amount of dividends and future dividend growth will depend on the Company's underlying portfolio. Changes in the composition of the portfolio, any change in the tax treatment of the dividends or interest received by the Company may alter the level of dividends received by shareholders.	The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting. The Company also has a revenue reserve and powers to pay dividends from capital which could potentially be used to support the Company's dividend if required.
Gearing The Company's investment strategy may involve the use of gearing to enhance investment returns. Gearing may be generated through borrowing money or increasing levels of market exposure through the use of derivatives. The Company currently has an unsecured revolving credit facility with ING Luxembourg S.A. The use of gearing exposes the Company to the risks associated with borrowing. Gearing provides an opportunity for greater returns where the return on the Company's underlying assets exceeds the cost of borrowing. It is likely to have the opposite effect where the return on the underlying assets is below the cost of borrowings. Consequently, the use of borrowings by the Company may increase the volatility of the NAV.	To manage this risk the Board has limited gearing, including borrowings and gearing through the use of derivatives, to 20% of NAV at the time of investment, drawdown or participation. The Investment Manager will only use gearing when confident that market conditions and opportunities exist to enhance investment returns.

Performance

Strategic report continued

Principal Risk	Mitigation/Control
Legal and Regulatory Compliance	
The Company has been approved by HM Revenue & Customs as an investment trust, subject to meeting the relevant eligibility conditions and operating as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments. Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. The Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers Directive, the Market Abuse Regulation, the UK Listing Rules and the FCA's Disclosure Guidance & Transparency Rules. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.	Compliance with the accounting rules affecting investment trusts are regularly monitored. The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. The Company Secretary and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulation. Following authorisation under the Alternative Investment Fund Managers' Directive (AIFMD), the Company and its appointed Alternative Investment Fund Manager (AIFM) are subject to the risks that the requirements of this Directive are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company. The Market Abuse Regulation came into force across the EU on 3 July 2016. The Board has taken steps to ensure that individual Directors (and their Persons Closely Associated) are aware of their obligations under the regulation and has updated internal processes, where necessary, to ensure the risk of non-compliance is effectively mitigated.
Operational	
The Company relies on the services provided by third parties. Accordingly, it is dependent on the control systems of the Manager, and of The Bank of New York Mellon (International) Limited (the Fund Accountant, Depositary, and Custodian), who maintain the Company's assets, dealing procedures and accounting records. The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these third party service providers. Disruption to the accounting, payment systems or custody records, as a result of a cyber-attack or otherwise, could prevent the accurate reporting and monitoring of the Company's financial position.	Due diligence is undertaken before contracts are entered into with third party service providers. Thereafter, the performance of the provider is subject to regular review and reports to the Board. The Bank of New York Mellon's and BlackRock's internal control processes are regularly tested and monitored throughout the year and are evidenced through their Service Organisation Control (SOC 1) reports, which are subject to review by an Independent Service Assurance Auditor. The SOC 1 reports provide assurance in respect of the effective operation of internal controls. These reports are regularly reviewed by the Audit Committee. The Company's assets are subject to a strict liability regime and in the event of a loss of assets, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control. The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers on a regular basis and compliance with the Investment Management Agreement regularly. The Board also considers the business continuity arrangements of the Company's key service providers.
Market	
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments at a time of negative market movements. There is also the potential for the Company to suffer loss through holding investments in a period of negative market movements.	The Board considers the diversification of the portfolio, asset allocation, stock selection, and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager.
Financial	
The Company's investment activities expose it to a variety of financial risks that include interest rate risk.	Details of these risks are disclosed in note 15 to the financial statements, together with a summary of the policies for managing these risks.

VIABILITY STATEMENT

In accordance with provision C.2.2 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months referred to by the 'Going Concern' guidelines.

The Board conducted this review for the period up to the AGM in 2024, being a five year period from the date that this annual report will be approved by Shareholders. This period has been selected as it is aligned to the Company's objective of achieving long-term growth in capital and income. In making this assessment the Board has considered the following factors:

- the Company's principal risks as set out above;
- the ongoing relevance of the Company's investment objective in the current environment; and
- the level of demand for the Company's shares.

The Company is required to undertake a continuation vote in 2023 and has also reviewed the potential impact that this may have on the Company's viability. Particular consideration has been given to the following:

- good communication with major shareholders; at the present time there has been no indication that the continuation vote will not be successful; and
- at the close of business on 19 December 2018, the Company's shares were trading at a discount to NAV of 2.8%.

Having considered the above factors, the Board believes that the scheduled continuation vote does not have a detrimental impact on the Company's viability.

The Board has also considered a number of financial metrics in its assessment, including:

- the level of ongoing charges, both current and historical;
- the level at which the shares trade relative to NAV;
- the level of income generated;
- future income forecasts; and
- the liquidity of the portfolio.

The Board has concluded that the Company would be able to meet its ongoing operating costs as they fall due as a consequence of:

- a liquid portfolio; and
- overheads which comprise a small percentage of net assets.

Therefore, the Board has concluded that even in exceptionally stressed operating conditions, the Company would comfortably be able to meet its ongoing operating costs as they fall due.

However, investment companies may face other challenges. These include regulatory changes, changes to the tax treatment of investment trusts, a significant decrease in size due to substantial share buy back activity, which may result in the Company no longer being of sufficient market capitalisation to represent a viable investment proposition or no longer being able to continue in operation.

THE UK'S EXIT FROM THE EUROPEAN UNION

The Board has considered the potential impact on the Company of the UK's decision to leave the European Union (the 'EU') following a referendum held on 23 June 2016 ('Brexit'). The result has led to political and economic instability and volatility in the financial markets of the United Kingdom and more broadly across Europe. This has also led to weakening in consumer, corporate and financial confidence in such markets as the UK finalises the terms of its exit from the EU. The extent of any potential negative impact will depend in part on the nature of the arrangements that are put in place between the UK and the EU following any eventual Brexit deal, or alternatively a 'No Deal' outcome, and the extent to which the UK continues to apply laws that are based on EU legislation.

The Board has also considered the impact of potential changes in law, regulation and taxation and the matter of foreign exchange risk. They have determined that although there are a number of potential risks associated with the Brexit process, any transition following any agreement, and the legal, fiscal and regulatory landscape thereafter, they do not believe that this represents a material threat to the Company's strategy and business model, nor do they believe that the Investment Manager would be materially impeded in achieving the Company's investment objective. The longer term process of implementing the political, economic and legal framework that is agreed between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets.

Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

FUTURE PROSPECTS

The Board's main focus is the achievement of income and capital growth. The future performance of the Company is dependent upon the success of the investment strategy.

The outlook for the Company is discussed in the Chairman's Statement on pages 4 and 5 in the Investment Manager's Report on page 13.

Performance

Strategic report continued

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

As an investment trust, the Company has no direct social or community responsibilities.

However, the Company believes that it is in shareholders' interests to consider environmental, social and governance factors and human rights issues when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out on page 32.

MODERN SLAVERY ACT

As an investment vehicle the Company does not provide goods or services in the normal course of business, and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. In any event, the Board considers the Company's supply chain, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

DIRECTORS, GENDER REPRESENTATION AND EMPLOYEES

The Directors of the Company on 31 October 2018, all of whom held office throughout the year, are set out in the Governance Structure and Directors' biographies on page 20.

The Board recognises the importance of having a range of experienced Directors with the right skills and knowledge to enable it to fulfil its obligations. As at 31 October 2018, the Board consisted of four male Directors. The Company does not have any employees.

BY ORDER OF THE BOARD

KEVIN MAYGER
FOR AND ON BEHALF OF
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
20 December 2018

Performance

Investment manager's report

PERFORMANCE

Over the year to 31 October 2018, the Company saw a NAV return of -4.5% and share price return of -8.0%, underperforming the FTSE All-Share Index which returned -1.5% for the period. All returns in sterling terms with dividends reinvested.

MARKET REVIEW

Despite a strong run up into the start of 2018, this year has brought a return of volatility to markets. UK equities have lagged global markets with headwinds including Brexit negotiations, which were a source of division across the UK political spectrum. Brexit-related concerns have put pressure on sterling, which weakened against the US dollar and helped the FTSE 100 Index touch a new intra-day high in May. More recently, a sharp sell-off in October affected equity markets globally and took the UK market into negative territory. There were many factors at play which triggered the recent correction; rising bond yields, concerns around the pace of US interest rate rises, ongoing trade conflict between the US and China and worries over the Italian budget. Rising economic uncertainty, coinciding with near-term political risks, combined with tightening financial conditions mean we expect volatility to remain a key feature in global markets.

CONTRIBUTORS TO PERFORMANCE

Patisserie Holdings was the largest detractor for the period with an investigation having been opened in connection with alleged fraudulent accounting activity. The company has raised funds through an equity placing and secured additional loan funding from its Chairman, Luke Johnson, to improve liquidity whilst the investigation is ongoing. TP ICAP saw a significant share price decline in July following a disappointing trading statement. The increased market volatility that we have seen has failed to come through to revenue growth for TP ICAP as was expected. The business has had additional issues with costs, with downgrades to cost saving synergies, and increases to interest and broker compensation costs. Inchcape has suffered as a slowdown in new and used car sales in the UK. Strength across parts of Europe helped to offset declines in the UK but this was not enough to put the brakes on the challenging back-drop for new car vehicle margins. Inchcape's distribution business remains a high-quality business with a net cash balance sheet.

Infrastructure investor, John Laing Group, has seen its share price rise significantly over the period. Earlier in the period the company announced a rights issue to raise £210m for future investment and more recently they have confirmed that the pipeline for new investments continues to look encouraging for the rest of the year. The latest results demonstrated an increase in net asset value after a large gain on the disposal of one of their assets. An underweight exposure to Vodafone has helped relative performance for the period as the shares have continued to tumble. Italian competitor Iliad announced incredibly aggressive pricing which far undercuts Vodafone's cheapest offer and competition in Spain also remains a risk to profitability. Additionally, the acquisition of Liberty's European assets was debt funded, increasing the leverage in the business. Tesco has performed strongly over the year as the business continues to demonstrate improved cash flow and a reduction in debt levels. We believe the Booker acquisition is additive to the investment case both financially and strategically.

TRANSACTIONS

During the period new positions included water company United Utilities Group, and hospitality business, Whitbread. Additionally, we added to a number of positions including Royal Dutch Shell, Weir Group, Standard Chartered and AstraZeneca. We have reduced holdings in financials, HSBC Holdings and Admiral and have taken profits in highly US-exposed positions that have performed well, including Carnival and Ferguson. We have made a number of sales over the period, including in DS Smith, CRH, Diageo and BT Group. Overall, the portfolio remains positioned towards companies with dependable cashflow generation, balance sheet strength and trusted management teams in what we expect to be a more demanding and volatile investment environment.

OUTLOOK

We are broadly positive on global markets and expect continued global growth in the near term, albeit in a less synchronised fashion across the G7 nations and at a lower level than in the recent past. The trend of steady growth has provided a solid backdrop for equity market returns, which have also been helped by loose financial conditions from supportive governments and central banks. However political uncertainty is rising which, combined with tightening financial conditions (led by the US Federal Reserve), means that we expect continued market volatility. This provides us, as active managers of a concentrated portfolio, with the opportunity to invest at attractive valuations in high-quality cash generative businesses, with robust balance sheets, that can weather various market cycles and help to deliver long-term capital and income growth for our clients.

We continue to like cash generative consumer staple companies, especially those exposed to the emerging market consumer given the prevalent demographic trends in those markets. These companies often generate substantial cash flow which allows them to invest in innovation, marketing and distribution to ensure the longevity of their brands while also paying attractive and growing dividends to shareholders. We have also sought exposure to infrastructure and construction spend whilst at the same time we are watching for signs of overheating in the US and monitoring the slowdown in China. US construction spend remains well below long-term averages and initiatives to boost this spend features prominently on the political agenda. We also note that inflationary pressures are starting to build and therefore we seek those companies with sufficient pricing power and efficiency potential to withstand rising costs. As the last few months have demonstrated, it is crucial to be selective and to focus on those companies that are strong operators; those that provide a differentiated service or product and that boast a strong balance sheet.

ADAM AVIGDORI AND DAVID GOLDMAN
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
20 December 2018

Performance

Performance attribution

Sector	Contribution to return[1] Allocation	Selection[2]	Total effect	Commentary
Health Care	0.09%	0.46%	0.55%	Stock selection within Health Care has been beneficial with positive contribution from Shire, AstraZeneca and GlaxoSmithKline. Avoiding poor performers such as Indivior and BTG has also been beneficial to performance.
Telecommunications	0.47%	-0.06%	0.41%	The Company's underweight exposure to Telecommunications has been beneficial to relative returns as the sector has performed poorly over the period.
Technology	0.06%	0.26%	0.31%	Accesso Technology Group is the only holding within the Technology sector. The shares performed well for the majority of the period, before seeing a reversal in October when Technology (and Industrials) led a market sell-off.
Utilities	0.07%	-0.02%	0.06%	The only holding in the Company within the Utilities sector is United Utilities, a water utility company, which saw a small positive return for the period.
Financials	-0.05%	-0.12%	-0.17%	Within Financials, strong performance from non-life insurers Hiscox and Admiral and from infrastructure investor John Laing Group, was offset by poor performance from TP ICAP and banks Standard Chartered and Lloyds.
Industrials	-0.29%	0.08%	-0.21%	The Industrials sector delivered negative returns for the period. Within the Company, Weir Group, Bodycote and CRH performed poorly whilst an overweight position in Ferguson resulted in a strong positive performance contribution.
Oil & Gas	-0.58%	0.20%	-0.39%	The Company's underweight positioning in Oil & Gas has detracted given the rebound general upward trend in the oil price over the period up until the start of October.
Basic Materials	-0.36%	-0.51%	-0.86%	Within Basic Materials, the outperformance of the mining sector has acted as a relative performance drag given the Company's significant underweight exposure.
Consumer Goods	-0.02%	-0.89%	-0.92%	The performance of British American Tobacco and Superdry materially detracted from performance during the period.
Consumer Services	0.44%	-1.63%	-1.20%	Unforeseen stock specific issues with Patisserie Holdings, the largest individual detractor for the period, resulted in Consumer Services being the biggest sector detractor for the period, despite positive contributions from Tesco and Next. The relative performance benefits from not holding WPP were offset by not holding BSkyB.

1 Due to the limitations of a static attribution methodology, the numbers quoted are indicative and not exact.
2 The interaction effect is included with stock selection.

Portfolio

Ten largest investments as at 31 October 2018

Royal Dutch Shell 'B': 6.8% (2017: 4.2%) is an oil and gas company based in the UK. The company operates in both Upstream and Downstream industries. Upstream is engaged in searching for and recovering crude oil and natural gas, the liquefaction and transportation of gas. Downstream is engaged in manufacturing, distribution and marketing activities for oil products and chemicals.

British American Tobacco: 5.5% (2017: 6.3%) is one of the world's leading tobacco groups, with more than 200 brands in the portfolio selling in approximately 180 markets worldwide.

RELX: 4.9% (2017: 4.3%) is a global provider of professional information solutions that includes publication of scientific, medical, technical and legal journals. It also has the world's leading exhibitions, conference and events business.

Unilever: 4.3% (2017: 4.1%) is a global supplier of food, home and personal care products with more than 400 brands focused on health and wellbeing.

BP Group: 4.1% (2017: 2.8%) is a multinational oil and gas company that is vertically integrated and operates in all areas of the industry including exploration, production, refining, distribution, trading and renewable energy.

GlaxoSmithKline: 4.0% (2017: 2.6%) is a science-led global healthcare company focussed on researching, developing and manufacturing innovative pharmaceutical medicines, vaccines and consumer healthcare products.

John Laing Group: 4.0% (2017: 3.1%) is an international originator, active investor and manager of infrastructure projects. Its business is focussed on major transport, social and environmental infrastructure projects awarded under governmental public-private partnership programmes and renewable energy projects, across a range of international markets including the UK, Europe, Asia Pacific and North America.

Lloyds Banking Group: 3.9% (2017: 4.5%) is a UK-based financial services group, providing a wide range of banking and financial services, focused on personal and commercial customers. Its main business activities are retail, commercial and corporate banking, general insurance and life insurance, pensions and investment provision.

AstraZeneca: 3.9% (2017: 2.0%) is an Anglo-Swedish multinational pharmaceutical company with its headquarters in the UK. It is a science-led biopharmaceutical business with a portfolio of products for major disease areas including cancer, cardiovascular, infection, neuroscience and respiratory.

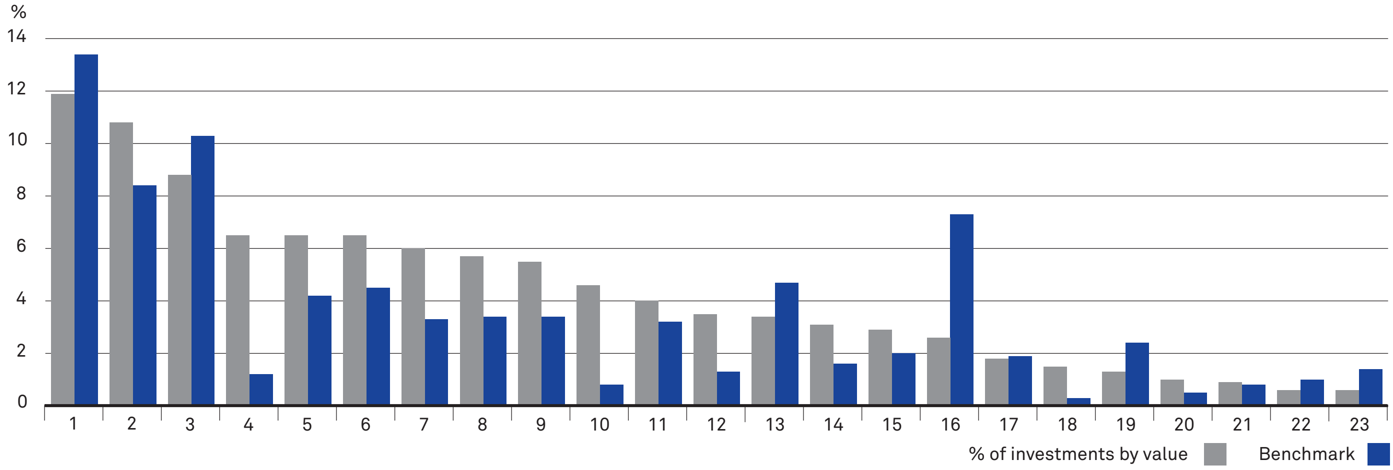
Prudential: 3.4% (2017: nil) is a multinational life insurance and financial services company which aims to meet the long-term savings and protection needs of a growing middle class and ageing population across Asia, the US, Europe and the UK.

All percentages reflect the value of the holding as a percentage of total investments as at 31 October 2018. Together, the ten largest investments represent 44.8% (2017: 39.3%) of total investments.

Portfolio

Distribution of investments as at 31 October 2018

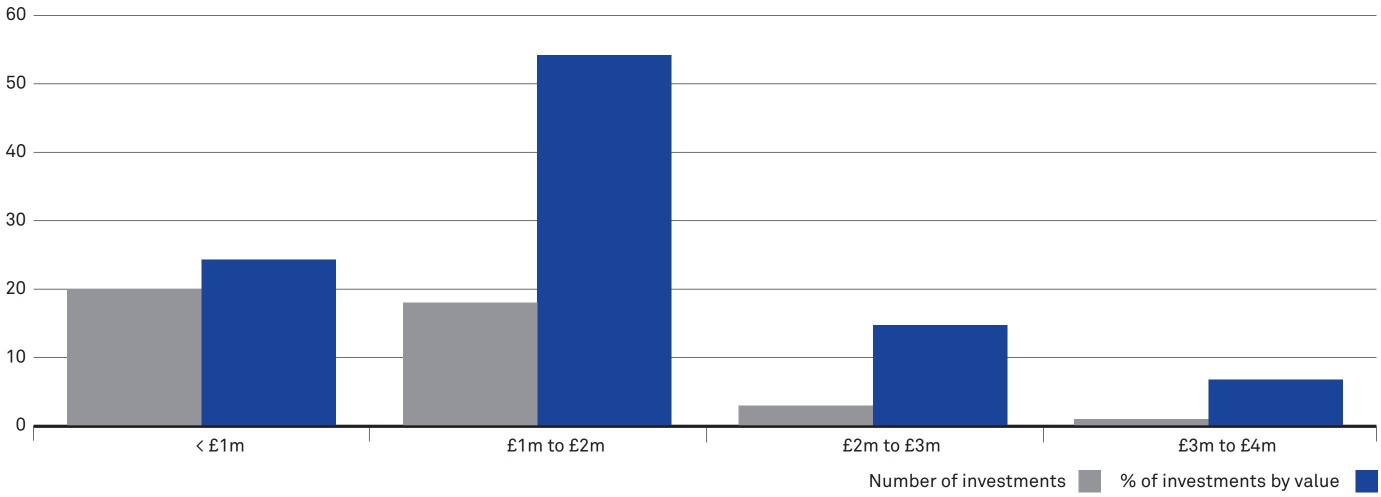
ANALYSIS OF PORTFOLIO BY SECTOR



1 Oil & Gas Producers
2 Pharmaceuticals & Biotechnology
3 Banks
4 Food Producers
5 Tobacco
6 Support Services
7 Media
8 Financial Services
9 Life Insurance
10 Industrial Engineering
11 Household Goods & Home Construction
12 Non-life Insurance
13 Travel & Leisure
14 Food & Drug Retailers
15 Gas, Water & Multiutilities
16 Mining
17 General Retailers
18 Forestry & Paper
19 Personal Goods
20 Electronic & Electrical Equipment
21 Chemicals
22 Software & Computer Services
23 Construction & Materials

Sources: BlackRock and Datastream.

INVESTMENT SIZE



Source: BlackRock.

Portfolio

Investments as at 31 October 2018

	Market value £'000	% of investments
Oil & Gas Producers		
Royal Dutch Shell 'B'	3,247	6.8
BP Group	1,953	4.1
Diversified Gas & Oil	501	1.0
	5,701	**11.9**
Pharmaceuticals & Biotechnology		
GlaxoSmithKline	1,921	4.0
AstraZeneca	1,861	3.9
Shire	1,380	2.9
	5,162	**10.8**
Banks		
Lloyds Banking Group	1,877	3.9
Standard Chartered	1,050	2.2
HSBC Holdings	790	1.7
Barclays	482	1.0
	4,199	**8.8**
Food Producers		
Unilever	2,067	4.3
Associated British Foods	1,055	2.2
	3,122	**6.5**
Tobacco		
British American Tobacco	2,607	5.5
Imperial Brands	497	1.0
	3,104	**6.5**
Support Services		
Rentokil Initial	1,323	2.8
Ferguson	1,222	2.6
De La Rue	534	1.1
	3,079	**6.5**
Media		
RELX	2,328	4.9
Ascential	548	1.1
	2,876	**6.0**
Financial Services		
John Laing Group	1,911	4.0
Premier Asset Management Group	831	1.7
	2,742	**5.7**
Life Insurance		
Prudential	1,621	3.4
Phoenix Group	983	2.1
	2,604	**5.5**
Industrial Engineering		
Bodycote	1,160	2.4
Weir Group	1,030	2.2
	2,190	**4.6**

Portfolio

Investments continued

	Market value £'000	% of investments
Household Goods & Home Construction		
Reckitt Benckiser	1,219	2.5
Taylor Wimpey	728	1.5
	1,947	**4.0**
Non-life Insurance		
Hiscox	1,170	2.5
Admiral Group	484	1.0
	1,654	**3.5**
Travel & Leisure		
Whitbread	893	1.9
Carnival	678	1.4
Patisserie Holdings*	72	0.1
	1,643	**3.4**
Food & Drug Retailers		
Tesco	1,495	3.1
	1,495	**3.1**
Gas, Water & Multiutilities		
United Utilities Group	1,376	2.9
	1,376	**2.9**
Mining		
BHP	1,221	2.6
	1,221	**2.6**
General Retailers		
Inchcape	882	1.8
	882	**1.8**
Forestry & Paper		
Mondi	718	1.5
	718	**1.5**
Personal Goods		
Superdry	631	1.3
	631	**1.3**
Electronic & Electrical Equipment		
Oxford Instruments	485	1.0
	485	**1.0**
Chemicals		
Elementis	448	0.9
	448	**0.9**
Software & Computer Services		
Accesso Technology	281	0.6
	281	**0.6**

	Market value £'000	% of investments
Construction & Materials		
Forterra	270	0.6
	270	**0.6**
Total investments	**47,830**	**100.0**

* Suspended investment held at fair value (please see note 15 for further information).

All investments are in ordinary shares unless otherwise stated.

The total number of holdings as at 31 October 2018 was 42 (31 October 2017: 46).

As at 31 October 2018 the Company did not hold any equity interests representing more than 3% of any company's share capital.

Governance

Governance structure and directors' biographies

Responsibility for good governance lies with the Board. The governance framework of the Company reflects that as an investment company the Company has no employees, the Directors are all non-executive and the investment management and administration functions are outsourced to the Manager and other external service providers.

The Board

Four non-executive Directors (NEDs), all independent of the Manager
Chairman: Jonathan Cartwright (since September 2010)
5 scheduled meetings per annum
Objectives:

- To determine and review the investment policy, guidelines, strategy and parameters;
- To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded; and
- To challenge constructively and scrutinise performance of all outsourced activities.

Committees

Audit
2 scheduled meetings per annum
Chairman: Nicholas Gold (since April 2009)
Membership: All NEDs
Key objectives:

- To oversee financial reporting;
- To consider the adequacy of the control environment and risk;
- To review and form an opinion on the effectiveness of the external audit process; and
- To review the provisions relating to whistleblowing and fraud.

Management Engagement
1 scheduled meeting per annum
Chairman: Jonathan Cartwright
Membership: All NEDs
Key objectives:

- To review the performance of the Manager and Investment Manager;
- To ensure that the provisions of the management agreement remain competitive and in the best interests of shareholders;
- To consider whether the continuing appointment of the Manager is in the best interests of shareholders as a whole; and
- To review third party service providers.

Nomination
1 scheduled meeting per annum
Chairman: Jonathan Cartwright
Membership: All NEDs
Key objectives:

- To review the Board's structure, size, composition and effectiveness;
- To be responsible for Board succession planning; and
- To make recommendations to the Board for any new appointments.

Directors

Jonathan Cartwright
Chairman,
Appointed September 2010

joined Caledonia Investments plc, one of the UK's largest investment trusts in 1989 and retired as its finance director in 2009. Prior to joining Caledonia, he had been a group financial controller at Hanson plc. Mr Cartwright qualified as a chartered accountant with KPMG. He is currently the chairman of Aberforth Split Level Income Trust plc and a non-executive director of the Income & Growth VCT plc and Tennants Consolidated Limited.

Attendance record:
Board: 5/5
Audit Committee: 2/2
Management and Engagement Committee: 1/1
Nomination Committee: 1/1

Nicholas Gold
Audit Committee Chairman,
Appointed 17 December 2008

is an experienced investment banker with over 36 years' advisory experience across a wide range of industries and jurisdictions. He retired as the managing director responsible for closed end fund corporate finance at ING Bank N.V. in 2008. Mr Gold is a chartered accountant and a solicitor. He was formerly a member of the Royal Academy of Dramatic Art Council and chairman of its commercial arm, RADA Enterprises. He is a special adviser to Pottinger Co Pty Limited.

Attendance record:
Board: 5/5
Audit Committee: 2/2
Management and Engagement Committee: 1/1
Nomination Committee: 1/1

George Luckraft
Senior Independent Director
Appointed February 2003

joined AXA Investment Managers in 2002 and is the lead fund manager for the AXA Framlington Managed Income and AXA Framlington Monthly Income funds. Previously he worked for Carrington Pembroke (subsequently ABN AMRO and now Artemis Unit Trust Managers) where he was Head of UK Equities. Mr Luckraft graduated from Cambridge with a degree in Engineering and Land Economy in 1980.

Attendance record:
Board: 5/5
Audit Committee: 2/2
Management and Engagement Committee: 1/1
Nomination Committee: 1/1

Charles Worsley
Appointed April 2010

has over 25 years' experience in property management and has been a shareholder of the Company since its launch. Mr Worsley has formerly been a director of retail and media companies.

Attendance record:
Board: 5/5
Audit Committee: 2/2
Management and Engagement Committee: 1/1
Nomination Committee: 1/1

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Governance

Directors' report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 October 2018.

STATUS OF COMPANY

The Company carries on business as an investment trust. It has been approved by HM Revenue & Customs as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company, incorporated in England and Wales with company number 4223927, is domiciled in the UK as an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company and has no employees.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of the Alternative Investment Fund Managers Directive. The Company is governed by the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 (the Regulations) and is required to be authorised by the Financial Conduct Authority (FCA). It must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The AIFM must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the Company's website at blackrock.co.uk/brig, the AIFM Disclosures section on page 70 and in the notes to the financial statements on pages 57 to 63.

The Company's ordinary shares are eligible for inclusion in the stocks and shares component of a New Individual Savings Account (NISA).

THE COMMON REPORTING STANDARD

New tax legislation under the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. The Company will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders, excluding those whose shares are held in CREST, entered on to the share register will be sent a certification form for the purposes of collecting this information.

FACILITATING RETAIL INVESTMENTS

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

DIVIDENDS

Details of dividends paid and payable in respect of the year are set out in the Chairman's Statement on page 4.

INVESTMENT MANAGEMENT AND ADMINISTRATION

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014. The management contract is terminable by either party on six months' notice. BlackRock Investment Management (UK) Limited (BIM (UK)) acts as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. BFM receives a fee of 0.60% of the market capitalisation of the Company. Further details are provided in note 4 on page 53. The Board believes the current fee structure to be appropriate for an investment company in this sector.

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management which commenced on 1 November 2013. For 2018, the Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represented 0.025% per annum of its net assets (£52.4 million) as at 31 December 2017 and this contribution is matched by BIM (UK). In addition, a budget of a further £15,000 has been allocated for Company specific sales and marketing activity. For the year ended 31 October 2018, £49,000 (excluding VAT) has been incurred in respect of these initiatives. The purpose of the programme is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefits of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

Governance

Directors' report continued

BFM and BIM (UK) are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm. PNC Financial Services Group, Inc. has a significant economic interest in BlackRock, Inc. PNC Financial Services Group, Inc. is a U.S. public company.

APPOINTMENT OF THE MANAGER

The Board considers the arrangements for the provision of management, investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board believes that the continuing appointment of BFM (the Manager) as AIFM, and the delegation of investment management services to BIM (UK) (the Investment Manager), on the terms disclosed above, are in the interests of shareholders as a whole given their track record in managing the Company's equity portfolio.

DEPOSITARY AND CUSTODIAN

The Company is required under AIFMD to appoint an AIFMD compliant depositary. The Company appointed BNY Mellon Trust & Depositary (UK) Limited (BNYMTD) in this role with effect from 2 July 2014. However, with effect from 2 November 2017, the role of Depositary was transferred, by operation of a novation agreement, from BNYMTD to its parent Company, The Bank of New York Mellon (International) Limited (BNYM or the Depositary). The Depositary's duties and responsibilities are outlined in the investment fund legislation (as set out in the FCA AIF Rulebook). The main role of the Depositary under AIFM Directive is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring that the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. The Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depositary receives a fee payable at a rate of 0.0115% of the net assets of the Company. The Company has appointed the Depositary in a tripartite agreement, to which the Manager as AIFM is also a signatory. The Depositary is also liable for the loss of financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to The Bank of New York Mellon (International) Limited (BNYM or the Custodian) who also perform the Custodian function. BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

REGISTRAR

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration and shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act. Computershare receive a fixed fee, plus disbursements and VAT. The fixed fee applies for the three years commencing 1 July 2017. Fees in respect of corporate actions are negotiated on an arising basis.

CHANGE OF CONTROL

There are no agreements to which the Company is party that might be affected by a change of control of the Company.

EXERCISE OF VOTING RIGHTS IN INVESTEE COMPANIES

The exercise of voting rights attached to the Company's portfolio has been delegated by the Company to the Investment Manager via BFM. BIM (UK)'s approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BIM (UK) believes that sound corporate governance practices by companies contribute to their long term financial performance and thus to better risk-adjusted returns. BIM (UK)'s proxy voting process is led by its Corporate Governance and Responsible Investment team, located in six offices around the world. In addition to its own professional staff, the Corporate Governance and Responsible Investment team draws upon the expertise of BIM (UK)'s investment managers, researchers and other internal and external resources globally.

BIM (UK)'s global corporate governance and engagement principles are published on its website at: www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-1engprinciples-global-122011.pdf. The principles set out BIM (UK)'s views on the overarching features of corporate governance that apply in all markets. For each region, BIM (UK) also publish market-specific policies, which are updated every year to ensure that they remain relevant.

The voting guidelines are principles-based and not prescriptive because BIM (UK) believes that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BIM (UK) believe in their professional judgement will best protect the economic interests of the Company.

During the year under review, the Investment Manager voted on 997 proposals at 56 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 17 management resolutions and abstained from voting on 2 resolutions. The votes against were in respect of proposals which contained insufficient disclosure for the Investment Manager to make an informed decision, or in respect of executive remuneration packages which were considered to be poorly structured.

CONTINUATION OF THE COMPANY

The Company's Articles of Association provide for an ordinary resolution for the continuation of the Company as an investment trust to be proposed at every fifth Annual General Meeting (AGM). The next such resolution will be put to shareholders at the AGM in 2023.

PRINCIPAL RISKS

The key risks faced by the Company are set out in the Strategic Report on pages 6 to 12.

GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis. The forecast projections and actual performance are reviewed on a regular basis throughout the period and the Directors believe that this is the appropriate basis and the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. The Company is able to meet all of its liabilities from its assets and the ongoing charges are approximately 1.10% of the net assets.

The Company's longer term viability is considered in the Viability Statement on page 11.

DIRECTORS

The Directors of the Company as at 31 October 2018 and their biographies are set out on page 20. Details of Directors' interests in the ordinary shares of the Company are set out on page 28 in the Directors' Remuneration Report. All the Directors held office throughout the year under review.

The Board may appoint additional Directors to the Board but any Director so appointed must stand for election by the shareholders at the next AGM. Directors are also required to retire if they have served more than nine years on the Board, but then may offer themselves for annual re-election.

The Company's Articles of Association (the Articles) require that each Director submit himself for re-election at least every three years. However, in accordance with best practice and developing Corporate Governance, the Board has agreed that all Directors will retire and, being eligible, offer themselves for re-election at the forthcoming AGM. Further details of the independence of the Board and Board tenure is provided in the Corporate Governance Statement on pages 29 to 33.

Having considered the retiring Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 29, the Board believes that the performance of all Directors continues to be effective and that they bring extensive knowledge and commercial experience to the Board and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election.

There were no contracts subsisting during the year under review or up to the date of this report in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

CONFLICTS OF INTEREST

The Board has put in place a framework for Directors to report conflicts of interest, or potential conflicts of interest.

All Directors are required to notify the Company Secretary of any situations, or potential situations where they consider that they have or may have, a direct or indirect interest, or duty that conflicts, or possibly conflicts, with the interests of the Company. All such situations are reviewed by the Board and duly authorised. Directors are also made aware at each meeting that there remains a continuing obligation to notify the Company Secretary of any new situations that may arise, or any changes to situations previously notified. It is the Board's intention to continue to review all notified situations on a regular basis.

The Board considers that the framework has functioned effectively throughout the year.

DIRECTORS' REMUNERATION REPORT AND POLICY

The Directors' Remuneration Report is set out on pages 26 to 28. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's AGM. The Company is also required to put the Director's Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the AGM in 2017, therefore, an ordinary resolution to approve the policy will next be put to shareholders at the AGM in 2020. Further details are given on pages 26 to 28.

DIRECTORS' RESPONSIBILITIES

The Directors' responsibilities in preparing these financial statements are noted on page 38.

SUBSTANTIAL SHARE INTERESTS

As at 31 October 2018 the Company had received notification in accordance with the FCA's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital.

	Number of ordinary shares	% of issued share capital
J.M Finn Nominees on behalf of Mrs J.J. Worsley	1,900,000	7.9
J.M Finn Nominees Private Clients	1,741,677	7.2
Rathbone Nominees	1,628,245	6.7
Brewin Dolphin	1,503,821	6.3
J.M Finn Nominees on behalf of Mrs J.E Worsley	1,500,000	6.2
J.M Finn Nominees on behalf of the Worsley Family	1,270,964	5.3
Rock Nominees	1,201,477	5.0
Investec Wealth & Investment	993,682	4.1

Governance

Directors' report continued

As at 20 December 2018, the Company had not received notification of any changes to these interests.

No other shareholder had notified an interest of 3% or more in the Company's shares up to 20 December 2018.

SHARE CAPITAL

Details of the Company's issued share capital are given in note 13 to the Financial Statements on page 57. Details of the voting rights are given in note 15 to the Notice of AGM on page 75. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights or transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

SHARE REPURCHASES

The Company has the authority to purchase ordinary shares in the market, to be held in treasury or for cancellation. The latest authority to repurchase ordinary shares was granted to Directors on 7 March 2018 and expires at the conclusion of the 2019 AGM. The Directors are proposing that the authority to buy back shares be renewed at the forthcoming AGM.

During the year 554,600 ordinary shares with a nominal value of 1 pence per share, which represented 2.3% of the Company's ordinary shares in issue at the start of the year (excluding shares held in treasury), were bought back for cancellation in the year under review for a total consideration of £1,117,000 (including costs). Since the year end and up to 19 December 2018, a further 13,445 ordinary shares have been bought back for a total consideration of £24,000. Shares will only be bought back at a discount to Net Asset Value.

The main objective of any buy back is to enhance the NAV per share of the remaining shares and to reduce the absolute level and volatility of any discount to NAV at which shares may trade. Although the Manager initiates the buy backs, the policy and parameters are set by the Board and are reviewed at regular intervals. The Company intends to raise the funds needed to finance the purchase of shares either by selling securities in the Company's portfolio or by short term borrowing.

SHARE ISSUES

No ordinary shares were issued or sold out of treasury during the year. The existing authority to issue new ordinary shares or sell shares from treasury was granted on 7 March 2018 and will expire at the conclusion of the forthcoming AGM. A resolution to renew this authority to issue shares or sell shares out of treasury in respect of 33% of the Company's share capital will be put to shareholders at the forthcoming AGM.

TREASURY SHARES

As described above, the Company is authorised to purchase its own ordinary shares to be held in treasury for reissue, or cancellation at a future date.

Treasury shares will only be reissued at prices at or above the estimated NAV per share thereby giving the Company the ability to reissue shares quickly and cost effectively, improving liquidity and providing the Company with additional flexibility in the management of its capital base. It also ensures a positive overall effect for continuing shareholders when shares are bought back at a discount and then sold at a price at or above the NAV per share.

The Board has not determined a limit for the number of shares that can be held in treasury for reissue at any one time. As at 31 October 2018, 8,874,264 ordinary shares were held in treasury, representing 26.9% of the Company's issued share capital.

GLOBAL GREENHOUSE GAS EMISSIONS

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

ARTICLES OF ASSOCIATION

Any amendments to the Company's Articles of Association must be made by special resolution.

ANNUAL GENERAL MEETING

The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company you should pass this document, together with any other accompanying documents (but not the personalised Forms of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM.

Resolution 10 Authority to allot shares

The Directors seek to renew the authority for the Directors to allot ordinary shares, for cash up to an aggregate nominal amount of £79,352.53 per annum which is equivalent to 7,935,253 ordinary shares of 1p each and represents 33% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of the AGM.

Resolution 11 Authority to disapply pre-exemption rights

Resolution 11 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £79,352.53 which is equivalent to 7,935,253 ordinary shares of 1p each and represents 33% of the Company's issued ordinary share capital, excluding treasury shares, as at the date of the Notice of the AGM. The special resolution to be proposed will enable the Directors, at their discretion, to allot a limited number of equity securities for cash and will also provide the Directors with greater flexibility should appropriate business opportunities arise.

Resolution 12 Authority to buy back shares

The special resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. Purchases of shares will only be made through the market for cash at prices below the estimated NAV per share at the time of the transaction.

Under the Listing Rules of the Financial Conduct Authority, the maximum price which can be paid is the higher of (i) an amount equal to 5% above the average of the market values of the ordinary shares for the five business days immediately preceding the date on which the purchase is made; and (ii) the higher of the price quoted for (a) the last independent trade of, and (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out.

The Directors are seeking authority to purchase up to 3,604,528 ordinary shares, being approximately 14.99% of the issued share capital, excluding treasury shares, as at the date of the Notice of the AGM.

Recommendation

Your Board considers that the resolutions to be proposed at the AGM are likely to promote the success of the Company for the benefit of its shareholders as a whole and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of each resolution as they intend to do in respect of their own beneficial holdings.

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement on pages 29 to 33. The Corporate Governance Statement forms part of this Directors' Report.

FUTURE PROSPECTS

The Board's main focus is the achievement of income and capital growth. The future performance of the Company is dependent upon the success of the investment strategy.

LISTING RULE DISCLOSURES

The disclosures in accordance with Listing Rule 9.8.4R can be found on page 71.

AUDIT INFORMATION

As required by section 418 of the Companies Act 2006 the Directors who held office at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

The Auditor, Deloitte LLP, is willing to continue in office. Resolutions proposing the reappointment of Deloitte LLP and authorising the Audit Committee to determine its remuneration for the ensuing year will be proposed at the AGM.

The Directors' Report was approved by the Board at its meeting on 20 December 2018.

BY ORDER OF THE BOARD

KEVIN MAYGER
FOR AND ON BEHALF OF
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
20 December 2018

Governance

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 31 October 2018 which has been prepared in accordance with sections 420-422 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 39 to 45.

STATEMENT BY THE CHAIRMAN

The Board's policy on remuneration is set out below. Levels of Directors' fees should be sufficient to attract, retain and motivate individuals with suitable knowledge and experience to promote the long term success of the Company whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in the Directors' remuneration is set out below.

Following a review of the level of Directors' remuneration it was agreed that there would be no change to the current levels of remuneration. The Directors' remuneration is set out in the policy table on the following page. Prior to this change Directors' remuneration was last increased on 1 November 2017.

REMUNERATION COMMITTEE

The Board as a whole fulfils the function of the Remuneration Committee, and considers any changes in the Directors' remuneration policy. A separate Committee has not therefore been established.

REMUNERATION AND SERVICE CONTRACTS

In setting the Directors' fees, a number of factors are considered, including:

- the average rate of inflation during the period since the last increase;
- the level of Directors' remuneration for other investment trusts of a similar size;
- the time commitment of the role; and
- the level and complexity of the Directors' responsibilities.

In determining the level of Directors' remuneration the Company Secretary provides a comparison of fees with other investment trusts of a similar size and/or mandate as well as taking account of any data published by the Association of Investment Companies. This comparison, together with consideration of any alteration in the Directors' responsibilities, is used to review whether any change in remuneration is necessary.

None of the Directors is entitled to receive from the Company:

- performance related remuneration;
- any benefits in kind except reasonable travel expenses in the course of travel to attend meetings and duties undertaken on behalf of the Company;
- share options;
- rewards through a long term incentive scheme;
- a pension or other retirement benefit; and
- compensation for loss of office.

The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting Directors' fees.

The maximum remuneration of the Directors is determined within the limits of the Company's Articles of Association and currently amounts in aggregate, annually, to £150,000.

All of the Directors are non-executive. None of the Directors has a service contract with the Company and the terms of their appointment are detailed in a letter of appointment. New directors are appointed for an initial term of three years and it is expected that they will serve two further three year terms. The continuation of an appointment is contingent on satisfactory performance evaluation and re-election at AGMs. A director may resign by notice in writing to the Board at any time, there is no notice period.

The letters of appointment are available for inspection at the registered office of the Company.

CONSIDERATION OF SHAREHOLDERS' VIEWS

An ordinary resolution to approve the remuneration report is put to shareholders at each AGM. The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Shareholders have the opportunity to express their views and ask questions in respect of the remuneration policy at the AGM. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company's AGM, the reasons for any such vote will be sought and appropriate action taken. Should there be a significant number of votes against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval for its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy was approved by shareholders at the AGM held on 8 March 2017. It is the intention of the Board that the policy on remuneration will continue to apply for the next two financial years to 31 October 2020.

At the Company's 2018 AGM, 99.76% of votes cast were in favour of the resolution to approve the Directors' remuneration report in respect of the year ended 31 October 2017.

An ordinary resolution for the approval of the Company's remuneration policy was last put to, and passed by, shareholders at the AGM held on 8 March 2017. The previous policy approved by shareholders can be viewed in the Annual Report and Financial Statements for the year ended 31 October 2014.

POLICY TABLE

Purpose and link to strategy		Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the level of complexity of responsibilities borne by the Directors.
Description		Current levels of fixed annual fee Chairman – £28,750 Audit Committee Chairman – £23,250 Directors – £19,750 All reasonable expenses to be reimbursed.
Maximum levels		Remuneration consists of a fixed fee each year, set in accordance with the stated policies and any increase granted must be in line with the stated policies. The Company's Articles of Association set a limit of £150,000 in respect of the total remuneration that may be paid to Directors in any financial year. In addition, the Directors propose a limit of £10,000 in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Operation	Fixed fee element	The Board reviews the quantum of Directors' fees each year to ensure that this is in line with the level of Directors' fees for other investment trusts of a similar type. When making recommendations for any changes in fees, the Board will consider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). Directors are not eligible to be compensated for loss of office, nor are they eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors do not have service contracts, but are appointed under letters of appointment.
Operation	Discretionary Payments	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such extra work undertaken is subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director. Any discretionary fees paid will be disclosed in the Directors' remuneration report within the Annual Report.
Operation	Taxable benefits	Taxable benefits comprise travel expenses and subsistence incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred.

REMUNERATION IMPLEMENTATION REPORT

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 October 2018 and 2017. The information in the table below has been audited.

	31 October 2018			31 October 2017		
Directors	Base Salary £	Taxable Benefits[6] £	Total £	Base Salary £	Taxable Benefits[6] £	Total £
Jonathan Cartwright[1] (Chairman)	28,750	–	28,750	28,000	–	28,000
Nicholas Gold	23,250	–	23,250	22,500	–	22,500
George Luckraft[3, 5]	19,750	–	19,750	19,000	–	19,000
Charles Worsley[4]	19,750	–	19,750	19,000	–	19,000
Total	91,500	–	91,500	88,500	–	88,500

1 Appointed 7 September 2010.
2 Appointed Chairman of the Audit Committee on 20 April 2009 and as a Director on 17 December 2008.
3 Appointed as a Director on 1 February 2003.
4 Appointed as a Director on 19 April 2010.
5 Fee paid to AXA Investment Managers Limited for the provision of the services of Mr Luckraft to the Company as a non-executive Director, excluding VAT.
6 Taxable benefits relate to travel and subsistence costs.
No discretionary payments were made in the year to 31 October 2018 (2017: Nil).

Governance

Directors' remuneration report continued

In accordance with the terms of a consultancy agreement with AXA Investment Managers Limited (AXA) in respect of the provision of the services of Mr Luckraft as a Director, Mr Luckraft does not receive any benefit from his Director's fee which is paid to AXA.

The information in the table on page 27 and the accompanying narrative has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 October 2018, fees of £7,000 (2017: £7,000) were outstanding to Directors in respect of their annual fees.

RELATIVE IMPORTANCE OF SPEND ON DIRECTORS' REMUNERATION

As the Company has no employees, the table above also comprises the total remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on remuneration, this has been shown in the table below compared with the Company's total revenue, share buy backs and dividend distributions.

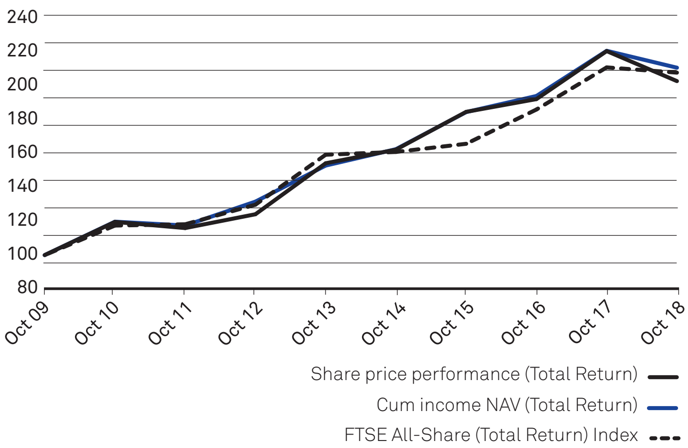
	2018 £'000	2017 £'000	Change £'000
Directors' total remuneration	92	89	+3
Dividends paid and payable	1,664	1,623	+41
Return on ordinary activities after taxation (capital and income)	(2,220)	6,474	-8,694
Buy back of ordinary shares	1,117	1,488	–371

No payments were made in the period to any past Directors (2017: £nil).

PERFORMANCE

The following graph compares the Company's NAV and share price total returns to ordinary shareholders compared with the total return of the FTSE All-Share Index, the Company's benchmark index, over the ten years to 31 October 2018.

PERFORMANCE FROM 1 NOVEMBER 2009 TO 31 OCTOBER 2018



Sources: BlackRock and DataStream.
Share price, cum income NAV and FTSE All-Share Index (all on a Total Return basis) at 1 November 2009, rebased to 100.
Performance figures are calculated in sterling terms, with dividends reinvested.

SHAREHOLDINGS

The Board has not adopted a policy that Directors are required to own shares in the Company.

The interests of the Directors, and those connected to them, in the ordinary shares of the Company are set out in the table below. The Company does not have a share option scheme, therefore none of the Directors has any interest in share options.

	31 October 2018	31 October 2017
J H Cartwright	20,000	20,000
N R Gold	20,000	20,000
G M Luckraft	–	–
C R Worsley	987,539[1]	987,539[1]

1 Including a non-beneficial interest in 655,500 ordinary shares.

All of the holdings of the Directors and their families are beneficial, except as stated. No changes to these holdings had been notified up to the date of this report.

The information on the interests of the Directors above has been audited.

RETIREMENT OF DIRECTORS

Further details are given in the Directors' Report on page 21.

ON BEHALF OF THE BOARD

JONATHAN CARTWRIGHT
Chairman
20 December 2018

Governance

Corporate governance statement

CHAIRMAN'S INTRODUCTION

Corporate Governance is the process by which the Board seeks to look after shareholders' interests and protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for monitoring material risks. We seek to ensure that the Company is managed in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means having effective oversight of the Company's business and engaging effectively with investors. We consider the practice of good governance to be an integral part of the business and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

COMPLIANCE

Listed companies are required to disclose how they have applied the main principles of the UK Corporate Governance Code, as issued by the Financial Reporting Council (FRC).

The Board has considered the principles and recommendations of the 2016 AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function, as explained on page 35.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The AIC Code is available from the Association of Investment Companies (theaic.co.uk). The UK Code is available from the Financial Reporting Council website (frc.org.uk).

PERFORMANCE EVALUATION

A formal process to evaluate thoroughly the performance of the Board, its Committees and the individual Directors on an annual basis has been established. The evaluations for the year ended 31 October 2018 have been carried out and took the form of written questionnaires and, where appropriate, interviews. In addition, the Chairman reviewed with each Director their individual performance, contribution and commitment. The appraisal of the Chairman followed the same format and was led by the Senior Independent Director, Mr Luckraft. The results of these evaluations were presented to and discussed by the Board. It was agreed that the current composition of the Board reflected a suitable mix of skills and experience, and that the Board, as a whole, and its Committees continue to function effectively. No material weaknesses were identified.

BOARD COMPOSITION

The Board currently consists of four non-executive Directors, all of whom are independent of the Company's Manager.

The Directors' biographies on page 20 demonstrate a broad range of investment, professional, commercial and financial skills which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 20.

The composition of the Board is kept under review and further details of the role of the Nomination Committee in this process is provided on page 31.

Diversity

The Board recognises that diversity is important in bringing an appropriate range of skills and experience to the Board and diversity, including gender, will be taken into account during the recruitment and appointment process. However, the Board is committed to appointing individuals on merit, regardless of gender or other forms of diversity, therefore no targets have been set against which to report.

Board independence and tenure

The Board's independence, including that of the Chairman, has been considered and all of the Directors are deemed to be independent in character and have no relationships or circumstances which are likely to affect their judgement.

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure reduces his or her ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board and, as such, no limit on the overall length of service

Governance

Corporate governance statement continued

of any of the Company's Directors has been imposed, although the Board believes in the merits of periodic and progressive refreshment of its composition.

It is considered that Mr Luckraft and Mr Gold, who have both served as Directors for over nine years, continue to be independent in both character and judgement. The Board has also considered the independence of Mr Worsley, and has determined that he continues to act in the best interests of shareholders generally and remains independent notwithstanding he has close family ties with a significant shareholder of the Company.

Directors' appointment, retirement and rotation

The provisions relating to the appointment of Directors are set out in the Company's Articles and further details are provided on page 23 of the Directors' Report.

The Board has considered the position of each of the Directors as part of the annual evaluation process and believes it would be in the Company's best interests for all of the Directors retiring to be proposed for re-election at the forthcoming AGM, given their level of contribution and commitment to the Company. The Directors support a planned and progressive renewing of the Board. The Board's tenure and succession policy seeks to ensure that there is an appropriate balance of skills, knowledge, independence, experience and diversity on the Board. This is achieved through the regular evaluation of both the composition and performance of the Board and, where required, the appointment of new Directors who possess appropriate skills and experience and who are able to commit the necessary time to effectively carry out their duties. Additionally, the Board is mindful of the revised UK Corporate Governance Code, applicable for accounting period beginning on or after 1 January 2019. Further information in respect of Directors tenure can be found below and in the Directors' Report on page 23.

Directors' training and induction

When a new Director is appointed to the Board, he or she will participate in an induction programme and time will be spent with representatives of the Manager. The Director will also be provided with all relevant information regarding the Company including its strategy, policies, operations, and details of third party service providers.

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the Auditor and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

DIRECTORS' LIABILITY INSURANCE

The Company has maintained appropriate Directors' Liability Insurance cover throughout the year.

BOARD'S RESPONSIBILITIES

The Board's responsibilities are set out on page 20 along with information on the frequency of meetings. The Board may have additional ad hoc meetings to consider particular issues as they arise. Between meetings there is regular contact with the Investment Manager. A formal schedule of matters specifically reserved for decision by the Board has been adopted. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Strategic issues and all operational matters of a material nature are determined by the Board. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the Directors may seek independent professional advice at the expense of the Company.

DELEGATION OF RESPONSIBILITIES

The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been delegated to BlackRock Fund Managers Limited (BFM) as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK)), the Investment Manager. The contractual arrangements with, and assessment of, the Manager are summarised on pages 21 and 22.

The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The agreement with the previous Depositary, BNY Mellon Trustee & Depositary (UK) Limited, was transferred via a Deed of Novation dated 1 November 2017. The address at which this business is conducted is given on page 69.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Manager who has in turn delegated this to the Investment Manager. Details of the Investment Manager's voting policy are set out on page 22.

Much of the Board's corporate governance responsibility is discharged through the Audit, the Management Engagement and the Nomination Committees. These Committees all operate within clearly defined written terms of reference which are available upon request at the Company's registered office. More detail is given over the page in respect of the individual Committees.

Audit Committee

The Report of the Audit Committee, chaired by Nicholas Gold, is contained on pages 34 to 37.

Management Engagement Committee

The Management Engagement Committee, chaired by Jonathan Cartwright, comprises the full Board. The Committee annually reviews the appropriateness of the Manager's continued appointment, together with the terms and conditions thereof.

In addition to reviewing performance, the Manager is also assessed in relation to the quality of the fund management and administration teams, commitment to their investment trust business, strength of relationships with shareholders and the appropriateness of the management contract, including fees.

Remuneration Committee

As stated in the Directors' Remuneration Report on page 26, the full Board determines the level of Directors' fees and accordingly there is no separate Remuneration Committee.

Nomination Committee

The Nomination Committee, chaired by Jonathan Cartwright, comprises the full Board. The Committee meets at least annually to review the structure, size and composition of the Board and its balance of skills, experience, independence, knowledge and diversity. Consideration will also be given to succession planning for directors, including the Chairman, taking into account the challenges and opportunities facing the Company and the skills and expertise needed for the future. From this evaluation the Committee will consider the appointment of additional Directors. A description of the role would be prepared setting out the capabilities required. The Committee would also take into account the need to have a balance of skills, experience, knowledge, independence and all aspects of diversity, including gender. Any appointments to the Board will be based on merit.

The method of selection, recruitment and appointment will also be agreed by the Committee and the services of external search consultants may be used to identify potential candidates.

Details of the number of scheduled Board and Committee meetings attended by each Director are provided on page 20.

INTERNAL CONTROLS

The Board is responsible for:

- the Company's systems of internal controls and for reviewing their effectiveness;
- ensuring that financial information, published or used within the business, is reliable; and
- regularly monitoring compliance with regulations governing the operation of investment trusts.

These responsibilities are addressed through the Company's risk register, which sets out the risks relevant to the Company and describes the controls that the Board, the AIFM, the Investment Manager and other third party service providers have in place to mitigate these risks. The Board has delegated the review of this register to the Audit Committee, who review the effectiveness of these internal control systems on an ongoing basis to identify, evaluate and manage the Company's significant risks.

As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses. Should a significant issue be identified, procedures exist to ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Company. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the AIFM's corporate audit department. This accords with the Financial Reporting Council's Guidance on Risk Management and Internal Control.

The Company's risk register sets out the risks relevant to the Company and describes the controls that the Board has in place as well as the internal controls that are in place at the AIFM, the Investment Manager and other third party service providers to mitigate these risks. The Audit Committee formally reviews this register on a semi-annual basis and the Manager will report on any significant issues that have been identified in the period relevant to the risk register.

In addition, BlackRock's internal audit department regularly reports to the Audit Committee on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the custodian, the fund accountant and the AIFM and reports formally to the Audit Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent that this is required.

The Audit Committee also receives regular Service Organisation Control (SOC 1) Reports respectively from BlackRock and The Bank of New York Mellon on the internal controls of their respective operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Manager and the Depositary.

Governance

Corporate governance statement continued

The Board receives revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting. These reports form part of the documentation used by the Board to determine the appropriateness of adopting the going concern basis for the production of the Company's Annual Report and Financial Statements. Conclusions on the Company's longer term viability and going concern are set out on pages 11 and 23 respectively.

The Company does not have its own internal audit function, as explained in the Report of the Audit Committee on page 35.

FINANCIAL REPORTING

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 38, the Independent Auditor's Report on pages 39 to 45 and the statement of going concern on page 23.

SOCIALLY RESPONSIBLE INVESTMENT

Investment trusts do not usually employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Company invests principally in UK listed equities concentrating on FTSE 100 and FTSE 250 companies. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. BlackRock's evaluation procedures and financial analysis of the companies within the portfolio includes research and appraisal, and also takes into account environmental policies and other business issues.

The Company invests primarily on financial grounds to meet its stated objectives. The Investment Manager's policies on Socially Responsible Investment and Corporate Governance are detailed on the website at blackrock.com/corporate/en-gb/about-us/responsible-investment/responsible-investment-reports. The Investment Manager is supportive of the UK Stewardship Code, which is voluntary and operates on a "comply or explain basis".

CRIMINAL FINANCES ACT

The Criminal Finances Act 2017 came into force on 25 May 2018 and introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in a transparent and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion.

BRIBERY PREVENTION POLICY

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero tolerance policy towards bribery and has a commitment to carry out business fairly, honestly and openly. The Board takes seriously its responsibility for the Manager, on its behalf, to prevent bribery and BlackRock has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation ("GDPR") on 25 May 2018. The Board has sought and received assurances from its third party service providers that they have taken appropriate steps to ensure compliance with the new regulation. The Company's 'Data Privacy Policy' can be found on the Company's website at www.blackrock.co.uk/brig.

COMMUNICATION WITH SHAREHOLDERS

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of AGM, which is sent out at least 20 working days in advance of the meeting, sets out the business of the Meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 24 and 25. Separate resolutions are proposed for substantive issues.

Regular updates on performance are available to shareholders on the website. The Investment Manager will review the Company's portfolio and performance at the AGM, when the Chairman of the Board and the Chairman of the Audit Committee and representatives of the Investment Manager will be available to answer shareholders' queries. Proxy voting figures will be announced to shareholders at the AGM and will be available on the BlackRock website at blackrock.co.uk/brig shortly after the meeting. In accordance with provision E.2.2 of the UK Code of Corporate Governance, when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result.

The Board is keen to understand the views of major shareholders and is available to meet shareholders with, or without, representatives of the Manager or Investment Manager being present. There is also a programme of presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and also receives reports from its corporate broker.

There is also a clear channel of communication between the Board and the Company's shareholders via the Company Secretary. The Company Secretary has no express authority to respond to enquiries addressed to the Board and all communication, other than junk mail, is redirected to the Chairman.

The Company's financial statements, regular factsheets and other information are also published on the BlackRock website at blackrock.co.uk/brig. The work undertaken by the Auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

There is also a section within this report entitled "Additional Information – Shareholder Information", on pages 66 to 69, which provides an overview of useful information available to shareholders.

DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 21 to 25 because it is information which refers to events that have taken place during the course of the year.

FOR AND ON BEHALF OF THE BOARD

JONATHAN CARTWRIGHT
Chairman
20 December 2018

Governance

Report of the Audit Committee

As Chairman of the Company's Audit Committee (the Committee), I am pleased to present the Committee's formal report to shareholders for the year ended 31 October 2018.

COMPOSITION

All of the Directors are members of the Committee including the Chairman of the Company which enables him to be kept fully informed of any issues that might arise. The Directors' biographies are provided on page 20. The Board considers that at least one member of the Committee has competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates and is able to discharge its responsibilities effectively.

ROLE AND RESPONSIBILITIES

The Company has established a separately chaired Audit Committee ("the Committee"). The Committee meets at least twice a year prior to the Board meetings to approve the half yearly and annual results and to review and consider the effectiveness of the internal control and risk management processes of the Company's third party service providers. The Committee also considers whether it is necessary to hold additional meetings during the year and will do so where required.

The Committee operates within written terms of reference which are available at blackrock.co.uk/brig. The Committee's principal duties, as set out in the terms of reference, fall into six main categories, as set out below. In accordance with these duties the principal activities of the Committee during the year included:

Internal Controls, Financial Reporting and Risk Management Systems

- monitoring and assessing the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems;
- reasonably satisfying itself that such systems meet relevant legal and regulatory requirements;
- monitoring the integrity of the financial statements including the half yearly and annual report and financial statements;
- reviewing the consistency of, and any changes to, accounting policies;
- reviewing the half yearly and annual report and financial statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders;
- reviewing semi-annual reports from the Manager on its activities as AIFM; and
- reviewing half yearly reports from the Depositary on its activities.

Internal Audit

- considering the need for an internal audit function, as set out on page 35.

EXTERNAL AUDIT

- making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting (AGM) in relation to the appointment, reappointment and removal of the Company's external Auditor;
- overseeing the relationship with the external Auditor;
- meeting with the Auditor and at least once without management being present;
- reviewing and approving the annual audit plan;
- reviewing the findings of the audit with the external Auditor, including any major issues which arose during the audit; any accounting and audit judgements and the level of errors identified during the audit; and
- reviewing any representation letters requested by the external Auditor before signature by the Board.

Reporting responsibilities

- reporting to the Board on its proceedings and how it has discharged its responsibilities making whatever recommendations it deems appropriate on any area within its remit;
- where requested by the Board, providing an opinion on whether, taken as a whole, the Annual Report and Financial Statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy; and
- compiling a report on its activities to be included in the annual report and financial statements.

Whistleblowing and fraud

- reviewing the adequacy and security of the Manager's arrangements for its employees and contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters insofar as they affect the Company.

Significant issues	How the issue was addressed
The accuracy of the valuation of the investment portfolio	Listed investments are valued using stock exchange prices from third party vendors. The Board and the Committee reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct.
The risk of misappropriation of assets and unsecured ownership of investments	The Depositary is responsible for financial restitution for the loss of financial investments held in custody. The Board and the Committee reviews reports from its service providers on key controls over the assets of the Company. Any significant issues are reported by the Manager to the Board and the Committee. The AIFM has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.	The Board and the Committee reviews income forecasts, including special dividends and receives explanations from the Investment Manager for any variations or significant movements from previous forecasts and prior year figures.

INTERNAL AUDIT

The Company does not have its own internal audit function, as all the administration is delegated to the Manager. The Board considers that it is sufficient to rely on the internal audit department of BlackRock. The requirement for an internal audit function is kept under review.

WHISTLEBLOWING POLICY

The Committee has reviewed and accepted the whistleblowing policy that has been put in place by the Manager under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, insofar as they affect the Company.

SIGNIFICANT ISSUES CONSIDERED REGARDING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table above sets out the key areas of risk identified by the Committee and also explains how these were addressed by the Committee.

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Company's Investment Manager, which sub-delegates fund accounting to The Bank of New York Mellon (International) Limited, and the provision of depositary services which is also contracted to The Bank of New York Mellon (International) Limited, the Committee has also reviewed the Service Organisation Control (SOC 1) reports prepared by BlackRock and The Bank of New York Mellon (International) Limited. This enables the Committee to ensure that the control procedures in place over the areas of risk identified in the table above are adequate and appropriate and have been designated as operating effectively by their reporting auditor.

AUDITOR AND AUDIT TENURE

The Company's Auditor, Deloitte LLP, has acted in this role since 2003. The appointment of the Auditor is reviewed each year and the audit partner changes at least every five years.

The current Audit partner is Mr Stephen Williams. Mr Williams has been the Audit partner since 1 November 2016.

The Committee is mindful of the EU regulations on mandatory auditor rotation which require the appointment of a new auditor every ten years, although this can be extended in certain circumstances. The Company will therefore be required to put its audit contract out to tender by no later than 2023. The EU legislation also prohibits certain non-audit consulting services and caps the amount of additional fees auditors can charge their clients.

The Company's policy on non-audit services is set out in full in the Committee's terms of reference which are available on the Company's website at blackrock.co.uk/brig. In the years to 31 October 2018 and 2017 the Auditor did not provide any non-audit services to the Company. There are no contractual obligations that restrict the Company's choice of auditor.

The Auditor has indicated its willingness to continue in office and resolutions proposing Deloitte LLP's reappointment and authorising the Committee to determine the firm's remuneration for the ensuing year will be proposed at the AGM.

ASSESSMENT OF THE EFFECTIVENESS OF THE EXTERNAL AUDIT PROCESS

The Committee has primary responsibility for assessing the effectiveness of the external audit process and for making recommendations to the Board on the appointment, reappointment or removal of the external auditor. It considers the planning, scope, quality of performance, cost effectiveness and independence of the external auditor. The Committee

Report of the Audit Committee continued

reviews and approves the external audit plan in advance of the audit and throughout the year, any non-audit services proposed to be performed by the external auditor. The external audit plan includes an analysis of the key audit risks and calculations of audit materiality, which the Committee considers in forming its assessment of key risks to the Company's financial statements.

Members of the Committee work closely with the Manager to obtain a good understanding of the progress and efficiency of the audit. The Committee has adopted a formal framework to review the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Board, the Manager and other third party service providers in an effective audit process;
- communication, by the Auditor, with the Committee; monitoring and reviewing the supply of any non-audit services, taking into account relevant ethical guidelines regarding the provision of such services;
- how the Auditor supports the work of the Committee;
- a review of the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant parties, including the audit partner and team.

The external Auditor is invited to attend the Committee meetings at which the half yearly and annual report and financial statements are considered and at which they have the opportunity to meet with the Committee without representatives of the Manager or Investment Manager being present. The effectiveness of the Committee and the Investment Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved; the quality and timeliness of papers analysing these judgements; the Committee and the Investment Manager's approach to the value of the independent audit; and the booking of any audit adjustments and the timely provision of draft public documents for review by the Auditor and the Committee.

To form a conclusion regarding the independence of the external Auditor, the Committee considers whether the skills and experience of the Auditor make it a suitable supplier of any non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of any such services. On an annual basis, Deloitte LLP reviews the independence of its relationship with the Company and reports to the Committee providing details of any other relationships with the Manager.

As part of this review, the Auditor will provide the Committee with information about policies and processes for maintaining independence and monitoring compliance with relevant requirements. This will include information on the rotation of audit staff and partners, the level of fees that the Company pays in proportion to the overall fee income of the firm, details of any relationships between the audit firm, its staff and the Company as well as an overall confirmation from the Auditor of its independence and objectivity. As a result of this review, the Committee has concluded, that Deloitte LLP is independent of the Company and the Manager.

CONCLUSIONS IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The production and the Audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion that the annual report and financial statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether these criteria are satisfied. In doing so, the Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements;
- the extensive levels of review that are undertaken in the production process by the Manager, the Fund Accountant and Depositary, and the Committee;
- the Manager and other third party service providers controls to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control reports to verify the effectiveness of the internal controls of BlackRock, and The Bank of New York Mellon (International) Limited, the Custodian, Depositary and Fund Accountant.

The Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable and provide shareholders with the information necessary to assess the Company's position, performance, business model and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements on page 38.

NICHOLAS GOLD
Chairman of the Audit Committee
20 December 2018

Governance

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and 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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland.

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 as at the end of each financial year and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules.

The Directors have delegated responsibility to the Manager for the maintenance and integrity of the Company's corporate and financial information included on the BlackRock website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on page 20, confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report contained in the Annual Report and Financial Statements 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.

The 2016 UK Corporate Governance Code requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfils these requirements. The process by which the Audit Committee has reached these conclusions is set out in the Audit Committee's report on pages 36 and 37. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 October 2018, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

FOR AND ON BEHALF OF THE BOARD
JONATHAN CARTWRIGHT
Chairman
20 December 2018

Financial statements

Independent Auditor's report to the members of BlackRock Income and Growth Investment Trust plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of BlackRock Income and Growth Investment Trust plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 October 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice issued by the Association of Investment Companies in November 2014 and updated in January 2017 "Financial Statements of Investment Trust Companies and Venture Capital Trusts"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Association of Investment Companies in November 2014 and updated in January 2017 "Financial Statements of Investment Trust Companies and Venture Capital Trusts".

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matters that we identified in the current year were: - valuation of investments; - ownership and existence of investments; and - allocation of special dividends. The key audit matters in this report are consistent with those reported in the prior year.
Materiality	The materiality that we used in the current year was £467k which was determined on the basis of 1% of net assets at 31 October 2018.
Scoping	Our audit was scoped by obtaining an understanding of the entity and its environment including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There were no significant changes in our approach from the prior year.

Financial statements

Independent Auditor's report to the members of BlackRock Income and Growth Investment Trust plc continued

CONCLUSIONS RELATING TO GOING CONCERN, PRINCIPAL RISKS AND VIABILITY STATEMENT

Going concern We have reviewed the Directors' statement in note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.	We confirm that we have nothing material to report, add or draw attention to in respect of these matters.
Principal risks and viability statement Based solely on reading the Directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the Directors' assessment of the Company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to: ▸ the disclosures on pages 8 to 10 that describe the principal risks and explain how they are being managed or mitigated; ▸ the Directors' confirmation on page 8 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; or ▸ the Directors' explanation on page 11 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. We are also required to report whether the Directors' statement relating to the prospects of the Company required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments	
Key audit matter description	The quoted investments held by the company are key to its performance and account for the majority of the total assets (93% at 31 October 2018). Please see note 10 to the Financial Statements. As the investments in the accounts are a key driver of the Company's performance and due to their significance to the net asset value, there is a risk that these investments might not be correctly valued. We have considered that there is a potential risk of fraud in this area due to the incentive for the Manager to manipulate the NAV to increase management fees. If the Company does well the Manager benefits with a higher income, which provides the incentive to manipulate the NAV balance. The description of the key audit matter above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 34.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter: ▸ reviewed the service auditor reports of the custodian and manager in order to ascertain whether the design and implementation of controls over the valuation of investments were appropriate; ▸ independently valued 100% of the investment portfolio to closing bid prices published by an independent pricing source; ▸ confirmed the liquidity of the holdings at year-end by comparing the holding size to the shares traded after the year end to determine if the valuation is reflective of quoted prices in an active market; ▸ reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and liquidity risk; and ▸ made enquiries of the manager and directors regarding their assessment of the portfolio pricing and liquidity.
Key observations	Based on the audit procedures performed, we concluded that the valuation of investments is appropriate.

Ownership and existence of investments	
Key audit matter description	The quoted investments held by the company are key to its performance and account for the majority of the total assets (93% at 31 October 2018). Please see note 10 to the Financial Statements. There is a risk that the investments disclosed in the Accounts may not exist and may not represent the property of the Company. The description of the key audit matter above should be read in conjunction with the significant issues considered by the Audit Committee as discussed on page 34.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter: ▸ reviewed the service auditor reports over the custodian and manager in order to ascertain whether the design and implementation of controls over the ownership and existence of investments were appropriate; and ▸ agreed 100% of the company's investment portfolio at the year end to confirmations received directly from the custodian and the depositary.
Key observations	Based on the audit procedures performed, we concluded that ownership and existence of investments is appropriate.

Financial statements

Independent Auditor's report to the members of BlackRock Income and Growth Investment Trust plc continued

Allocation of special dividends	
Key audit matter description	The allocation of special dividends between revenue and capital is judgemental as it has to be determined on a case-by-case basis considering the source of the dividend, the reasons a special dividend was declared and also considering the Company's reason for investing. It is a key audit matter because if the special dividends received by the Trust are material and are allocated incorrectly, it could affect the investment trust tax status of the Company. Given the degree of judgement involved, we also determined that there was a potential for fraud through possible manipulation of this balance. In the year £92k of special dividends were recognised in the capital account (2017: none). The description of the key audit matter above should be read in conjunction with the significant issues considered by the Audit Committee as discussed on page 34.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to address this key audit matter: ▸ enquired of the manager and custodian to obtain an understanding of the company's processes and controls surrounding the allocation of special dividends; ▸ traced a sample of dividends to bank statement and corporate action announcements; ▸ independently assessed the appropriateness of the treatment as capital or revenue, in light of the guidance in the Statement of Recommended Practices ("SORP") relating to investment trusts issued by the Association of Investment Companies ("AIC"); and ▸ obtained and reviewed third party evidence to support the allocation and source of the dividend.
Key observations	Based on the audit procedures performed, we concluded that the allocation of special dividends is appropriate.

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£467k (2017: £516k).
Basis for determining materiality	1% (2017: 1%) of net assets.
Rationale for the benchmark applied	Net assets has been chosen as a benchmark as it is considered the most relevant benchmark for investors and is the key driver of shareholder value.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £23k (2017: £10k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatements was performed directly by the audit engagement team.

As part of our risk assessment, we assessed the control environment in place at the administrator to the extent relevant to our audit.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that: ▸ *Fair, balanced and understandable* – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or ▸ *Audit committee reporting* – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or ▸ *Directors' statement of compliance with the UK Corporate Governance Code* – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.	We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Financial statements

Independent Auditor's report to the members of BlackRock Income and Growth Investment Trust plc continued

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, the administrator and the audit committee, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: allocation of special dividends as there is a potential risk that special dividends could be incorrectly allocated in order to inflate revenue profits to increase dividends, and valuation of investments as there is an incentive for the manager to manipulate the NAV to increase management fees. Given the judgement required in this area, we concluded that there is potential for manipulation in this balance; and
- obtaining an understanding of the legal and regulatory framework that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included Companies Act 2006 and UK Listing Rules, as well as the Company qualification as an Investment Trust under UK tax legislation.

Audit response to risks identified

As a result of performing the above, we identified the allocation of special dividends as the key audit matter where there is a potential fraud risk. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to those key audit matters.

Our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of explanations received and accounting records Under the Companies Act 2006 we are required to report to you if, in our opinion: ▸ we have not received all the information and explanations we require for our audit; or ▸ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or ▸ the financial statements are not in agreement with the accounting records and returns.	We have nothing to report in respect of these matters.
Directors' remuneration Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.	We have nothing to report in respect of these matters.

OTHER MATTERS

Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 1 August 2002 to audit the financial statements for the year ending 31 October 2002 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 17 years, covering the years ending 31 October 2002 to 31 October 2018.

Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

USE OF OUR REPORT

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

Stephen Williams ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 December 2018

Financial statements

Income statement for the year ended 31 October 2018

	Notes	Revenue 2018 £'000	Revenue 2017 £'000	Capital 2018 £'000	Capital 2017 £'000	Total 2018 £'000	Total 2017 £'000
(Losses)/gains on investments held at fair value through profit or loss	10	–	–	(3,682)	5,050	(3,682)	5,050
Losses on foreign exchange		–	–	(1)	–	(1)	–
Income from investments held at fair value through profit or loss	3	2,053	1,987	–	–	2,053	1,987
Other income	3	21	13	–	–	21	13
Total income		2,074	2,000	(3,683)	5,050	(1,609)	7,050
Expenses							
Investment management fees	4	(73)	(74)	(218)	(223)	(291)	(297)
Other operating expenses	5	(265)	(252)	(7)	(5)	(272)	(257)
Total operating expenses		(338)	(326)	(225)	(228)	(563)	(554)
Net profit/(loss) on ordinary activities before finance costs and taxation		1,736	1,674	(3,908)	4,822	(2,172)	6,496
Finance costs	6	(12)	(6)	(36)	(16)	(48)	(22)
Net profit/(loss) on ordinary activities before taxation		1,724	1,668	(3,944)	4,806	(2,220)	6,474
Taxation	7	–	–	–	–	–	–
Net profit/(loss) on ordinary activities after taxation	9	1,724	1,668	(3,944)	4,806	(2,220)	6,474
Earnings/(loss) per ordinary share (pence) – basic and diluted	9	7.09	6.63	(16.22)	19.09	(9.13)	25.72

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of the Company.

The net profit/(loss) for the year disclosed above represents the Company's total comprehensive (loss)/income.

The notes on pages 50 to 64 form part of these financial statements.

Financial statements

Statement of changes in equity for the year ended 31 October 2018

	Notes	Called up share capital	Share premium account	Capital redemption reserve	Capital reserve	Special reserve	Revenue reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the year ended 31 October 2018								
At 31 October 2017		329	14,819	220	13,907	19,784	2,621	51,680
Total comprehensive income:								
Net (loss)/profit for the year		–	–	–	(3,944)	–	1,724	(2,220)
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury	13	–	–	–	–	(1,109)	–	(1,109)
Share purchase costs	13	–	–	–	–	(8)	–	(8)
Dividends paid[a]	8	–	–	–	–	–	(1,605)	(1,605)
At 31 October 2018		329	14,819	220	9,963	18,667	2,740	46,738
For the year ended 31 October 2017								
At 31 October 2016		329	14,819	220	9,101	21,272	2,566	48,307
Total comprehensive income:								
Net profit for the year		–	–	–	4,806	–	1,668	6,474
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased into treasury	13	–	–	–	–	(1,480)	–	(1,480)
Share purchase costs	13	–	–	–	–	(8)	–	(8)
Dividends paid[b]	8	–	–	–	–	–	(1,613)	(1,613)
At 31 October 2017		329	14,819	220	13,907	19,784	2,621	51,680

(a) Interim dividend paid in respect of the six months ended 30 April 2018 of 2.50p per share was declared on 25 June 2018 and paid on 3 September 2018. Final dividend paid in respect of the year ended 31 October 2017 of 4.10p per share was declared on 20 December 2017 and paid on 9 March 2018.
(b) Interim dividend paid in respect of the six months ended 30 April 2017 of 2.50p per share was declared on 26 June 2017 and paid on 1 September 2017. Final dividend paid in respect of the year ended 31 October 2016 of 3.90p per share was declared on 21 December 2016 and paid on 10 March 2017.

The notes on pages 50 to 64 form part of these financial statements.

Financial statements

Balance sheet as at 31 October 2018

	Notes	2018	2017
		£'000	£'000
Fixed assets			
Investments held at fair value through profit or loss	10	47,830	53,177
Current assets			
Debtors	11	167	487
Cash and cash equivalents		3,442	1,192
		3,609	1,679
Creditors – amounts falling due within one year			
Bank loan	12	(4,000)	(2,000)
Other creditors	12	(701)	(1,176)
		(4,701)	(3,176)
Net current liabilities		(1,092)	(1,497)
Net assets		46,738	51,680
Capital and reserves			
Called up share capital	13	329	329
Share premium account	14	14,819	14,819
Capital redemption reserve	14	220	220
Capital reserve	14	9,963	13,907
Special reserve	14	18,667	19,784
Revenue reserve	14	2,740	2,621
Total shareholders' funds	9	46,738	51,680
Net asset value per ordinary share (pence)	9	194.26	209.96

The financial statements on pages 46 to 64 were approved and authorised for issue by the Board of Directors on 20 December 2018 and signed on its behalf by Mr J H Cartwright, Chairman.

BlackRock Income and Growth Investment Trust plc

Registered in England, No. 4223927

The notes on pages 50 to 64 form part of these financial statements.

Financial statements

Statement of cash flows for the year ended 31 October 2018

	Notes	2018 £'000	2017 £'000
Operating activities			
Net (loss)/profit before taxation		(2,220)	6,474
Add back finance costs		48	22
Losses/(gains) on investments held at fair value through profit or loss		3,682	(5,050)
Net losses on foreign exchange		1	–
Special dividends allocated to capital		92	–
Sales of investments		25,978	15,700
Purchases of investments		(24,517)	(14,427)
Decrease in other debtors		15	14
Decrease in other creditors		(53)	(3)
Net cash generated from operating activities		3,026	2,730
Financing activities			
Ordinary shares purchased into treasury		(1,109)	(1,480)
Share purchase costs paid		(8)	(9)
Drawdown of bank loan		2,000	–
Interest paid		(53)	(17)
Dividends paid	8	(1,605)	(1,613)
Net cash used in financing activities		(775)	(3,119)
Increase/(decrease) in cash and cash equivalents		2,251	(389)
Cash and cash equivalents at the start of the year		1,192	1,581
Effect of foreign exchange rate changes		(1)	–
Cash and cash equivalents at end of the year		3,442	1,192
Comprised of:			
Cash at bank		42	130
Cash Fund*		3,400	1,062
		3,442	1,192

* Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc – Sterling Liquidity Fund.

The notes on pages 50 to 64 form part of these financial statements.

Financial statements

Notes to the financial statements

1. PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

2. ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are set out below.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the revised Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in November 2014 and updated in January 2017, and the provisions of the Companies Act 2006.

The principal accounting policies adopted by the Company are set out below. Unless specified otherwise, the policies have been applied consistently throughout the year and are consistent with those applied in the preceding year. All of the Company's operations are of a continuing nature.

The Company's financial statements are presented in sterling, which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

(b) Presentation of Income Statement

In order to reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and a capital nature has been presented alongside the Income Statement.

(c) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(d) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provisions are made for dividends not expected to be received.

Special dividends are recognised on an ex-dividend basis and treated as capital or revenue depending on the facts and circumstances of each dividend.

Dividends are accounted for in accordance with Section 29 of FRS 102 on the basis of income actually receivable, without adjustment for tax credits attaching to the dividend. Dividends from overseas companies continue to be shown gross of withholding tax.

Deposit interest receivable is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the cash equivalent of the dividend is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses have been treated as revenue except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital. Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 56;
- the investment management fee has been allocated 75% to the capital column and 25% to the revenue column of the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

(f) Finance costs
Finance costs are accounted for on an accruals basis. Finance costs are allocated, insofar as they relate to the financing of the Company's investments, 75% to the capital column and 25% to the revenue column of the Income Statement, in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

(g) Taxation
The current tax effect of different items of expenditure is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all timing differences at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to less taxation in the future have occurred at the balance sheet date. Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted.

(h) Investments held at fair value through profit or loss
The Company's investments are classified as held at fair value through profit or loss in accordance with Sections 11 and 12 of FRS 102 and are managed and evaluated on a fair value basis in accordance with its investment strategy.

All investments are designated upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales are recognised at the trade date of the disposal and the proceeds are measured at fair value, which is regarded as the proceeds of the sale less any transaction costs.

The fair value of the financial investments is based on their quoted bid price at the balance sheet date on the exchange on which the investment is quoted, without deduction for the estimated future selling costs.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

The fair value hierarchy consists of the following three levels:

Level 1 – Quoted market price for identical instruments in active markets

Level 2 – Valuation techniques using observable inputs

Level 3 – Valuation techniques using significant unobservable inputs

(i) Debtors
Debtors include sales for future settlement, other debtors and pre-payments and accrued income in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

(j) Creditors
Creditors include purchases for future settlements, interest payable, share buy back costs and accruals in the ordinary course of business. Creditors are classified as creditors – amounts due within one year if payment is due within one year or less. If not, they are presented as creditors – amounts due after more than one year.

(k) Dividends payable
Under Section 32 of FRS 102, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the balance sheet date. Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they have been approved by shareholders and have become a liability of the Company. Interim dividends are only recognised in the financial statements in the period in which they are paid.

Financial statements

Notes to the financial statements continued

2. ACCOUNTING POLICIES continued

(l) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents include bank overdrafts repayable on demand and short term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(m) Foreign currency translation

In accordance with Section 30 of FRS 102, the Company is required to nominate a functional currency being the currency in which the Company predominately operates. The functional and reporting currency is sterling, reflecting the primary economic environment in which the Company operates. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities, and non-monetary assets held at fair value are translated into sterling at the rates of exchange ruling at the balance sheet date. Profits and losses thereon are recognised in the capital column of the Income Statement and taken to the capital reserve.

(n) Share repurchases

Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased, and the capital redemption reserve is correspondingly increased in accordance with section 733 Companies Act 2006. The full cost of the repurchase is charged to the special reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the special reserve. Where treasury shares are subsequently reissued, any surplus is taken to the share premium account.

(o) Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement, both in application of accounting policies, which are set out above, and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates.

The Directors do not believe any accounting judgements or estimates have been applied to this set of financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. INCOME

	2018 £'000	2017 £'000
Investment income:		
UK listed dividends	1,768	1,953
UK listed REITs	–	9
UK listed scrip dividends	22	25
UK listed special dividends	221	–
Overseas listed dividends	42	–
	2,053	1,987
Other income:		
Interest from Cash Fund	12	4
Deposit interest	–	1
Underwriting commission	9	8
	21	13
Total	2,074	2,000

Dividends and interest received in cash during the year amounted to £2,052,000 and £10,000 respectively (2017: £2,000,000 and £5,000).

Special dividends of £92,000 have been recognised in capital (2017: £nil) and deducted from investment costs.

Comparative Figures

Interest of £12,000 (2017: £4,000) from the Cash Fund has been reclassified from "Income from investments held at fair value through profit or loss" to "Other Income" in the Income Statement. This reclassification had no impact on the revenue return for the respective periods or the net assets as at 31 October 2018 and 31 October 2017.

4. INVESTMENT MANAGEMENT FEES

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	73	218	291	74	223	297
	73	218	291	74	223	297

Under the terms of the investment management agreement with BFM, BFM is entitled to a fee of 0.6% per annum of the Company's market capitalisation. The investment management fee is allocated 75% to capital reserves and 25% to the revenue reserve. There is no additional fee for company secretarial and administration services.

5. OTHER OPERATING EXPENSES

	2018 £'000	2017 £'000
Taken to revenue:		
Custody fees	2	1
Depositary fees	7	7
Audit fees	24	24
Registrars' fee	23	23
Directors' emoluments*	92	89
Marketing fees	49	22
Printing fees	21	21
Legal and professional fees	7	13
Other administration costs	40	52
	265	252
Taken to capital:		
Transaction costs	7	5
	272	257
The Company's ongoing charges, calculated as a percentage of average shareholders' funds and using operating expenses and excluding transaction costs, finance costs and taxation were:	1.10%	1.08%

* Further information on Directors' emoluments can be found in the Directors' Remuneration Report on pages 26 to 28.

The Company has no employees.

6. FINANCE COSTS

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on sterling bank loan	12	36	48	6	16	22
	12	36	48	6	16	22

Financial statements

Notes to the financial statements continued

7. TAXATION

(a) Analysis of charge in year

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total tax charge	–	–	–	–	–	–

(b) Factors affecting total tax charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%). The differences are explained below:

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net profit/(loss) on ordinary activities before taxation	1,724	(3,944)	(2,220)	1,668	4,806	6,474
Net profit/(loss) on ordinary activities multiplied by standard rate of corporation tax at 19.00% (2017: 19.41%)	328	(749)	(421)	324	933	1,257
Effects of:						
Non taxable dividend income	(390)	–	(390)	(384)	–	(384)
Capital losses/(gains) not taxable	–	700	700	–	(980)	(980)
Disallowed expenses	–	1	1	–	1	1
Excess of allowable expenses over taxable income	62	48	110	60	46	106
	(328)	749	421	(324)	(933)	(1,257)
Total tax charge	–	–	–	–	–	–

The Company's taxable income is exceeded by its tax allowable expenses, which include both the revenue and capital elements of the management fee and finance costs. As at 31 October 2018, the Company had accumulated surplus expenses of £13.6 million (2017: £13.0 million).

As at 31 October 2018, the Company has not recognised a deferred tax asset of £2.3 million (2017: £2.2 million) in respect of the accumulated expenses. Provided the Company continues to maintain its current investment profile, it is unlikely that the expenses will be utilised and that the Company will obtain any benefit from this asset.

Due to the Company's intention to meet the conditions required to obtain approval under Section 1158 of the Corporation Tax Act 2010, it has not provided deferred tax on any capital gains or losses arising on the disposal of investments.

8. DIVIDENDS

	Record date	Payment date	2018 £'000	2017 £'000
2016 Final dividend of 3.90p	17 February 2017	10 March 2017	–	989
2017 Interim dividend of 2.50p	14 July 2017	1 September 2017	–	624
2017 Final dividend of 4.10p	2 February 2018	9 March 2018	999	–
2018 Interim dividend of 2.50p	27 July 2018	3 September 2018	606	–
			1,605	1,613

The Directors have proposed a final dividend of 4.40p per share in respect of the year ended 31 October 2018. The proposed final dividend will be paid, subject to shareholders' approval, on 19 March 2019 to shareholders on the Company's register on 8 February 2019. The proposed final dividend has not been included as a liability in these financial statements as final dividends are only recognised in the financial statements when they have been approved by shareholders, or in the case of interim dividends, recognised when paid to shareholders.

The total dividends payable in respect of the year which form the basis of determining retained income for the purpose of section 1158 of the Corporation Tax Act 2010 and section 833 of the Companies Act 2006, and the amount proposed for the year ended 31 October 2018, meet the relevant requirements as set out in this legislation.

Dividends paid or declared on equity shares:	2018 £'000	2017 £'000
Interim paid of 2.50p (2017: 2.50p)	606	624
Final proposed of 4.40p* (2017: 4.10p)	1,058	999
	1,664	1,623

* Based on 24,046,223 ordinary shares (excluding treasury shares) in issue on 19 December 2018.

The proposed final dividend is based on the number of shares in issue at the year end. However, the dividend payable will be based on the number of shares in issue on the record date and will reflect any purchases and buy back of shares by the Company settled subsequent to the year end.

All dividends paid or payable are distributed from the Company's revenue profits.

9. EARNINGS AND NET ASSET VALUE PER ORDINARY SHARE

Revenue, capital earnings and net asset value per ordinary share are shown below and have been calculated using the following:

	2018	2017
Net revenue profit attributable to ordinary shareholders (£'000)	1,724	1,668
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(3,944)	4,806
Total (loss)/profit attributable to ordinary shareholders (£'000)	(2,220)	6,474
Total shareholders' funds (£'000)	46,738	51,680
Earnings per share		
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	24,306,961	25,166,474
The actual number of ordinary shares in issue at the year end on which the net asset value was calculated was:	24,059,668	24,614,268
The number of ordinary shares in issue, including treasury shares at the year end was:	32,933,932	32,933,932
Calculated on weighted average number of ordinary shares		
Revenue profit (pence)	7.09	6.63
Capital (loss)/profit (pence)	(16.22)	19.09
Total (pence)	(9.13)	25.72

	As at 31 October 2018	As at 31 October 2017
Net asset value (pence)	194.26	209.96
Ordinary share price (pence)	183.00	205.50

There were no dilutive securities at the year end.

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10. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 £'000	2017 £'000
Valuation of listed investments at 31 October	47,830	53,177
Valuation brought forward	53,177	48,925
Investment holding gains	(8,222)	(4,634)
Opening cost of investments	44,955	44,291
Additions at cost	24,100	14,896
Disposals at cost	(24,714)	(14,232)
Cost carried forward	44,341	44,955
Closing investment holding gains	3,489	8,222
Closing valuation of investments	47,830	53,177

Transaction costs of £121,000 were incurred on the acquisition of investments (2017: £71,000). Costs relating to the disposal of investments during the year amounted to £16,000 (2017: £10,000). All transaction costs have been included within capital reserves.

Gains on investments held at fair value through profit or loss

	2018 £'000	2017 £'000
Realised gains on sales	959	1,462
Movement in investment holding gains	(4,733)	3,588
Special dividends credited to capital	92	–
	(3,682)	5,050

11. DEBTORS

	2018 £'000	2017 £'000
Sales for future settlement	–	305
Prepayments and accrued income	167	182
	167	487

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Purchases for future settlement	416	833
Other payables	285	343
Bank loan	4,000	2,000
	4,701	3,176

On 31 October 2016 a facility was arranged between ING Luxembourg S.A. and the Company under which ING Luxembourg S.A. agreed to make available to the Company a variable interest rate unsecured sterling revolving credit facility of up to £4 million. This facility matured on 31 October 2018.

On 31 October 2018 the facility was renewed with a maturity date of 31 October 2020. The amount drawn down as at 31 October 2018 was £4.0 million (2017: £2.0 million drawn down). The rate of interest for the facility is the aggregate of the margin of 0.75% per annum and LIBOR.

13. SHARE CAPITAL

	Ordinary shares number	Treasury shares number	Total shares	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 pence each				
At 31 October 2017	24,614,268	8,319,664	32,933,932	329
Shares purchased and held in treasury	(554,600)	554,600	–	–
At 31 October 2018	24,059,668	8,874,264	32,933,932	329

During the year 554,600 ordinary shares were purchased and held in treasury (2017: 740,000 were purchased and placed in treasury) for a total consideration of £1,117,000 (2017: £1,488,000). No shares were cancelled from treasury during the year (2017: nil). Since the year end a further 13,445 ordinary shares have been bought back and held in treasury for a total consideration of £24,000.

14. RESERVES

			Distributable reserves			
	Share premium account £'000	Capital redemption reserve £'000	Capital reserves arising on investments £'000	Capital reserves arising on revaluation of investments £'000	Special reserve £'000	Revenue reserve £'000
At 31 October 2017	14,819	220	5,685	8,222	19,784	2,621
Movement during the year:						
Purchase of ordinary shares to be held in treasury	–	–	–	–	(1,109)	–
Share purchase costs	–	–	–	–	(8)	–
Net profit/(loss) for the year	–	–	789	(4,733)	–	1,724
Dividends paid during the year	–	–	–	–	–	(1,605)
At 31 October 2018	14,819	220	6,474	3,489	18,667	2,740

The share premium account and capital redemption reserve are not distributable profits under the Companies Act 2006. The special reserve and capital reserve may be used as distributable profits for all purposes and, in particular, for the repurchase by the Company of its ordinary shares and for payment as dividends.

15. RISK MANAGEMENT POLICIES AND PROCEDURES

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at blackrock.co.uk/brig for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The following information refers to the Risk management framework of the Alternative Investment Fund Manager (AIFM); however, as disclosed in the Corporate Governance Statement on pages 31 and 32 and in the Statement of Director's Responsibilities on page 38, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at blackrock.co.uk/brig.

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Notes to the financial statements continued

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA have the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit Committee twice yearly on key risk metrics and risk management processes; in addition, the Depositary monitors the performance of the AIFM and reports to the Audit Committee. Any significant issues are reported to the Board as they arise.

Risk Exposures

The risk exposures of the Company are set out as follows:

(a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in financial instruments in the face of market movements.

Value at Risk (VaR) is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables (including other price risk, foreign currency risk and interest rate risk), unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than one day and a historical observation period of not less than two years (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR percentage amounts. These limitations, and the nature of the VaR measure, mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one day VaR as of 31 October 2018 and 31 October 2017 (based on a 99% confidence level) was 1.67% and 1.19%, respectively.

(i) Market risk arising from other price risk
Exposure to other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company is exposed to market price risk arising from its equity investments. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Company's exposure to other changes in market prices at 31 October 2018 on its equity investments was £47,830,000 (2017: £53,177,000).

Management of other price risk
By diversifying the portfolio, where this is appropriate and consistent with the Company's objectives, the risk that a price change of a particular investment will have a material impact on the NAV of the Company is minimised which is in line with the investment objectives of the Company.

(ii) Market risk arising from foreign currency risk
Exposure to foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Management of foreign currency risk
The Company invests predominantly in UK quoted securities, it has no significant exposure to currencies other than sterling (2017: no significant exposure). The underlying portfolio has significant overseas currency exposure.

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

(iii) Market risk arising from interest rate risk
Exposure to 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.

The Company is exposed to interest rate risk specifically through its cash holdings and variable rate borrowings. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits and the level of interest payable on variable rate borrowings. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments.

Interest rate exposure
The exposure at 31 October 2018 and 31 October 2017 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set; and
- fixed interest rates – when the financial instrument is due for repayment.

	2018			2017		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Cash and cash equivalents	3,442	–	3,442	1,192	–	1,192
Bank loan	(4,000)	–	(4,000)	(2,000)	–	(2,000)
Total exposure to interest rates	(558)	–	(558)	(808)	–	(808)

The Company does not have any fixed rate exposure at 31 October 2018 or 31 October 2017.

Management of interest rate risk
The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowings under the loan facility. Derivative contracts are not used to hedge against the exposure to interest rate risk. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

The Company finances part of its activities through borrowings at levels approved and monitored by the Board of the Company. The Company, generally, does not hold significant cash balances, with short term borrowings being used when required.

Interest received on cash balances, or paid on the loan facility respectively, is approximately 0.40% and 1.544% per annum (2017: 0.00% and 1.190% per annum). Based on the bank loan held at the year end date, interest payments of £61,760 (2017: £23,800) are expected to be paid over the next twelve months.

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Notes to the financial statements continued

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

(b) Counterparty credit risk

Counterparty credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

There were no past or impaired assets as of 31 October 2018 (31 October 2017: nil). The major counterparties engaged with the Company are all widely recognised and regulated entities.

Depositary

The Company's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long term credit rating as at 31 October 2018: A (31 October 2017: A)). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary may cause the Company's rights with respect to its investments held by the Depositary to be delayed or limited. The maximum exposure to this risk at 31 October 2018 is the total value of investments held with the Depositary and cash and cash equivalents in the Balance Sheet.

In accordance with the requirements of the depositary agreement, the Depositary is required to ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus, in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk.

Counterparties/brokers

All transactions in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk also arises on transactions with a broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Year	Total number of counterparties	Maximum exposure to any one counterparty* £'000	Total exposure to all other counterparties* £'000	Lowest credit rating of any one counterparty
2018	1	42	N/A	A
2017	4	130	305	BBB

* Calculated on a net basis.
** S&P's ratings.

Cash is subject to counterparty credit risk as the Company's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

Debtors

The counterparties included in debtors are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk (RQA CCR) team. The Company monitors the ageing of debtors to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 31 October 2018 and 2017 was as follows:

Exposure to floating interest rates	2018 3 months or less £'000	2017 3 months or less £'000
Sales for future settlement	–	305
Prepayments and accrued income	167	182
Cash and cash equivalents	3,442	1,192
	3,609	1,679

Management of counterparty credit risk

RQA CCR are responsible for the risk management of the Company, with duties comprising of identifying, monitoring and managing risk, including counterparty credit risk. RQA CCR are supported in this role by the Investment Manager.

The counterparty credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk migration criteria designed to reduce the risk to the Company of default;
- the Company's listed investments are held on its behalf by BNYM as the Company's custodian (as sub-delegated by the Depositary). Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the custodian's internal control reports;
- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by the RQA CCR team;
- all transactions in quoted securities are settled on a payment against delivery basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meets its obligation. The RQA CCR team review the credit standard of the Company's brokers on a periodic basis, and set limits on the amount that may be due from any one broker;

The Board monitors the Company's counterparty risk by reviewing:

- the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's custodian where controls are reviewed and tested;
- the custodian's Service Organisation Control (SOC 1) reports which include a report by the custodian's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the custodian's processes;
- the Manager's internal control reports which include a report by the Manager's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and
- in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company had a loan facility of £4 million which was fully drawn down (2017: £4 million facility, £2 million drawn down).

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Notes to the financial statements continued

15. RISK MANAGEMENT POLICIES AND PROCEDURES continued

Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 October 2018 and 31 October 2017, based on the earliest date on which payment can be required, were as follows:

	2018 Within 1 year £'000	2017 Within 1 year £'000
Current liabilities:		
Bank loan	(4,000)	(2,000)
Creditors – amounts falling due within one year	(701)	(1,176)
	(4,701)	(3,176)

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. Liquidity risk is not significant as the majority of the Company's assets are investments in listed securities that are readily realisable.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Portfolio Managers review daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and bank loans). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note to the Financial Statements on page 51.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less active, or other valuation techniques where significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

Fair values of financial assets and financial liabilities

The table below is an analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss at 31 October 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	47,758	–	72	47,830

Financial assets at fair value through profit or loss at 31 October 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	53,177	–	–	53,177

There was one transfer between levels for financial assets and financial liabilities during the year recorded at fair value as at 31 October 2018 (2017: none). The Company held one Level 3 security during the financial year and as at 31 October 2018 (2017: nil).

The investment in Patisserie Holdings has been classified as a Level 3 investment as the trading of shares in this company is suspended as at 31 October 2018. The investment has been fair valued by BlackRock's Pricing Committee and has been priced based on the transaction price of the shares placed by the company in a placing programme.

16. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to promote growth in capital and income over the long term through investments in a diversified portfolio of principally UK listed equities.

This is to be achieved through an appropriate balance of equity capital and gearing. The policy is that gearing should not exceed 20% of gross assets. The Company's objectives, policies and processes for managing capital remain unchanged from the preceding accounting period.

The Company's total capital as at 31 October 2018 was £50,738,000 (2017: £53,680,000) comprising a bank loan of £4,000,000 (2017: £2,000,000) and equity shares, capital and reserves of £46,738,000 (2017: £51,680,000).

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and
- the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

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Notes to the financial statements continued

17. TRANSACTIONS WITH THE MANAGER AND INVESTMENT MANAGER

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on pages 21 and 22.

The investment management fee is levied quarterly, based on 0.60% per annum of the Company's market capitalisation. The investment management fee due for the year ended 31 October 2018 amounted to £291,000 (2017: £297,000). At the year end, £146,000 was outstanding in respect of the management fee (2017: £225,000).

The Company held an investment in the BlackRock Institutional Cash Series plc - Sterling Liquidity Fund of £3,400,000 (2017: £1,062,000) which for the year ended 31 October 2018 and 31 October 2017 has been presented in the financial statements as a cash equivalent.

In addition to the above services, BlackRock has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 October 2018 amounted to £49,000 including VAT (2017: £22,000). Marketing fees of £33,000 including VAT were outstanding at 31 October 2018 (2017: £22,000).

18. RELATED PARTY DISCLOSURE

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 26 to 28. At 31 October 2018, £7,000 (2017: £7,000) was outstanding in respect of Directors' fees.

19. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 October 2018 (2017: nil).

Additional information

Shareholder information

FINANCIAL CALENDAR

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

December
Annual results announced and the annual report and financial statements published.

March
Annual General Meeting.

March
Final dividend paid.

June
Half yearly figures to 30 April announced and half yearly financial report published.

September
Interim dividend paid.

DIVIDEND – 2018

The proposed final dividend in respect of the year ended 31 October 2018 is 4.40 pence per share. The Board also declared an interim dividend of 2.50 pence per share which was paid on 3 September 2018 to shareholders on the register on 27 July 2018.

Ex-dividend date (shares transferred without the dividend)	7 February 2019
Record date (last date for registering transfers to receive the dividend)	8 February 2019
Last date for DRIP elections	26 February 2019
Dividend payment date	19 March 2019

PAYMENT OF DIVIDENDS

Cash dividends will be sent by cheque to the first named shareholder at their registered address. Dividends may also be paid directly into a shareholder's bank account and this can be arranged by contacting the Company's registrar Computershare Investor Services PLC through their secure website investorcentre.co.uk, or by telephone on 0370 703 0076 or by shareholders completing the Mandate Instructions section on the reverse of their dividend counterfoil and sending it to the Company's registrar, Computershare.

Dividend confirmations will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

DIVIDEND TAX ALLOWANCE

From April 2016, dividend tax credits have been replaced by an annual £5,000 tax free allowance on dividend income across an individual's entire share portfolio. With effect from April 2018, the tax free allowance was reduced from £5,000 to £2,000. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have tax related queries please contact a financial adviser.

DIVIDEND REINVESTMENT PLAN (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 703 0076. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 26 February 2019.

SHARE PRICE

The Company's mid-market share price is quoted daily in The Financial Times and The Times under "Investment Companies" and in The Daily Telegraph under "Investment Trusts". The share price is also available on the BlackRock website at blackrock.co.uk/brig.

ISIN/SEDOL NUMBERS

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB0030961691
SEDOL	3096169
Reuters Code	BRIG.L
Bloomberg Code	BRIG: LN

SHARE DEALING

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service.

For existing shareholders the Company's registrar, Computershare Investor Services PLC, has both a telephone and internet share dealing service. The telephone share dealing service is available by contacting 0370 703 0084. To access the internet share dealing service you will need to log on to computershare.com/sharedealingcentre. To use these services, you will need your shareholder reference number, which is detailed on your share certificate.

Additional information

Shareholder information continued

Internet dealing – The fee for this service is 1% of the value of each sale or purchase of shares (minimum £20 for nominee trades and £30 for certificated trades). Stamp duty of 0.5% is also payable on purchases.

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £25 for nominee trades and £35 for certificated trades). Stamp duty of 0.5% is also payable on purchases.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

ELECTRONIC COMMUNICATIONS

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or dividend confirmation.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

ELECTRONIC PROXY VOTING

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. Further details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

ANNUAL GENERAL MEETING

This year's AGM will be held at 12.00 noon on Thursday, 14 March 2019. If you are unable to attend the meeting you can view it online following the meeting via a link on the Company's website at www.blackrock.co.uk/brig.

NOMINEE CODE

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

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

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

PUBLICATION OF NET ASSET VALUE/PORTFOLIO ANALYSIS

The net asset value (NAV) per share of the Company is calculated daily. Details of the Company's investments and performance are published monthly.

The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at blackrock.co.uk/brig and through the Reuters News Service under the code "BLRKINDEX", on page 8800 on Topic 3 (ICV terminals) and under "BLRK" on Bloomberg (monthly information only).

ONLINE ACCESS

Other details about the Company are also available at blackrock.co.uk/brig. The financial statements, factsheets and other literature are published on the website.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at investorcentre.co.uk. To access the website you will need your shareholder reference number (SRN) which can be found on paper or electronic communications from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.

- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

SHAREHOLDER ENQUIRIES

The Company's registrar is Computershare Investor Services PLC. In the event of queries regarding your holding of shares, please contact the registrar on 0370 703 0076. Certain details relating to your holding can also be checked through the Computershare Investor Centre website. As a security check, specific information will need to be input accurately to gain access to your account including your shareholder reference number. The address of the Computershare website is investorcentre.co.uk.

Changes of name or address must be notified to the registrar either through Computershare's website or in writing to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road Bristol BS99 6ZZ

GENERAL ENQUIRIES

Enquiries about the Company should be directed to:

The Company Secretary
BlackRock Income and Growth Investment Trust plc
12 Throgmorton Avenue, London, EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Additional information

Analysis of ordinary shareholders at 31 October 2018

BY TYPE OF HOLDER

	No. of shares	% of total 2018	% of total 2017	Number of holders	% of total 2018	% of total 2017
Private Shareholders	5,770,786	24.0	23.9	775	85.5	85.5
Bank or Nominees	17,764,295	73.8	73.3	111	12.3	12.4
Other	524,587	2.2	2.8	20	2.2	2.1
	24,059,668	100.0	100.0	906	100.0	100.0

BY SIZE OF HOLDING

Range	No. of shares	% of total 2018	% of total 2017	No. of shareholders	% of total 2018	% of total 2017
1 – 10,000	1,526,299	6.3	6.5	746	82.4	82.5
10,001 – 100,000	3,999,645	16.7	16.5	130	14.3	14.2
100,001 – 1,000,000	7,794,195	32.4	28.3	26	2.9	2.8
1,000,001 – 10,000,000	10,739,529	44.6	48.7	4	0.4	0.5
10,000,001 – 99,999,999	0	0.0	0.0	0	0.0	0.0
Total	24,059,668	100.0	100.0	906	100.0	100.0

Ten year record

Year ended 31 October	Net revenue attributable to ordinary shareholders	Earnings per share	Dividend per share	Total net assets	Net asset value per ordinary share	Share price	Total expense/ ongoing charges ratios[1]
	£'000	p	p	£'000	p	p	%
2009	1,607	4.42	5.10	44,364	127.80	123.50	1.47
2010	1,501	4.58	5.10	46,023	146.94	142.00	1.57
2011	1,366	4.46	5.10	40,687	139.62	133.00	1.00
2012	1,290	4.52	5.25	41,947	147.81	137.00	1.16
2013	1,576	5.63	5.50	45,491	166.03	164.50	1.10
2014	1,524	5.66	5.70	45,194	170.68	167.25	1.21
2015	1,758	6.68	6.00	49,231	187.69	184.25	1.02
2016	1,803	6.93	6.30	48,307	190.53	185.00	1.00
2017	1,668	6.63	6.60	51,680	209.96	205.50	1.08
2018	1,724	7.09	6.90	46,738	194.26	183.00	1.10

1 Based on average net assets for the year. Effective 2011, the ongoing charges ratio is calculated in accordance with the AIC recommended methodology for the calculation of ongoing charges. Until 2010, the total expense ratio was calculated based on total net assets at year end.

Additional information

Management & other service providers

Registered Office
(Registered in England, No. 4223927)
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager and Company Secretary
BlackRock Investment Management (UK) Limited*
12 Throgmorton Avenue
London EC2N 2DL
Email: cosec@blackrock.com

Alternative Investment Fund Manager
BlackRock Fund Managers Limited*
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Depositary, Custodian and Banker
The Bank of New York Mellon (International) Limited*#
One Canada Square
London E14 5AL

Registrar
Computershare Investor Services PLC*
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 703 0084

Auditor
Deloitte LLP
Statutory Auditors
Hill House
1 Little New Street
London EC4A 3TR

Lender
ING Luxembourg S.A
52, route d'Esch
Grand Duchy of Luxembourg
L-2965 Luxembourg

Stockbroker
JPMorgan Cazenove Limited*
25 Bank Street
Canary Wharf
London E14 5JP

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London, EC2M 7SH

The Bank of New York Mellon (International) Limited was appointed as the Company's depositary with effect from 1 November 2017. Prior to this the appointed depositary was BNY Mellon Trust & Depositary (UK) Limited.
* Authorised and regulated by the Financial Conduct Authority.

Regulatory disclosures

AIFMD disclosures

REPORT ON REMUNERATION

The Alternative Investment Fund Managers' Directive (the AIFMD) requires certain disclosures to be made with regard to the remuneration policy of the Company's AIFM.

Details of the BlackRock AIFM Remuneration Policy are disclosed on the website at blackrock.co.uk/brig and have applied to the Manager since 1 January 2015, being the beginning of the first financial year of BlackRock following the Manager's authorisation as an AIFM.

QUANTITATIVE REMUNERATION DISCLOSURE

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)(f) of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the website at blackrock.co.uk/brig.

LEVERAGE

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. Consistent with its investment objectives and policy, the Company may utilise derivative instruments as part of its investment policy. The use of derivatives may expose the Company to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase the Company's volatility. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. No derivatives were used for leverage purposes during the year.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means.

The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Group and Company is disclosed in the following table:

	Commitment Leverage as at 31 October 2018	Gross Leverage as at 31 October 2018
Leverage ratio	1.2	1.1

OTHER RISK DISCLOSURES

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 15 to the notes to the financial statements on pages 57 to 63.

PRE INVESTMENT DISCLOSURES

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at blackrock.co.uk/brig.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

FOR AND ON BEHALF OF THE BOARD
KEVIN MAYGER
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
20 December 2018

Regulatory disclosures

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company.

9.8.4 (7) The Company has not allotted any equity securities for cash in the period under review.

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

FOR AND ON BEHALF OF THE BOARD
KEVIN MAYGER
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
20 December 2018

Annual general meeting

Notice of annual general meeting

Notice is hereby given that the seventeenth Annual General Meeting of BlackRock Income and Growth Investment Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 14 March 2019 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 10, as ordinary resolutions and, in the case of resolutions 11 and 12, as special resolutions).

ORDINARY BUSINESS

1. To receive the report of the Directors of the Company and the financial statements for the year ended 31 October 2018, together with the report of the Auditor thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 October 2018.

3. To approve a final dividend for the year ended 31 October 2018 of 4.40 pence per ordinary share in the capital of the Company.

4. To re-elect Mr Jonathan Cartwright as a Director.

5. To re-elect Mr Nicholas Gold as a Director.

6. To re-elect Mr George Luckraft as a Director.

7. To re-elect Mr Charles Worsley as a Director.

8. To reappoint Deloitte LLP as Auditor to the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

9. To authorise the Audit Committee to determine the Auditor's remuneration.

SPECIAL BUSINESS
ORDINARY RESOLUTIONS

10. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as defined in that section) up to an aggregate nominal amount of £79,352.53, (being 33% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice) provided this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2020, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

11. That, in substitution for all existing authorities and subject to the passing of resolution 10, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 10, as if section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2020, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and not withstanding such expiry the Directors may allot and sell equity securities in pursuance of such offers or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of £79,352.53 (representing 33% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice); and

    (c) shall be limited to the allotment of equity securities and/or sale of equity securities held in treasury at a price not less than the net asset value per ordinary share as close as practicable to the allotment or sale.

12. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 1p each in the Company (Ordinary Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the Act) to make market purchases of Ordinary Shares (within the meaning of section 693 of the Act), provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 3,604,528 or, if less, the number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) as at 20 December 2018 or, if different, the number of shares in issue upon the passing of this resolution;

    (b) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be 1p being the nominal value per share;

    (c) the maximum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be the higher of: (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Ordinary Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest current independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2020 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract not withstanding such expiry.

All Ordinary Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

BY ORDER OF THE BOARD
KEVIN MAYGER, FOR AND ON BEHALF OF
BLACKROCK INVESTMENT MANAGEMENT (UK) LIMITED
Company Secretary
20 December 2018

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Annual general meeting

Notice of annual general meeting continued

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy you may use the form of proxy enclosed with this document. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 12.00 noon on 12 March 2019. Amended instructions must also be received by the Company's registrar by the deadline for receipt of forms of proxy. Alternatively you can vote or appoint a proxy electronically by visiting www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 12 March 2019.
3. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
4. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
5. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
8. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar by not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
9. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the start of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
11. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

13. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
    (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are laid before the meeting; or
    (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company:
    (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
    (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved or a matter may properly be included in the business unless:
    (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
    (b) it is defamatory of any person; or
    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 1 February 2019, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
15. As at the date of this report, the Company's issued share capital comprised 24,046,223 ordinary shares of 1p each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total voting rights in the Company as at the date of this report are 24,046,223.
16. Further information regarding the meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at blackrock.co.uk/brig.
17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Glossary

NET ASSET VALUE PER SHARE (CUM INCOME NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing "equity shareholders' funds" by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 October 2018, equity shareholders' funds were worth £46,738,000 and there were 24,059,668 ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 194.26 pence per ordinary share (please see note 9 of the financial statements for the audited inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long term liabilities and any provision for liabilities and charges.

TOTAL RETURN – NAV AND SHARE PRICE*

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The total return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV total return	Page	31 October 2018	31 October 2017	
Closing NAV per share (pence)	55	194.26	209.96	
Add back interim and final dividends (pence)	54	6.60	6.40	
Effect of dividend reinvestment		(0.38)	0.38	
Adjusted closing NAV (pence)		200.48	216.74	(a)
Opening NAV per share (pence)	55	209.96	190.53	(b)
NAV total return (c=((a-b)/b))(%)		(4.5)	13.8	(c)

Share price total return	Page	31 October 2018	31 October 2017	
Closing share price (pence)	55	183.00	205.50	
Add back interim and final dividends (pence)	54	6.60	6.40	
Effect of dividend reinvestment		(0.63)	0.42	
Adjusted closing share price (pence)		188.97	212.32	(a)
Opening share price (pence)	55	205.50	185.00	(b)
Share price total return (c=((a-b)/b))(%)		(8.0)	14.8	(c)

DISCOUNT

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. For example, if the share price was 90p and the NAV 100p, the discount would be 10% (please see note 9 of the financial statements for the audited inputs to the calculations).

PREMIUM

A premium occurs when the share price is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 100p and the NAV 90p, the premium would be 11.1% (please see note 9 of the financial statements for the audited inputs to the calculations).

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

BENCHMARK

The Company's benchmark index, used for both performance comparative purposes and for the calculation of the performance fee is the FTSE All-Share Index on a total return basis.

LEVERAGE

Leverage is defined in the AIFM Directive as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

Leverage ratio = exposure: net asset value

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except that, where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity's exposure is effectively reduced.

ONGOING CHARGES RATIO

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments (as set out in note 5 of the notes to the financial statements on page 53). Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

Ongoing charges calculation	Page	31 October 2018 £'000	31 October 2017 £'000	
Management fee	53	291	297	
Other operating expenses	53	265	252	
Total management fee and other operating expenses		556	549	(a)
Average net assets in the year		50,451	50,823	(b)
Ongoing charges (c=a/b)		1.10%	1.08%	(c)

GEARING

The Company may utilise gearing. Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

Financial Conduct Authority

Be ScamSmart

Investment scams are designed to look like genuine investments.

In association with the Institute of Chartered Secretaries and Administrators Registrars Group

Spot the warning signs.

Have you been...

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

How to avoid share fraud

1. **Reject cold calls**
If you've been cold called with an offer to buy or sell shares, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2. **Check the firm on the FS register at www.fca.org.uk/register**
The Financial Services Register is a public record of all the firms and individuals in the financial services industry that are regulated by the FCA.

3. **Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at **www.fca.org.uk/scams**, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk.

Find out more at **www.fca.org.uk/scamsmart**

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