Half-Year Report

For the six months ended 30 June 2023

TEMPLE BAR
Investment Trust Plc

Temple Bar Investment Trust PLC's ("Temple Bar" or the "Company") investment objective is to provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK-listed securities. The Company's investment policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the constituents of the FTSE 350 Index.

Benchmark
Performance is measured against the FTSE All-Share Index

Capital structure

Ordinary shares	302,457,565 shares (excluding 31,906,260 shares held in treasury)
4.05% Private Placement Loan 2028	£49,833,000 carrying value
2.99% Private Placement Loan 2047	£24,893,000 carrying value

Voting structure
Ordinary shares

Ongoing charges[1]
0.53%

ISA status
The Company's shares qualify to be held in an ISA and a Junior ISA.

1 Alternative Performance Measures. See glossary of terms on pages 17 and 18 for definition and more information.

Summary of Results

	Six months to 30 June 2023 £000	Year to 31 December 2022 £000	Six months to 30 June 2022 £000	% change since year end
Net assets	**699,147**	726,346	735,286	(3.7)
Ordinary shares				
Net asset value per share with debt at book value	**231.2p**	228.5p	224.3p	1.1
Net asset value per share with debt at fair value[1]	**236.8p**	233.5p	226.7p	1.5
Share Price	**221.5p**	220.5p	218.0p	0.5
Premium/(discount) with debt at fair value[1]	**(6.5%)**	(5.6%)	(3.8%)	
Revenue return				
Revenue return per ordinary share[1]	**5.4p**	9.4p	4.0p	
Revenue return attributable to ordinary shareholders	**16,595**	30,550	13,219	
Dividends per ordinary share[1, 3]	**4.60p**	9.35p	4.35p	
Capital return				
Capital return attributable to ordinary shareholders	**7,135**	(46,519)	(57,048)	
Capital return attributable per ordinary share[3]	**2.3p**	(14.3p)	(17.3p)	
Total returns for the half-year ended 30 June 2023				%
NAV total return, with debt at fair value[1,2]				3.4
Share price total return[1,2]				2.5
FTSE All-Share Index[4]				2.6

1 Alternative Performance Measures – See glossary of terms on pages 17 and 18 for definition and more information.
2 Source: Morningstar.
3 Dividends declared relating to the relevant period.
4 Source: Redwheel.

Chairman's Statement

This is my first report to shareholders having succeeded Arthur Copple as Chairman of the Company in May 2023. During Arthur's tenure as Chairman, your Board had to take a number of strategic decisions including changing our Portfolio Manager and deciding to retain our value focused investment strategy. We believe that both decisions were the correct ones for shareholders and I would like to thank Arthur, both personally and on behalf of your Board, for his leadership and wise counsel during his tenure.

Performance

The total return of the FTSE All-Share Index was +2.6% in the period. I am pleased to report that the Company's Net Asset Value ("NAV") total return was +3.4%, outperforming the Index, and that the share price total return was +2.5%.

Discount

In common with many other trusts, the Company's discount to NAV during the period widened slightly to 6.5% from 5.6%. Your Board has continued to be active in pursuing its buy back policy. During the period 15,364,821 shares were bought back at a cost of £31.1m. This has the effect of accreting to the remaining shares' net asset value and reducing the supply versus demand imbalance in the market.

Dividend

Your Board declared a first interim dividend of 2.3 pence per share which was paid on 30 June 2023. Your Board has also agreed that the second interim dividend will also be 2.3 pence per share. The second interim dividend will be payable on 29 September 2023 to shareholders on the register of members on 25 August 2023. The associated ex-dividend date is 24 August 2023.

Outlook

It is not my intention in these communications to comment on macro-economic forecasts, however there are signs that some of the inflationary pressures in the UK are starting to ease with a concomitant decrease in the pressures for monetary tightening by the Bank of England.

However, principally your Board continues to believe that our Portfolio Manager is correct in their conviction that a portfolio of fundamentally sound businesses, bought at attractive valuations, is the best predictor of investment return over time and that our value strategy will reward shareholders accordingly.

Richard Wyatt
Chairman

17 August 2023

Portfolio Manager's Report

Overview

Stock markets have had to contend with further significant interest rate rises in the first six months of 2023. In the US, the UK and Continental Europe, Central Banks have been raising rates to bring inflation back to the target level of around 2%. At the beginning of the year, there was some optimism that rates may not have to rise too much further, however those hopes have subsequently been disappointed by the continued strength of the economy and some concerning signs that inflationary pressures are becoming embedded in consumer psychology. This has been particularly the case in the UK, where inflation readings have surprised to the upside for several months now. Although there are signs that these pressures are now easing somewhat, it is hard to know how much further rates will have to rise from today's levels and how deep and protracted any resulting recession may be. At the current time, however, most companies continue to enjoy the benefits of relatively benign economic conditions and corporate profitability is generally strong. In contrast, Chinese economic growth had been expected to bounce back strongly in 2023, post the COVID lockdowns in 2022; however this has not been the case and, here, the authorities have been cutting interest rates to stimulate growth.

Stock markets have also had to contend with the failure of several regional banks in the US. These failures were ultimately the result of lax management controls and poor regulatory oversight but nevertheless they raised fears of a broader contagion and led to large deposit outflows at Credit Suisse, culminating in its forced purchase by UBS at a significant discount to an already depressed share price. Quite quickly, however, relative calm returned to financial markets as it became clear that Credit Suisse was an outlier amongst the European banks and thereby not symptomatic of broader weakness in the banking sector. Our view throughout has been that the banking system is sound and that we were not about to witness a repeat of the 2008 financial crisis. This belief was borne of the fact that banks' asset quality is good, liquidity is strong, and they hold around three times the amount of capital that they did then. Banking regulators throughout the world have spent the last fifteen years ensuring that the Banks are financially strong and that accordingly they can continue to lend even in a stressed environment. We don't believe that this effort has been for nought.

Given the headwinds of rising interest rates and fears over the stability of the banking system, it is surprising perhaps that most stock markets fared well in the first half of the year, with many delivering double digit returns. The exception in this instance was the UK market which delivered just a small positive total return in the six months.

Portfolio

The Trust outperformed the UK market over the period, helped by strong performances from Marks & Spencer, Centrica, Easyjet and Standard Chartered. Anglo American, Pearson and TotalEnergies were detractors from the portfolio return in the period.

Marks & Spencer continues to execute well in both food and clothing, taking further market share from its competitors. The company has an excellent brand, but for many years has failed to realise its true potential. There are clear signs that this is now changing at a time when the stock market continues to be sceptical. The company delivered a strong set of results in May and profit expectations for the current financial year have increased. Nevertheless, the company is still modestly valued, even though it still has much in the way of unrealised profit potential.

Centrica continues to perform strongly in several areas. At British Gas, the company is benefitting from a more favourable competitive environment, following the demise of several of its competitors in 2021, whilst its trading business is performing strongly on the back of tight LNG markets. In combination with high electricity prices and an increase in the capacity of the company's Rough gas storage facility, these factors have driven meaningful upgrades to near-term profit expectations. The company continues to be valued on a price earnings ratio of less than six times despite having significant excess cash on its balance sheet. We believe that the company can play a meaningful role in the upcoming energy transition and that accordingly its profits can continue to grow over time albeit with some cyclicality along the way.

Easyjet has been struggling to restore profitability post the pandemic and remains some way short of its profit potential. Nevertheless, there is little sign yet that interest rate rises are dampening demand and airline bookings continue to be strong. As a result, the company has seen some profit upgrades, prompting a sharp upward move in its share price from depressed levels.

Standard Chartered has been a beneficiary of rising dollar interest rates, which in turn have led to higher income growth and should thereby help the bank achieve its profitability targets. Although the large increase in interest rates could lead to credit stresses and increased loan loss provisions, the bank has been significantly de-risked over the last few years and lending standards are now much improved. It is possible and maybe even likely therefore that credit provisions will not need to be significantly increased from current levels. The company's shares are valued at around seven times this year's expected earnings and at a meaningful discount to its asset value. At the start of the year, First Abu Dhabi Bank considered making a bid for the company and whilst nothing came of it, the episode served to highlight the strategic value of the company.

In the six months, Anglo American fell on fears that an increasingly hawkish Federal Reserve would raise interest rates to such a point that demand for commodities would be adversely affected. The company also announced slightly disappointing results at which it said that its north of England Woodsmith project to bring polyhalite fertiliser to the market was running behind schedule and would be more costly to develop than originally expected. The company's shares are currently valued at around eight times this year's expected earnings and offer a dividend yield of around 5%.

Portfolio Manager's Report continued

Pearson continued to trade well and the hoped-for recovery in earnings is very much on track, however, the company earns most of its profits in dollars and therefore some weakness in the dollar has led to small downgrades in sterling profit expectations. Over the last few years, the company has had to navigate a difficult transition from print to digital publishing in the North American higher education market although it looks to have reached an inflection point and profits are now growing once again. In 2021, the company received two separate bid approaches from the private equity firm, Apollo, and although both bids were rejected by the management team as undervaluing the company and therefore came to nothing, the approaches again serve to highlight the likely undervaluation in the company's shares.

TotalEnergies underperformed on continued weakness in the oil price, resulting from fears of recession, coupled with some strengthening in the pound against the euro. The company is currently valued at less than six times this year's expected earnings.

In the six months under review, the Trust purchased shares in Stellantis, a company formed by the merger of Fiat Chrysler and Peugeot in 2021. The rationale for the merger was to combine the European strength of the Peugeot business with the North American strength of Fiat Chrysler. Combining the entities has allowed for significant cost savings and created a stronger and more diversified business. The company is priced on a historic price earnings ratio of less than four times and has a dividend yield of around 8%. In 2022, the auto industry enjoyed high profitability as strong demand post COVID, coupled with muted supply drove price increases in most markets. Whilst profitability is likely to decline in future years as industry conditions normalise, in our view, the company would nevertheless continue to be very attractively valued. The company has significant net cash on its balance sheet, equating to almost half of its market capitalisation.

UK Markets

The relatively muted performance of the UK equity market in the first half of the year contrasts with strong returns elsewhere. In the US for example, the Nasdaq index of Technology shares had its best first six months in 40 years. The UK therefore remains very out of favour with many investors who continue to sell UK assets to channel money overseas. Here investment prospects are seen to be more exciting even though a large portion of the profits of companies listed in the UK are derived from outside the UK.

The result of this negative sentiment towards the UK however is that UK listed stocks are valued at a significant discount to their overseas listed peers for no other reason than they happen to be listed in the UK. For example, Shell is valued at just 6.5x 2023 estimated earnings, whereas the US listed Exxon Mobil is valued at over 11x. In banking, Barclays is valued at just 0.5x the value of its shareholder equity, whereas the US investment banks are valued at around 1x. Whilst many are taking a dim view of UK economic prospects, it is important to remember that we buy companies and not economies. The companies in which the Trust is invested are sound, conservatively run businesses with good balance sheets and capable management teams.

Many of the CEOs that we talk to express frustration with the low multiples that their businesses attract, and clients often ask what is likely to cause these shares to re-rate. The answer of course is that we don't know for sure, except to say that one doesn't need the shares to re-rate to get a very attractive investment return. We should remember that a company on a p/e of 6x, which turns 90% of its profit into cash (a typical conversion rate), offers a free cash flow yield of 15% and that all that cash can be used to drive shareholder returns either in the form of dividends or share buybacks, whilst holding debt at a constant level.

If said company paid out one third of its free cash as a dividend (dividend yield 5%) and used the remaining two thirds to buy back shares, the company would retire 10% of its shares in issue. This in turn would mean that for the same level of profits, earnings per share (and therefore dividend per share) would increase by 10% in the following year and the shareholders' total return would be 15%. If the shares were to re-rate to 8x, this would drive an additional return of over 30%! These are perhaps obvious points to make, but it is nevertheless surprising how many investors seem to forget them.

Outlook

Whilst it is somewhat frustrating that UK listed shares continue to attract such miserly valuations, the attraction for the long-term investor is significant as stock market history has shown that the best predictor of long-term future investment return is starting valuation. Time and time again, those that have invested in highly valued assets have been rewarded with suboptimal returns. Conversely, those that have invested in lowly valued, but fundamentally sound businesses, which did not happen to fit with the prevailing investment narrative at the time of purchase, have enjoyed outsized gains. Whilst we cannot know when the improved fundamentals of many of the Trust's holdings will be reflected in share prices, the Trust's shareholders should take much comfort from the fact that the lessons of stock market history are very much on their side.

Ian Lance and Nick Purves
RWC Asset Management LLP

17 August 2023

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement on page 2 and the Portfolio Manager's Report on pages 3 and 4.

The principal risks facing the Company are unchanged, and are not expected to change materially in the remaining six months of the financial year, since the date of the Annual Report and Financial Statements for the year ended 31 December 2022 and continue to be as set out in that report on pages 24 to 26 and note 22 to the financial statements beginning on page 80.

Risks faced by the Company include, but are not limited to: investment strategy risk, loss of investment team or portfolio manager, income risk – dividend, share price risk, reliance on the Portfolio Manager and other service providers, compliance with laws and regulations, cyber security, and global risks (e.g. climate risk, a pandemic), market price risk, interest rate risk, liquidity risk, credit risk and currency risk.

The Board, the AIFM and the Portfolio Manager discuss and identify emerging risks as part of the risk identification process and have considered, amongst other things, climate issues, the ongoing and tragic events in Ukraine and also UK political instability.

Related Party Transactions
During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern
The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within this Half-Year Report has been prepared in accordance with Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK, and gives a true and fair view of the assets, liabilities, financial position and return of the Company; and,
- the Half-Year Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS 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; and the Directors confirm that they have done so.

The Half-Year Report was approved by the Board on 17 August 2023 and the above responsibility statement was signed on its behalf by:

Richard Wyatt
Chairman

Ten Largest Investments

As at 30 June 2023

Company	Industry	Primary place of Listing	Valuation £'000	% of portfolio
Centrica	Utilities	UK	53,281	6.9%
Royal Dutch Shell	Oil & Gas	UK	52,710	6.9%
Marks & Spencer Group	Consumer Services	UK	50,943	6.6%
BP	Oil & Gas	UK	49,968	6.5%
Standard Chartered	Financials	UK	48,265	6.3%
Pearson	Consumer Services	UK	41,289	5.4%
NatWest Group	Financials	UK	40,428	5.3%
TotalEnergies	Oil & Gas	France	36,393	4.7%
International Distributions Services PLC	Industrials	UK	35,852	4.7%
ITV	Consumer Services	UK	33,294	4.3%
			442,423	57.6%

Statement of Comprehensive Income

For the six months ended 30 June 2023 (unaudited)

		30 June 2023 (unaudited)			30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
	Notes	**Revenue £000**	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Investment Income	5	18,743	–	18,743	15,336	–	15,336	34,760	–	34,760
Other operating income	5	37	–	37	2	–	2	31	–	31
Profit/(losses) on investments held at fair value	4	–	9,039	9,039	–	(54,996)	(54,996)	–	(42,572)	(42,572)
Currency exchange losses		–	(103)	(103)	–	(17)	(17)	–	(13)	(13)
Total income/(loss)		**18,780**	**8,936**	**27,716**	**15,338**	**(55,013)**	**(39,675)**	**34,791**	**(42,585)**	**(7,794)**
Expenses										
Management fees		(580)	(870)	(1,450)	(606)	(909)	(1,515)	(1,175)	(1,762)	(2,937)
Other expenses including dealing costs		(473)	(89)	(562)	(475)	(292)	(767)	(1,057)	(487)	(1,544)
Profit/(loss) before finance costs and tax		**17,727**	**7,977**	**25,704**	**14,257**	**(56,214)**	**(41,957)**	**32,559**	**(44,834)**	**(12,275)**
Finance costs		(561)	(842)	(1,403)	(556)	(834)	(1,390)	(1,123)	(1,685)	(2,808)
Profit/(loss) before tax		**17,166**	**7,135**	**24,301**	**13,701**	**(57,048)**	**(43,347)**	**31,436**	**(46,519)**	(15,083)
Tax		(572)	–	(572)	(482)	–	(482)	(886)	–	(886)
Profit/(loss) for the period		**16,594**	**7,135**	**23,729**	**13,219**	**(57,048)**	**(43,829)**	**30,550**	**(46,519)**	(15,969)
Earnings per share (basic and diluted)*		**5.4p**	**2.3p**	**7.7p**	**4.0p**	**(17.3p)**	**(13.3p)**	**9.4p**	**(14.3p)**	**(4.9p)**

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the AIC.

All items in the above statement derive from continuing operations.

* In accordance with IAS 33 'Earnings per Share', the comparative return per ordinary share figures have been restated using the new number of shares in issue following the five for one share split. For weighted average purposes, the share split has been treated as happening on the first day of the accounting period. The weighted average number of shares used in the calculations was 309,052,007 (Six months ended 30 June 2022: 329,216,123; Year ended 31 December 2022: 325,567,365).

Statement of Changes in Equity
For the six months ended 30 June 2023 (unaudited)

	Notes	Ordinary share capital £000	Share premium account £000	Capital reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023		16,719	96,040	600,206	13,381	726,346
Total comprehensive profit for the period		–	–	7,135	16,594	23,729
Cost of Shares bought back for Treasury		–	–	(36,131)	–	(36,131)
Dividends paid to equity shareholders	7	–	–	–	(14,797)	(14,797)
Balance at 30 June 2023		**16,719**	**96,040**	**571,210**	**15,178**	**699,147**

	Notes	Ordinary share capital £000	Share premium account £000	Capital reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2022		16,719	96,040	672,616	11,708	797,083
Total comprehensive (loss)/profit for the period		–	–	(57,048)	13,219	(43,829)
Cost of Shares bought back for Treasury		–	–	(4,483)	–	(4,483)
Dividends paid to equity shareholders	7	–	–	–	(13,485)	(13,485)
Balance at 30 June 2022		**16,719**	**96,040**	**611,085**	**11,442**	**735,286**

Statement of Financial Position

As at 30 June 2023 (unaudited)

	Notes	30 June 2023 (unaudited) £000	31 December 2022 (audited) £000	30 June 2022 (unaudited) £000
Non-current assets				
Investments held at fair value	5	767,285	782,463	763,748
Current assets				
Investments held at fair value	5	–	5,170	23,018
Cash and cash equivalents		3,823	13,240	13,204
Receivables		5,340	2,257	27,238
Total assets		**776,448**	**803,130**	**827,208**
Current liabilities				
Payables		(2,575)	(2,077)	(17,233)
Total assets less current liabilities		**773,873**	**801,053**	**809,975**
Non-current liabilities				
Interest bearing borrowings	8	(74,726)	(74,707)	(74,689)
Net assets		**699,147**	**726,346**	**735,286**
Equity attributable to equity holders				
Ordinary share capital	9	16,719	16,719	16,719
Share premium		96,040	96,040	96,040
Capital reserves		571,210	600,206	611,085
Revenue reserves		15,178	13,381	11,442
Total equity attributable to equity holders		**699,147**	**726,346**	**735,286**
NAV per share*	10	**231.2p**	**228.5p**	**224.3p**
NAV per share with debt at fair value[1]	10	**236.8p**	**233.5p**	**226.7p**

1 Alternative Performance Measures – See glossary of terms on pages 17 and 18 for definition and more information.

Statement of Cash Flows

For the six months ended 30 June 2023 (unaudited)

	30 June 2023 (unaudited) £000	30 June 2022 (unaudited) £000	Year ended 31 December 2022 (audited) £000
Cash flows from operating activities			
Profit/(loss) before tax	24,301	(43,347)	(15,083)
Adjustments for:			
(Losses)/gains on investments	(9,039)	54,996	42,572
Finance costs	1,403	1,390	2,808
Dividend income	(18,716)	(15,180)	(34,504)
Interest income	(64)	(158)	(287)
Dividends received	15,814	17,459	37,680
Interest received	37	353	584
Increase in receivables	(181)	(167)	(361)
(Decrease)/increase in payables	(101)	15	70
Overseas withholding tax suffered	(572)	(482)	(886)
Net cash flows from operating activities	**12,882**	**14,879**	**32,593**
Cash flows from investing activities			
Purchases of investments	(24,791)	(68,311)	(127,456)
Sales of investments	54,206	74,789	154,148
Net cash flows from investing activities	**29,415**	**6,478**	**26,692**
Cash flows from financing activities			
Repayment of borrowing	–	–	–
Equity dividends paid	(14,797)	(13,485)	(28,877)
Interest paid on borrowings	(1,386)	(1,386)	(2,772)
Shares bought back for treasury	(35,531)	(4,908)	(26,022)
Net cash flows used in financing activities	**(51,714)**	**(19,779)**	**(57,671)**
Net (decrease)/increase in cash and cash equivalents	**(9,417)**	**1,578**	**1,614**
Cash and cash equivalents at the start of the period	13,240	11,626	11,626
Cash and cash equivalents at the end of the period	**3,823**	**13,204**	**13,240**

Notes to the Financial Statements

1. Significant Accounting Policies

1.a General information

Temple Bar Investment Trust Plc is a company limited by shares, incorporated and domiciled in the UK. Its registered office and principal place of business is at 25 Southampton Buildings, London WC2A 1AL, UK. Its shares are listed on the London Stock Exchange.

These condensed interim financial statements were approved for issue on 17 August 2023. These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the board of directors on 22 March 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These financial statements have not been audited.

1.b Basis of Preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making this assessment, the Directors have considered a wide variety of emerging and current risks to the Company, as well as mitigation strategies that are in place. The Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows and borrowing facilities. Therefore, the financial statements have been prepared on a going concern basis.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The area requiring the most significant judgment is recognition and classification of unusual or special dividends received as either revenue or capital in nature. The estimates and underlying assumptions are reviewed on an ongoing basis.

4. Segmental Reporting

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

Notes to the Financial Statements
continued

5. Investments Held at Fair Value Through Profit or Loss

(a) Investment portfolio summary

	Six months ended 30 June 2023		
	Quoted equities £000	**Debt securities £000**	**Total £000**
Opening cost at the beginning of the period	734,594	5,172	739,766
Opening unrealised appreciation/(depreciation) at the beginning of the period	47,869	(2)	47,867
Opening fair value at the beginning of the period	**782,463**	**5,170**	**787,633**
Movements in the period:			
Purchases at cost	24,791	28	24,819
Sales proceeds	(49,006)	(5,200)	(54,206)
Realised gains on the sale of investments	19,893	–	19,893
Change in unrealised appreciation/(depreciation)	(10,856)	2	(10,854)
Closing fair value at the end of the period	**767,285**	**–**	**767,285**
Closing cost at the end of the period	730,272	–	730,272
Closing unrealised appreciation at the end of the period	37,013	–	37,013
Closing fair value at the end of the period	**767,285**	**–**	**767,285**

(b) Fair value of financial instruments
IFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

Level 1 – valued using quoted prices in active markets for identical investments.

Level 2 – valued using other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc). There are no level 2 financial assets.

Level 3 – valued using significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments). There are no level 3 financial assets.

Notes to the Financial Statements
continued

All of the Company's investments are in quoted securities actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date and have therefore been determined as Level 1.

There were no transfers between levels in the period and as such no reconciliation between levels has been presented.

As at	**30 June 2023 Level 1 £000**	31 December 2022 Level 1 £000	30 June 2022 Level 1 £000
Financial assets			
Quoted equities	767,285	782,463	763,748
Debt securities	–	5,170	23,018
	767,285	**787,633**	**786,766**

6. Income

	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (unaudited)		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Income from investments									
UK dividends	12,989	–	12,989	10,839	–	10,839	26,541	–	26,541
Overseas dividends	5,727	–	5,727	4,341	–	4,341	7,963	–	7,963
Interest on fixed income securities	27	–	27	156	–	156	256	–	256
	18,743	**–**	**18,743**	**15,336**	**–**	**15,336**	**34,760**	**–**	**34,760**
Other Income									
Deposit interest	37	–	37	2	–	2	31	–	31
	18,780	**–**	**18,780**	**15,338**	**–**	**15,338**	**34,791**	**–**	**34,791**

Notes to the Financial Statements
continued

7. Dividends
The fourth interim dividend relating to the year ended 31 December 2022 of 2.5 pence per ordinary share was paid during the six months ended 30 June 2023.

A first interim dividend relating to the year ending 31 December 2023 of 2.3 pence per share was paid on 30 June 2023.

A second interim dividend of 2.3 pence per share will be paid on 29 September 2023 to shareholders registered on 25 August 2023. In accordance with IFRS, this dividend has not been recognised in these financial statements. The ex-dividend date for this payment is 24 August 2023.

8. Interest-bearing borrowings
The Company's financial instruments, are included in the Statement of Financial Position at fair value or amortised cost, which is an approximation of fair value, with the exception of interest-bearing borrowings which are shown at book value.

The interest-bearing borrowings do not have prices quoted on an active market but their fair values, as shown in the below table, are based on observable inputs. As such they have been classified as Level 2 instruments in line with prior periods.

As at	30 June 2023		31 December 2022		30 June 2022	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
Interest-bearing borrowings:						
4.05% 03/09/2028 Private Placement Loan	49,833	44,025	49,817	44,872	49,801	48,979
2.99% 24/10/2047 Private Placement Loan	24,893	13,990	24,890	13,987	24,888	17,659
	74,726	**58,015**	**74,707**	**58,859**	**74,689**	**66,638**

Notes to the Financial Statements
continued

9. Share Capital

	30 June 2023 Number	31 December 2022 Number	30 June 2022 Number
As at 1 January	317,822,386	65,951,785	65,951,785
Purchase of shares into treasury pre-share split	–	(260,125)	(260,125)
Additional shares in issue following 5 for 1 share split	–	262,766,640	262,766,640
Purchase of shares into treasury post-share split	(15,364,821)	(10,635,914)	(655,523)
As at period end:			
– In circulation	**302,457,565**	**317,822,386**	**327,802,777**
– In Treasury	31,906,260	16,541,439	6,561,048
– Listed	334,363,825	334,363,825	334,363,825
Nominal Value of 5p ordinary shares (£000)	16,719	16,719	16,719

During the period, the Company bought back ordinary shares at a cost of £36,131,000 (Year ended 31 December 2022: £25,891,000; Six months ended 30 June 2022: £4,483,000).

At the AGM of the Company held in May 2022, shareholders approved a resolution for a five for one share split such that each shareholder would receive five shares with a nominal value of 5 pence each for every one share held. 267,491,060 additional shares (262,766,640 to shareholders and 4,724,420 in relation to shares held in treasury) were created following this approval.

10. Net asset value ("NAV") per share

The NAV per share is based on the net assets attributable to the equity shareholders of £699,147,000 (31 December 2022: £726,346,000; 30 June 2022: £735,286,000) and 302,457,565 (31 December 2022: 317,822,836; 30 June 2022: 327,802,777) shares being the number of shares in issue at the period end.

The NAV per share with debt at fair value is based on the net assets attributable to the equity shareholders, adjusted for the difference between the debt at carrying value and fair value as shown in note 8, and the number of shares in issue at the period end. Adjusting for debt at fair value resulted in an increase in net assets of £16,711,000 or 5.6p per share (31 December 2022: increase of £15,938,000 or 5.0p per share; 30 June 2022: increase of £8,051,000 or 2.4p per share).

Company Information

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Charles Cade
Lesley Sherratt
Carolyn Sims
Shefaly Yogendra

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Authorised and regulated by the Financial Conduct Authority

If you have an enquiry about the Company, please contact Frostrow Capital using the above email address.

Temple Bar Identifiers
ISIN (ordinary shares) – GB00BMV92D64
SEDOL (ordinary shares) – BMV92D6
Legal Entity Identifier (LEI) – 213800O8EAP4SG5JD323
Bloomberg: TMPL: LN

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Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting your shareholder reference number. Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

Glossary of Terms

AIC
The Association of Investment Companies.

Benchmark
A comparative performance index.

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

Diversification
Holding a range of assets to reduce risk.

Fixed Interest
Fixed-interest securities, also known as bonds, are loans usually taken out by a government or company which normally pay a fixed rate of interest over a given time period, at the end of which the loan is repaid.

FTSE All-Share Index
A comparative index that tracks the market price of the UK's leading companies listed on the London Stock Exchange. Covering around 600 companies, including investment trusts, the name FTSE is taken from the Financial Times and the London Stock Exchange, who are its joint owners.

FTSE 350 Index
A comparative index that tracks the market price of the UK's 350 largest companies, by market value, listed on the London Stock Exchange.

* Alternative Performance Measure.

Liquidity
The ease with which an asset can be purchased or sold at a reasonable price for cash.

Market Capitalisation
The total value of a company's equity, calculated by the number of shares multiplied by their market price.

NAV ('Net Asset Value') per Share
The value of total assets less liabilities, with debenture and loan stocks at book value. Book value is the amount borrowed less the current loan arrangement fee debtor. The net asset value per share is calculated by dividing this amount by the number of ordinary shares outstanding.

NAV per Share with debt at fair value
The value of total assets less liabilities, with debentures and loan stocks at fair value. The net asset value per share is calculated by dividing this amount by the number of ordinary shares outstanding.

Ongoing Charge Ratio*
The ongoing charge ratio is calculated on an annualised basis. This figure excludes any portfolio transaction costs and financing costs. It may vary from period to period. The calculation below is in line with AIC guidelines.

	Six months to 30 June 2023 £000
Investment management fee	1,451
Administrative expenses	533
Total	**1,984**
Average total net asset value throughout the period	753,556
Ongoing charges	**0.53%**

Glossary of Terms continued

Peer Companies
Companies that operate in the same industry sector and are of similar size.

Net asset value (NAV) per share total return with debt at fair value*
The theoretical total return on shareholders' funds per share, reflecting the change in NAV with debt at fair value assuming that dividends paid to shareholders were reinvested at NAV with debt at fair value at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/ premiums.

	Six months to 30 June 2023 p
Opening NAV with debt at fair value	**233.5**
Increase in NAV	7.5
Less dividends paid	(4.8)
Adjustment for movement in fair value of debt	0.6
Closing NAV with debt at fair value	**236.8**
% increase in NAV with debt at fair value	**3.5%**
% Impact of reinvesting dividends	(0.1%)
NAV per share % total return with debt at fair value	**3.4%**

Share price total return*
Return to the investor on mid-market prices assuming that all dividends paid were reinvested at the share price at the time the shares were quoted ex-dividend.

	Six months to 30 June 2023 p
Opening share price	**220.5**
Increase in share price	5.8
Less: dividends paid	(4.8)
Closing share price	**221.5**
% increase in share price	**2.6%**
Impact of reinvesting dividends	(0.1%)
Share price total return	**2.5%**

Value Investing
An investment strategy that aims to identify under-valued yet good quality companies with strong cash flows and robust balance sheets, putting an emphasis on financial strength.

Yield
A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

* Alternative Performance Measure.

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