



BlackRock
Income and Growth
Investment Trust plc

Half Yearly
Financial Report
30 April 2020

Contents

1

Overview

Investment objective and reasons to invest	1
Performance record	2
Chairman's statement	4
Investment manager's report	8

14

Portfolio

Ten largest investments	14
Distribution of investments	16
Investments	17

21

Governance

Interim management report and responsibility statement	21
--	----

24

Financial Statements

Income statement	24
Statement of changes in equity	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28

39

Additional information

Directors, management and other service providers	39
Shareholder information	40
Glossary	42

Why BlackRock Income and Growth Investment Trust plc?

Reasons to invest...

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.



Strong and differentiated portfolio

The majority of holdings are companies which generate high returns and sustainable free cash flow growth. We also buy companies with strong long term growth potential where there are high barriers to entry. Up to 10% of the portfolio is in turnaround companies where we see significant recovery and return potential.



Expertise and idea generation

The Company is managed by BlackRock's Fundamental Active Equity team and benefits from the team's expertise and global reach. The team has the resources to undertake extensive, proprietary, on-the-ground research to get to know the management of the companies in which it invests. The team also generates investment ideas using a diverse range of sources, including BlackRock's research platform.

aic

The Association of
Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, factsheets and stock exchange announcements are available on the BlackRock website at: www.blackrock.com/uk/brig



Long-term focus

We aim to look through the daily noise which impacts the market to identify the best long term opportunities. We wish to be owners of companies, not traders of shares. We look to align ourselves with the best investee company management teams who we believe have the ability to create value for shareholders over the long term.



Flexible investment strategy

The portfolio managers approach is flexible and dynamic and they are therefore able to adapt to changes in the market and to take advantage of opportunities as they may arise.



Closed-end Structure

Investment Trusts have an independent Board of Directors elected to protect shareholders' interests and enhance shareholder value. The closed-ended structure means the Company does not have to sell assets unexpectedly to meet redemptions and can also retain a proportion of its income to help smooth dividend payments. It can also use gearing with the aim of increasing returns over time, and can invest for the long term.



High conviction approach

A concentrated, high conviction portfolio which aims to provide a growing income and ensures the portfolio managers' best ideas contribute significantly to returns. In normal market conditions, approximately 70% of the portfolio is invested in high cash flow generating companies which we believe can grow their dividends over time.



Performance record

	As at 30 April 2020	As at 31 October 2019	Change %
Assets			
Net asset value per ordinary share (pence)	168.46	201.30	-16.3
- with dividends reinvested ¹	-	-	-14.5
Ordinary share price (mid-market) (pence)	164.00	198.00	-17.2
- with dividends reinvested ¹	-	-	-15.3
FTSE All-Share Index (with dividends reinvested) ²	6,156.82	7,419.67	-17.0
Net assets (£'000) ³	38,081	46,214	-17.6
Discount to net asset value ¹	2.6%	1.6%	

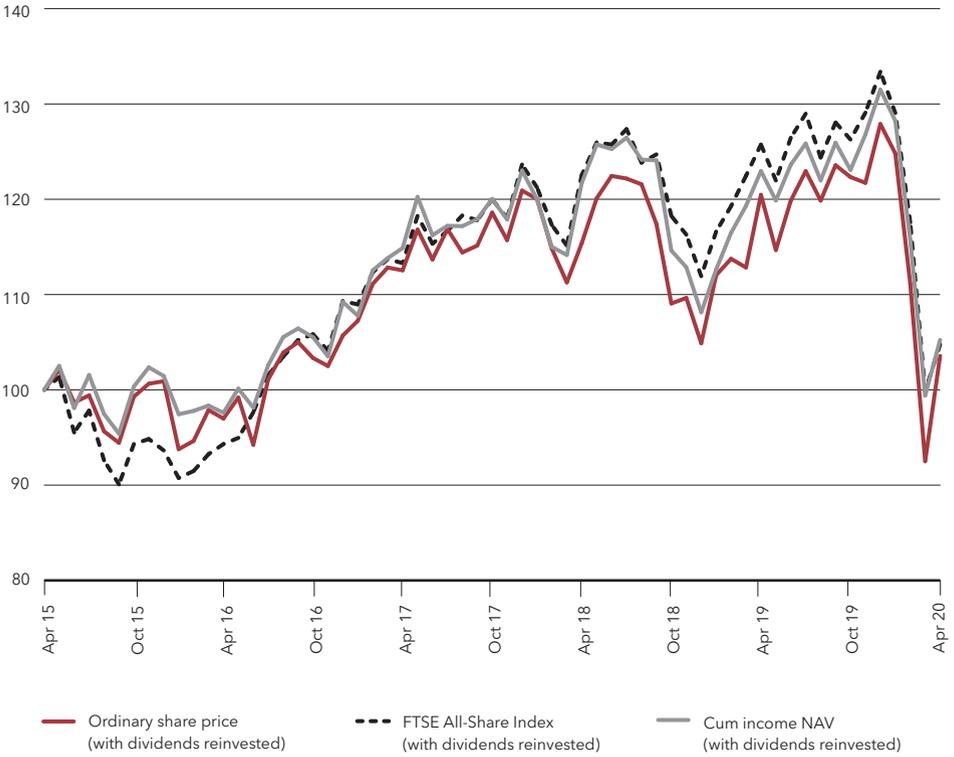
	For the six months ended 30 April 2020	For the six months ended 30 April 2019	Change %
Revenue			
Net revenue profit on ordinary activities after tax (£'000)	699	827	-15.5
Revenue earnings per ordinary share (pence)	3.06	3.45	-11.3
Dividend per ordinary share			
Interim (pence)	2.60	2.60	-

¹ Alternative Performance Measures, see Glossary on pages 42 to 48.

² The Benchmark Index.

³ The change in net assets reflects the market movements during the period, the purchase of the Company's own shares and dividends paid.

Performance from 30 April 2015 to 30 April 2020



Sources: BlackRock and Datastream.

Cum income NAV, share price and FTSE All-Share Index (all in Sterling terms with dividends reinvested) rebased to 100 as at April 2015.

Chairman's statement

for the six months to 30 April 2020

Dear Shareholder

This is my first report to shareholders since being elected at the Company's AGM on 12 March 2020 and I have to begin by expressing my thanks to Jonathan Cartwright, my predecessor, for his wise and thoughtful leadership of the Board.

The period covered by this report of the six months to 30 April 2020 has been an extraordinary one during which much has changed for all of us, for businesses, households and economies; and at this point in time it is difficult to predict with any confidence what the world will look like for the remainder of the year and beyond. As your Board, our task is more specifically focussed on overseeing the performance of the Manager on your behalf and the returns for shareholders through dividends and capital returns, all of which are commented on below.

During this time the Board has been working closely with BlackRock and the Company's key suppliers to minimise the risk the virus poses to the health and wellbeing of all those working on the management and administration of the Company. We have also received regular updates on portfolio positioning and received confirmation that the Company's day to day operations have not been affected and that established business continuity plans are effective. We have been pleased with the way in which these new ways of working have been adopted with no apparent detriment to the ability of the managers to seek investment opportunities for the Company.

For the portfolio itself, the period under review has been a tale of quite different parts, the UK market rose over the fourth quarter of 2019, responding positively to signs of progress on US/China trade negotiations and the outcome of the UK General Election. Sterling initially strengthened on the back of the Conservative Government's majority and markets were buoyed by the prospect of a resolution to the Brexit deadlock. However, this relatively benign period was short lived in 2020 as the spread of COVID-19, and the onset of the pandemic impacted markets globally, with an almost immediate halt to much economic activity as governments took decisive measures to contain or at least slow the spread of the virus. The Company entered the period somewhat defensively positioned and it is pleasing to see that this has been reflected in an outperformance versus the benchmark index return in the period under review, albeit in the context of negative returns.

Performance

During the period, the Company's net asset value per share (NAV) returned -14.5%, compared with the Company's benchmark, the FTSE All-Share Index (Total Return), which returned -17.0%. The Company's share price returned -15.3% (all percentages are in Sterling with dividends reinvested). Further information on the significant components of overall performance and the changes to portfolio composition are set out in the Investment Manager's Report on pages 8 to 12.

Revenue profit and dividends

Revenue profit for the period was 3.06 pence per share (six months to 30 April 2019: 3.45 pence per share) and the Board is pleased to declare an interim dividend of 2.60 pence per share (2019: 2.60 pence per share). This dividend will be paid on 1 September 2020 to shareholders on the Company's register at the close of business on 24 July 2020 (the ex-dividend date is 23 July 2020).

It is often noted that one of the advantages of the investment trust structure is the ability to retain up to 15% of revenue each year in reserves. These reserves can be used to support the Company's dividend distributions in years when the underlying revenue from the portfolio is under pressure, as it is currently. Your Company has one of the largest revenue reserves as a percentage of net assets in the UK Equity Income sector and the Board are mindful of the importance of dividend income to shareholders and therefore intend to use these reserves to support the dividend this year.

After the payment of this year's interim dividend, the Company will have in excess of one year's dividend cover in revenue reserves. The Board will continue to keep under review how this reserve should be used in future years.

Share capital

The Company has a policy, in normal market conditions, of using share buy backs, the sale of shares from treasury and share issuance powers to aim to ensure that the share price does not trade at a significant discount or premium. As the market attempted to get to grips with the impacts of the virus however, there were points where the daily or even hourly volatility of share prices in our portfolio and of the Company's own share price meant that using those powers was impractical given an aim of buying back shares at a discount and issuing new shares or reissuing shares from treasury at or above the estimated NAV per share. As markets have steadied, we have gone back to the normal practice. During the period, the Company's shares traded at an average discount of 4.6% to cum income NAV per share. At the close of business on 23 June 2020 the discount stood at 6.8%.

A total of 352,500 ordinary shares were bought back during the period at an average price of 163.62 pence and for a total consideration of £577,000. No shares were issued or sold from treasury during the period under review. As at 23 June 2020, 30.6% of the Company's issued ordinary share capital is held in treasury and may be issued to satisfy any demand for the Company's shares that may arise.

Gearing

The Company operates a flexible gearing policy which depends on prevailing conditions and the outlook for the market. Gearing is subject to a maximum level of 20% of net assets

Chairman's statement continued

at the time of investment. The Company has been modestly geared during the period under review and at 30 April 2020 the Company had net gearing of 4.2%. Gearing levels and sources of funding are reviewed regularly to ensure that the Company has access to the most competitive borrowing rates available to it. The Company currently has a two-year unsecured Sterling revolving credit facility of £4,000,000 with ING Bank (Luxembourg) S.A., which is fully drawn down and is scheduled to mature in October 2020.

Consideration of a change of investment policy

Your Board has reviewed whether it is desirable to permit the Investment Managers to invest in non-UK listed securities to a modest extent. This will allow them to access a limited number of opportunities in sectors which are not otherwise accessible because they are dominated by companies listed outside of the UK, or where individual companies representing the most attractive investment opportunity in a particular theme is listed abroad. We anticipate that these would be predominately US or European listed companies. The investment managers believe this additional flexibility will diversify the Company's sources of revenue and enhance total return. By way of example, in another of their mandates, non-UK listed holdings contributed positively to the total return.

The Board has authorised the portfolio managers to invest up to 5% of the Company's gross assets in non-UK listed securities with immediate effect, a step which, given that upper limit, does not represent a material change to our existing investment policy. However, should the Board decide that it is in shareholders' interests to permit the portfolio managers to invest a greater proportion of the portfolio in internationally listed stocks, a revised investment policy would be put before shareholders for approval at the next Annual General Meeting (AGM).

The Board does not intend that such authority would represent a change to the overall investment objective, nor would it change the main source of revenues or profits made collectively by companies in the portfolio. It is rather an adjustment designed to enable your portfolio managers to enhance shareholder returns with the same portfolio risk profile. Further information will be provided in the Company's Annual Report.

Board Succession

As mentioned above, after nine years' service with the Company, Jonathan Cartwright, informed the Board that he would not be seeking re-election at this year's AGM, which was held on 12 March 2020, and therefore he retired as a Director of the Company at the end of the AGM and I succeeded Jonathan as Chairman of the Board with effect from that point. The Board is very grateful to Jonathan for his excellent leadership of the Company and we wish him well for the future. We will also continue to keep the composition of the Board under review and in our succession planning we are mindful of the need to introduce greater diversity as the process of refreshment continues.

Outlook

The current situation is unprecedented given that one third of the world's population has been under lockdown. Governments and central banks have responded to the crisis with fiscal and monetary responses the like of which have not been seen previously. At the time of writing the full extent of the economic and social damage caused by the pandemic, and the duration of the measures being applied to limit the virus, remain unclear. Equally, the longer-term impacts on how we live our lives, how businesses and public services operate and how governments will seek to regain equilibrium in their finances are very hard to predict. In the short term your portfolio managers believe that the recent spikes in volatility and generally bearish global sentiment have created opportunities for active managers, which they have been selectively pursuing.

Further ahead, whatever the future environment does look like there will be companies that succeed and thrive and deliver good returns to investors. As you will read in their report which follows on pages 8 to 12, your investment managers' fundamental strategy has not changed albeit they are cautious and measured with regard to the near-term outlook for the companies within the portfolio given the impact of COVID-19 and the lack of clarity around the shape and duration of any recovery. They continue to seek out companies that can generate cash flow from strong business models and have favourable industry characteristics or scope for management driven self-help. The focus remains on bottom-up stock selection, assembling a portfolio of individual companies which, taken as a whole, should prove capable of delivering attractive returns and supporting dividend growth into the future.

Your Board remains fully supportive of this approach. Moreover, I am confident that in BlackRock we have a Manager which has the resources, data and insight for our portfolio managers to draw upon as they seek to position the portfolio to continue to deliver on the Company's investment objective over the longer term, whatever further surprises may be in store for us.

GRAEME PROUDFOOT

Chairman

24 June 2020

Investment manager's report

Half-yearly financial report to 30 April 2020

Performance

Since 31 October 2019, the Company's NAV returned -14.5%. Whilst down in absolute terms, it has outperformed its benchmark, the FTSE All-Share Index, which has returned -17.0% over the same period. This return should also be considered in the context of a period of unprecedented market volatility resulting from the impact of the global COVID-19 pandemic.

Investment Approach

In assembling the Company's portfolio, we adopt a concentrated investment approach to ensure that our best ideas contribute significantly to returns. We believe that it is the role of the portfolio overall to generate an attractive and growing yield alongside capital growth rather than every individual company within the portfolio. This gives the Company increased flexibility to invest where returns are most attractive. This 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 our objective is to achieve returns greater than the index, but with lower volatility. The foundation of the portfolio, approximately 70%, is in high free cash flow companies that can sustain cash generation and pay a growing dividend whilst aiming to deliver a double-digit total return. Additionally, we look to identify and invest 20% of the portfolio in 'growth' companies that have significant barriers to entry and scalable business models that enable them to grow consistently. We also look for turnaround companies, at around 10% of portfolio value, which represent those companies that are out of favour with the market, facing temporary challenges with high yields or very low valuations, but with attractive recovery potential.

Market Review

The UK equity market closed 2019 on a positive tone as Boris Johnson's Conservative Party secured a convincing majority in the December General Election. Sterling spiked in the immediate aftermath but retraced some of its gains as concerns re-emerged around the potential for a 'hard' Brexit. Modest easing in trade tensions between the US and China boosted global equities at the expense of bond markets and drove commodity prices higher.

The optimism we saw at the end of 2019 quickly faded in the new year as the COVID-19 pandemic swept through economies and stock markets; equities fell significantly, the magnitude and rapidity of which exceeded the declines seen in 2008. Volatility spiked across asset classes and financial markets infrastructure came under extreme pressure. Companies faced revenue declines unlike any seen before as authorities instigated lockdowns on non-essential activity.

In response, we saw an unprecedented policy response by global governments and central banks. Using the 2008 playbook, aggressive rate cuts were implemented initially; the Bank of England cut the Bank Rate to 0.1% and the US cut interest rates to 0.25%. This was followed by significant liquidity support for financial markets and large economic packages to support employment and corporate liquidity. In the US, authorities approved a \$2 trillion fiscal package (equating to 10% of GDP) and in the UK more than £350bn (15% of GDP) has been extended. The speed and size of government support combined with positive news on the virus led to a strong bounce in risk assets in April.

Unusually, April was a month of significant global contraction in economic activity and yet strong “risk on” market sentiment, with the S&P posting its largest calendar month gain since 1987. Oil prices saw the biggest jump in history on the news that the Organization of the Petroleum Exporting Countries (OPEC), including Russia and Saudi Arabia, had agreed to cut supply but then plunged into negative territory on the expiry of the May WTI future, as weak demand and the lack of storage available meant investors holding the May contract would be forced to take physical delivery on expiry of the contract.

In the UK, lockdown measures were extended into May after the hospitalisation of prime minister, Boris Johnson, due to severe coronavirus symptoms.

So far, approximately 160 companies in the UK FTSE have announced a cut or suspension to their dividends, including Shell’s first dividend cut since the 1940s. The FTSE All-Share benchmark fell -17.0% over the six months to the end of April with Oil & Gas, Telecommunications, and Consumer Services as top underperformers and Health Care and Utilities as top outperformers.

Contributors and detractors to performance

Unsurprisingly, given this market backdrop, those companies with defensive earnings streams and robust balance sheets dominated the list of outperformers. This includes the holding in National Grid, the utility company focused on the transmission and distribution of electricity and gas in the UK and US, which was the largest contributor to performance in the period. Our investment thesis for National Grid is driven by the attractive returns it generates on its assets. We believe that these returns are sustainable over the long-term given the company’s integral role in the decarbonisation agenda and the associated investment required. National Grid is capable of both investing in its networks and paying an attractive and growing dividend. John Laing Group, the infrastructure investor and developer also contributed strongly to performance. The company’s assets are generally uncorrelated to the economic cycle; partly due to the nature of the projects as well as the company’s responsibility typically being to ensure the availability of the asset or service as opposed to their utilisation.

Investment manager's report continued

Financials, particularly banks and life insurers, were generally weak in the market drawdown, a function of their economic sensitivity, limited ability to cut costs quickly and significant financial gearing. The bank sector was further impacted by the intervention of the regulator, the Prudential Regulation Authority (PRA), requesting that companies cancel their dividends. Insurers have been allowed greater discretion regarding their distributions, though many have chosen to suspend or cancel dividends until the economic backdrop becomes clearer. Against this backdrop, the Company's underweight position in HSBC Holdings was a significant contributor to performance though largely offset by the Company's overweight positions in Standard Chartered and Lloyds.

The Company's underweight holding in GlaxoSmithKline was the largest detractor as the shares proved defensive in the sell-off. We have a strong preference for AstraZeneca in the pharmaceutical sector given its superior long-term growth potential following the consistent success of its drug research and development pipeline in recent years. easyJet also detracted from performance as the shares fell sharply due to the impact of COVID-19 on the travel and leisure industry. Our investment thesis was focused on easyJet's ability to strengthen its competitive position in European short-haul, due to its superior efficiency versus the flag carriers and tour operators. easyJet entered the crisis with a strong balance sheet and ample liquidity. However, the challenge facing the airline industry is unprecedented. Other notable holdings in the portfolio which have been directly impacted by the crisis include Hiscox, providing cancellation insurance for Wimbledon Tennis and the Japan Olympics, and Whitbread, owner of Premier Inn Hotels.

Transactions

We came into 2020 with a relatively defensive portfolio as we saw a decoupling between valuations and earnings growth. 2019 had proved to be a strong year with market returns of nearly 20%, despite anaemic earnings growth. This caused us to be more cautious in the weeks leading up to the crisis such that we significantly reduced the cyclicality and gearing of the portfolio. In late 2019 or early 2020, the Company sold positions in Ascential, Barclays, Prudential, Moneysupermarket and Weir Group where we felt the shares were discounting an overly optimistic view of their 2020/2021 prospects. We also reduced HSBC Holdings for the same reasons although we retained a small holding. As the COVID-19 pandemic unfolded, we continued to remove companies where we felt the investment thesis was likely to be significantly altered as a result of the economic dislocation. Hence we sold positions in 'turnarounds' like WPP and Euromoney where our thesis of a self-help driven earnings recovery relied on a reasonably stable economic environment. Clearly, this was no longer the case. We sold positions where there was significant financial gearing and recent earnings disappointments such as Aviva and St James' Place. Finally, we sold positions where the shares had met or exceeded our price expectations such as London Stock Exchange.

In part these sales were also motivated by the significant opportunities we saw elsewhere. The extreme market sell-off has provided us with the opportunity to improve the quality of the portfolio and to recycle capital into businesses where we see stronger capital and dividend prospects in the medium-term. When assessing the relative merit of new positions, we look for several elements. We need to be confident that the business has a resilient balance sheet and sufficient liquidity to enable it to withstand a significant recession and support investment through it. We look for companies with significant long-term growth paths supported by clear competitive advantages. Finally, we seek franchises where we believe the prospects of the business could be enhanced by the dislocation caused by the crisis either through market share gains, or new markets opening up. Hence, the Company was particularly busy in March, buying initial positions in a number of companies such as Next, Berkeley Group Holdings, SSP, Burberry Group, Rio Tinto and Intermediate Capital Group. We had reviewed all of these companies in previous months and years without being able to satisfy our valuation framework despite their obvious attractions. Market volatility and crises do offer opportunities for long-term investors. We also increased the existing holdings in Reckitt Benckiser and AstraZeneca. In Reckitt's case, we believe new management have instigated a strong plan to accelerate growth over the next three years while COVID-19 provides a near-term tailwind. Similarly, our position in AstraZeneca was increased given our rising confidence in their earnings growth prospects following significant R&D success.

Dividends

At the time of writing, around 160 companies in the FTSE All-Share Index have suspended their dividends, and the UK dividend future is estimating around a 47% cut. We are mindful of the scrutiny companies will face with regards to paying dividends, especially for those businesses accepting government support or cutting employee remuneration and/or headcount. For now, the language from the majority of companies has been to suspend, rather than cut, the dividend. From here, everything will depend on the duration and severity of this crisis as to how many of these dividends come back. We will continue to monitor the potential scenarios and would hope to provide more clarity later in the year. In the meantime, we will continue to take a long-term approach to dividends and manage the portfolio for the strongest total return.

Outlook

This COVID-19 led crisis is the closest we have got to a global natural disaster in financial markets, and its impact has been immediate and severe. Entire industries are being shut down overnight with revenues effectively going to zero. It has been felt much more acutely than anything we have seen in recent memory. Whilst in 'normal' economic downturns, activity slows gradually over months, with 'lockdowns' by governments, activity has slowed very dramatically with significant variations by industry and geography.

Investment manager's report continued

The hit to nominal GDP from this crisis is likely to be record breaking with early estimates suggesting falls of up to 30% in nominal GDP in a number of developed market economies for the second quarter. Whilst the scale of this crisis has been unprecedented, we have also seen extraordinary government intervention. This should provide a cushion to businesses that are being hurt by the impact of the shutdowns. As we start to ease past the current peak in this crisis, governments now need to determine how they modify their economic support as the impact on businesses and industries becomes clearer. Fiscal policy, for example, has played an earlier, and more prominent role versus the 2008 financial crisis and we expect to see more pressure on governments and central banks to deploy their balance sheets. The role and type of economic support is likely to lead to material dispersion in returns within the market over the medium-term.

We recognise the enormous uncertainty still facing society, employers and their employees today. Whether it is the threat of a resurgence of the virus, the emergence of viable treatments and potential vaccines or the different speeds and ways in which governments remove restrictions and support. We are trading cautiously; balancing the significant long-term opportunity we see with a wide range of short-term scenarios and factors. Amongst these are the impact of widespread unemployment, the changes to both consumer and business behaviour, with regards to which products and services they consume and how they consume them, in addition to the potential for inflation to pick up. Crucially, whilst we expect that the threat from COVID-19 will be addressed, either through a vaccine, rolling containment policies or herd immunity, it is the duration of the pandemic and associated containment policies that will be crucial in determining the state of the economy and speed of recovery thereafter.

In conclusion, we came into this crisis more defensively positioned which benefited the portfolio and leaves us in a strong position to take advantage of the dislocation. In times like these, the scale and breadth of the platform at BlackRock allows us to leverage significant resources across stock analytics, market insights and data science. For example, in the month of March, as the crisis unfolded and as 90% of the global workforce began working from home, the UK team still spoke with over 210 management teams; seeking to understand companies' immediate liquidity needs, balance sheet strain and strategy to navigate the crisis. We know, from our experience in 2008/2009, how important these resources and support are and the opportunities it enables you to find. We welcome the Board's decision to adjust our investment guidelines to permit up to 5% of gross assets in non-UK listed securities and believe this will allow us to access attractive and differentiated opportunities not available in the UK market. In the weeks and months ahead, we will continue to utilise our resources and our previous experiences in uncertain markets, seeking to ensure the Company emerges from this period of volatility well placed to deliver strong capital and dividend growth over the long-term.

Finally, beyond markets and investments, we also recognise that this has been an extremely tough period for many. We have been encouraged by the support companies in the Company's portfolio have provided their employees and communities and continue to support these initiatives.

ADAM AVIGDORI and DAVID GOLDMAN

BlackRock Investment Management (UK) Limited

24 June 2020

Ten largest investments

as at 30 April 2020

AstraZeneca: 7.5% (2019: 5.3%) 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.

British American Tobacco: 5.6% (2019: 3.6%) is one of the world's leading tobacco groups, with more than 200 brands in the portfolio selling in approximately 180 markets worldwide.

RELX: 5.2% (2019: 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: 5.2% (2019: 3.9%) is a global supplier of food, home and personal care products with more than 400 brands focused on health and wellbeing.

BHP: 4.6% (2019: 3.1%) is a world-leading resources company. It extracts and processes minerals, oil and gas with more than 72,000 employees and contractors, primarily in Australia and the Americas. It is one of the world's top producers of major commodities including iron ore, coal and copper.

Reckitt Benckiser: 4.5% (2019: 2.5%) is a British multinational consumer goods company. It is a manufacturer and marketer of health, hygiene, post-natal and home products.

National Grid: 4.0% (2019: 3.4%) is one of the world's largest investor-owned energy companies, delivering electricity and gas through regulated businesses in the UK and in the US.

Tesco: 3.4% (2019: 3.6%) is a British multinational groceries and general merchandiser retailer. It is the third largest retailer in the world, measured by gross revenues. It has shops across Europe and is the market leader in the UK, Ireland and Hungary.

John Laing Group: 3.3% (2019: 3.0%) is an international originator, active investor and manager of infrastructure projects. Its business is focused 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.

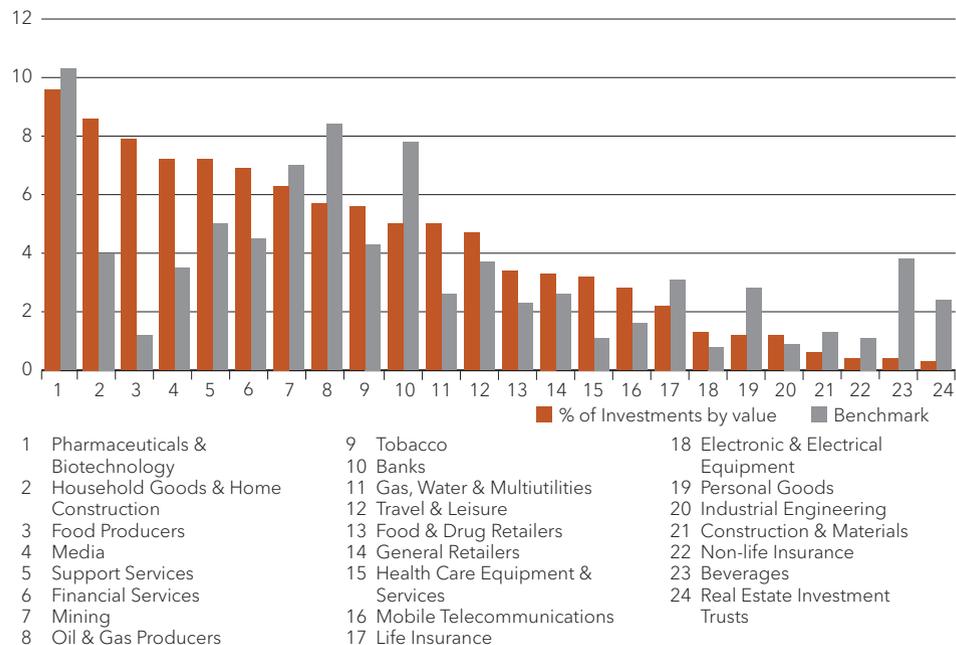
Smith & Nephew: 3.2% (2019: 2.5%) is a multinational medical equipment manufacturing company. It produces advanced wound management products, arthroscopy products, trauma and clinical therapy products and orthopaedic reconstruction products, selling its products into over 120 countries.

All percentages reflect the value of the holding as a percentage of total investments as at 30 April 2020. Together, the ten largest investments represent 46.5% of total investments (ten largest investments as at 31 October 2019: 41.4%).

Distribution of investments

as at 30 April 2020

Analysis of Portfolio by Sector



Sources: BlackRock and Datastream.

Investment Size



Source: BlackRock.

Investments

as at 30 April 2020

	Market value	% of investments
	£'000	
Pharmaceuticals & Biotechnology		
AstraZeneca	2,965	7.5
GlaxoSmithKline	834	2.1
	3,799	9.6
Household Goods & Home Construction		
Reckitt Benckiser	1,783	4.5
Taylor Wimpey	644	1.6
Bellway	538	1.3
Berkeley Group Holdings	457	1.2
	3,422	8.6
Food Producers		
Unilever	2,059	5.2
Associated British Foods	1,061	2.7
	3,120	7.9
Media		
RELX	2,060	5.2
Rightmove	529	1.3
Informa	288	0.7
	2,877	7.2
Support Services		
Ferguson	781	1.9
Rentokil Initial	585	1.5
Grafton	550	1.4
Serco	475	1.2
HomeServe	464	1.2
	2,855	7.2

Investments continued

	Market value	% of investments
	£'000	
Financial Services		
John Laing Group	1,293	3.3
Premier Miton Group	461	1.2
3i Group	426	1.1
M&G	344	0.9
Intermediate Capital Group	193	0.4
	2,717	6.9
Mining		
BHP	1,822	4.6
Rio Tinto	663	1.7
	2,485	6.3
Oil & Gas Producers		
Royal Dutch Shell 'B'	1,238	3.1
BP Group	1,044	2.6
	2,282	5.7
Tobacco		
British American Tobacco	2,241	5.6
	2,241	5.6
Banks		
Lloyds Banking Group	893	2.2
Standard Chartered	748	1.9
HSBC Holdings	350	0.9
	1,991	5.0
Gas, Water & Multiutilities		
National Grid	1,580	4.0
United Utilities Group	378	1.0
	1,958	5.0

	Market value	% of investments
	£'000	
Travel & Leisure		
Whitbread	1,010	2.5
SSP	419	1.1
easyJet	230	0.6
Fuller Smith & Turner - A Shares	219	0.5
Patisserie Holdings*	-	-
	1,878	4.7
Food & Drug Retailers		
Tesco	1,355	3.4
	1,355	3.4
General Retailers		
Next	922	2.3
WH Smith	236	0.6
Trainline	163	0.4
	1,321	3.3
Health Care Equipment & Services		
Smith & Nephew	1,273	3.2
	1,273	3.2
Mobile Telecommunications		
Vodafone	1,112	2.8
	1,112	2.8
Life Insurance		
Phoenix Group	867	2.2
	867	2.2
Electronic & Electrical Equipment		
Oxford Instruments	496	1.3
	496	1.3

Investments continued

	Market value	% of investments
	£'000	
Personal Goods		
Burberry Group	487	1.2
	487	1.2
Industrial Engineering		
Bodycote	462	1.2
	462	1.2
Construction & Materials		
Forterra	260	0.6
	260	0.6
Non-life Insurance		
Hiscox	152	0.4
	152	0.4
Beverages		
Fevertree Drinks	145	0.4
	145	0.4
Real Estate Investment Trusts		
Big Yellow Group	121	0.3
	121	0.3
Total investments	39,676	100.0

* Suspended investment held at fair value (please see note 8 for further information).

All investments are in ordinary shares unless otherwise stated.

The total number of investments held at 30 April 2020 was 50 (31 October 2019: 48).

As at 30 April 2020, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim management report and responsibility statement

The Chairman's Statement on pages 4 to 7 and the Investment Manager's Report on pages 8 to 12 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Investment performance;
- Income/dividend;
- Gearing;
- Legal & regulatory compliance;
- Operational;
- Market; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 October 2019. A detailed explanation can be found in the Strategic Report on pages 26 to 29 and in note 16 on pages 73 to 78 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at: www.blackrock.com/uk/brig.

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in late 2019 and has developed into a global pandemic. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue with extents that cannot necessarily be foreseen.

In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

No investment objective is expected to be altered as a result of this event, and the Investment Manager and Directors will continue to monitor the performance of the Company on an ongoing basis.

Interim management report and responsibility statement continued

In the view of the Board, other than those noted above, there have not been any material changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties, as summarised, are as applicable to the remaining six months of the financial year as they were to the six months under review.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Ongoing charges (excluding finance costs, direct transaction costs, custody transaction charges, certain non-recurring items and taxation) for the year ended 31 October 2019 were approximately 1.07% of net assets.

Related party disclosure and transactions with the Investment Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. 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)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management fee payable are set out in note 3 on page 30 and note 10 on page 37. The related party transactions with the Directors are set out in note 9 on page 36.

Directors' responsibility statement

The Disclosure Guidance and Transparency Rules of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 'Interim Financial Reporting'; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

The half yearly financial report has not been audited or reviewed by the Company's Auditors.

The half yearly financial report was approved by the Board on 24 June 2020 and the above responsibility statement was signed on its behalf by the Chairman.

GRAEME PROUDFOOT

For and on behalf of the Board

24 June 2020

Income statement

for the six months ended 30 April 2020

	Notes	Revenue £'000			Capital £'000			Total £'000		
		Six months ended		Year ended	Six months ended		Year ended	Six months ended		Year ended
		30.04.20 (unaudited)	30.04.19 (unaudited)	31.10.19 (audited)	30.04.20 (unaudited)	30.04.19 (unaudited)	31.10.19 (audited)	30.04.20 (unaudited)	30.04.19 (unaudited)	31.10.19 (audited)
(Losses)/gains on investments held at fair value through profit or loss		-	-	-	(7,062)	2,531	1,781	(7,062)	2,531	1,781
(Losses)/gains on foreign exchange		-	-	-	(18)	2	1	(18)	2	1
Income from investments held at fair value through profit or loss	2	858	973	2,003	-	-	-	858	973	2,003
Other income	2	6	19	41	-	-	-	6	19	41
Total income		864	992	2,044	(7,080)	2,533	1,782	(6,216)	3,525	3,826
Expenses										
Investment management fee	3	(31)	(33)	(67)	(95)	(99)	(201)	(126)	(132)	(268)
Other operating expenses	4	(126)	(123)	(231)	(3)	(5)	(7)	(129)	(128)	(238)
Total operating expenses		(157)	(156)	(298)	(98)	(104)	(208)	(255)	(260)	(506)
Net profit/(loss) on ordinary activities before finance costs and taxation		707	836	1,746	(7,178)	2,429	1,574	(6,471)	3,265	3,320
Finance costs		(8)	(8)	(16)	(23)	(24)	(47)	(31)	(32)	(63)
Net profit/(loss) on ordinary activities before taxation		699	828	1,730	(7,201)	2,405	1,527	(6,502)	3,233	3,257
Taxation		-	(1)	(1)	-	-	-	-	(1)	(1)
Net profit/(loss) on ordinary activities after taxation		699	827	1,729	(7,201)	2,405	1,527	(6,502)	3,232	3,256
Earnings/(loss) per ordinary share (pence)	6	3.06	3.45	7.37	(31.51)	10.03	6.50	(28.45)	13.48	13.87

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 and no operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company. The net profit/(loss) on ordinary activities for the period disclosed above represents the Company's total comprehensive income/(loss). The Company does not have any other comprehensive income/(loss).

Statement of changes in equity

for the six months ended 30 April 2020

	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 six months ended 30 April 2020 (unaudited)							
At 31 October 2019	329	14,819	220	11,490	16,542	2,814	46,214
Total comprehensive (loss)/income:							
Net (loss)/profit for the period	-	-	-	(7,201)	-	699	(6,502)
Transactions with owners, recorded directly to equity:							
Ordinary shares purchased for cancellation	(2)	-	2	-	(341)	-	(341)
Ordinary shares purchased into treasury	-	-	-	-	(236)	-	(236)
Share purchase costs	-	-	-	-	(3)	-	(3)
Dividends paid ¹	-	-	-	-	-	(1,051)	(1,051)
At 30 April 2020	327	14,819	222	4,289	15,962	2,462	38,081
For the six months ended 30 April 2019 (unaudited)							
At 31 October 2018	329	14,819	220	9,963	18,667	2,740	46,738
Total comprehensive income:							
Net profit for the period	-	-	-	2,405	-	827	3,232
Transactions with owners, recorded directly to equity:							
Ordinary shares purchased into treasury	-	-	-	-	(1,570)	-	(1,570)
Share purchase costs	-	-	-	-	(6)	-	(6)
Dividends paid ²	-	-	-	-	-	(1,056)	(1,056)
At 30 April 2019	329	14,819	220	12,368	17,091	2,511	47,338
For the year ended 31 October 2019 (audited)							
At 31 October 2018	329	14,819	220	9,963	18,667	2,740	46,738
Total comprehensive income:							
Net profit for the year	-	-	-	1,527	-	1,729	3,256
Transactions with owners, recorded directly to equity:							
Ordinary shares purchased into treasury	-	-	-	-	(2,110)	-	(2,110)
Share purchase costs	-	-	-	-	(15)	-	(15)
Dividends paid ³	-	-	-	-	-	(1,655)	(1,655)
At 31 October 2019	329	14,819	220	11,490	16,542	2,814	46,214

¹ Final dividend paid in respect of the year ended 31 October 2019 of 4.60p per share, declared on 23 December 2019 and paid on 19 March 2020.

² Final dividend paid in respect of the year ended 31 October 2018 of 4.40p per share, declared on 20 December 2018 and paid on 19 March 2019.

³ Interim dividend paid in respect of the year ended 31 October 2019 of 2.60p per share, declared on 25 June 2019 and paid on 2 September 2019. Final dividend paid in respect of the year ended 31 October 2018 of 4.40p per share, declared on 20 December 2018 and paid on 19 March 2019.

The transaction costs incurred on the acquisition of investments amounted to £66,000 for the six months ended 30 April 2020 (six months ended 30 April 2019: £50,000; year ended 31 October 2019: £103,000). Costs relating to the disposal of investments amounted to £10,000 for the six months ended 30 April 2020 (six months ended 30 April 2019: £7,000; year ended 31 October 2019: £12,000). All transaction costs have been included within capital reserves.

The share premium account and capital redemption reserve are not distributable profits under the Companies Act 2006. The special 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. In accordance with the Company's articles, net capital reserves may be distributed by way of the repurchase by the Company of its ordinary shares and for payment as dividends.

Balance sheet

as at 30 April 2020

	Notes	30 April 2020	30 April 2019	31 October 2019
		£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Fixed assets				
Investments held at fair value through profit or loss		39,676	48,085	49,313
Current assets				
Debtors		449	413	213
Cash and cash equivalents		2,548	3,243	1,575
		2,997	3,656	1,788
Creditors - amounts falling due within one year				
Bank loan		(4,000)	(4,000)	(4,000)
Other creditors		(592)	(403)	(887)
		(4,592)	(4,403)	(4,887)
Net current liabilities		(1,595)	(747)	(3,099)
Net assets		38,081	47,338	46,214
Capital and reserves				
Called up share capital	7	327	329	329
Share premium account		14,819	14,819	14,819
Capital redemption reserve		222	220	220
Capital reserve		4,289	12,368	11,490
Special reserve		15,962	17,091	16,542
Revenue reserve		2,462	2,511	2,814
Total shareholders' funds	6	38,081	47,338	46,214
Net asset value per ordinary share (pence)	6	168.46	203.70	201.30

Statement of cash flows

for the six months ended 30 April 2020

	Six months ended 30 April 2020	Six months ended 30 April 2019	Year ended 31 October 2019
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Operating activities			
Net (loss)/profit before taxation	(6,502)	3,233	3,257
Add back finance costs	31	32	63
Losses/(gains) on investments held at fair value through profit or loss	7,062	(2,531)	(1,781)
Losses/(gains) on foreign exchange	18	(2)	(1)
Special dividends allocated to capital	-	69	111
Sales of investments	15,511	11,679	20,358
Purchases of investments	(13,205)	(9,896)	(20,201)
Increase in other debtors	(72)	(239)	(1)
(Decrease)/increase in other creditors	(190)	118	171
Taxation on investment income	-	-	(1)
Net cash generated from operating activities	2,653	2,463	1,975
Financing activities			
Ordinary shares purchased for cancellation	(341)	-	-
Ordinary shares purchased into treasury	(236)	(1,570)	(2,110)
Share purchase costs paid	(3)	(6)	(15)
Interest paid	(31)	(32)	(63)
Dividends paid	(1,051)	(1,056)	(1,655)
Net cash used in financing activities	(1,662)	(2,664)	(3,843)
Increase/(decrease) in cash and cash equivalents	991	(201)	(1,868)
Cash and cash equivalents at beginning of period/year	1,575	3,442	3,442
Effect of foreign exchange rate changes	(18)	2	1
Cash and cash equivalents at end of period/year	2,548	3,243	1,575
Comprised of:			
Cash at bank	125	101	94
Cash Fund*	2,423	3,142	1,481
	2,548	3,243	1,575

* Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund (as at 30 April 2019: BlackRock Institutional Cash Series plc - Sterling Liquidity Fund; as at 31 October 2019: BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund).

Notes to the financial statements

for the six months ended 30 April 2020

1. Principal activity and basis of preparation

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.

The Company presents its results and positions under FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), which forms part of revised Generally Accepted Accounting Practice (New UK GAAP) issued by the Financial Reporting Council (FRC) in 2013 and updated in March 2018.

The condensed set of financial statements has been prepared on a going concern basis in accordance with FRS 102 and FRS 104, 'Interim Financial Reporting' issued by the FRC in March 2015 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 October 2019 and the provisions of the Companies Act 2006.

The revised SORP issued in October 2019 is applicable for accounting periods beginning on or after 1 January 2019, therefore the Company has adopted the new SORP for the accounting year beginning 1 November 2019. As a result, there will be an amended presentation of movements in investments held at fair value through profit or loss in the notes to the financial statements which will be included as part of the 2020 Annual Report and Financial Statements. As this note is not included as part of the Half Yearly Financial Report and Financial Statements, there is no impact on the Half Yearly Financial Report and Financial Statements as a result of the adoption of the revised SORP.

The accounting policies applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 October 2019.

2. Income

	Six months ended 30 April 2020	Six months ended 30 April 2019	Year ended 31 October 2019
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Investment income:			
UK dividends	802	937	1,892
UK scrip dividends	32	-	-
UK special dividends	24	36	107
Overseas dividends	-	-	4
	858	973	2,003
Other income:			
Interest from cash funds	6	13	24
Deposit interest	-	-	12
Underwriting commission	-	6	5
	6	19	41
Total income	864	992	2,044

Dividends and interest received in cash during the period amounted to £784,000 and £5,000 (six months ended 30 April 2019: £745,000 and £13,000; year ended 31 October 2019: £1,969,000 and £37,000) respectively.

Special dividends of £nil have been recognised in capital (six months ended 30 April 2019: £69,000; year ended 31 October 2019: £111,000).

Notes to the financial statements continued

3. Investment management fee

	Six months ended 30 April 2020 (unaudited)			Six months ended 30 April 2019 (unaudited)			Year ended 31 October 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	31	95	126	33	99	132	67	201	268

Under the terms of the investment management agreement, 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.

4. Other operating expenses

	Six months ended 30 April 2020	Six months ended 30 April 2019	Year ended 31 October 2019
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Allocated to revenue:			
Custody fees	1	1	1
Depositary fees	2	3	5
Audit fees	12	13	25
Registrars' fee	12	11	25
Directors' emoluments	54	46	92
Marketing fees	7	11	13
Marketing fee accrual in 2018 written back	-	-	(9)
Printing and postage fees	15	9	20
Legal and professional fees	3	7	11
London Stock Exchange fee	5	4	9
FCA fee	3	3	6
Other administration costs	12	15	33
	126	123	231
Allocated to capital:			
Custody transaction charges	3	5	7
	129	128	238

5. Dividend

The Directors have declared an interim dividend of 2.60p per share for the period ended 30 April 2020 payable on 1 September 2020 to shareholders on the register on 24 July 2020. The total cost of the dividend based on 22,605,600 ordinary shares in issue at 23 June 2020 was £588,000 (30 April 2019: £599,000).

In accordance with FRS 102, Section 32, 'Events After the End of the Reporting Period', the interim dividend payable on the ordinary shares has not been included as a liability in the financial statements, as interim dividends are only recognised when they have been paid.

Notes to the financial statements continued

6. Earnings and net asset value per ordinary share

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

	Six months ended 30 April 2020	Six months ended 30 April 2019	Year ended 31 October 2019
	(unaudited)	(unaudited)	(audited)
Net revenue profit attributable to ordinary shareholders (£'000)	699	827	1,729
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(7,201)	2,405	1,527
Total (loss)/profit attributable to ordinary shareholders (£'000)	(6,502)	3,232	3,256
Total shareholders' funds (£'000)	38,081	47,338	46,214
Earnings per share			
The weighted average number of ordinary shares in issue at the end of each period, on which the earnings per ordinary share was calculated, was:	22,857,853	23,972,832	23,467,645
The actual number of ordinary shares in issue at the end of each period, on which the net asset value per ordinary share was calculated, was:	22,605,600	23,239,521	22,958,100
Calculated on weighted average number of ordinary shares:			
Revenue earnings (pence)	3.06	3.45	7.37
Capital (loss)/earnings (pence)	(31.51)	10.03	6.50
Total (loss)/earnings (pence)	(28.45)	13.48	13.87

6. Earnings and net asset value per ordinary share continued

	As at 30 April 2020	As at 30 April 2019	As at 31 October 2019
	(unaudited)	(unaudited)	(audited)
Net asset value per ordinary share (pence)	168.46	203.70	201.30
Ordinary share price (mid-market) (pence)	164.00	197.50	198.00

There were no dilutive securities at 30 April 2020 (30 April 2019: nil; 31 October 2019: nil).

7. Share capital

	Ordinary shares	Treasury shares	Total shares	Nominal value
	number	number	number	£'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1p each				
At 31 October 2019	22,958,100	9,975,832	32,933,932	329
Shares purchased and held in treasury	(117,500)	117,500	-	-
Shares purchased for cancellation	(235,000)	-	(235,000)	(2)
At 30 April 2020	22,605,600	10,093,332	32,698,932	327

During the period to 30 April 2020, 117,500 ordinary shares were purchased and transferred to treasury at a cost of £237,000 (six months ended 30 April 2019: 820,417 ordinary shares at a total cost of £1,576,000; year ended 31 October 2019: 1,101,568 ordinary shares at a total cost of £2,125,000). Also, during the period to 30 April 2020, 235,000 ordinary shares were purchased and subsequently cancelled (six months ended 30 April 2019: nil; year ended 31 October 2019: nil) at a cost of £343,000 (six months ended 30 April 2019: £nil; year ended 31 October 2019: £nil).

8. 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 and cash equivalents and overdrafts). 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 on page 65 of the Annual Report and Financial Statements for the year ended 31 October 2019.

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 than active, or other valuation techniques where all 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.

8. Valuation of financial instruments continued

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.

The table below is the 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	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Equity investments at 30 April 2020 (unaudited)	39,676	-	-	39,676
Equity investments at 30 April 2019 (unaudited)	48,085	-	-	48,085
Equity investments at 31 October 2019 (audited)	49,313	-	-	49,313

There were no transfers between levels for financial assets and financial liabilities during the period/year recorded at fair value as at 30 April 2020, 30 April 2019 and 31 October 2019. The Company held one Level 3 security during the period to 30 April 2020 (period to 30 April 2019: one; year to 31 October 2019: one).

The investment in Patisserie Holdings has been classified as a Level 3 investment as at 30 April 2020, 30 April 2019 and 31 October 2019 as the trading of shares in this company was suspended. As at 30 April 2020 the shares are valued at nil (as at 30 April 2019: nil; as at 31 October 2019: nil).

Notes to the financial statements continued

9. Related party disclosure

The Board consists of four non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. With effect from 1 November 2019, the remuneration of the Chairman was increased from £28,750 to £29,750, the remuneration of the Chairman of the Audit Committee was increased from £23,250 to £24,000 and for the other Directors the remuneration was increased from £19,750 to £20,500.

Mr Luckraft's fee of £20,500 (excluding VAT of £4,100) is paid to AXA Investment Management (UK) Limited for the provision of his services as a non-executive Director of the Company. As at 30 April 2020, an amount of £8,000 (30 April 2019: £7,000; 31 October 2019: £7,000) was outstanding in respect of Directors' fees.

At the period end and as at 23 June 2020 members of the Board held ordinary shares in the Company as set out below:

	Ordinary shares 23 June 2020	Ordinary shares 30 April 2020	Ordinary shares 31 October 2019
	(unaudited)	(unaudited)	(audited)
Jonathan Cartwright ¹	n/a	n/a	20,000
Nicholas Gold	20,000	20,000	20,000
George Luckraft	-	-	-
Graeme Proudfoot ²	20,000	20,000	n/a
Charles Worsley	987,593 ³	987,593 ³	987,593 ³

¹ Mr Cartwright retired from the Board as of 12 March 2020.

² Mr Proudfoot succeeded Mr Cartwright as Chairman as of 12 March 2020.

³ Including a non-beneficial interest of 655,500 ordinary shares.

10. Transactions with the AIFM and the 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 on page 32 in the Annual Report and Financial Statements for the year ended 31 October 2019.

The investment management fee due for the six months ended 30 April 2020 amounted to £126,000 (six months ended 30 April 2019: £132,000; year ended 31 October 2019: £268,000). At the period end, £126,000 was outstanding in respect of investment management fees (as at 30 April 2019: £203,000; as at 31 October 2019: £202,000).

In addition to the above services, BlackRock provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 30 April 2020 amounted to £7,000 including VAT (six months ended 30 April 2019: £11,000; year ended 31 October 2019: £13,000). Marketing fees of £18,000 were outstanding at 30 April 2020 (as at 30 April 2019: £44,000; as at 31 October 2019: £11,000).

The Company holds an investment in the BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund of £2,423,000 (30 April 2019: £3,142,000 in BlackRock Institutional Cash Series plc - Sterling Liquidity Fund; 31 October 2019: £1,481,000 in BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund) which has been presented in the financial statements as a cash equivalent.

11. Contingent liabilities

There were no contingent liabilities at 30 April 2020 (30 April 2019: nil; 31 October 2019: nil).

12. Publication of non statutory accounts

The financial information contained in this half yearly financial report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 2020 and 30 April 2019 has not been reviewed or audited by the Company's Auditor.

The information for the year ended 31 October 2019 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the Auditor on those accounts contained no qualification or statement under sections 498 (2) or (3) of the Companies Act 2006.

Notes to the financial statements continued

13. Annual results

The Board expects to announce the annual results for the year ended 31 October 2020, in December 2020. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at cosec@blackrock.com. The Annual Report and Financial Statements should be available in December 2020, with the Annual General Meeting being held in March 2021.

Directors, management and other service providers

Directors

Graeme Proudfoot (Chairman)
Nicholas Gold (Chairman of the Audit Committee)
George Luckraft
Charles Worsley

Registered Office

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

Alternative Investment Fund Manager

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

Investment Manager and Company Secretary

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

Registrar

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

Auditor

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

Depositary, Custodian and Banker

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

Lender

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

Stockbroker

J.P. Morgan Cazenove Limited*
25 Bank Street
Canary Wharf
London E14 5JP

Solicitor

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

* Authorised and regulated by the Financial Conduct Authority.

Shareholder information

Contact information

General 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

Website

www.blackrock.com/uk/brig

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information will be required to gain access to your account, including your shareholder reference number, available from your most recent dividend voucher or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 703 0084.

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

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

Stocks and Shares New Individual Savings Accounts ("NISA")

NISAs are a tax-efficient method of investment and the Company's shares are eligible investments within a Stocks and Shares NISA. Shares can be purchased through a stockbroker or alternatively via a share dealing platform.

Dividend tax allowance

From 6 April 2018 an annual £2,000 tax-free allowance will apply to dividend income across an individual's entire share portfolio. 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 a 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 the shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a Financial Advisor.

Results

Full year announced in December

Half year announced in June

Annual general meeting

March

Glossary

Alternative Performance Measures (APMs)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Half Yearly Financial report.

Benchmark

The Company's benchmark index, used for performance comparative purposes is the FTSE All-Share Index calculated in Sterling Terms with dividends reinvested.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open-ended funds and can therefore invest in less liquid investments.

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them 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. As at 30 April 2020, the share price was 164.00p (30 April 2019: 197.50p; 31 October 2019: 198.00p) and the NAV was 168.46p (30 April 2019: 203.70p; 31 October 2019: 201.30p) and the discount was 2.6% (30 April 2019: 3.0%; 31 October 2019: 1.6%) (please see note 6 of the financial statements on pages 32 and 33 for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market 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 370.00p and the NAV 365.00p, the premium would be 1.4%.

* Alternative Performance Measures.

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

Gearing and borrowings*

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets of the Company less current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the following table.

Net gearing calculation	Page	30 April 2020 £'000 (unaudited)	30 April 2019 £'000 (unaudited)	31 October 2019 £'000 (audited)	
Net assets	26	38,081	47,338	46,214	(a)
Borrowings	26	(4,000)	(4,000)	(4,000)	(b)
Total assets (a - b)		42,081	51,338	50,214	(c)
Current assets ¹	26	2,997	3,656	1,788	(d)
Current liabilities (excluding borrowings)	26	(592)	(403)	(887)	(e)
Cash and cash equivalents (d + e)		2,405	3,253	901	(f)
Net gearing figure (g = (c - f - a)/ a)		4.2%	1.6%	6.7%	(g)

¹ Includes cash at bank and the Company's investment in BlackRock's Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund (30 April 2019: BlackRock's Institutional Cash Series plc - Sterling Liquidity Fund; 31 October 2019: BlackRock's Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund).

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".

* Alternative Performance Measures.

Glossary continued

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

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

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.

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 30 April 2020, equity shareholders' funds were worth £38,081,000 and there were 22,605,600 ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 168.46 pence per ordinary share (please see note 6 of the financial statements for the 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.

Net asset value per share (Capital only NAV)

The Capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 30 April 2020, equity shareholders' funds less the current year net revenue return amounted to £37,382,000 and there were 22,605,600 ordinary shares in issue (excluding treasury shares); therefore, the capital only NAV was 165.37p.

Equity shareholders' funds (excluding current period revenue) of £37,382,000 are calculated by deducting from the Company's net assets (£38,081,000) its current period revenue (£699,000).

* Alternative Performance Measures.

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. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, certain non-recurring items and taxation) expressed as a percentage of the average daily net assets of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table.

Ongoing charges calculation	31 October 2019 £'000 (audited)	31 October 2018 £'000 (audited)	
Management fee	268	291	
Other operating expenses	231	265	
Total management fee and other operating expenses	499	556	(a)
Average net assets in the year	46,451	50,451	(b)
Ongoing charges (c = a/b)	1.07%	1.10%	(c)

Quoted securities

Securities that trade on an exchange for which there is a publicly quoted price.

* Alternative Performance Measures.

Revenue Profit and Revenue Reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses.

They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

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 (NAV per share and share price with dividends reinvested). Please see note 6 of the financial statements for the inputs to the calculations.

NAV total return - Sterling	Page	Six months to 30 April 2020 (unaudited)	Six months to 30 April 2019 (unaudited)	Year ended 31 October 2019 (audited)	
Closing NAV per share (pence)	33	168.46	203.70	201.30	
Add back interim and final dividends (pence)	25	4.60	4.40	7.00	
Effect of dividend reinvestment (pence)		(0.92)	0.32	0.30	
Adjusted closing NAV (pence)		172.14	208.42	208.60	(a)
Opening NAV per share (pence)	33	201.30	194.26	194.26	(b)
NAV total return (c = ((a-b)/b)) (%)		(14.5)	7.3	7.4	(c)

* Alternative Performance Measures.

Share price total return - Sterling	Page	Six months to 30 April 2020	Six months to 30 April 2019	Year ended 31 October 2019	
		(unaudited)	(unaudited)	(audited)	
Closing share price (pence)	33	164.00	197.50	198.00	
Add back interim and final dividends (pence)	25	4.60	4.40	7.00	
Effect of dividend reinvestment (pence)		(0.99)	0.23	0.28	
Adjusted closing share price (pence)		167.61	202.13	205.28	(a)
Opening share price (pence)	33	198.00	183.00	183.00	(b)
Share price total return (c = ((a-b)/b)) (%)		(15.3)	10.5	12.2	(c)

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Unquoted investments

Financial securities that do not trade on an exchange for which there is not a publicly quoted price.

* Alternative Performance Measures.

Glossary continued

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it, as a percentage of share price. Normally, it does not include the price variations, distinguishing it from the total return.

	30 April 2020	31 October 2019	31 October 2018	
Dividend paid/payable (pence)	7.20 ¹	7.20	6.90	(a)
Ordinary share price (pence)	164.00	198.00	183.00	(b)
Yield c = (a/b) (%)	4.4	3.6	3.8	(c)

¹ Comprising interim dividends declared/paid for the twelve months to 30 April 2020.

* Alternative Performance Measures.



blackrock.co.uk/brig

BlackRock