Annual Report Financial Statements
For the year ended 31 December 2022

TEMPLE BAR
Investment Trust Plc

Objective

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 policy is to invest in a broad spread of securities with the majority of the portfolio typically selected from the constituents of the FTSE 350 Index.

Purpose

The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments.

Contents

Strategic Report

Summary of Results

	2022 £000	2021 £000	% change
Assets as at 31 December			
Net assets	**726,346**	797,083	(8.9)
Ordinary shares			
Net asset value per share with debt at book value[7]	**228.54p**	241.72p	(5.5)
Net asset value per share with debt at market value[1,2,7]	**233.52p**	240.35p	(2.8)
Share price[7]	**220.50p**	221.60p	(0.5)
Discount with debt at market value[1]	**5.6%**	7.8%	
Revenue for the year ended 31 December			
Revenue return attributable to ordinary shareholders	**30,550**	23,737	28.7
Revenue return per ordinary share[7]	**9.38p**	7.11p	31.9
Dividends per ordinary share[1,7]	**9.35p**	7.90p	18.4
Capital for the year ended 31 December			
Capital return attributable to ordinary shareholders	**(46,519)**	133,039	
Capital return attributable per ordinary share[7]	**(14.29)p**	39.87p	
Net gearing with debt at book value[1,4]	**7.2%**	6.5%	
Ongoing charges[1,5]	**0.54%**	0.48%	
Total returns for the year to 31 December 2022			
Return on net assets[1,3]			(2.0)
Return on gross assets[1,3]			(1.5)
Return on share price[1,3]			3.6
FTSE All-Share Index[6]			0.3
Change in Retail Price Index over year			13.4

1 Alternative Performance Measures – See glossary of terms on page 95 and for definition and more information.
2 Debt market value is calculated based on unobservable input, see note 22 page 82 for the net assets with debt at market value.
3 Source: Morningstar.
4 Defined as Company's borrowings less cash and cash equivalents (including gilts) divided by investments expressed as a percentage.
5 Defined as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.
6 Source: Redwheel, trading name of RWC Asset Management LLP from January 2022.
7 Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.

Benchmark
Performance is measured against the FTSE All-Share Index.

Total Assets Less Current Liabilities
£801,053,000

Total Equity*
£726,346,000

Market Capitalisation
£700,798,000

Capital Structure

Ordinary shares	334,363,825
4.05% private placement loan 2028	£50,000,000
2.99% private placement loan 2047	£25,000,000

* With loan stocks at book value.

Chairman's Statement

"The Company's managers are optimistic that further progress can be made and that the portfolio is well positioned. The Board shares this optimism."

Review
In the year under review, the Company's NAV total return was (2.0%), which compares to the total return on the benchmark FTSE All-Share index of 0.3%. More pleasingly, the share price total return was 3.6% as the discount narrowed over the year to finish at 5.6%. Since Redwheel took over the management of the Company at the end of October 2020, the NAV total return to the end of 2022 has been 57.7% compared with 39.0% for the benchmark, a significant outperformance. Although annual metrics are important, the Board would always prefer to take a longer-term view of performance.

The Board continued with its active share buyback policy, purchasing 10,896,039 shares for a total consideration of £25.9m. These buybacks not only have the effect of stabilising the supply/demand balance but are also accretive to the NAV.

Portfolio
Portfolio turnover was again low this year at 7.2% (2021: 6.6%) with the managers being generally satisfied with the positioning of the portfolio. Further details can be found in the Manager's Report on page 9.

Dividend
As detailed in the interim report, the Company's income account has been more robust than expected. As a result, the Board is recommending a total dividend of 9.35p per share, an increase of 18.4% over the 2021 level. The dividend is fully covered by earnings and the Board is confident that the dividend will increase from this level over time.

Gearing
At the year end, the Company's net gearing was 7.2% and the level has been relatively stable since more exposure was deployed by the Investment Manager in the Spring, having reduced the level at the outset of 2022 as market volatility increased.

Purpose and Culture
The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. These investments will primarily be UK listed.

As an investment trust, the Company has no employees, but the culture of the Board is to promote strong governance and a long-term investment outlook with an emphasis on investing in businesses that can deliver value to shareholders over an extended time horizon. Therefore, the Board asks the Company's Investment Manager to invest in stocks that fulfil the traditional metrics of the value style and possess a business model that is resilient in the long term.

Environmental, Social & Governance ("ESG") Issues
In September, the Board attended an Away Day at the offices of Redwheel, with a broad agenda covering ESG matters in relation to the management of the portfolio. The Board heard from representatives of Redwheel's Investment, Sustainability, Compliance and Product Teams, with a particular focus on how stewardship is used by the Investment Manager to influence positively investee companies and how ESG-related factors are incorporated into investment research, stock selection, and portfolio management processes.

The Board continues to embrace the concept of active stewardship, asking the Investment Manager to monitor, evaluate and actively engage with investee companies with the aim of preserving or adding value to the portfolio. Further, with need for a collaborative approach becoming ever more pressing, if the situation warrants it, the Board encourages the Investment Manager to liaise with other investors when engaging with investee companies. The Investment Manager reports back to the Board regularly on these matters.

The Board
As mentioned in last year's Statement, Charles Cade joined the Board in March. After the year end, the Board appointed Carolyn Sims as a Non-Executive Director and member of the Audit and Risk, Management Engagement and Nomination Committees. The Board is very pleased to welcome Carolyn, who brings a wealth of expertise and experience which will be invaluable. I will be standing down as Chairman at the upcoming AGM and Richard Wyatt will succeed me. The Company will be in good hands after my departure.

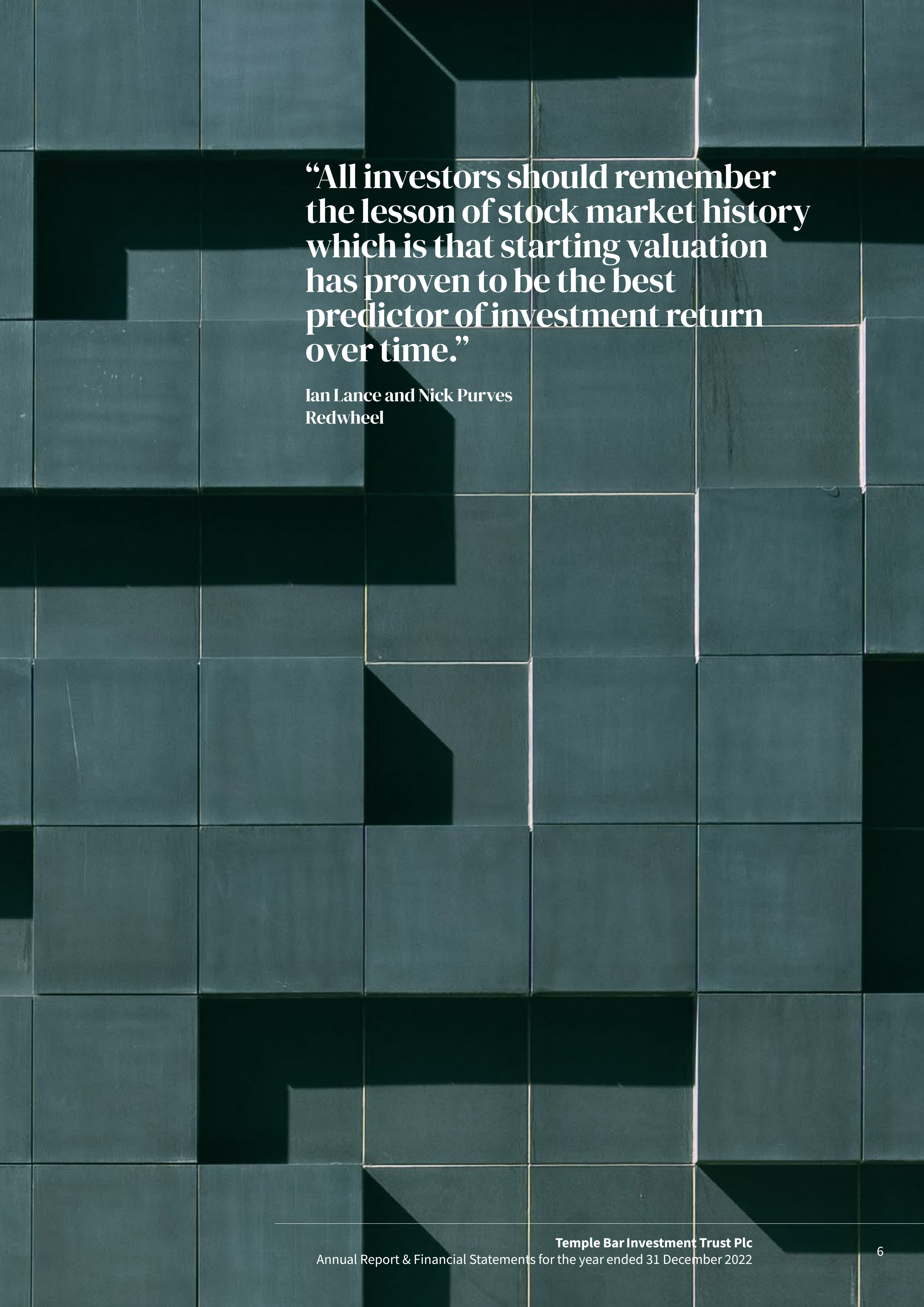
Annual General Meeting ("AGM")
The AGM this year will be held at 25 Southampton Buildings, London WC2A 1AL on 9 May 2023 at 12:30pm. Like last year, shareholders are welcome to attend in person where you will be able to hear a presentation from the Portfolio Managers Nick Purves and Ian Lance and to meet the Board of Directors.

Shareholders unable to attend in person are invited to submit their form of proxy in advance by 12:30pm on 4 May at the latest.

Outlook
Although the UK market performed better than many overseas markets, valuations still look reasonable. The Company's managers are optimistic that further progress can be made and that the portfolio is well positioned. The Board shares this optimism.

Arthur Copple
Chairman

22 March 2023



“All investors should remember the lesson of stock market history which is that starting valuation has proven to be the best predictor of investment return over time.”

Ian Lance and Nick Purves
Redwheel

Investment Approach

A classic approach to value investing
The Portfolio Managers Nick Purves and Ian Lance are long-term intrinsic value investors who believe that short-term sentiment amongst many market participants causes them to overreact to news which has little or no impact on the long-run value of a business. This overreaction causes share prices to diverge from the intrinsic value of the underlying business and provides an opportunity for long-term investors to purchase shares at less than their true value. In the long term the share price tends to move closer to the intrinsic value of the business and this creates excess returns for investors who purchased shares at low valuations. The team forms a view of a company's long-run profit potential and makes balance sheet adjustments to assess intrinsic value. They use their experience and knowledge of companies and sectors to identify those companies that are more likely to recover and improve in the future.

Identifying quality and avoiding value traps
Some value strategies simply apply mechanistic measures to identify undervalued stocks but this can lead to investing in businesses that are in structural decline; they may be cheap but their potential to recover is limited. Instead, the Portfolio Managers 'intrinsic value' approach aims to identify under-valued, yet good, quality companies with strong cash flows and robust balance sheets. The Investment Manager puts a strong emphasis on financial strength because it gives them the confidence that a company can survive through a prolonged period of lower profitability caused by company-specific issues, or an unexpected downturn in the economy.

> **"Our investment approach has always been to seek out fundamentally sound businesses which by virtue of their market positions can grow their profits over the long term."**

As Temple Bar's Investment Manager, Redwheel aims to avoid lower-quality stocks or so called 'value traps' by monitoring companies against three different types of risk:

- Valuation – extrapolating favourable trends and paying more than the intrinsic value of the business (e.g. avoiding a situation where something is positively impacting a company's share price in the short term but that isn't sustainable longer term);
- Earnings – the risk that the earnings of the Company decline for cyclical or secular reasons (e.g. the industry or sector that the business operates in is itself in cyclical or long-term decline);
- Environmental, Social or Governance – unethical or neglectful behaviour by a company in one of these areas can harm those who invest as well as the environment or society in which a company is located. We believe that applying ESG best practices, such as consideration of environmental and product safety, workplace diversity and strong corporate governance can contribute to long-term investment returns while mitigating risks.

In the diagram below Redwheel have set out some of the key factors it considers when seeking to uncover the most compelling value opportunities:

Consider probabilities and payoffs
No matter the research, there are always surprises, positive and negative. Think best and worst case scenarios. If we think a share price could go to zero, but has 400% upside in another, there is probably a case for investing.

Enhance, don't drift
Discipline is key to value investing –stick to your philosophy, you're here for the long run. Always look to improve and adapt as things change.

Simple but not easy
Buying shares for less than their worth then selling when the value has been realised is easy to understand. But most don't invest this way due to a lack of 'sticking with it'. Value investing is tricky – we are hard-wired to conform – but can be rewarding.

Cycles, cycles, cycles
Profits and share prices are impacted by cycles such as credit, commodity and business. An investor's overreaction can throw up opportunities. An advantage lies in knowing which cycles impact an investment and where we are in that cycle.

Be contrarian but not mindless contrarian
Investors love to buy what everyone else hates. But having respect for what the market is saying is key. Eagerly buying shares being sold in companies with too much debt, or declining profits, can prove costly and mindlessly contrarian.

10 PILLARS OF VALUE INVESTING

Ian Lance and Nick Purves believe value investing is making a comeback. Here is why from their 30 years' experience in these markets.

Don't buy rubbish
Recently the market has become fixated with quality and growth. Quality and growth are intrinsic to a business' value. We've had success when high quality businesses have been questioned by the market, resulting in low value entry.

Bargains are rare, make the most of them
It's unlikely that you're going to buy a business trading at half its intrinsic value. However, a company or an industry will suffer a drawdown at some stage, which may present an opportunity to buy at a good value.

Adopt an absolute return mindset
Value investing is a risk averse strategy born out of a reaction to the Great Depression. By buying a dollar of value for 50 cents, you build in a 'margin of safety' in case the economy and/or the stock market suffer. Value investors see risk as the risk of permanent capital impairment, so, invest with this at top of mind.

Be patient, be long term
A struggling, out-of-favour business is unlikely to turn around the day after you invest. It's more likely that things continue to get worse, so we try to be patient, allowing for profitability to improve and for the market to recognise it. Our typical holding period is at least five years.

There is no single correct method
Value investing relies on estimating the intrinsic worth of a business. Our experience tells us to be flexible, by adjusting earnings for cyclicality, and to recognise the positive (hidden value), and the negative (e.g. pension fund deficit), on a balance sheet.

Investment Manager’s Report

Nick Purves
Ian Lance

Our investment approach has always been to seek out fundamentally sound businesses which by virtue of their market positions can grow their profits over the long term, but where for one reason or another the shares are modestly valued. This may be because the Company is underperforming its longer-term potential or because of a lack of interest or neglect. Either way, a low starting valuation looks to ensure that shareholders benefit fully from improved profit growth, whilst often in the meantime drawing an attractive income. Companies with low valuations also have a greater potential to re-rate as investor perceptions improve, further adding to investment returns. All investors should remember the lesson of stock market history which is that starting valuation has proven to be the best predictor of investment return over time.

We are long term investors, who recognise the importance of keeping transaction costs to a minimum. At times of major stock market dislocation, such as that which we saw when COVID first struck in 2020, we will rotate portfolios more aggressively to try and take advantage of other investors’ willingness to sell reasonable businesses at knock down prices. More normally however, shareholders should expect that portfolio turnover will be low. This was the case in 2022 and accordingly, we established no new positions in the year. We did, however, utilise the gearing available to the Trust to increase position sizes in a number of particularly undervalued holdings.

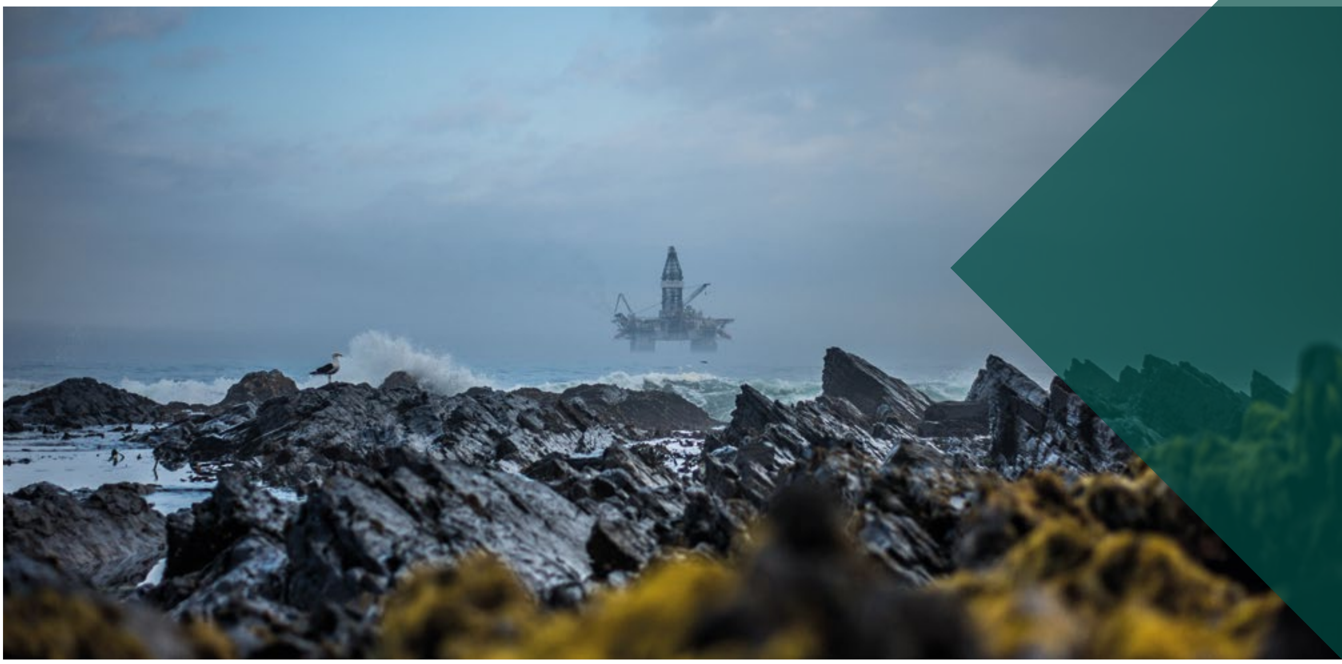
2022 was a difficult year for investors, as equity and bond markets had to contend with high inflation, rising interest rates and the added uncertainty caused by the invasion of Ukraine. Investors in the UK were also exposed to significant political instability with the arrival and departure of the Liz Truss Government in the Autumn.

It is worth reflecting on the speed with which interest rates have risen in 2022. At the beginning of the year, Central Banks were taking the view that inflation was a ‘transitory’ phenomenon. Accordingly, the Bank of England base rate and the US Federal Funds target rate were both set at just 0.25%. As we enter 2023, those rates are 3.5% and 4.5% respectively and the word ‘transitory’ has been dropped. The tighter monetary backdrop is likely to push many economies into recession (some are likely to already be in one) as defined by falling real economic output, although elevated inflation is likely to ensure that economies continue to grow in nominal terms. Given the size of the interest rate moves and the darkening economic outlook, it is not a surprise perhaps that equity markets struggled in 2022.

Within the markets, the companies that fared relatively well were the more defensive names whose profits will likely be less affected by an economic downturn, the Energy and Materials sectors and Banks. The Energy and Materials sectors have benefited from elevated commodity prices, brought about by continuing strong demand and the invasion of Ukraine, whilst Banks have benefited from rising interest rates which lead to higher margins on bank lending. The companies that particularly struggled were those where growth expectations are high as their profits are often far into the future and their valuations are therefore disproportionately impacted by a rise in interest rate assumptions, and those where operating leverage is high and revenues are most exposed to a consumer led economic downturn.

Given its high exposure to the Energy and Materials sectors and an under-weighting towards high growth technology sectors, the UK market fared relatively well in 2022, delivering a small positive total return. The Company portfolio delivered a small negative return over the period, although this masks a large disparity in the performance of some of the individual names. The Company's holdings in the Energy sector (BP, Shell and Total Energies), Pearson, Centrica and Standard Chartered all delivered strong returns, with each stock adding between 1.5% and 3.0% to the portfolio return. Conversely, the portfolio’s holdings in International Distribution Services (formally Royal Mail Group), Marks & Spencer and Currys all declined markedly as investors attempted to factor in the deteriorating economic outlook. Each stock detracted between 2% and 4% from portfolio return.

Nick Purves and Ian Lance joined Redwheel in August 2010 and together manage over £4 billion of client assets.



The share prices of the three energy companies performed well on the back of rising oil and gas prices caused by the effects of the war in Ukraine coupled with a muted supply response; itself caused by several years of under investment in bringing new resources to the market. We cannot predict the path of future oil and gas prices, but would make the observation that demand for fossil fuels is strong today and is likely to remain so for many years at a time when many companies in the sector have severely curtailed investment. This provides the set up for continued strength in energy prices at a time when the share prices to levels of all three companies continue to discount commodity prices that are much below where we are today. By way of illustration, according to their own sensitivity analysis, BP, Shell and Total Energies are valued on price to earnings ratios of around 10x assuming a $60 Brent oil price. Oil prices at the time of writing are around $80 per barrel, and we therefore take the view that there is a considerable margin of safety built into the share prices of the companies. Centrica likewise delivered strong returns in the year, benefitting from high gas and electricity prices and significant consolidation in energy supply markets following the demise of a number of its competitors.

Pearson has struggled for some time with the transition from physical print textbooks to a digital offering in its North American Higher Education business and although this journey has proven to be protracted and damaging to group profitability, we continue to believe that educational publishing is an attractive business offering the prospect of healthy returns. The company's share price performed well in the year prompted by two separate bid approaches from the private equity firm, Apollo, and evidence that the company has again returned to revenue growth. Although both Apollo bids were rejected by the management team as undervaluing the company and therefore came to nothing, the approach highlighted the potential undervaluation in the company's shares.

Standard Chartered has been a beneficiary of rising interest rates, which in turn should lead to higher income growth and thereby help the bank achieve its 2024 10% Return on Equity target. Although the large increase in interest rates that we have seen 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 increased significantly from current levels. If the company is successful in hitting its financial targets for 2024, its shares would be valued by the stock market at less than seven times its annual profits. In January 2023, it was announced that First Abu Dhabi Bank had evaluated the idea of making a bid for the company and whilst again it came to nothing, it serves to highlight the strategic value of the company's geographic footprint and its attractive valuation.

At International Distribution Services, a normalisation of parcel volumes post COVID, coupled with an inability to make productivity improvements in the UK (as a result of poor labour relations) has meant that its UK business, Royal Mail, is expected to lose money in the current financial year. The company continues to negotiate with the unions but has made it clear that any agreed pay deal needs to be accompanied by an improvement to outdated working practices. It has also said that it will not allow its international business, GLS, to destroy shareholder value by continuing to fund the UK business, and, if necessary, will separate the two companies to prevent value leakage. GLS is a parcel only business (no letters), with a non-unionised work-force, whose standalone value is greater than the stock market valuation of the entire group. The stock market has therefore placed a substantial negative valuation on Royal Mail, even though it is the leader in the UK parcels market and has significant surplus property that can be sold off over time. Any formal separation should throw a spotlight onto the very significant under valuation of the group's shares.

Marks & Spencer fell on investor fears that the cost-of-living crisis will result in falling consumer spending and lower profitability. The food retailers generally (Marks & Spencer derives two thirds of its revenues from food) are going through a difficult period, with likely worse to come as they struggle to recover all their input cost increases without damaging sales volumes. However, our view is that this has already been more than factored into the Marks & Spencer share price. The shares are valued on a historic price earnings ratio of 7x at a time when we believe that there are many positive changes happening at the company. The company sells almost 40% of its clothing online (where it is number 2 in the UK by market share) and store-based clothing sales now account for just 20% of the group total, whilst in food the company continues to take market share. The company management target a level of operating performance in line with peers in the sector, which if they were able to achieve would result in further significant growth in earnings and a price earnings ratio of less than 6x at today's share price.

Currys, the electrical retailer, is struggling with a difficult economic backdrop and as a low margin, operationally geared business is sensitive to relatively small declines in sales volumes. Accordingly, profit expectations have been significantly downgraded since the Summer. Although electrical retailing is a competitive business, the company is well managed and occupies the number one or two position in the UK and the Nordics. Although there is further downside risk to short term profit forecasts, the company is valued at less than 8x 2022/23 earnings, with the potential for a significant profit recovery as and when trading conditions improve.

For some time now, UK equities have traded at a meaningful discount to other stock markets. It is difficult to be sure as to why this is, although uncertainty surrounding Brexit and the recent political instability will have likely played a part. Whilst many are taking a dim view of UK economic prospects, it is important to remember that we buy companies and not economies and the companies in which the Company is invested are strong, conservatively run businesses with good balance sheets and capable management teams. In addition, many of them generate most of their profits overseas with the result that any fall in the value of the pound leads to higher sterling profits. In total we estimate that more than 50% of the Company's portfolio profits are generated 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 5x 2022 estimated earnings, whereas the US listed Exxon Mobil is valued at 8x. In banking, Barclays is valued at just 0.6x the value of its shareholder equity, whereas the US investment banks are valued at around 1x. As a result of what we see as an unjustified UK discount, the UK equity market offers an attractive dividend yield, and many UK listed companies are today priced to give their shareholders superior long term investment returns.

Ian Lance and Nick Purves
Redwheel

22 March 2023

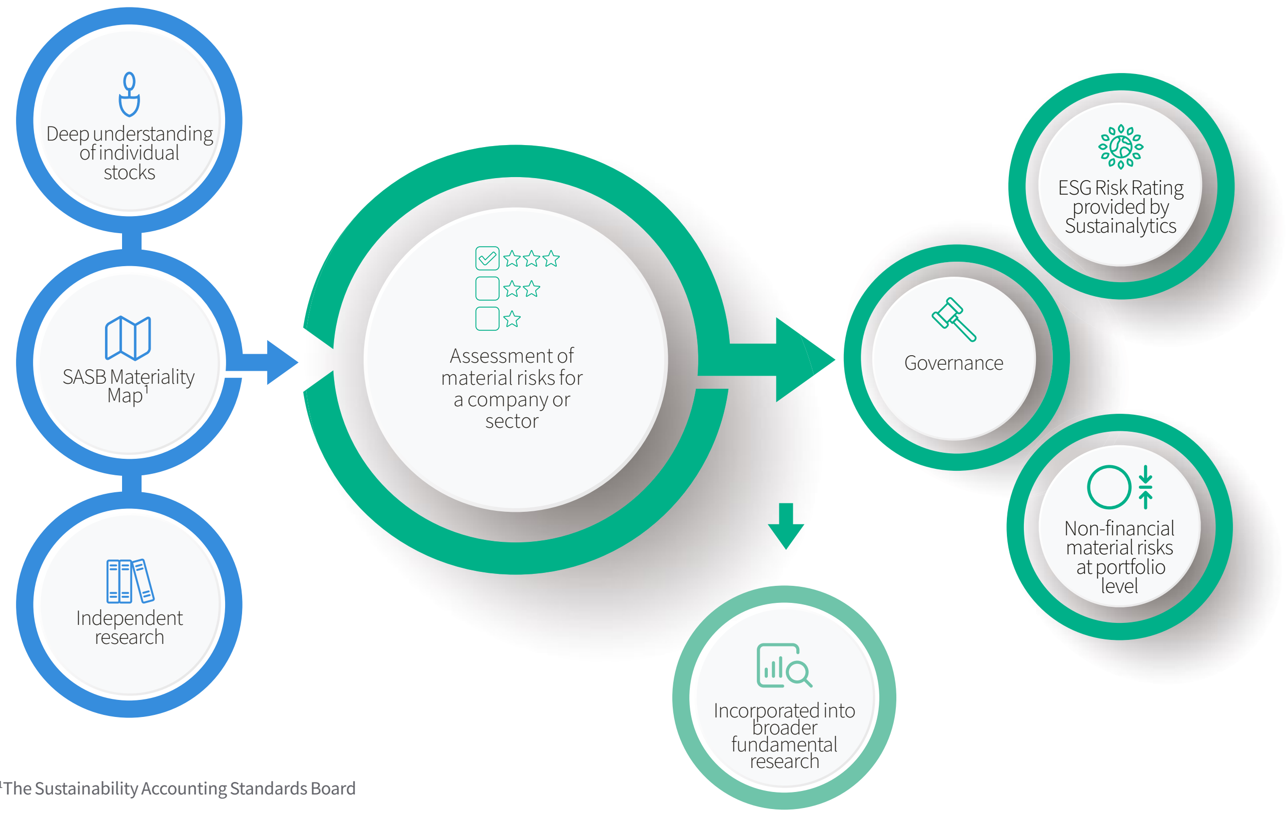
Our Approach to ESG

ESG is incorporated in to the investment process rather than being implemented by a centralised team.

ESG is integrated in to our stock research as one of the four risks we assess before investing in a company (along with valuation risk, business risk and balance sheet risk).

"We see our role as stewards of our investors' capital as wholly consistent with investing responsibly and encouraging our investee companies to act sustainably. Sustainability and our long-term investment horizon go hand-in-hand. Furthermore, as value investors, we believe we can have an outsized impact on sustainability issues, as these are often of greater importance to older economy companies that typically fall into our value universe, particularly on environmental issues."

Redwheel UK Value & Income Team Stewardship Policy, 2021



[1]The Sustainability Accounting Standards Board

Environmental

- The potential for climate issues to cause a material financial impact on the value of individual companies has increased dramatically in the past decade
- We believe that the answer to environmental problems is not as simple as divesting from challenged sectors
- By actively engaging with companies, by supporting them in the transition to a sustainable business model, we believe the outcome can be better for the Company and the environment

Social

- We believe companies should be mindful of the interests of all stakeholders
- Companies treating their employees, customers, or suppliers badly store up future problems for the business in terms of human capital, brand value and reputation

Governance

- Governance has always been at the heart of our process as we believe it sets the basis for the culture of a firm, supporting long-term value creation and positive environmental and social outcomes
- Governance means shareholder rights, governance structures and aligning management with shareholders through remuneration policies.

Engagement Case Studies

Banks

Banks are a significant investment for the Company. The investment thesis is based on low valuations and improving returns.

The banks have suffered from negative market sentiment for some years, based on increasing regulatory capital requirements and declining interest rates. More recently, the pandemic raised the prospect of loan losses. However, the loan losses have not materialised, and rising interest rates are helping improve profitability.

We engaged with Barclays and NatWest Group in 2022 on their climate transition plans and on the green products they offer customers. On climate, we focus on how the banks are financing and facilitating lending to fossil fuel companies.

Whilst on green products, we are seeking to ensure banks are offering genuine and substantive products and not exaggerating their green credentials. The latter we see as both a reputational and regulatory risk we wish to limit.

ESG Risk:
Environmental

Barclays

The Issue:
We have had continued engagement with Barclays on the subject of their climate strategy.

Barclays published a transition plan in 2021, which we felt was a good start but in need of improvement. The bank updated this plan and put it to a 'Say on Climate' vote at the 2022 AGM.

In our opinion and based on in-depth analysis, we did not believe the detail of their updated plan supported the high level stated aims and the desire to align with the Paris Agreement.

- **Aim 1.** Achieving net zero emissions. We believe this was flattered due to Covid and use of various synthetic instruments.
- **Aim 2.** Reducing our financed emissions. We believe this was undermined by carve-outs and exemptions.
- **Aim 3. Financing the transition. We believe this was flattered via a backdated start date, and impact capital committed was not financially meaningful.**

Our engagement:

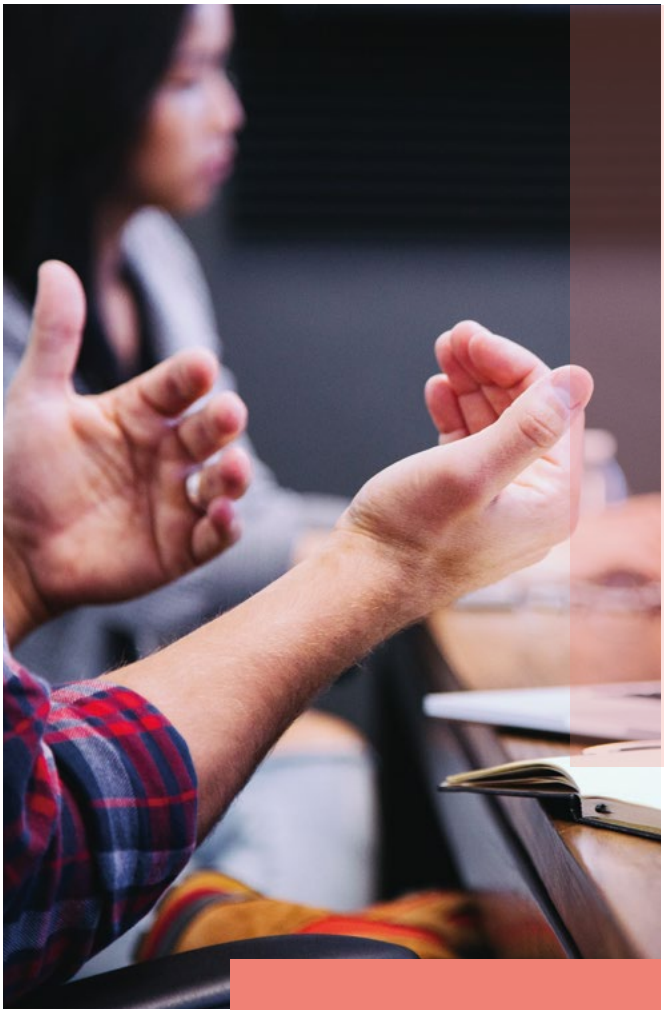
- We shared our analysis of Barclays transition plan with 35% of the shareholder register, ShareAction and IIGCC, and publicly announced our position ahead of the vote. The vote (Resolution 26) attracted a sizable vote against at 19.2%. A 20% protest vote is seen as a marker and companies are required under the UK Corporate Governance code to issue an update statement to shareholders within six months of the vote.
- While Barclays were not required by the Code to respond, they did respond by engaging with shareholders following the vote. We received a letter from the company regarding our voting position and met with their Head of Sustainability. This was followed up by a meeting with the chairman.

Outcome:
Barclays announced in their Q3 2022 earnings "In our year-end climate update (the 2022 Annual Report) we expect to bring forward the phase-out date for financing thermal coal power in the US from 2035 to 2030, in line with our approach in the UK and in the EU."

In December, they raised the ambition in financing the transition, investment of the Bank's equity capital into climate-tech start-ups through Impact Capital would be ramped up to £500m by end of 2027. They also announced new targets for their Sustainable and Transition Financing to $1 trillion by 2030.

Both developments improved on areas we highlighted in our critique of the plan and demonstrate that Barclays are willing to listen to shareholders and make changes.

Engagement Case Studies continued



ESG Risk:
Environmental & Governance

Natwest Group

The Issue:
In our engagements with NatWest Group, we focused on their climate transition plans, their green products, and governance in the form of director over-boarding. We believe CEO Alison Rose is genuine in her commitment to climate issues.

Our engagement:
- We voted against their climate transition plan as the Bank has analysed just over half their loan book and we believe an assessment of the entire loan book is required to fully understand their financed and facilitated emissions and to provide a full picture of exposure to transition risks. We do, however, recognise that the Bank does not have the same exposure to the financing and facilitating of fossil fuels as peers.
- The real positive impact the bank could make on emissions is in the context of their mortgage lending. The residential sector accounted for 20% of carbon dioxide emissions in the UK in 2021*. Helping to reduce those emissions would really support the UK's bid to become net zero and make the bank's loan book more resilient to increasing regulation.
- The bank has introduced a green mortgage, but while it is a signal to the market of intent, our assessment is that the product itself does not offer a meaningful financial reward or incentive to homeowners to 'green' their homes. Currently, a green mortgage is available to those with a house EPC rating of A or B, the same rate as those without that rating applying via internet only, and a discount of 0.05% to the rate applicable to those who apply for a mortgage by video or telephone. We encourage banks to make green mortgages substantive and to ensure where signalling intent or piloting is the objective, that claims on green credentials are set accordingly.

Outcome:
To understand NatWest better and get our points across we participated in an Investor Forum group meeting with the NatWest Sustainability Team. We met with the CEO, and we met separately with the chairman. With the chairman we raised these issues of climate and green products, and we also discussed over-boarding. We believe that plcs can have many directors with too many directorships and other commitments, both public and private, and leave too little time to support management teams when companies go through challenging periods or there are more general sector or economy wide crises.

ESG Risk:
Environmental

Centrica

Background:
Centrica, the parent of British Gas, is an energy supplier, owns upstream assets and a stake in the UK nuclear fleet, and has an energy marketing and trading business. The company has had a very difficult time over the last decade, with an unstable regulatory regime, political interference in the energy market and strategic mistakes resulting in dividend cuts and share price declines. However, the current management team are turning this situation around, they have focused on transforming, simplifying and focusing the business. The balance sheet is now much stronger, and the share price recovered to mid-2019 levels.

Our engagement:

- We engaged with Centrica on various issues, including its climate transition plan. This plan was a big development on its previous position, however, there is further work to do to ensure the company is managing the transition risk, and to reduce its large carbon footprint. The transition risk arises from the move away from fossil fuels, which requires the decarbonisation of home heating in the UK. Currently, home heating is predominantly dependent on natural gas. In a bid to get to net zero, the government is banning gas boilers from new homes from 2025, while the Skidmore Review on the government's net zero strategy proposed the end of new and replacement gas boilers by 2033.
- This move away from gas heating will change Centrica's business and the company is already adopting plans to prepare for this outcome. However, through our assessment of the company, through our engagements with management and the board, and our collaboration with Climate Action 100+, we believe the company has not set out adequate details on how they will transition over this period.

Outcome:
One area we are encouraging the company to improve on is with respect to its lobbying government on the required regulation to make the transition possible, for Centrica and for its customers. We would like the company to set out in more details what is required to facilitate the move away from gas heating and for the company to evidence their lobbying of government more clearly.

Overview of Strategy

The Strategic Report is designed to help shareholders assess how the Directors have performed their duty to promote the success of the Company during the year under review.

Business of the Company
Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on business as an investment company under Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010.

Section 172 Statement
The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006 ("Section 172"). In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, having regard, amongst other matters, to the following six items:

The likely consequences of any decision in the long term	All Board discussions include consideration of the longer-term consequences of any key decisions and their implications for the relevant stakeholders. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in Section 172.
The interests of the Company's employees	This provision is not relevant as the Company does not have any employees.
The need to foster the Company's business relationships with suppliers, customers and others	The Board's approach is described under "Stakeholders" on page 19.
The impact of the Company's operations on the community and the environment	The Board takes a close interest in responsible investment issues and sets the overall strategy. Management of the portfolio is delegated to the Investment Manager, which is responsible for the practical implementation of policy. A description of the Company's approach to stewardship and the role of the Investment Manager is set out on page 28.
The desirability of the Company maintaining a reputation for high standards of business conduct	The Board's approach is described under "Culture" on page 20.
The need to act fairly between shareholders of the Company	The Board's approach is described under "Stakeholders" on page 19.

In considering the primary purpose of the Company, the Board made several key decisions during the year. The Board:

- continued to instruct the use of share buy backs as a means of stabilising the share price discount to NAV in response to sector weakness (for further details see page 38);
- worked with the Investment Manager to maintain a high level of shareholder engagement via webinars and newsletters;
- increased dividend payments at a sustainable level based on income received from investments (for further details see page 22);
- engaged Trust Associates to help with the candidate selection and interview process to appoint a new non-executive director. (for further details see page 52); and
- conducted a search for a new service provider, selecting Frostrow Capital for the role.

The Directors have reviewed and discussed each aspect of Section 172 and consider that the information set out on pages 19 to 20 is particularly relevant in the context of the Company's business as an externally managed investment company which does not have any employees or suppliers.

Overview of Strategy continued

Stakeholders
The Board continuously seeks to understand the needs and priorities of the Company's stakeholders, and these are taken into account during all of its discussions and as part of its decision making. As the Company is an externally managed investment company and does not have any employees or customers, it therefore has very little direct impact on the community or the environment. Its key stakeholders comprise its shareholder base and its lender. The Company also has important contractual relationships with its key service providers but does not consider these to be stakeholders. The Company recognises the indirect impact it may have on the community and the environment through its investee companies. Further details on this are set out on pages 27 to 31. The sections below outline why these key stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are considered.

Shareholders
The primary purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. Continued shareholder support and engagement are critical to the existence of the Company and the delivery of its long-term strategy.

The Board recognises the importance of engaging with shareholders on a regular basis to maintain a high level of transparency and accountability and to inform the Company's decision making and future strategy.

The Board primarily engages with shareholders through direct engagement by the Chairman and through the Investment Manager who maintains an ongoing dialogue with shareholders through regular shareholder communications, both written and verbal. The Investment Manager has continued to publish quarterly newsletters written by the Portfolio Managers, which explore their ideas and philosophies around investing and explain the positioning of the portfolio. Online statistics on engagement show that these newsletters remain very popular with shareholders. Additional dialogue with shareholders is achieved through the annual and half-yearly reports, both of which contain Manager's Reports, daily NAV announcements and by a monthly factsheet available on the Company's website. Portfolio data is also provided to external providers such as Morningstar, which feeds several websites on a monthly basis.

One of the Board's long-term strategic aspirations has been that the Company's shares should trade consistently at a price close to the NAV per share. During the year under review investment companies as a sector saw discounts widen significantly, in the face of economic headwinds and political instability. The Company used share buy backs throughout the year to protect its discount, generally maintaining it at a level less than 6%. Both the Board and the Investment Manager have continued to focus heavily on the promotion of the Company, in order to maintain buying interest in the shares and to support a natural narrowing of the discount. In the future, it is hoped that a revised approach to marketing will further enhance this process, which is covered in more detail on the following page.

An important role of the Board is to ensure that the Company's ongoing charges are competitive both in terms of its peer group and other comparable investment products. While having an optimal service provider structure brings inevitable cost, excessive expense can eat away at investment returns over time. For that reason, despite the exercise described later in the document the Board remain focused on limiting cost increases to shareholders as far as possible, despite the current inflationary environment.

All shareholders are encouraged to attend and vote at AGMs, at which the Board and the Investment Manager are available to discuss issues affecting the Company and to answer any questions. Further details regarding the AGM are set out in the Notice of AGM on pages 87 to 91.

Lenders
Alongside shareholders' equity, the Company is partly funded by debt. All the Company's debt is subject to contractual terms and restrictions. We have an established procedure to report regularly to our lender on compliance with debt terms. It is our policy that all interest payments and repayments of principal will continue to be made in full and on time.

Service Providers

To function as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a number of suppliers and advisers for support in complying with all relevant legal and regulatory obligations.

The Company's day-to-day operational functions are delegated to a number of third-party service providers, each engaged under separate contracts. The Company's principal service providers are the Investment Manager, Alternative Investment Fund Manager ("AIFM"), Company Secretary, Fund Administrator, Custodian and Depositary, Broker, Solicitor and the Registrar.

Over the past two years the Board believes it has developed a close and constructive working relationship with the Investment Manager, which it believes is crucial to promoting the long-term success of the Company. Representatives of the Investment Manager attend Board meetings and provide reports and verbal updates on matters relating to investments, performance and marketing.

The Board, primarily through the Audit and Risk and Management Engagement Committees, keeps the ongoing performance of the Investment Manager and the Company's other principal third-party service providers under continual review. As part of this ongoing review process, a decision was made during the period to change the AIFM, Company Secretary and Fund Administrator from Link Group entities to Frostrow Capital ("Frostrow"). This change will take effect on 30 June 2023, following a period of transition covering an agreed notice period, and will also see responsibility for marketing the Company move from the Investment Manager to Frostrow.

The Board thanks Link Group for its efforts over the preceding two years and looks forward to a successful relationship with Frostrow, with the Company well positioned for future growth.

Culture

The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. These investments will primarily be UK listed. The Company has no employees, but the culture of the Board is to promote strong governance and a long-term investment outlook with an emphasis on investing in businesses that can deliver enduring value to shareholders. Therefore, the Board asks the Company's Investment Manager to invest in stocks that fulfil the traditional metrics of the value style but also possess a business model that is resilient and viable in the long term.

Investment Objective and Policy

The Company's 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 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.

The UK equity element of the portfolio will be mostly invested in the FTSE All-Share Index; however, exceptional positions may be sanctioned by the Board and up to 30% of the portfolio may be held in listed international equities, subject to a maximum 10% exposure to emerging markets. The Company may continue to hold securities that cease to be quoted or listed if the Investment Manager considers this to be appropriate. There is an absolute limit of 10% of the portfolio in any individual stock with a maximum exposure to a specific sector of 35%, in each case irrespective of their weightings in the benchmark index.

It is the Company's policy to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

The Company maintains a diversified portfolio of investments, typically comprising 30-50 holdings, but without restricting the Company from holding a more or less concentrated portfolio from time-to-time as circumstances require.

The Company's long-term investment strategy emphasises stocks of companies that are out of favour and whose share prices do not match the Investment Manager's assessment of their longer-term value.

From time-to-time fixed interest holdings or non-equity interests may be held for yield enhancement and other purposes. Derivative instruments are used in certain circumstances, and with the prior approval of the Board, for hedging purposes or to take advantage of specific investment opportunities.

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gross gearing range may fluctuate between 0% and 30%, based on the current balance sheet structure, with an absolute limit of 50%.

As a general rule, it is the Board's intention that the portfolio should be reasonably fully invested. An investment level of 90% of shareholder funds is regarded as a guideline minimum investment level dependent on market conditions.

Risk is managed through diversification of holdings, investment limits set by the Board and appropriate financial and other controls relating to the administration of assets.

Key Performance Indicators

The key performance indicators ("KPIs") used to determine the progress and performance of the Company over time, and which are comparable to those reported by other investment trusts, are:

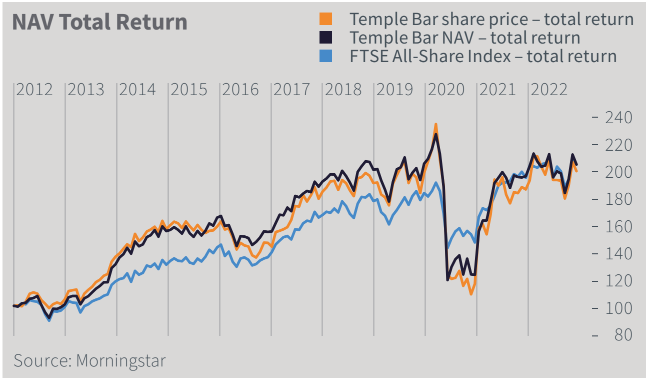
- NAV total return relative to the FTSE All-Share Index;
- Discount/premium to NAV;
- Earnings and dividends per share; and
- Ongoing charges.

While some elements of performance against KPIs are beyond the Board's and Investment Manager's control, they provide measures of the Company's absolute and relative performance and are, therefore, monitored by the Board on a regular basis.

NAV Total Return

In reviewing the performance of the assets in the Company's portfolio the Board monitors the NAV in relation to the FTSE All-Share Index. This is the most important KPI by which performance is judged. During the year the NAV total return of the Company was (2.0%) compared with a total return of 0.3% by the FTSE All-Share Index. The ten-year NAV total return performance is shown opposite. As noted in both the Chairman's Statement and Investment Manager's Report, the portfolio performed below the benchmark index on a NAV basis, but the share price outperformed as the discount narrowed over the year.

Redwheel was appointed as Investment Manager on 30 October 2020. The long-term chart is therefore not solely a reflection of Redwheel's investment performance.



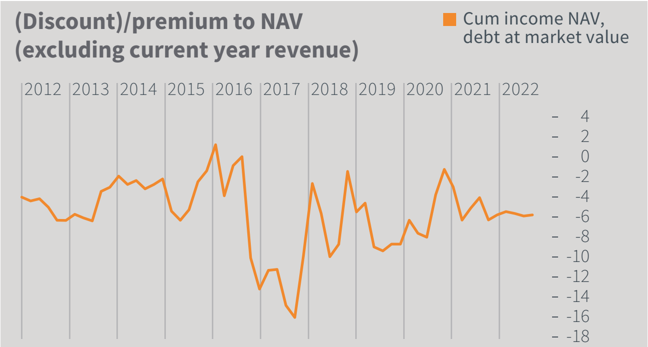
Discount to NAV

The Board monitors the premium/discount at which the Company's shares trade in relation to their NAV. During the year the shares traded at an average discount to NAV of 4.7%. This compares with an average discount of 8.1% in the previous year. As set out in the Chairman's Statement on page 3, during the year the Board closely monitored the discount and utilised share buy backs when it was considered appropriate to do so.

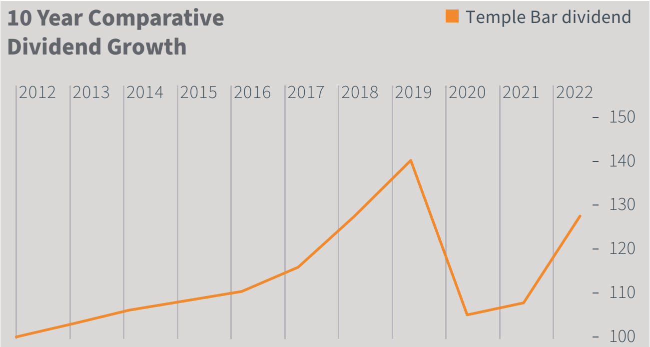
The Board and Investment Manager closely monitor both movements in the Company's share price and significant dealings in the shares. In order to avoid substantial overhangs or shortages of shares in the market the Board asks shareholders to approve resolutions which allow for both the buy back of shares and their issuance, which can assist in the management of the discount or premium.

Earnings and Dividend per Share

It remains the Directors' intention to distribute, over time, by way of dividends, substantially all of the Company's net revenue income after expenses and taxation. The Investment Manager aims to maximise total returns from the portfolio. The Company has paid dividends totalling 9.35 pence per ordinary share for the year ended 31 December 2022. The Board hopes to continue sustainable dividend growth over the coming years. This is explained in more detail in the Chairman's Statement on page 3.



Source: Morningstar



Source: Bloomberg

Overview of Strategy continued

Ongoing Charges

Ongoing charges is an expression of the Company's management fees and other operating expenses as a percentage of average daily net assets over the year. The ongoing charges for the year ended 31 December 2022 were 0.54% (2021: 0.48%). The Board reviews the Company's ongoing charges on a regular basis. The Company's ongoing charges ratio has remained relatively consistent and compares favourably with peers in the UK Equity Income sector of investment trust companies.

Ten-Year Summary

	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total assets less current liabilities (£000)	905,775	913,198	869,535	968,790	1,050,285	916,153	1,099,172	749,970	871,754	**801,053**
Net assets (£000)	792,070	799,444	755,755	879,940	936,366	802,182	985,123	675,336	797,083	**726,346**
Net assets per ordinary share (pence)*	250.17	239.09	226.03	263.17	280.04	239.91	294.63	201.98	241.72	**228.54**
Revenue return to ordinary shareholders (£000)	22,274	25,782	26,663	29,253	28,958	33,099	35,523	8,390	23,737	**30,550**
Revenue return per share* (pence)	7.23	7.96	7.97	8.75	8.66	90	10.62	2.51	7.11	**9.38**
Dividends per share* (pence)	7.55	7.78	7.93	8.09	8.49	9.34	10.28	7.70	7.90	**9.35**

* Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.

Principal and Emerging Risks

The Board has overall responsibility for reviewing the effectiveness of the system of risk management and internal control which is operated by the Investment Manager and the Company's other service providers. The Company's ongoing risk management process is designed to identify, evaluate and mitigate the significant risks that the Company faces. A 'heat map' system is used, allowing a visual assessment of the different risks identified and adjustment of the inputs based on changing internal and external factors.

The Board undertakes a semi-annual risk review with the assistance of the Audit and Risk Committee, to assess the adequacy and effectiveness of the Investment Manager and other service providers' risk management and internal control processes.

The Board has carried out a robust assessment of its principal and emerging risks during the period under review, including those that would threaten its business model, future performance, solvency or liquidity.

The principal and emerging risks and uncertainties faced by the Company are set out below. The risks arising from the Company's financial instruments are set out in note 22 to the financial statements.

Risk	Mitigation and Management
Investment Strategy Risk An inappropriate investment strategy on matters such as asset allocation or the level of gearing may lead to underperformance compared with the Company's benchmark index or peer companies.	The Board manages such risks by diversification of investments through its investment restrictions and guidelines, which are monitored and reported on by the Investment Manager. The AIFM also monitors Redwheel against the investment guidelines. The Investment Manager provides the Directors with regular management information including absolute and relative performance data, attribution analysis, revenue estimates, liquidity reports and macro data, as well as updates on the level of gearing utilised and the reasoning behind the decision. The Board monitors the implementation and results of the investment process with the Portfolio Managers who attend all Board meetings. During the year under review, the portfolio performed broadly in line with the benchmark index. Further details can be found on page 21.
Loss of Investment Team or Portfolio Manager A sudden departure of the Portfolio Managers or several members of the investment management team could result in a short-term deterioration in investment performance.	The investments of the Company are managed by a team of two Portfolio Managers, Ian Lance and Nick Purves. The Investment Manager takes steps to reduce the likelihood of such an event by aligning the interests of the investment team with the wider organisation, as well as providing a high degree of autonomy with no overarching chief investment officer or investment committee. Furthermore, the AIFM, in consultation with the Board, may terminate the Investment Management Agreement should Ian Lance and Nick Purves cease to be able to perform their duties as Portfolio Managers or cease to be associated with the Investment Manager and not be replaced by people with relevant experience.

Risk	Mitigation and Management
Income Risk – Dividend Generating the necessary level of income from portfolio investments to meet the Company's expenses and to provide adequate reserves from which to base a progressive programme of increasing dividend payments to shareholders is subject to the risk that income generation from investments fails to meet the level required.	The Board monitors this risk through the receipt of detailed income reports and forecasts which are considered at each meeting, with input from the Investment Manager. As at 31 December 2022 the Company had distributable revenue reserves of £13 million. Furthermore, income risk is mitigated by the Company's ability to distribute realised capital gains if required to meet any revenue shortfall. With the level of income paid by investee companies continuing to increase across the year, the Company has been able to steadily raise its dividend without recourse to using reserves.
Share Price Risk Should the market price of the Company's ordinary shares trade at a significant discount to the underlying NAV per share, shareholders might not be able to realise the full value of their investment and the Company might itself be vulnerable to some form of corporate activity.	The Company's share price and premium or discount to NAV are monitored by the Investment Manager and the Board on a regular basis. The Directors attach considerable importance to the level of premium or discount to NAV at which the shares trade, both in absolute terms and relative to the rating at which the UK Equity Income sector of investment trusts is trading, and will take action where levels are deemed to be excessive. The Directors are prepared to be proactive in premium/discount management to minimise potential disadvantages to shareholders, which was demonstrated particularly during periods of elevated market volatility in the UK in the second half of 2022.
Reliance on the Investment Manager and Other Service Providers The Company has no employees and relies on a number of third-party service providers, principally the Investment Manager, AIFM, Company Secretary, Registrar, Administrator, Custodian, Broker and Depositary. It is dependent on the effective operation of its service providers' control systems with regard to the security of the Company's assets, dealing procedures, accounting records and the maintenance of regulatory and legal requirements.	The Company operates through a series of contractual relationships with its service providers. These agreements set out the terms on which a service is to be provided to the Company. During the year the Board, through the Management Engagement Committee, monitored and evaluated the performance of the Company's service providers. As noted earlier in this Report, the Board decided to end the Company's relationship with Link Group ("Link") and transition those services to Frostrow Capital ("Frostrow"), which will take effect in mid-2023. This decision was seen as being in the best interests of shareholders and provides long-term stability in support the activities of the Company and its Investment Manager. The Audit and Risk Committee receives assurance or internal controls reports from key service providers and this will be an area of focus as the transition to Frostrow is completed. The AIFM carries out a comprehensive annual due diligence exercise on the Investment Manager on behalf of the Board, ensuring that the appropriate controls, processes and resourcing are in place to manage the portfolio within the stated investment policies and guidelines. Responsibility for this process will move from Link to Frostrow, with a due diligence visit being performed prior to Frostrow assuming the role of AIFM.
Compliance with Laws and Regulations In order to qualify as an investment trust the Company must comply with Section 1158 of the Corporation Tax Act 2010. Were the Company to breach Section 1158 it might lose investment trust status and, as a consequence, inter alia, realised gains within the Company's portfolio would be subject to capital gains tax. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the Listing Rules. A breach of the Companies Act 2006 could result in the Company being fined or subject to criminal proceedings. Breach of the Listing Rules could result in the Company's shares being suspended from listing which in turn would breach Section 1158. This risk would be exacerbated by inadequate resources or insufficient training within the Company's third-party service providers leaving them unable to properly manage compliance with current and future requirements. The Company's business model could become non-viable as a result of new or revised rules or regulations arising from, for example, policy change or financial monitoring pressure.	Compliance with investment trust status regulations is reviewed at each Board meeting. The Board reviews compliance with other regulatory, tax and legal requirements and is kept informed of forthcoming regulatory changes.

Risk	Mitigation and Management
Cyber Security The Company has limited direct exposure to cyber risk. However, the Company's operations or reputation could be affected if any of its service providers suffered a major cyber security breach. A State-backed cyber-attack could also result in widespread disruption across the financial services industry.	The Audit and Risk Committee receives control reports and confirmation from its service providers regarding the measures that they take in this regard. The cyber security policies of all providers have also been reviewed by the Board. For more widespread disruption such as a State-backed cyber-attack limited mitigation is possible, however all service providers remain vigilant given the increased likelihood of such an event in the current climate.
Global As recent years have demonstrated, unforeseen global emergencies can have dramatic effect on both financial markets and everyday life. The Company is at risk from both the financial impacts of such an event, as well as possible disruption to the day-to-day activities of its service providers. Pandemic risk remains ever present, from both known and unknown pathogens, as does the disruption to global supply chains from mass infection events. Cyber attacks or systemic collapses of digital infrastructure could cause widespread disruption to the financial system and markets.	During 2022, while much of the Western World largely moved on from COVID-19 and the disruption caused by the pandemic, China in particularly continued to grapple with its effects and societal unrest caused by the pursuit of 'Zero-COVID'. This approach changed markedly towards the end of the year, when restrictions were largely removed and COVID infection levels skyrocketed. The impact this will have on financial markets and global supply chains is still to be felt, however the Company's investment portfolio has limited exposure to the Chinese economy. Following the COVID-19 pandemic in 2020 and the huge disruption it caused both to everyday life and financial markets across the world, the risk of new global pandemics must now be considered an ever-present emerging risk. Indeed, epidemiologists and health organisations continually search for the next possible candidate, which could originate from a number of different sources. Human interactions with animals as well as their integration into the food system, and ancient pathogens uncovered in melting permafrost caused by climate change are two such areas of concern. When these factors are combined with ever-increasing global travel and trade, a follow-up pandemic of equal or greater severity at some point in the future cannot be discounted. As noted in the Cyber Security section, the risk of a multi-national or even global cyber incident also presents an unknown and potentially serious risk to the Company, via disruption to its service providers and to financial markets in general. While mitigations are made to ensure robust cyber protections are in place by all providers, the impacts from more widespread disruption may be unavoidable.

Emerging Risks

The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties and also to identify and evaluate newly emerging risks. The Board, through the Audit and Risk Committee, regularly reviews all risks to the Company, including emerging risks, which are identified by a variety of means, including advice from the Company's professional advisors, the Association of Investment Companies (the "AIC"), and Directors' knowledge of markets, changes and events. The following new or emerging risks were identified and reviewed during the year:

i) While climate issues now have international prominence, it is reasonable to say that both the impacts and measures to limit climate change are still emerging. While the Company itself faces limited direct risk from climate change, the same is not the case for the underlying investments selected by the Company's Investment Manager. Significant changes in climate, or indeed Government measures taken to combat it, could present a material risk to the value of investments held and therefore the NAV of the Company. This is addressed by the incorporation of ESG considerations into the investment process of Redwheel, as part of the drive to invest in companies with long-term viability. The Investment Manager also uses its voting powers to engage with and influence companies towards taking positive steps against climate change and other environmental impacts.

ii) The ongoing and tragic events in Ukraine remain an emerging and developing risk to the Company, primarily via escalation to either a wider or more brutal conflict with the worst possible outcome being the use of tactical nuclear weapons in the event of a stalemate or looming Russian defeat. The Investment Manager complies with all sanctioning regimes and continues to view Russia as uninvestable, while both the Board and Redwheel echo global calls for a return to peace in the region.

iii) Following the turmoil in the UK political system in 2022 and the resulting impact on financial, debt and currency markets, the Board now considers UK political instability to be an emerging risk to the Company. This continues to be monitored and discussed, both by the investment manager in relation to the portfolio of investments and macro-economic situation, as well as the Board more broadly. While mitigation or even predictions are difficult with any degree of accuracy, the real-world impact of poorly thought out or badly implemented political strategies must be taken into account.

Going Concern
The Directors have reviewed the going concern basis of accounting for the Company. The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the accounts. See note 1 for further detail.

Viability Statement
The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal and emerging risks and uncertainties it faces. The AIFM and Investment Manager have assisted the Board in making this assessment via financial modelling and income forecasting, which demonstrates the financial viability of the Company. Stress-testing scenarios, such as an extreme drop in equity markets, have also been carried out and the projected financial position remains strong and all payment obligations meetable.

The stress-testing scenarios used to assess future viability incorporate a number of inputs. The financial structure of the Company is stable, with known payment obligations that can be modelled for future years with a low likelihood of any changes. Revenue expectations are modelled by the Investment Manager for future years with decreasing levels of certainty over time, based on the financial position and performance of investee companies. This is combined with an expectation of the rate of dividend payments to be made by the Company over the coming years to give an overall financial projection in normal market conditions.

To stress-test this projection, scenarios are then modelled for a 20% and 50% fall in both investee company valuations and the level of dividend payments made. In both cases, because the Company has both the ability to control its own dividend payments and a liquid portfolio of investments, the impact to reserves could be managed and the Company would remain viable during such periods. This was demonstrated during 2020 when markets reacted negatively to the onset of the COVID-19 pandemic.

The Company is a long-term investment vehicle and the Directors, therefore, believe that it is appropriate to assess its viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with the AIC Code of Corporate Governance (the "AIC Code"), the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and the inherent uncertainties over a longer time period.

The Directors believe that a five-year period appropriately reflects the long-term strategy of the Company and over which, in the absence of any adverse change to the regulatory environment and the favourable tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal and emerging risks and to the adequacy of the mitigating controls in place.

In assessing the viability of the Company, the Directors have conducted a thorough assessment of each of the Company's principal and emerging risks and uncertainties set out on pages 24 to 26. Particular scrutiny was given to the impact of a significant fall in equity markets on the value of the Company's investment portfolio.

The Directors have also considered the Company's leverage and liquidity in the context of its long-dated fixed-rate borrowings, its income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted securities which can be sold to meet funding requirements if necessary. As a result, the Directors do not believe that there will be any impact on the Company's long-term viability.

All of the key operations required by the Company are outsourced to third-party providers and alternative providers could be secured at relatively short notice if necessary. The upcoming change from Link to Frostrow will demonstrate this and will leave the Company strongly positioned for future growth and stability.

Having taken into account the Company's current position and the potential impact of its principal and emerging risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Annual Report.

Modern Slavery Act
Due to the nature of the Company's operational model and the fact that it generates no turnover, the Board is satisfied that the Company is not subject to the UK's Modern Slavery Act 2015. The Company does not therefore make a modern slavery and human trafficking statement. The Board however appreciates the significance of Modern Slavery as an issue but considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to represent a low risk of exposure to modern slavery.

In relation to the Company's investments, the Board would note that the Investment Manager signed a letter in 2022, and will again in 2023, which is sent to FTSE 350 companies considered at that time not to be in compliance with the requirements of the Modern Slavery Act 2015. This initiative, coordinated by Rathbones, was awarded the Stewardship Initiative of the Year award in 2022 by the UN Principles for Responsible Investment. Infractions tend to be of a technical nature, such as not having a Modern Slavery Statement available on websites, or not evidencing that such Statements have approval from the board of the relevant organisation. In 2022, the Investment Manager engaged with investee companies to highlight where corrections are required to achieve compliance and worked with Rathbones to monitor responses.

Within investments, Redwheel principally assesses the risk of modern slavery exposure through reference to the Corporate Human Rights Benchmark (which scores companies on governance and policies; remedies and grievance mechanisms; and embedding respect and human rights due diligence) and through company compliance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

The Investment Manager also uses Sustainalytics data to monitor breaches in global norms and controversies including employee incidents. The Materiality Map developed originally by the Sustainability Accounting Standards Board helps improve understanding of the sectors in which companies are most at risk of exposure to labour and modern slavery issues.

Gender Diversity
At the year end, there were three male and two female Directors on the Board. Please see page 38 for further information about changes to the Board since the year end. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company.

The Company's policy on diversity is detailed in the Corporate Governance Statement on page 45.

Bribery Act
The Company has a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Investment Manager also adopts a zero-tolerance approach and has policies and procedures in place to prevent bribery.

Criminal Finances Act 2017
The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Stewardship/Engagement
The Board requires the Investment Manager to adopt an active stewardship role, including the effective exercising of shareholders' ownership rights. It believes that this is central to the achievement of its aim to preserve and grow the long-term real purchasing power of the assets entrusted to it by shareholders.

The Investment Manager thus monitors, evaluates and if necessary, actively engages or withdraws from investments with the aim of preserving or adding value to the portfolio. It became a signatory to the UN Principles for Responsible Investment in 2020, had been a signatory to the UK Stewardship Code 2012 and in 2022 was endorsed as a signatory to the UK Stewardship Code 2020.

Both the Board and the Investment Manager firmly believe that sustainability or ESG issues can have a material financial impact on the value of a company along with its social licence to operate, and therefore on the value of its investors' capital. It is thus important for a long-term responsible investor to integrate these issues into the investment process.

The Investment Manager believes that its stewardship role is wholly consistent with supporting companies to grow in a sustainable way, for executive teams and board members to run their companies for the long term and for the benefit of all stakeholders. Moreover, it believes that companies not run in a sustainable manner, from lack of prudence on financial strength and recklessness in the pursuit of growth at the expense of the environment and relations with business stakeholders, have significant potential to put shareholders' capital at risk. Conversely, companies run in a prudent, sustainable manner for all stakeholders are believed to be more likely to be successful, resilient and financially rewarding for shareholders.

Further detail on the Investment Manager's approach to stewardship is detailed within its Stewardship Policy.

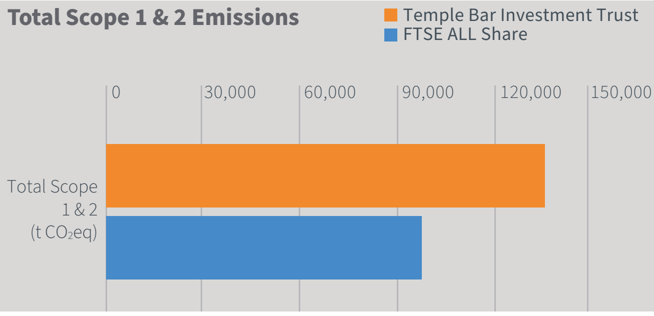
Environment
As an investment trust which outsources all of its operations, there are no greenhouse gas emissions to report from the operations of the Company other than those of the service providers and limited home working by the Board. The Company does not have responsibility for any other emissions producing sources reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Consequently, the Company consumed very little direct energy during the year and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

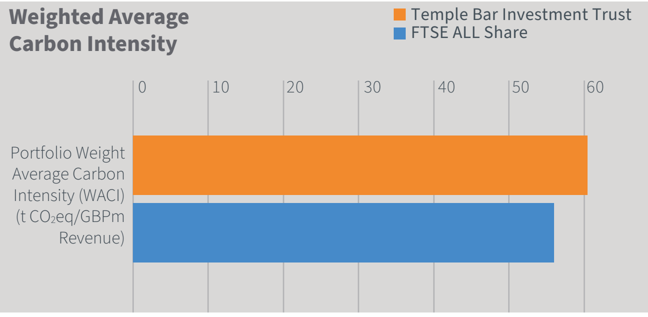
Environmental and climate considerations – both in a systemic sense and idiosyncratically – have become increasingly important for many in the investment industry and beyond over the past decade. Physical and transitional climate risks remain very much at the top of the list of factors considered to have potential to have material financial impact over the longer term. Attention is now also increasing in relation to the use and management by companies of natural resources, such as water, as well as biodiversity impacts arising in particular from pollution and waste management practices. The Investment Manager believes that delivering solutions to these kind of challenges requires active engagement with portfolio companies. Divesting simply does not address the problem. Instead, by supporting companies as they transition over time to more sustainable business models, the Investment Manager believes that environmental impacts can be both reduced and mitigated/remediated.

Detail on the carbon characteristics of the Company is shown in the following sections.

Overview of Strategy continued

Carbon Emissions





Source: FTSE All Share and Temple Bar Investment Trust data as at 30 December 2022. To ensure consistency and comparability of the emissions of underlying companies, the emissions data used represents emissions generated across financial year 2021. Data provided by Sustainalytics, as at 30 December 2022.

Approach
When monitoring and reporting the carbon credentials of the Company, we use the metrics and methodologies recommended by the Taskforce on Climate-Related Financial Disclosures (TCFD). Analysis focuses on the emissions of companies that are considered to be either "Scope 1" or "Scope 2". Scope 1 emissions are the emissions directly attributable to a company's operations, whereas Scope 2 emissions are the emissions indirectly attributable to a company's operations (e.g. relating to the power it consumes). Both are expressed in terms of tonnes of carbon dioxide equivalent (t CO_2eq), the universal unit of measurement used to indicate the global warming potential of greenhouse gases, definition and methodology by Greenhouse Gas Protocol.

The integration into the analysis of corporate "Scope 3" emissions remains an aspiration as there are issues relating to data quality and the double-counting of emissions within methodologies which continue to hamper expansion of the analysis.

Total Scope 1 & 2 Emissions
The chart above provides representations of the absolute greenhouse gas emissions (GHG) attributable both to Temple Bar, and also to a notional investment of equal value in a basket of companies comprising FTSE All Share.

An equity ownership approach is used to allocate both Scope 1 and Scope 2 emissions to investments. Under this approach, if an investor holds shares equal in value to 5 percent of a company's total market capitalisation, then the investor is considered to own 5 percent of the Company; accordingly, it is considered to be liable for 5 percent of the Company's GHG (or carbon) emissions.

As compared to FTSE All Share, Temple Bar exhibits a higher value for its Scope 1 and Scope 2 emissions (+41%).

These metrics are presented on an absolute basis; as the value of the Company increases, we would expect the overall emissions attributable to Temple Bar to increase. The respective values for Temple Bar and FTSE All Share, normalised by the value of the Company, which in essence is the carbon footprint metric, are 137.63 and 101.91 tCO_2eq/GBPm, respectively. Temple Bar's carbon footprint is 35% higher as it has a higher exposure to sectors responsible for a considerable amount of emissions, such as Energy, Consumer Discretionary and Utilities.

Weighted Average Carbon Intensity (WACI):
This chart shows the asset-weighted emissions intensity both of Temple Bar, and also of an investment of equal value in a basket of companies comprising FTSE All Share.

Emissions intensity as a metric reflects the value of a company's Scope 1 and Scope 2 carbon emissions (t CO_2eq), normalised by revenues derived (here, using GBP millions), over a particular period in line with the carbon reporting one, which is financial year 2021.

The weighted average carbon intensity of the Company is 6% higher than FTSE All Share, indicating on average a higher allocation to carbon intensive companies.

Observations
As compared to FTSE All Share, Temple Bar has a higher allocation to the Oil & Gas sector (+9.8%), Consumer Services sector (+7.9%) and Utilities sector (+2.4%). At the same time, the Company's allocation to the Materials and Industrials sectors is roughly the same as FTSE All Share. These are sectors responsible for a significant amount of carbon emissions and the previous figures and charts above demonstrate this.

That said, it is important to note that whilst emissions data is available for almost all of the constituents of Temple Bar, this is not the case for FTSE All Share. Here, only 55% of companies disclose emissions data directly. For some of the remaining 45% of companies it is possible to make an estimate; for others it is not. Where there is no available emissions data or third party estimates the companies have been excluded from FTSE All Share's analysis, this portion of companies represent around 8% of FTSE All Share weight in terms of total GBPm invested.

Social
The financial impact from social issues can be substantial as the Investment Manager set out in its 2017 letter 'Reforming Capitalism', a section of which is reproduced below:

"We believe companies should act in the interests of all stakeholders. Putting pressure on employees, customers and suppliers may enrich shareholders in the short term but can damage the long-run sustainability of the business. Too often, investors seem to believe you are either a champion of the shareholder or of the other stakeholders but in our view, they are not mutually exclusive. There should never be any inherent tension between creating value and serving the interests of employees, suppliers and customers."

Companies treating their employees, customers or suppliers inappropriately, store up future problems for the business in terms of human capital (lower productivity, disruption to production, staff turnover), brand value (dissatisfied customers, litigation) and reputation (supply-chain issues, health and safety). Local communities are also important to consider, particularly in extractive industries.

Cyber security is a notable risk for many companies, particularly for those holding customer information, sensitive sectors such as banks or utilities or where intellectual property is the basis of the value of a company.

The Investment Manager researches and monitors social risks, reviewing issues for focus based on the Company's composition. Exposure to conflict regions is monitored as a risk of human rights abuses. Where there is potential exposure the Investment Manager will monitor news flow and speak with the Board to evaluate the risk. It may also speak to a company's wider stakeholders in order to seek a more holistic assessment of specific situations.

Governance
The consideration of companies' approaches to governance has been at the heart of the Investment Manager's process since inception. Governance describes the controls and oversight processes in place to manage operational risks (including environmental and social risks); it also sets the basis for the culture of a firm. The Investment Manager seeks investee companies whose management runs the business as owners, and thinks long-term about customers, employees, suppliers, and community. Such an approach is believed ultimately to benefit shareholders.

The Investment Manager believes in the importance of investee companies possessing a strong board, with non-executive directors possessing the requisite skills, experience and independence to counter the impact of a powerful or dominant chief executive officer. Diversity can support this aim and helps to counter 'group think' and incorporate better the views of wider stakeholders. Remuneration is an area of controversy, with management pay ratcheting higher, often without consequence for failure or poor performance. Compensation packages must be tied to long-term drivers of sustainable value, rather than a function of financial engineering. The timeframe for executive evaluations should be extended and there should also be a downside risk by requiring management to put significant 'skin in the game'.

If companies behave responsibly and act sustainably there are benefits for society in terms of economic prosperity, political stability, and trust in free markets. This in turn drives further benefits for the companies themselves. The Investment Manager therefore believes it makes sense to integrate into the investment process the consideration of a company's performance in addressing sustainability issues, even if the advantages of doing so take time to emerge.

Remuneration
The Investment Manager believes that governance within UK companies is generally of a very high standard. This reflects the UK Corporate Governance Code and the long history of efforts to raise standards. Whilst there are many individual aspects of corporate governance that the Investment Manager considers, remuneration – the design and implementation in practice of pay structures to reward and incentivise behaviours that help the Company execute against its strategy – remains one of the most important.

The Investment Manager's view is that the basis of a good corporate remuneration policy is a well-constituted remuneration committee. This requires both the independence of the committee members and relevant experience in the field of remuneration. A committee must guard against the ratcheting upward of compensation awards, balancing this with attracting and retaining talent.

The Investment Manager encourages companies to set remuneration metrics that align with the overall strategy, reflecting appropriate financial incentives, in combination with non-financial metrics relating to environment and social issues. Environmental metrics should be calibrated to help address specific operational challenges, while on social issues relations with employees, customers, suppliers and the community should be reflected as appropriate.

Remuneration is a complex area and challenging to find the right balance between the various objectives and agendas. Shareholders will invariably give conflicting feedback to remuneration committees. Where the Investment Manager can have significant influence, they will engage with companies in the construction of the remuneration policy. Where they feel their shareholding in a given company is too low to ensure a constructive basis for engagement, they will share their own remuneration expectations document which sets out for companies what the Investment Manager expects to see.

The Investment Manager in conjunction with the Board will continue to develop the overall approach and push for higher standards, ensuring that they collectively protect shareholder interests and promote long-termism, set in the context of sustainability for all stakeholders.

Engagement Policy
Engagement is central to the Investment Manager's process. Communicating with investee companies on areas of concern is a key aspect of the Investment Manager's approach. Having a long-term investment horizon and concentrated portfolio allows the Investment Manager to build meaningful relationships.

The engagement process is led and carried out by the Investment Manager, consistent with the Redwheel Stewardship Policy. The specifics of each process will be determined by the size of the exposure within the portfolio and the materiality of the identified risk, amongst other factors. The Investment Manager will draw from its own experience in assessing materiality risks as well as both the Company's own materiality assessment and independent assessments on a sector basis, such as the Materiality Map developed originally by the Sustainability Accounting Standards Board.

The method of engagement will depend on the engagement objectives. For example, where the Investment Manager holds a position in an investee company and is materially at odds with the Company's strategic direction or specific actions, it will usually set out its concerns in a letter to the Company and follow up with a meeting. In some instances, the Investment Manager will go further and set out a detailed analysis of the business or sector, with proposed alterations to strategy, and discuss this analysis with management.

The Investment Manager will engage with the chair of an investee company, particularly at times of management change or in relation to long-term questions on strategic direction. It may also engage with the investee company's senior independent director should it have concerns about the chair or about board effectiveness. Other engagements may take place in response to a request from the investee company themselves, such as engagements with the chair of the remuneration committee to discuss incentive structures and policies. Engaging in collaboration with other shareholders, and casting votes against management at a company's AGM provide further means to escalate concerns when direct bilateral engagement fails. As regards remuneration, the Investment Manager aligns its approach to reflect the guidance provided by the Pensions and Lifetime Savings Association, the UK Corporate Governance Code and The Investment Association, as updated from time to time.

The evaluation of the outcome of the Investment Manager's engagements will depend on the type of engagement.

Where the Investment Manager looks for specific actions, it will assess the outcome on whether management or the board engaged and subsequently chose to act on the suggestions made. On other issues, the evaluation of the engagement may be more qualitative and not as transparent. The Investment Manager tries to be very open about the nature of its engagements and the outcomes of them.

Case studies of the Investment Manager's engagement with investee companies during the year are provided on pages 13 to 16 and are just some of numerous calls, meetings and written correspondence that the Investment Manager had with companies to discuss a variety of sustainability and ESG-related issues.

Externalities and Non-Environmental Issues
In addition to adopting a stewardship approach to investment and integrating sustainability and ESG considerations into its investment approach, the Board asks the Investment Manager to consider systemic externalities when assessing a company's suitability for inclusion in the portfolio. Systemic externalities are costs, usually considered as costs to society or the environment, which are not captured by market pricing. In particular, there are some areas where companies operating legally and ethically may, through their joint actions (whether or not coordinated), inadvertently contribute to the delivery of unintended consequences for people and planet, particularly in relation to climate change, global financial fragility and antimicrobial resistance.

These are areas where the Board believes that engagement with investee companies, in conjunction with other asset owners, is of particular importance in order to raise awareness amongst companies of the need for market-based response. The Investment Manager reports regularly to the Board with regard to its engagement with portfolio companies in relation to such issues.

Future Developments
The future development of the Company is dependent on the success of its investment strategy in the light of economic and equity market developments. The outlook is discussed in the Chairman's Statement on page 4 and the Investment Manager's Report on pages 9 to 11.

Strategic Report
On behalf of the Board

Arthur Copple
Chairman

22 March 2023

Portfolio of Investments

As at 31 December 2022

	Company	Industry	Place of primary listing	Valuation £000	% of portfolio
1	**BP** BP PLC is an oil and petrochemicals company. The company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals.	Oil & Gas	UK	69,554	8.8
2	**Royal Dutch Shell** Shell PLC, through subsidiaries, explores, produces, and refines petroleum. The company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide.	Oil & Gas	UK	56,361	7.2
3	**Centrica** Centrica PLC operates as an integrated energy company offering a wide range of home and business energy solutions. The company sources, generates, processes, stores, trades, saves, and supplies energy and provides a range of related services.	Utilities	UK	47,438	6.0
4	**Pearson** Pearson PLC provides education products and services to institutions, governments, and individual learners in various countries. The company offers test development, processing, and scoring services and a range of education services including teacher development, educational software, and system-wide solutions, as well as owns and operates schools.	Consumer Services	UK	47,176	6.0
5	**Standard Chartered** Standard Chartered PLC is an international banking group operating principally in Asia, Africa, and the Middle East. The company offers its products and services in the personal, consumer, corporate, institutional and treasury areas.	Financials	UK	44,790	5.7
6	**NatWest Group** NatWest Group PLC operates as a banking and financial services company. The Bank provides personal and business banking, consumer loans, asset and invoice finances, commercial and residential mortgages, credit cards, and financial planning services, as well as life, personal, and income protection insurance.	Financials	UK	44,543	5.7
7	**Anglo American** Anglo American PLC is a global mining company. The company's mining portfolio includes bulk commodities including iron ore, manganese, and metallurgical coal, base metals including copper and nickel and precious metals and minerals including platinum and diamonds.	Basic Materials	UK	42,969	5.5
8	**TotalEnergies** TotalEnergies SE operates as an energy company. The company produces, transports, and supplies crude oil, natural gas, and low carbon electricity, as well as refines petrochemical products. TotalEnergies owns and manages gasoline filling stations worldwide.	Oil & Gas	France	41,987	5.3
9	**Marks & Spencer Group** Marks & Spencer Group PLC operates a chain of retail stores. The company sells consumer goods and food products, as well as men's, women's, and children's clothing and sportswear.	Consumer Services	UK	39,598	5.0
10	**ITV** TV PLC provides broadcasting services. The company produces and distributes content on multiple platforms. ITV serves customers in the United Kingdom.	Consumer Services	UK	36,638	4.6
Top Ten Investments				**471,054**	**59.8**

Portfolio of Investments continued

As at 31 December 2022

	Company	Industry	Place of primary listing	Valuation £000	% of portfolio
11	International Distributions Services PLC (formally Royal Mail Group)	Industrials	UK	34,569	4.4
12	WPP	Consumer Services	UK	31,091	4.0
13	Aviva	Financials	UK	27,045	3.4
14	Barclays	Financials	UK	22,641	2.9
15	Citigroup	Financials	USA	19,049	2.4
16	HP	Technology	USA	18,220	2.3
17	Currys	Consumer Services	UK	17,461	2.2
18	Vodafone Group	Telecommunications	UK	16,096	2.1
19	Forterra	Industrials	UK	15,010	1.9
20	Kingfisher	Consumer Services	UK	14,261	1.8
Top 20 Investments				**686,497**	**87.2**
21	BT Group	Telecommunications	UK	12,944	1.6
22	Newmont	Basic Materials	USA	12,800	1.6
23	CK Hutchison Holdings	Industrials	Hong Kong	12,350	1.6
24	Capita	Industrials	UK	12,146	1.5
25	Honda Motor	Consumer Goods	Japan	11,434	1.4
26	easyJet	Consumer Services	UK	10,349	1.3
27	Barrick Gold	Basic Materials	Canada	9,919	1.3
28	Continental	Consumer Goods	Germany	6,720	0.8
29	Sprott Physical Silver Trust	Financials	USA	5,925	0.8
30	Vitesco Technologies Group	Consumer Goods	Germany	1,379	0.2
Total Equity Investments				**782,463**	**99.3**
	Short-dated UK T-Bills			5,170	0.7
Total Valuation of Portfolio				**787,633**	**100.0**

Portfolio Distribution
As at 31 December 2022

	Industry	Temple Bar %	FTSE All-Share %
1	Consumer Services	24.6	16.7
2	Oil & Gas	21.0	11.2
3	Financials	20.5	26.4
4	Industrials	9.2	10.3
5	Basic Materials	8.2	10.5
6	Utilities	5.9	3.5
7	Telecommunications	3.6	2.8
8	Consumer Goods	2.4	6.3
9	Technology	2.3	1.5
10	Healthcare	–	10.8
Total Equities		**97.7**	**100.0**
11	Fixed Interest	0.6	
12	Cash	1.7	
		100.0	


PH-PKB

Governance Report

Board of Directors

Chairman of the Board and Member of the Management Engagement, Nomination and Audit and Risk Committees

Arthur Copple, Chairman, was appointed a Director in 2011. He has specialised in the investment company sector for over thirty years. He was a partner at Kitcat & Aitken, an executive director of Smith New Court PLC and a managing director of Merrill Lynch. He is currently Chairman of Montanaro UK Smaller Companies Investment Trust PLC.

Senior Independent Director, Chair of the Audit and Risk Committee and member of the Management Engagement and Nomination Committees

Lesley Sherratt, PhD was appointed a Director in 2015. She has twenty five years' experience as an investment manager, specialising in the analysis of financial services companies but also running the global equity team at Flemings. She was formerly Investment Director of the Save & Prosper and Fleming Flagship ranges of funds, and CEO and CIO of Ark Asset Management Ltd, a hedge fund she founded. She is currently a trustee of the Henry Moore Foundation, a Visiting Lecturer at King's College, London and writes on ethics in finance.

Member of the Audit and Risk, Management Engagement and Nomination Committees

Richard Wyatt was appointed a Director in 2017. He is a former Group Managing Director at Schroders and a Partner at Lazard. He was chairman of the media agency Engine Group and served on the Regulatory Decisions Committee of the FSA. He is currently a global partner of Rothschild & Co, chairman of Loudwater Partners Limited and a director of a number of other companies.

Member of the Audit and Risk Committee and Chair of the Management Engagement and Nomination Committees

Shefaly Yogendra, PhD was appointed a Director in 2019. She became an independent Non-Executive Director of Witan Investment Trust Plc in February 2023 and was recently the COO of Ditto AI, a symbolic AI startup. She built her career in the technology industry, followed by strategic advisory work on emerging technologies, and specialises in governance, growth, risk, and decision-making. She is an independent governor of London Metropolitan University, and a non-executive director of Harmony Energy Income Trust PLC and JP Morgan US Smaller Companies Investment Trust PLC. She was listed among the "100 Women To Watch" in the Female FTSE Board Report 2016.

Member of the Audit and Risk Committee, Management Engagement Committee and Nomination Committees

Charles Cade was appointed as a Director in 2022. He has over twenty five years' experience in the investment companies' sector and was ranked among the leading analysts throughout his career at Numis Securities, Winterflood Securities, HSBC and Merrill Lynch. Charles joined the City following an MBA from Warwick Business School, having previously worked for a consultancy firm and as an economist in the UK government. He currently sits on the Investment Committee of the Rank Foundation charity and is an independent member of the Investment Research Monitoring Group for interactive investor, the retail platform.

Report of Directors

The Directors present the Annual Report & Financial Statements of the Company for the year ended 31 December 2022.

Directors
The Directors of the Company who held office at 31 December 2022 and up to the date of the signing of the Annual Report are detailed on page 37. As at 31 December 2022, the Board of Directors of the Company comprised three male and two female Directors. Since the end of the financial year, Carolyn Sims has been appointed to the Board which means there are three female Directors on the Board as at the date of this report.

Charles Cade was appointed with effect from 24 March 2022 as an independent non-executive Director of the Company.

Carolyn Sims joined the Board on 1 January 2023 as an independent non-executive Director and will stand for election at the forthcoming AGM on 9 May 2023, being her first AGM post her appointment.

Arthur Copple will retire as a Director of the Company following the AGM. All other Directors, with the exception of Arthur Copple, will retire and stand for re-election at the Company's AGM on 9 May 2023.

The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association. There are no agreements between the Company and its Directors concerning any compensation for their loss of office.

Ordinary Dividends
The interim dividends paid by the Company are set out in note 10 to the financial statements.

Subsequent to the year end, the Board approved a fourth interim dividend for the year ended 31 December 2022 of 2.5 pence per ordinary share, which will be paid on 31 March 2023.

Share Capital
At the AGM held on 10 May 2022, the Company was granted authority to allot ordinary shares in the Company up to an aggregate nominal amount of £1,671,819, being 10% of the total issued share capital at that date, amounting to 6,687,276 ordinary shares. No shares were issued during the year.

The Company was also granted authority to purchase up to 14.99% of the Company's ordinary share capital in issue at that date, amounting to 50,121,137 ordinary shares. On 13 May 2022 the Company undertook a sub-division of each existing ordinary share of 25 pence each into 5 new ordinary shares of 5 pence each, as approved by shareholders at the Company's Annual General Meeting on 10 May 2022 (the "Share Split"). Further detail regarding the Share Split can be found below.

Before the Share Split had taken place, the Company bought back 260,125 shares of 25p each with a nominal value of £65,031.25 at a total cost of £2,975,197.

Post the Share Split, the Company bought back 10,635,914 shares of 5p each with a nominal value of £531,795.70 at a total cost of £22,915,649.

This represented 3.18% of the issued share capital at 31 December 2022. The shares bought back are held in treasury.

At 31 December 2022, the Company had 334,363,825 ordinary shares in issue, 16,541,439 of which were held in treasury. The total voting rights of the Company at 31 December 2022 were 317,822,386.

Subsequent to the year end and up to the date of this Annual Report, the Company bought back 8,010,042 ordinary shares for treasury, at a total cost of £19,221,361, representing 2.40% of the issued share capital as at 31 December 2022. At the date of this Annual Report, the Company has 334,363,825 ordinary shares in issue, 24,551,481 of which are held in treasury. The total voting rights at the date of this Annual Report are 309,812,344.

Authorities given to the Directors at the 2022 AGM to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM.

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, for every share held.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. To the extent that they exist, the revenue, profits and capital of the Company (including accumulated revenue and realised capital reserves) are available for distribution by way of dividends to holders of ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares.

There are no restrictions on the transfer of securities in the Company or on the voting rights of each ordinary share. There are no special rights attached to any of the shares and no agreements between holders of shares regarding their transfer known to the Company and no agreements which the Company is party to that might affect its control following a takeover bid.

An amendment to the Company's Articles of Association and the giving of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares are set out in the Notice of AGM on pages 87 to 91.

Subdivision of Ordinary Shares
As disclosed by the Company in its 2021 Annual Report, and as announced to the market on 24 March and 12 May 2022 respectively, the Company confirmed its intentions and successful completion of a sub-division of each previously existing ordinary share of 25 pence each ("Existing Ordinary Shares") into five new ordinary shares of 5 pence each ("New Ordinary Shares"). The Company's shareholders approved the Share Split at the AGM held on 10 May 2022.

The last day of trading in the Existing Ordinary Shares was 12 May 2022 after which the Share Split took effect. The New Ordinary Shares were admitted to trading on the premium segment of the Main Market of the London Stock Exchange on 13 May 2022 and shareholders received five New Ordinary Shares in exchange for each Existing Ordinary Share. The New Ordinary Shares rank pari passu with each other and have the same rights and restrictions as the Existing Ordinary Shares including the same rights to participate in dividends paid by the Company. A holding of New Ordinary Shares following the Share Split represents the same proportion of the issued ordinary share capital of the Company as the corresponding holding of Existing Ordinary Shares immediately prior to the Share Split. The Share Split therefore had no effect on the overall value of a shareholder's holding in the Company.

Substantial Shareholders

As at 31 December 2022, the Company had received notification of the following disclosable interests in the voting rights of the Company. This information was correct at the date of notification, however in certain instances the information has been restated following the Share Split and since receipt of the notifications. It should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings as at 31 December 2022. However, notification of any change is not required until the next applicable threshold is crossed:

	Number of ordinary shares	Percentage of voting rights
City of London Investment Management Company Limited*	18,697,940	5.88
Rathbone Investment Management Limited	16,620,717	5.23
Investec Wealth & Investment Limited*	16,636,270	5.23
1607 Capital Partners LLC*	16,473,165	5.18

* Restated for Share Split since receipt of the notifications.

In addition to the substantial shareholders identified in the table above who have notified the Company of their respective shareholdings, the Company is aware that a significant portion of the share register is represented by retail investors via private investor platforms.

The Company has not been informed of any other changes to the notifiable interests between 31 December 2022 and the date of this Annual Report.

Management Arrangements

Under the terms of the Portfolio Management Agreement, Redwheel will be paid a management fee equal to 0.35% per annum of the Company's total assets. Redwheel's initial term has now passed and the Portfolio Management Agreement may be terminated on six months' notice. The Portfolio Management Agreement is also capable of termination in certain circumstances including in the event that both Nick Purves and Ian Lance cease to be responsible for the management of the Company's assets or otherwise become incapacitated.

Continued Appointment of the AIFM and Investment Manager

The Board keeps the performance of the Manager under continual review, and the Management Engagement Committee conducts an annual appraisal of the Manager's performance, and makes a recommendation to the Board about the continuing appointment of the Manager. It is the opinion of the Board that the continuing appointment of the Manager, on the existing terms, is in the best interests of shareholders as a whole. The reasons for this view are that the Manager has executed the investment strategy according to the Board's expectations and has produced positive returns relative to the broader market.

As set out in further detail on page 20 and as announced to the market on 21 December 2022, the Company intends to appoint Frostrow Capital LLP ('Frostrow') as its AIFM with effect from 1 July 2023, subject to contract and FCA approval. The Company's investment manager, RWC Asset Management LLP ('Redwheel'), will continue in its role. Frostrow will also take on a number of marketing and distribution tasks currently undertaken by Redwheel. It is the Directors' opinion that the appointment of Frostrow as AIFM is also in the best interests of the Company and its shareholders as a whole.

Requirements of the Listing Rules

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

Streamlined Energy and Carbon Reporting

The Company's approach to ESG is set out on page 12.

Stakeholder Engagement
While the Company has no employees, or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders. The effect of this consideration upon the principal decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on page 18.

Financial Risk Management
Information about the Company's financial risk management objectives and policies is set out in note 22 to the financial statements.

Disclosure of Information to the Auditor
The Directors who held office at the date of the approval of the Annual Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

BDO LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its reappointment and to authorise the Directors to determine its remuneration will be proposed at the forthcoming AGM.

Post Balance Sheet Events
Post balance sheet events are disclosed in note 23 to the financial statements.

Future Developments
Details on the outlook of the Company are set out in the Chairman's Statement on page 4 and the Investment Manager's Report on pages 9 to 11.

Annual General Meeting
The Notice of the AGM of the Company to be held on 9 May 2023 is on pages 87 to 91. In addition to the ordinary business the following items of business will also be proposed.

Dividend Policy
Resolution 11 set out in the Notice of AGM is for shareholders to approve the Company's dividend policy which is to authorise Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year to not be categorised as a final dividend. This is subject to shareholder approval.

Authority to Allot Shares
Resolution 12 set out in the Notice of AGM is an ordinary resolution and will, if passed, authorise the Directors to allot up to 33,436,383 ordinary shares with a nominal value of £1,671,819 or 10% of the Company's ordinary shares in issue at the date at which this resolution is passed. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2024 when a resolution to renew the authority will be proposed.

The Directors intend to use this authority whenever they believe it would be in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the prevailing NAV per share at the time of issue, including current year income, as adjusted for the market value of the Company's debt and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

Authority to Disapply Pre-Emption Rights
When shares are to be allotted for cash, the Companies Act 2006 requires such new shares to be offered first to existing shareholders in proportion to their existing holdings of ordinary shares. However, in certain circumstances, it is beneficial to allot shares for cash otherwise than by pro rata to existing shareholders and the ordinary shareholders can, by special resolution, waive their pre-emption rights.

Resolution 13 set out in the Notice of AGM is a special resolution and will, if passed, authorise the Directors to allot up to 33,436,383 ordinary shares with a nominal value of £1,671,819 or 10% of the Company's ordinary shares in issue at the date at which this resolution is passed, for cash on a non-pre-emptive basis. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2024 when a resolution to renew the authority will be proposed.

The Directors intend to use this authority whenever they believe it would be in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the prevailing NAV per share at the time of issue, including current year income, as adjusted for the market value of the Company's debt and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

No issues of shares will be made which would alter the control of the Company without the prior approval of shareholders in general meeting.

Authority to Purchase the Company's Own Shares
The Directors consider it desirable to give the Company the opportunity to buy back shares in circumstances where the shares may be bought for a price which is below the NAV per share of the Company. The purchase of ordinary shares is intended to reduce the discount at which ordinary shares trade in the market through the Company becoming a source of demand for such shares, as well as being accretive to the NAV per share. During the year, the Company continued to buy back shares for this purpose with the shares being held in treasury.

Resolution 14 set out in the Notice of AGM is a special resolution and will, if passed, authorise the Directors to buy back up to 14.99% of the Company's shares in issue at the date at which the resolution is passed. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2024 when a resolution to renew the authority will be proposed. 10,635,914 shares have been bought back under this authority during the year and 8,010,042 shares have been bought back under this authority post year end. The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of:

i) 5% above the average of the mid-market value of shares for the five business days before the day of purchase; or

ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange.

The minimum price which may be paid for an ordinary share is the nominal value of 5 pence each.

The decision as to whether to buy back any ordinary shares will be at the discretion of the Board. Ordinary shares bought back in accordance with the authority granted to the Board will either be held in treasury or cancelled. Shares held in treasury may be reissued from treasury but will only be reissued at a price that is in excess of the Company's then prevailing NAV per share. This authority will expire at the AGM to be held in 2024 when a resolution to renew the authority will be proposed.

Notice Period for General Meetings
Under the Companies Act 2006, the notice period of general meetings (other than an AGM) is 21 clear days' notice unless the Company: (i) has gained shareholder approval for the holding of general meetings on a shorter notice period (subject to a minimum of 14 clear days' notice) by passing a special resolution at the most recent AGM; and (ii) offers the facility for all shareholders to vote by electronic means.

The Company would like the ability to call general meetings (other than an AGM) on less than 21 clear days' notice. The shorter notice period proposed by Resolution 15, a special resolution, would not be used as a matter of routine, but only where the flexibility is merited taking into account the business of the meeting and is thought to be in the interests of shareholders as a whole. The approval will be effective until the end of the AGM to be held in 2024, when it is intended that a similar resolution will be proposed.

Recommendation
The Board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings.

On behalf of the Board

Arthur Copple
Chairman

22 March 2023

Corporate Governance Statement

The Corporate Governance Statement and reports from the Committees form part of the Report of Directors.

Corporate governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance.

Compliance with the AIC Code of Corporate Governance (the "AIC Code")
The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

As Temple Bar is a UK-listed company, the Board's principal governance reporting obligation is in relation to the UK Code of Corporate Governance (the "UK Code") issued by the Financial Reporting Council (the "FRC"). However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and as such the day-to-day functions of the Company are outsourced to third parties. The AIC has therefore drawn up its own set of guidelines known as the AIC Code, last updated in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third-party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will meet their obligations in relation to the UK Code and Listing Rule 9.8.6. The Board has chosen to report against the AIC Code as it believes that its principles and recommendations will provide better information to shareholders than reporting against only the UK Code.

A copy of the AIC Code can be found at www.theaic.co.uk.

A copy of the UK Code can be obtained at www.frc.org.uk. The UK Code includes provisions relating to:

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

The Board considers that these provisions are not relevant to the position of Temple Bar, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations such as an internal audit function. The Company has therefore not reported further in respect of these provisions.

The Board of Directors
Under the leadership of the Chairman, the Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Investment Manager.

As at 31 December 2022, the Board consisted of five non-executive Directors. Since the year end, Carolyn Sims has joined the Board with effect from 1 January 2023 as an independent non-executive Director, increasing the total number of Directors as at the date of the report to six.

The Board seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection from the Company's registered office. None of the Directors has a service contract with the Company nor has there been any other contractual arrangement between the Company and any Director at any time during the year. Directors are not entitled to compensation for loss of office.

The Directors have access to independent professional advice at the Company's expense if required. This is in addition to the access that every Director has to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Chairman and Senior Independent Director ("SID")
The Chairman, Arthur Copple, is independent and the Board considers that he has sufficient time to commit to the Company's affairs. The Chairman's other commitments are detailed in his biography on page 37.

There is a clear division of responsibility between the Chairman, the Directors, the Investment Manager and the Company's other third-party service providers. The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.

Lesley Sherratt is the SID of the Company. She acts as a sounding Board for the Chairman, takes the lead in the annual evaluation of the Chairman by the independent Directors, provides a channel for any shareholder concerns regarding the Chairman and is available to meet with major shareholders as appropriate. In periods of stress, the SID works with the Chairman, the other Directors, and/or shareholders to resolve any issues.

The documents setting out the roles of the Chairman and SID are available on the Company's website.

Board Operation
The Directors have adopted a formal schedule of matters specifically reserved for their approval. These include the following:

- approval of the Company's investment policy, long-term objectives and strategy;
- approval of annual and half-yearly reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- raising new capital;
- approval of dividends;
- board appointments and removals;
- appointment and removal of the AIFM, Investment Manager and Company Secretary; and
- approval of the Company's annual expenditure budget.

At each Board meeting the Directors follow a formal agenda, which includes a review of investment performance, analysis of the peer group, marketing and financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

The Board meets regularly throughout the year and representatives of the AIFM and Investment Manager are in attendance, when appropriate, at each meeting. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company and all Directors have timely access to all relevant management, financial and regulatory information.

Committees
The Board has established three committees to assist its operations: the Audit and Risk Committee, the Management Engagement Committee and the Nomination Committee. Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee. Carolyn Sims, the newest member of the Board, is also a member of all three Committees.

The need for a separate Remuneration Committee will be kept under review but, at present, given the size of the Board, the functions which a Remuneration Committee would be responsible for are overseen by the full Board.

The terms of reference of the Committees are available on the Company's website.

Audit and Risk Committee
The Audit and Risk Committee is chaired by Lesley Sherratt. The Committee meets formally at least twice a year. The Board is satisfied that members of the Committee have relevant and recent financial experience to fulfil their role effectively and also have sufficient experience of the investment trust sector. In particular, Lesley has twenty years' experience as an analyst and portfolio manager in the financial and investment trust sectors. Her fundamental research approach to analysing balance sheets of financial services companies, including investment trusts, is considered to equip her well to serve as Chair of the Audit and Risk Committee.

The Committee has direct access to the Company's Auditor and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor are invited to attend the Committee meeting at which the annual accounts are considered and any other meetings that the Committee deems necessary.

Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee. The Directors therefore believe it is appropriate for Arthur Copple, the Chairman of the Board, to be a member of the Committee given his financial experience and experience of the Company overall. The Committee is also of the view that his membership would not compromise his independence as Chairman of the Board.

Management Engagement Committee
The Management Engagement Committee comprises all Directors and is chaired by Shefaly Yogendra. The Committee met once during the year to review the ongoing performance and the continuing appointment of all service providers of the Company, including the Investment Manager. The Committee also considers any variation to the terms of all service providers' agreements and reports its findings to the Board.

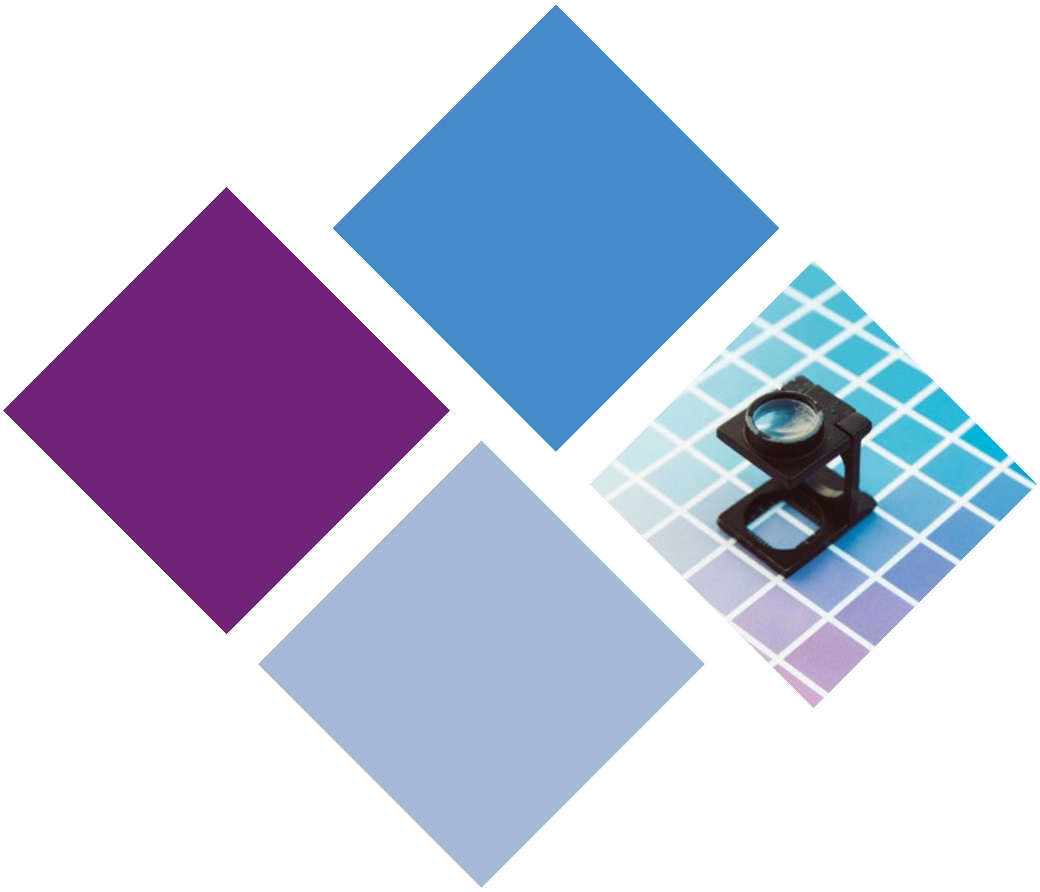
Nomination Committee
A Nomination Committee comprising all Directors oversees a formal review procedure governing the appointment of new Directors and evaluates the overall composition of the Board, taking into account the existing balance of skills, experience and knowledge. The Committee is also responsible for assessing, on an annual basis, the individual performance of each Director and for making recommendations as to whether they should remain in office. This Committee is chaired by Shefaly Yogendra. The Committee met four times during the year, to discuss Board composition and succession, the re-election of each Director and the appointments of Charles Cade and Carolyn Sims respectively.

Meeting Attendance
The table below sets out the Directors' attendance at Board and Committee meetings held during the year ended 31 December 2022.

	Board		Audit and Risk Committee		Management Engagement Committee		Nomination Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Arthur Copple	7	7	2	2	1	1	4	4
Lesley Sherratt	7	7	2	2	1	1	4	4
Richard Wyatt*	7	5	2	1	1	1	4	2
Shefaly Yogendra	7	7	2	2	1	1	4	4
Charles Cade**	4	4	1	1	1	1	2	2

* Mr Wyatt was absent from one Nomination Committee and one Board meeting due to ill health, and one Nomination Committee and one Board meeting due to a personal conflict.

** Since his appointment on 24 March 2022.



Independence of the Directors
The Board has reviewed the independence status of each individual Director and the Board as a whole. All Directors are considered to be independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of his or her independent judgement. The Chairman has served on the Board for more than nine years and as disclosed in the Chairman's Statement on page 4 he shall stand down at the Company's forthcoming AGM on 9 May 2023. Richard Wyatt shall succeed him as Chairman. Richard (and all of the Company's Directors) remain independent from the Investment Manager.

Induction and Training
New Directors appointed to the Board are provided with an induction programme which is tailored to the particular circumstances of the appointee. The Company Secretary will offer induction training to new Directors about the Company, its key service providers, the Directors' duties and obligations and other matters as may be relevant from time to time. Regular briefings are provided during the year on industry and regulatory matters and the Directors receive other relevant training as required.

Director Appointment, Re-Election and Tenure
The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006.

Under the Company's Articles of Association, Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, at each AGM any Director who has not stood for re-election at either of the two preceding AGMs shall retire. Beyond these requirements and in accordance with the AIC Code, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's AGM.

Directors are not appointed for specified terms, but the Board would not normally expect Directors to serve for more than nine years. However, in exceptional circumstances, mindful of the prevailing balance of skills and experience on the Board, it may be considered appropriate for one or more Directors to extend their tenure by a further three-year period. Due to the recent Board refreshment exercise, the average length of service for those Directors seeking re-election at the AGM is relatively low.

The Board has carefully considered the position of each of the Directors and, following the annual Board evaluation, all of the Directors continue to be effective and to display an undiminished enthusiasm and commitment to the role. The Board therefore believes that it is in the best interests of shareholders that each of the following Directors is re-elected at the forthcoming AGM. The specific reasons for the re-election of each Director are set out below:

- **Lesley Sherratt:** Lesley has detailed knowledge of the investment trust sector, having run a large fund of investment trusts for ten years as part of her long career in fund management. Her academic work on ethics in finance and the fiduciary responsibility of Boards with regard to ESG issues continues to be instrumental in driving Board discussion and subsequent engagement with stakeholders.
- **Richard Wyatt:** Richard typically adopts a 'big picture' approach to Board discussion and decision making. He is well reasoned, knowledgeable and possesses a good understanding of the impact of current events. In certain contexts, Richard's ability to approach issues from a unique perspective provides important balance to Board discussion.
- **Shefaly Yogendra:** Shefaly has extensive experience of governance and risk, an increasingly important attribute in the Board's risk management and decision-making process. This particular skillset contributes significantly to Board balance and discussion.
- **Charles Cade:** Charles joined the Board on 24 March 2022, and has brought with him a wealth of experience and expertise in the investment trust sector. His extensive career in the investment sector and his relevant, expertise and experience has already proved invaluable to the Board.

Carolyn Sims joined the Board as a non-executive Director with effect from 1 January 2023. As this appointment was made subsequent to the last AGM of the Company, she will retire in accordance with the Company's Articles of Association and stand for election. The Board strongly recommends the election of Carolyn as she brings a wealth of knowledge to the Board, drawing from her experience in her executive role as Chief Financial Officer and Chief Operating Officer of British International Investment plc, the UK's Development Finance Institution.

Prior to joining British International Investment in 2020, she was CFO of the Wealth Management Division of Schroders plc and a member of its Group Management Committee. Prior to that, she was the CFO of Cazenove Capital Management Limited until its sale to Schroders in 2013. Carolyn started her career with Touche Ross & Co. where she qualified as a Chartered Accountant. She then joined Lazard where her roles included Chief Operating Officer for Global Capital Markets and UK Finance Director.

Diversity
In terms of gender, ethnicity, experience and knowledge the Board demonstrates great diversity. The Board believes that this diversity is immensely helpful in developing and implementing its strategic goals. The Board's policy on diversity, including gender and ethnicity, is to take this into consideration during the recruitment and appointment process. The Board is committed to appointing and retaining the most appropriate, well qualified candidates, and therefore no specific targets have been set against which to report.

The following two tables provide the breakdown in gender identity and ethnic representation on the Board in accordance with Listing Rule 9.8.6R (10). As the Company is an investment trust it does not have any executive directors, executive or senior management, or employees so only information regarding the Directors is disclosed.

Reporting table on sex/gender representation as at 31 December 2022*

	Number of Board members	Percentage of the Board
Male	3	60%
Female	2	40%
Prefer not to say	–	–

*Carolyn Sims was appointed as an independent Non-Executive Director with effect from 1 January 2023. As at the date of this report, the percentage breakdown between each gender representation is 50% male and 50% female.

Reporting table on ethnicity representation as at 31 December 2022*

	Number of Board members	Percentage of the Board
White British or other White (including minority-white groups)	4	80%
Mixed/Multiple Ethnic Groups	–	–
Asian/Asian British	1	20%
Black/African/Caribbean/ Black British	–	–
Other ethnic group, including Arab	–	–
Not specified/prefer not to say	–	–

*There were five Directors serving on the Board as at 31 December 2022. This has now increased to six Directors following the appointment of Carolyn Sims with effect from 1 January 2023.

Board Evaluation

The Directors are aware that they need to continually monitor and improve performance, and recognise that this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness.

Following the extensive independent evaluation undertaken by Stogdale St James in respect of the year ended 31 December 2020, the Directors opted to undertake an internal performance evaluation for the year ended 31 December 2022.

The evaluation was conducted through an evaluation questionnaire covering a range of areas including strategy, processes and effectiveness, size and composition, and corporate governance. The process was led by the Chairman and was designed to assess the strengths, areas of improvement and independence of the Board, together with the performance of its Committees, the Chairman and individual Directors. The evaluation of the Chairman was carried out by the other Directors of the Company and led by the SID.

The results of the Board evaluation process are reviewed and discussed by the Board as a whole. This evaluation process is carried out annually.

Following the evaluation process, the Board considers that all the Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company.

Conflicts of Interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts and there is a procedure in place to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all relevant circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed by the Directors at Board meetings to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position.

Shareholder Communications

Shareholder relations are given high priority by both the Board and the Investment Manager. The principal medium by which the Company communicates with shareholders is through annual and half-yearly reports. The information contained therein is supplemented by daily NAV announcements, a monthly factsheet available on the Company's website and a quarterly newsletter. Further information on engagement with shareholders can be found under the Section 172 Statement on page 18.

Internal Control Review

The Directors are responsible for the systems of internal control relating to the Company and the reliability of the financial reporting process, and for reviewing its effectiveness. The Directors have reviewed and considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting and an ongoing process has been established for identifying, evaluating and managing the principal and emerging risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this Annual Report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Internal Control Assessment Process

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective.

A risk register has been produced against which identified and emerging risks and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed on a regular basis by the Audit and Risk Committee.

The Directors have carried out a review of the effectiveness of the Company's risk management and internal control systems as they have operated over the year and up to the date of approval of the Annual Report. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

The majority of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third-party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, where available, which is reviewed by the Audit and Risk Committee.

On behalf of the Board

Arthur Copple
Chairman

22 March 2023

Report on Directors' Remuneration

The Board presents the Report on Directors' Remuneration for the year ended 31 December 2022.

Statement from the Chairman
As set out in the Corporate Governance Statement on page 43, the Company does not have a Remuneration Committee and the Directors' remuneration is determined by the Board as a whole. No Director is involved in deciding their own individual remuneration. The Board reviews Directors' fees on an annual basis to ensure that they remain appropriate and are in line with the level of remuneration for other investment trusts of a similar size. During the year ended 31 December 2022, the annual fees were set at a rate of £43,500 for the Chairman, £34,000 for the Chair of the Audit and Risk Committee and £28,000 for a Director.

The Board met in November 2022 and discussed the proposed Director fees for the year ended 31 December 2023. The Board agreed to increase Director fees by 5%, rounded appropriately. With effect from 1 January 2023, annual fees were therefore increased to £45,750 for the Chairman, £35,750 for the Chair of the Audit and Risk Committee and £29,500 for the other Directors. No remuneration consultants were engaged by the Company during the financial year under review.

Remuneration Policy
The Directors' Remuneration Policy was last approved at the Company's AGM in 2020. The policy is required to be put to a shareholders' vote at least once every three years and, in any year, if there is to be a change in the Directors' remuneration policy. Accordingly, an ordinary resolution will be put to shareholders at the forthcoming AGM on 9 May 2023 to receive and approve the Directors' remuneration policy and will take effect once approved by shareholders. The Remuneration Policy will then remain in place for a further three years or until such time as the Board may choose to make a change to the Policy (whereby they would put any changed Remuneration Policy to shareholders for approval), whichever is earliest. This ordinary resolution will be in addition to the ordinary resolution which will be put to shareholders to receive and approve the Directors' Remuneration Report.

The proposed Directors' remuneration policy is set out below in full and is unchanged from that previously approved by shareholders. There will be no change in the way that the Remuneration Policy will be implemented compared to how it was implemented in the financial year under review and since its last approval by shareholders in 2020.

Remuneration Policy

Purpose and link to strategy
Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.

Maximum and minimum levels
Remuneration consists of a fixed fee each year, set in accordance with the stated policies, and any increase granted must be in line with the stated policies.

The Board reviews the quantum of Directors' fees each year to ensure this is in line with the level of remuneration for other investment trusts of a similar size.

When making recommendations for any changes in fees, the Board considers wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).

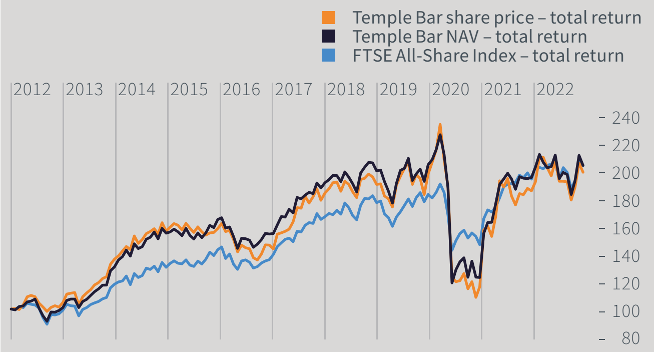
There is no compensation for loss of office.

Shareholder views in respect of Directors' remuneration are communicated at the AGM and are taken into account when formulating the Directors' remuneration policy.

Voting at AGM
The Report on Directors' Remuneration for the year ended 31 December 2021 was approved by shareholders at the AGM held on 10 May 2022. 99.38% of poll votes in respect of the approval of the Report on Directors' Remuneration were in favour, 0.62% were against and 86,352 votes were withheld. The Directors' Remuneration Policy was approved by shareholders at the AGM held on 30 March 2020. 99.7% of proxy votes in respect of approval of the Remuneration Policy were in favour, 0.24% were against and 51,585 votes were withheld.

Performance Graph
The Company tries to meet its stated investment objective by investing primarily in UK equities across different sectors, while maintaining a balance of larger and smaller/medium-sized companies. The FTSE All-Share Index is a very broad UK-based index, which makes it an appropriate benchmark for the Company's strategy and UK value mandates in general, due to its coverage of small cap companies as well as the larger-cap listings found in the main FTSE Indices.

The Directors consider that the most appropriate measure of the Company's performance is its share price total return compared with the total return on the FTSE All-Share Index. A graph illustrating this relative performance over a ten-year period is shown below.



Source: Morningstar

Remuneration for the Year Ended 31 December 2022 (audited)

The aggregate limit of Directors' fees of £250,000 per annum is set out in the Company's Articles of Association. Approval of shareholders would be required to increase this limit.

It is the Company's policy that no Director shall be entitled to any performance-related remuneration, benefits in kind, long-term incentive schemes, share options, pensions or other retirement benefits or compensation for loss of office. None of the Directors have a service contract with the Company, nor are they required to serve a notice period.

The remuneration paid to the Directors during the year ended 31 December 2022 is set out in the table below:

	Total amount of fixed fees	
	2022 £	2021 £
Arthur Copple	**43,500**	38,750
Lesley Sherratt[1]	**34,000**	30,750
Richard Wyatt	**28,000**	25,750
Shefaly Yogendra	**28,000**	25,750
Charles Cade[2]	**21,538**	–
Total	**155,038**	121,000

1 Chair of the Audit and Risk Committee from 30 March 2020.
2 Appointed as a Director on 24 March 2022.

There were no taxable benefits received by any Directors during the year.

Annual percentage change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the years ending 31 December 2022, 31 December 2021 and 31 December 2020.

	% change 2021 to 2022	% change 2020 to 2021	% change 2019 to 2020
Arthur Copple	**+12.3 prorated**	–	+3.3
Lesley Sherratt	**+10.6**	+4.2 prorated	+18.0 prorated
Richard Wyatt	**+8.7 prorated**	–	+3.0
Shefaly Yogendra[1]	**+8.7 prorated**	–	+3.0 prorated
Charles Cade[2]	–	–	–

1 Appointed as a Director on 1 October 2019.
2 Appointed as a Director on 24 March 2022.

Expenditure by the Company on Remuneration and Distributions to Shareholders

The table below compares the remuneration paid to Directors with distributions made to shareholders by way of a dividend and shares bought back during the year under review and the prior financial year.

On 13 May 2022, the Company undertook a sub-division of each existing ordinary share of 25 pence each into 5 new ordinary shares of 5 pence each, as approved by shareholders at the Company's Annual General Meeting on 10 May 2022. The table below therefore shows the number of shares the Company bought back during the financial year ended 31 December 2022. Further detail regarding the sub-division of shares can be found on page 38.

Relative importance of Spend on Pay

	2022 £'000	2021 £'000	% Change
Remuneration paid to Directors	**155**	121	28.1
Distributions to shareholders – dividends	**28,877**	25,013	15.5
Shares bought back between 1 Jan 2022 to 31 December 2022	**25,891**	10,016	158.5

Directors' Shareholdings (audited)

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

The beneficial interests of the Directors' and any connected persons in the shares of the Company are set out below:

	2022 Number of shares*	2021 Number of shares
Arthur Copple	**361,545**	72,309
Lesley Sherratt	**325,000**	65,000
Richard Wyatt	**50,000**	10,000
Shefaly Yogendra	**4,500**	900
Charles Cade	**50,000**	–

* Figures re-stated in light of the share split as approved by shareholders in May 2022.

Carolyn Sims was appointed to the Board on 1 January 2023 and as at the date of the report does not hold any shares in the Company.

There were no changes in the interests shown above between 31 December 2022 and the date of this Annual Report.

Approval

The Report on Directors' Remuneration was approved by the Board and signed on its behalf by:

Arthur Copple
Chairman

22 March 2023

Report of the Audit and Risk Committee

I am pleased to present the Report of the Audit and Risk Committee for the year ended 31 December 2022.

The Role of the Committee
The Committee assists the Board in discharging its responsibilities with regard to financial reporting, external audit and internal controls, including:

- monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports, and reviewing the significant financial reporting issues and judgements which they contain;
- reviewing the content of the Annual Report & Financial Statements and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- keeping under review the adequacy and effectiveness of the Company's risk management systems; and reviewing and approving the statements to be included in the Annual Report concerning internal controls and risk management;
- conducting a robust assessment of the emerging and principal risks that might threaten the Company's business model, future performance, solvency and reputation;
- reviewing the scope and effectiveness of the audit process undertaken by the Auditor;
- making recommendations to the Board in relation to the re-appointment or removal of the Auditor and approving its remuneration and terms of engagement;
- reviewing and monitoring the Auditor's independence, objectivity and effectiveness; and
- approving any non-audit services to be provided by the Auditor and monitoring the level of fees payable in that respect.

Meetings
The Committee met twice during the year under review and once following the year end. In addition, the Committee meets the Auditor at least annually, without any other party present, for a private discussion. Details of the composition of the Committee are set out in the Corporate Governance Statement on page 43. The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. As a financial sector analyst running substantial funds in the financial and investment trust sectors for twenty years, and having previously chaired the audit committee of (now dissolved) US Smaller Companies Investment Trust for ten years, I have recent and relevant financial experience with which to fulfil my role as Chair of the Committee, and the Committee as a whole has competence relevant to the sector.

Matters Considered During the Year
During the year, and to the date of this Annual Report, the Committee has:

- reviewed the internal controls and risk management systems of the Company and its third-party service providers;
- agreed the audit plan and fees with the Auditor in respect of the audit, including the principal areas of focus;
- reviewed the Company's Half-Yearly Report and Annual Report & Financial Statements and advised the Board accordingly;
- received and discussed with the Auditor its report on the results of the audit;
- reviewed the performance and effectiveness of the Auditor and considered its re-appointment and fees; and
- considered ESG and TCFD reporting strategies that align with the investment strategy of the Company for recommendation to the Board.

Significant Issues Considered by the Committee
The Committee considered the following key issues in relation to the Company's financial statements during the year:

Significant issue	How the issue was addressed
Valuation and ownership of the investment portfolio	The Board reviews detailed portfolio valuations at each meeting. It relies on the Administrator, Investment Manager and AIFM to use correct listed prices and seeks comfort in the testing of this process through their internal control statements. This was discussed with the Administrator, AIFM, Investment Manager and Auditor at the conclusion of the audit. The Company uses the services of an independent Depositary (BNYM) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the AIFM and Investment Manager on a monthly basis. The Depositary provides a quarterly report to the Board in relation to its monitoring and oversight of activities.
Incomplete or inaccurate revenue recognition	Income received is accounted for in accordance with the Company's accounting policies as set out in note 1 to the financial statements. The Board receives income forecasts, including special dividends, and receives explanations from the Investment Manager for any significant movements from previous forecasts.
Maintenance of investment trust status	The Committee regularly considers the controls in place to ensure that the regulations for maintaining investment trust status are observed at all times and receives supporting documentation from the Administrator.
Going concern and long-term viability of the Company	The Committee considered the Company's financial requirements for the next twelve months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the year ended 31 December 2022, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 27.

Internal Controls
The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third-party service providers.

The Committee reviewed and updated the risk matrix during the year in consideration of the Company’s principal and emerging risks. In addition, the Committee reviews the Company's risk heat map on a regular basis. This empowers the Committee to assess all current and emerging risks faced by the Company and enables them to discuss in detail how these can be mitigated and agree any action to be taken. The risks are considered individually and collectively so as to ensure the potential combined impact of all risks can be considered and appropriate action taken. It received reports on internal controls and compliance from the Investment Manager and the Company’s other service providers and no significant matters of concern were identified. Details of the principal and emerging risks faced by the Company can be found on pages 24 to 26.

Internal Audit
The Company does not have an internal audit function.

The Committee monitors and considers the need for an internal audit function on (at least) an annual basis. The Committee continues to believe that the Company does not require an internal audit function as it delegates its day-to-day operations to third parties from whom it receives and reviews internal control reports.

External Auditor
This is the third audit for BDO LLP following its appointment at the AGM held in March 2020. Audit fees for the year ended 31 December 2022 are set out in note 7 to the financial statements.

There were no non-audit services provided by the Auditor during the year.

Effectiveness of the External Audit
The Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor. The Chair of the Committee met with the Company’s Audit Partner prior to the finalisation of the audit of the Annual Report & Financial Statements for the year ended 31 December 2022, without the Investment Manager being present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor’s interaction with the Company’s various service providers. No concerns were raised in respect of the year ended 31 December 2022.

Independence and Objectivity of the Auditor
The Committee has considered the independence and objectivity of the Auditor and is satisfied that the Auditor has fulfilled its obligations to the Company and its shareholders. The Committee remains satisfied that BDO as a firm, its audit engagement team, audit partner, all other partners, directors and managers comply with all relevant ethical requirements as required and are independent of the Company. The Committee's independence and objectivity are safeguarded by several control measures which include the rotation of the audit partner every five years and by the fact that no non-audit services were provided by BDO during the year. The Committee reviews the continuing appointment of the Auditor on an annual basis and gives regular consideration to the Auditor’s fees and independence, along with matters raised during each audit.

Appointment of the Auditor
Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of BDO LLP as Auditor to the Company.

The Competition and Markets Authority (“CMA”) Order
The Company has complied with the provisions of the CMA Order throughout the year ended 31 December 2022.

Lesley Sherratt
Chair of the Audit and Risk Committee

22 March 2023

Report of the Management Engagement Committee

I am pleased to present the Report of the Management Engagement Committee for the year ended 31 December 2022.

The Role of the Committee
The Committee's primary responsibilities are to:

- monitor and evaluate the Investment Manager's performance and compliance with the terms of the Investment Management Agreement;
- review the terms of the Investment Management Agreement annually to ensure that the terms conform with market and industry practice and remain in the best interests of shareholders;
- recommend to the Board any variation to the terms of the Investment Management Agreement which it considers necessary or desirable;
- review and make the appropriate recommendations to the Board as to whether the continuing appointment of the Investment Manager and the AIFM are in the best interests of the Company and shareholders;
- review the level and method of remuneration of the Investment Manager;
- monitor the appropriateness and compliance of other service providers' terms of their respective agreements;
- review, consider and recommend to the Board any amendments to the terms of the appointment and remuneration of other service providers; and
- consider any points of conflict of interest which may arise between the service providers.

Matters Considered During the Year
The Committee met once during the year ended 31 December 2022. At the meeting, the Committee:

- reviewed the performance of the Investment Manager;
- considered the continuing appointment of the AIFM and Investment Manager; and
- considered the services provided by the Company's other third-party service providers.

The Committee agreed when it met towards the end of the financial year that it had been satisfied with the performance of all of the Company's service providers to date. However, as disclosed on page 20 a decision was made by the Board shortly prior to the year end to change the Company's AIFM, Company Secretary and Fund Administrator to Frostrow Capital LLP.

Shefaly Yogendra
Chair of the Management Engagement Committee

22 March 2023

Report of the Nomination Committee

I am pleased to present the Nomination Committee report for the year ended 31 December 2022.

The Role of the Committee
The Committee's primary responsibilities are to:

- regularly review the structure, size and composition (including the skills, knowledge, diversity, ethnicity and experience) of the Board;
- give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- Using objective criteria, identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review the results of the Board performance evaluation process that relate to the composition and the succession planning of the Board;
- make recommendations on the tenure of the Chairman of the Board; and
- review annually the time required from Directors and any other business interest that may result in a conflict.

Matters Considered During the Year
The Committee met four times during the year ended 31 December 2022. At these meetings, the Committee:

- discussed Board composition and succession planning;
- engaged Trust Associates to help with the candidate selection and interview process to appoint two new non-executive Directors;
- recommended to the Board the appointment of Charles Cade;
- recommended to the Board the appointment of Carolyn Sims; and
- considered the re-election of each of the current Directors and the election of Carolyn Sims at the forthcoming AGM.

The Committee conducted formal interview processes in respect of the appointments of both Charles Cade and Carolyn Sims as Directors of the Company. In both instances, the Committee interviewed a shortlist of candidates, provided to the Nomination Committee by external recruitment consultants, Trust Associates, after which recommendations were made by the Committee to the Board to appoint Charles Cade as a non-executive Director with effect from 24 March 2022 and Carolyn Sims with effect from 1 January 2023. The recommendations took into account the wealth of experience and expertise that both individuals would bring to the Board.

The Committee carefully considered the position of each of the Directors and, following the annual performance evaluation concluded that all of the Directors continued to be effective and to display an undiminished enthusiasm and commitment to the role. The Committee therefore recommended to the Board that the election and re-election of the Directors was in the best interests of shareholders and that accordingly resolutions regarding the same should be put to shareholders at the forthcoming AGM. Further detail can be found on page 45.

Shefaly Yogendra
Chair of the Nomination Committee

22 March 2023

Statement of Directors' Responsibilities

Directors' responsibilities
The Directors are responsible for preparing the Annual Report & Financial Statements in accordance with UK-adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for the company for that period.

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 they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for, and confirm that to the best of their knowledge, the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Website publication
The Directors are responsible for ensuring the Annual Report & Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4
The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Arthur Copple
Chairman

22 March 2023

Independent Auditor's Report
to the Members of Temple Bar Investment Trust Plc

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Temple Bar Investment Trust Plc (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence
Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 30 March 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is three years, covering the years ended 31 December 2020 to 31 December 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions Relating to Going Concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to assess the reliability of the Directors forecasting ability as well as comparing the projected costs to the current year actuals to assess whether they are reasonable;
- Assessing the projected management fees for the year to check that it was in line with the current assets under management levels and the projected market growth forecasts for the following year;
- Sensitising the forecasts based on an economic downturn and calculating financial ratios to ascertain the financial health of the Company, including performing calculations assessing the net asset position of the Company to understand the reliance on loans;
- Assessing the liquidity of the Company's investments as a source to settle liabilities; and
- Reviewing the loan agreements to identify the covenants and assess the likelihood of them being breached based on Directors' forecasts and our sensitivity analysis.

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

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

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

Overview

		2022	2021
Key audit matters	Valuation and ownership of investments	✓	✓
	Revenue Recognition		
Materiality	Financial statements as a whole	✓	✓
	£7,260,000 (2021: £7,970,000) based on 1% (2021: 1%) of Net Assets		

An Overview of the Scope of our Audit
Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

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

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and Ownership of Investments Notes 1 and 12 The investment portfolio at the year-end comprised of quoted level 1 equity and debt investments held at fair value through profit or loss. There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore we considered the valuation and ownership of investments to be the most significant audit area as the investments also represent the most significant balance in the financial statements and underpin the principal activity of the entity. Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the financial statements. For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.	We have responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures: • Confirmed that year-end bid price has been used by agreeing to externally quoted prices; • Agreed the foreign exchange rates used in the translation of foreign currency investments at year end to independent third party sources; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date; and • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share. We also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of relevant accounting standard. **Key observations:** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the investments was not appropriate.
Revenue Recognition Notes 1 and 4 Income arises predominately from dividends and can be volatile, but is a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason we considered revenue recognition to be a key audit matter.	We have responded to this matter by developing an independent expectation of income using data analytics based on the investment holding and distributions from independent sources and compared to that recorded by the Company. We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event. We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature. **Key observations:** Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate.

Our Application of Materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Financial statements 2022	Financial statements 2021
Materiality	£7,260,000	£7,970,000
Basis for determining materiality		1% of Net Assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for the users of the financial statements.	
Performance materiality	£5,450,000	£5,980,000
Basis for determining performance materiality	In setting performance materiality we considered the number of unadjusted audit differences in prior year, number of accounts subject to estimation and the history of misstatements based on our knowledge obtained in the previous year, aggregation effect of planned nature of testing and the overall size and complexity of the entity.	

Specific Materiality
We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on revenue return before tax to be £1,570,000 (2021: £1,200,000). Specific materiality was determined using 5% (2021: 5%) of revenue return before tax. We further applied a performance materiality level of 75% (2021: 75%) of specific materiality being £1,180,000 (2021: £900,000) to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting Threshold
We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £80,000 (2021: £60,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other Information
information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate Governance Statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit and Risk Committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which the Company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and UK adopted international accounting standards. We also considered the Company's qualification as an Investment Trust under UK tax legislation.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our procedures in response to the above included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- making enquiries of management and those charged with governance as to their knowledge of any actual or suspected non-compliance with laws and regulations and fraud;
- reviewing correspondence with the relevant authorities to identify any instances of non-compliance with laws and regulations; and
- reviewing minutes of board meetings throughout the period for any instances of non-compliance with laws and regulations or known or suspected instances of fraud.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and revenue recognition.

Our procedures in response to the above included:

- testing the appropriateness of a samples of journal entries in the general ledger and adjustments made in the preparation of the financial statements to supporting documentation and reviewing accounting estimates for possible bias; and
- the procedures set out in the Key Audit Matters section above.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

22 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Temple Bar Investment Trust Plc
Annual Report & Financial Statements for the year ended 31 December 2022

Financial Report

Statement of Comprehensive Income

	Notes	2022 Revenue £000	2022 Capital £000	2022 Total £000	2021 Revenue £000	2021 Capital £000	2021 Total £000
Investment Income	4	**34,760**	–	**34,760**	27,721	3,026	30,747
Other operating income	4	**31**	–	**31**	–	–	–
		34,791	–	**34,791**	27,721	3,026	30,747
(Losses)/profit on investments							
(Losses)/profit on investments held at fair value through profit and loss	12	–	**(42,572)**	**(42,572)**	–	133,841	133,841
Currency exchange loss		–	**(13)**	**(13)**	–	(12)	(12)
Total income/(loss)		**34,791**	**(42,585)**	**(7,794)**	27,721	136,855	164,576
Expenses							
Management fees	6	**(1,175)**	**(1,762)**	**(2,937)**	(1,031)	(1,546)	(2,577)
Other expenses	7	**(1,057)**	**(487)**	**(1,544)**	(1,022)	(369)	(1,391)
Profit/(loss) before finance costs and tax		**32,559**	**(44,834)**	**(12,275)**	25,668	134,940	160,608
Finance costs	8	**(1,123)**	**(1,685)**	**(2,808)**	(1,267)	(1,901)	(3,168)
Profit/(loss) before tax		**31,436**	**(46,519)**	**(15,083)**	24,401	133,039	157,440
Tax	9	**(886)**	–	**(886)**	(664)	–	(664)
Profit/(loss) for the year		**30,550**	**(46,519)**	**(15,969)**	23,737	133,039	156,776
Earnings per share (basic and diluted)*	11	**9.38p**	**(14.29p)**	**(4.91p)**	7.11p	39.87p	46.98p

* 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 total column of this statement represents the Statement of Comprehensive Income prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance issued by the AIC. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Company does not have any income or expense that is not included in profit for the year. Accordingly, the profit for the year is also the Total Comprehensive Income for the year, as defined in IAS1 (revised).

The notes on pages 67 to 84 form an integral part of the financial statements.

Statement of Changes in Equity

	Notes	Called-up share capital £000	Share premium account £000	Capital reserves realised £000	Capital reserves unrealised £000	Revenue reserve £000	Total equity £000
Balance at 1 January 2021		16,719	96,040	561,256	(11,663)	12,984	675,336
Total comprehensive income for the year		–	–	8,859	124,180	23,737	156,776
Contributions by and distributions to owners							
Cost of share bought back for treasury		–	–	(10,016)	–	–	(10,016)
Dividends paid to equity shareholders	10	–	–	–	–	(25,013)	(25,013)
Balance at 31 December 2021		16,719	96,040	560,099	112,517	11,708	797,083
Total comprehensive income/(loss) for the year		–	–	18,131	(64,650)	30,550	(15,969)
Contributions by and distributions to owners							
Cost of shares bought back for treasury		–	–	(25,891)	–	–	(25,891)
Dividends paid to equity shareholders	10	–	–	-	–	(28,877)	(28,877)
Balance at 31 December 2022		**16,719**	**96,040**	**552,339**	**47,867**	**13,381**	**726,346**

As at 31 December 2022, the Company had distributable revenue reserves of £13,381,000 (2021: £11,708,000) and distributable realised capital reserves of £552,339,000 (2021: £560,099,000) for the payment of future dividends. The only distributable reserves are the retained earnings and realised capital reserves.

The notes on pages 67 to 84 form an integral part of the financial statements.

Statement of Financial Position

	Notes	31 December 2022 £000	31 December 2022 £000	31 December 2021 £000	31 December 2021 £000
Non-current assets					
Investments held at fair value through profit or loss	12		**782,463**		849,150
Current assets					
Investments held at fair value through profit or loss	12	**5,170**		7,944	
Cash and cash equivalents		**13,240**		11,626	
Receivables	13	**2,257**		5,172	
			20,667		24,742
Total assets			**803,130**		873,892
Current liabilities					
Payables	14		**(2,077)**		(2,138)
Total assets less current liabilities			**801,053**		871,754
Non-current liabilities					
Interest bearing borrowings	15	**(74,707)**		(74,671)	
Net assets			**726,346**		797,083
Equity attributable to equity holders					
Ordinary share capital	16	**16,719**		16,719	
Share premium	17	**96,040**		96,040	
Capital reserves	18	**600,206**		672,616	
Retained revenue earnings		**13,381**		11,708	
Total equity attributable to equity holders			**726,346**		797,083
Net asset value per ordinary share*	20		**228.54p**		241.72p

* Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.

The notes on pages 67 to 84 form an integral part of the financial statements.

The financial statements of Temple Bar Investment Trust Plc (registered number: 00214601) on pages 63 to 84 were approved by the Board of Directors and authorised for issue on 22 March 2023. They were signed on its behalf by:

Arthur Copple
Chairman

Statement of Cash Flows

	Notes	31 December 2022 £000	31 December 2022 £000	31 December 2021 £000	31 December 2021 £000
Cash flows from operating activities					
(Loss)/profit before tax			**(15,083)**		157,440
Adjustments for:					
Losses/(gains) on investments		**42,572**		(133,841)	
Finance costs		**2,808**		3,168	
Dividend income	4	**(34,504)**		(30,761)	
Interest income	4	**(287)**		14	
Dividends received		**37,680**		28,065	
Interest received		**584**		932	
Increase in receivables		**(361)**		(276)	
Increase in payables		**70**		69	
Overseas withholding tax suffered	9	**(886)**		(664)	
			47,676		(133,294)
Net cash flows from operating activities			**32,593**		24,146
Cash flows from investing activities					
Purchases of investments		**(127,456)**		(124,529)	
Sales of investments		**154,148**		174,213	
Net cash flows from investing activities			**26,692**		49,684
Cash flows from financing activities					
Repayment of borrowing		**–**		(38,000)	
Equity dividends paid	10	**(28,877)**		(25,013)	
Interest paid on borrowings		**(2,772)**		(3,818)	
Shares bought back for treasury		**(26,022)**		(9,590)	
Net cash flows used in financing activities			**(57,671)**		(76,421)
Net increase/(decrease) in cash and cash equivalents			**1,614**		(2,591)
Cash and cash equivalents at the start of the year			**11,626**		14,217
Cash and cash equivalents at the end of the year			**13,240**		11,626

The notes on pages 67 to 84 form an integral part of the financial statements.

Notes to the Financial Statements

General information
Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on the business as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

1. Principal Accounting Policies

Basis of accounting
The financial statements have been prepared on a going concern basis, under the historical cost convention, modified by the valuation of investments at fair value, prepared in accordance with UK adopted international accounting standards.

The annual financial statements have also been prepared in accordance with the AIC SORP for investment trusts issued by the AIC in July 2022, except to any extent where it is not consistent with the requirements of IFRS. The principal accounting policies adopted by the Company are set out below.

All values are rounded to the nearest thousand pounds unless otherwise indicated.

Going concern
The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met.

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. In the wake of the global COVID-19 pandemic the possibility of further pandemic incidents remains an ongoing consideration, either from a new strain of COVID or an entirely new disease, as well as the disruption to supply chains still being seen in parts of the world. Sadly, the conflict in Ukraine has continued throughout the year, causing ongoing disruption to global supply chains and contributing to the global inflationary environment. The ongoing impacts of this senseless war to both the Company and the investment portfolio remain a focus for the Directors and Investment Manager. UK political instability is a new risk that has emerged during the year and must also now be considered in relation to domestic and even international financial markets.

Despite this, 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, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on a going concern basis.

The Board has reviewed stress-testing and scenario analyses prepared by the Investment Manager to assist it in assessing the impact of changes in market value and income with associated cash flows. In making this assessment, the Investment Manager has considered plausible downside scenarios.

These tests are carried out as an arithmetic exercise, which can apply equally to any set of circumstances in which asset value and income are significantly impaired. It was concluded that in a plausible downside scenario, the Company could continue to meet its liabilities. Whilst the economic future is uncertain, the opinion of the Directors is that no foreseen downside scenario would be to a level which would threaten the Company's ability to continue to meet its liabilities as they fall due.

The Investment Manager and the Company's third-party service providers have contingency plans to ensure the continued operation of their businesses in the event of widespread disruption, such as via a natural disaster or health emergency situation. The Board was satisfied that these plans were successfully implemented during the period of the COVID-19 pandemic and remain confident that this will continue to be the case. Furthermore, 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, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on a going concern basis.

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

Income
Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the Statement of Comprehensive Income.

Interest income is recognised in line with coupon terms on a time-apportioned basis. Special dividends are credited to capital or revenue according to their circumstances.

1. Principal Accounting Policies continued

Foreign currency

The financial statements are prepared in Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

The primary objective of the Company is to generate returns in Pounds Sterling, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in Sterling as the Company's performance is evaluated in that currency. Therefore, the Directors consider Pounds Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are converted at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities as well as instruments carried at fair value are translated into Pounds Sterling at the exchange rate ruling on the year-end date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Expenses

All expenses are accounted for on the accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except as follows:

- transaction costs which are incurred on the purchases or sales of investments designated as fair value through profit or loss are expensed to capital in the Statement of Comprehensive Income; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, the investment management fee and finance costs have been allocated 40% to revenue and 60% to capital, in order to reflect the Directors' long-term view of the nature of the expected investment returns of the Company; this remains consistent with the prior year.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. The taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using a blended rate as applicable throughout the year.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being entirely offset by expenses in the revenue column of the income statement, then no tax relief is transferred to the capital column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the enacted tax rate that is expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue return of the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

- Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.
- Irrecoverable withholding tax is recognised on any overseas dividends on an accruals basis using the applicable rate for the country of origin.

Financial instruments

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are measured at fair value through profit or loss if their contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest and at amortised cost if they do. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. The Company will offset financial assets and financial liabilities if it has a legally enforceable right to offset the recognised amounts and interest and intends to settle on a net basis. A financial asset is derecognised when the right to receive cash flows from the asset expires or the rights to receive cash flows from the asset have been transferred and a financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

1. Principal Accounting Policies continued

Receivables

Receivables held to collect contractual cash flows, do not carry any interest, are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Company has applied the simplified approach for expected credit losses ("ECL") under IFRS 9 to all its receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, based on reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Receivables are recognised and carried at amortised cost. The effect of ECL on Receivables and Cash and cash equivalents is immaterial and no adjustments for expected credit losses have been recognised.

Investments

Equity investments are held at fair value through profit or loss as they fail the contractual cash flows test under IFRS 9. Debt instruments that pass the contractual cash flow test are held under a business model to manage them on a fair value basis for investment income and fair value gains and are therefore classified as fair value through profit or loss.

Upon initial recognition, investments are measured at fair value through profit or loss. Gains or losses on investments measured at fair value through profit or loss are included in net profit or loss as a capital item and transaction costs on acquisition or disposal of investments are expensed. For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the year-end date.

All purchases and sales of investments are recognised on the trade date, i.e. the date that the Company commits to purchase or sell an asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Interest bearing borrowings

Interest bearing borrowings, being the debenture stock and loans issued by the Company, are initially recognised at a carrying value equivalent to the proceeds received net of issue costs associated with the borrowings. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. The fair value of the debenture stock is determined by reference to quoted market mid prices at close of business on the year-end date, while the fair value of private placement loans is determined using discounted cash flow techniques which utilise inputs including interest rates obtained from comparable loans in the market.

Payables

Payables are non-interest bearing, are stated at their nominal value and are recognised and carried at amortised cost.

Equity dividends payable

Equity dividends payable are recognised when the shareholders' right to receive payment is established. For interim dividends this is when they are paid and for final dividends this is when they are approved by shareholders.

Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of asset on the Statement of Financial Position) comprise cash at bank and in hand, and deposits with an original maturity of three months or less.

The carrying value of these assets approximates their fair value.

Reserves

The share capital represents the nominal value of the Company's ordinary shares.

The share premium account represents the excess over nominal value of the fair value of consideration received for the Company's ordinary shares, net of expenses of the share issue. This reserve cannot be distributed.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. Realised gains can be distributed, unrealised gains cannot be distributed.

The revenue reserve represents retained profits from the income derived from holding investment assets less the costs and interest on cash balances associated with running the Company. This reserve can be distributed.

2. 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 judgement 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.

3. Adoption of New and Revised Standards

New standards, interpretations and amendments adopted from 1 January 2022

There are no new standards impacting the Company that have had a significant effect in the annual financial statements for the year ended 31 December 2022.

No new standards that have been adopted in the annual financial statements for the year ending 31 December 2022 that have had a significant effect on the Company.

Standards issued but not yet effective

There are no standards or amendments not yet effective which are relevant or have a material impact on the Company. The standards or amendments not yet effective are:

- Amendment to IAS 1, classification of liabilities as current or non-current, effective from 1 January 2024.
- Amendment to IAS 1, presentation of financial statements and disclosure of accounting polices, effective from 1 January 2023; and
- Amendment to IAS 12, Income taxes effective from 1 January 2023.

4. Income

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Income from listed investments						
UK dividends	**26,541**	**–**	**26,541**	22,002	3,026	25,028
Overseas dividends	**7,963**	**–**	**7,963**	5,733	–	5,733
Interest from fixed-interest securities	**256**	**–**	**256**	(14)	–	(14)
	34,760	**–**	**34,760**	27,721	3,026	30,747
Other income						
Deposit interest	**31**	**–**	**31**	–	–	–
Total income	**34,791**	**–**	**34,791**	27,721	3,026	30,747

During the year ended 31 December 2022, the Company received special dividends totalling £3,183,079 (2021: £6,372,362). Of this £3,183,079 (2021: £3,346,149) is recognised as revenue and is included within investment income and £nil (2021: £3,026,213) is recognised as capital and is included within investment income.

For the year ended 31 December 2021, interest from fixed-interest securities is negative due to the Company's adjustment for effective yields.

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

6. Investment Management Fee

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Investment management fee – current	**1,175**	**1,762**	**2,937**	637	956	1,593
Investment management fee – previous	**–**	**–**	**–**	394	590	984
	1,175	**1,762**	**2,937**	1,031	1,546	2,577

The AIFM appointed Redwheel as Portfolio Manager, effective from 30 October 2020. Under the terms of the new Portfolio Management Agreement, Redwheel is entitled to a management fee, details of which are set out in the Directors' Report on page 39. As at 31 December 2022, an amount of £741,000 (2021: £804,000) was payable to Redwheel in relation to the management fees for the quarter ended 31 December 2022.

7. Other Expenses

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Transaction costs on fair value through profit or loss assets[1]	–	**310**	**310**	–	242	242
Directors' fees (see Report on Directors' Remuneration on page 48)	**155**	–	**155**	121	–	121
AIFM fee	**83**	**124**	**207**	84	127	211
Administration fee	–	–	–	94	–	94
Company Secretary fee	**104**	–	**104**	87	–	87
Registrar's fee	**113**	–	**113**	73	–	73
Marketing costs	**108**	–	**108**	128	–	128
Auditor's remuneration – annual audit[2]	**47**	–	**47**	36	–	36
Depositary fee	**95**	–	**95**	97	–	97
Other expenses	**352**	53	**405**	302	–	302
	1,057	**487**	**1,544**	1,022	369	1,391

1 Transaction costs on fair value through profit or loss assets represent such costs incurred on both the purchase and sale of those assets. Transaction costs on purchases amounted to £283,100 (2021: £220,223) and on sales amounted to £27,000 (2021: £21,630).
2 During the year there were audit fees of £39,500 (2021: £30,000) (excluding VAT) paid to the Auditor.

All expenses are inclusive of VAT where applicable.

There are no employees and therefore no employee costs.

8. Finance Costs

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Interest on borrowings						
5.5% debenture stock 2021	–	–	–	157	235	392
4.05% Private Placement Loan 2028[1]	**823**	**1,234**	**2,057**	810	1,215	2,025
2.99% Private Placement Loan 2047[1]	**300**	**451**	**751**	300	451	751
Total finance costs	**1,123**	**1,685**	**2,808**	1,267	1,901	3,168

The amortisation of the debenture and loan issue costs is calculated using the effective interest method.

1 The 4.05% and 2.99% Private Placement Loans contain the following principal financial or other covenants, with which failure to comply could necessitate the early repayment of the loan. These were all complied with during the current and previous year:
- net tangible assets of at least £275 million;
- aggregate principal amount of financial indebtedness not to exceed 50% of net tangible assets;
- prior approval by the note holder of any change of Investment Manager; and
- prior approval by the note holder of any change in the Company's investment objective and policy.

9. Taxation

(a) There is no corporation tax payable (2021: nil).

(b) The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Profit/(loss) before taxation	**31,436**	**(46,519)**	**(15,083)**	24,401	133,039	157,440
Tax at UK corporation tax rate of 19% (2021: 19%)	**5,973**	**(8,839)**	**(2,866)**	4,636	25,277	29,913
Tax effects of:						
Non-taxable(gains)/losses on investments[1]	**–**	**8,091**	**8,091**	–	(25,428)	(25,428)
Disallowed expenses	**–**	**69**	**69**	(1)	46	45
Non-taxable UK dividends[1]	**(5,043)**	**–**	**(5,043)**	(4,180)	(575)	(4,755)
Overseas withholding tax suffered	**886**	**–**	**886**	664	–	664
Non-taxable overseas dividends	**(1,513)**	**–**	**(1,513)**	(1,089)	–	(1,089)
Movement in deferred tax not recognised[2]	**583**	**679**	**1,272**	634	680	1,314
Total tax charge for the year	**886**	**–**	**886**	664	–	664

	2022			2021		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000
Analysis of charge for the year:						
Overseas withholding tax suffered	**886**	**–**	**886**	664	–	664
	886	**–**	**886**	664	–	664

The Company has no corporation tax liability for the year ended 31 December 2022 (2021: nil).

1 Investment trusts are not subject to corporation tax on these items.

2 The Company has not recognised a deferred tax asset of £31,094,000 (2021: £29,654,000) based on an effective tax rate of 25% (2021: 25%). This rate has been enacted and will apply from 1 April 2023. The Company is not expected to make sufficient profits to utilise these losses as it is not liable to corporation tax on its chargeable gains due to its status as an investment trust. Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required for approval in the foreseeable future, the Company has not provided for deferred tax on any chargeable gains and losses arising on the revaluation or disposal of investments.

10. Dividends

	2022 £000	2021 £000
Amounts recognised as distributions to equity holders in the year		
Fourth interim dividend for year ended 31 December 2021 of 2.05p, restated from 10.25p (2020 final dividend: 1.65p, restated from 8.25p) per share	**6,759**	5,517
Interim dividends (three) for year ended 31 December 2022. One payment of 2.05p per share, one payment of 2.3p per share and one payment of 2.5p (2021: three payments of 1.95p, restated from 9.75p) per share	**22,118**	19,496
	28,877	25,013
Fourth interim dividend for the year ended 31 December 2022 of 2.5p (fourth interim dividend 2021: 2.05p, restated from 10.25p) per share	**7,791**	6,760

The fourth interim dividend is not included as a liability in these financial statements. Therefore, also set out below is the total dividend payable in respect of these financial years, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

	2022 £000	2021 £000
Interim dividends (three) for year ended 31 December 2022. One payment of 2.05p per share, one payment of 2.3p per share and one payment of 2.5p (2021: three payments of 1.95p, restated from 9.75p) per share	**22,118**	19,496
Fourth interim dividend for year ended 31 December 2022 of 2.5p (2021: 2.05p, restated from 10.25p) per share	**7,791**	6,760
	29,909	26,256

* Restated to reflect the subsequent 5 for 1 share split.

11. Earnings per Share

	2022			2021		
	Revenue	**Capital**	**Total**	Revenue	Capital	Total
Basic and diluted						
Profit/(loss) for the year (£000's)	**30,550**	**(46,519)**	**(15,969)**	23,737	133,039	156,776
Weighted average number of ordinary shares			**325,567,365**			333,675,440*
Earnings per ordinary share (pence)	**9.38**	**(14.29)**	**(4.91)**	7.11*	39.87*	46.98*

* Restated to reflect the subsequent 5 for 1 share split.

12. Investments Held at Fair Value Through Profit or Loss
(a) Investment portfolio summary

	2022			2021		
	Quoted equities £000	Debt securities £000	Total £000	Quoted equities £000	Debt securities £000	Total £000
Opening cost at the beginning of the year	**736,629**	**7,948**	**744,577**	730,079	55,200	785,279
Opening unrealised appreciation/ (depreciation) at the beginning of the year	**112,521**	**(4)**	**112,517**	(11,656)	(7)	(11,663)
Opening fair value at the beginning of the year	**849,150**	**7,944**	**857,094**	718,423	55,193	773,616
Movements in the year:						
Purchases at cost	**59,648**	**67,611**	**127,259**	62,295	61,555	123,850
Sales proceeds	**(83,787)**	**(70,361)**	**(154,148)**	(65,445)	(108,768)	(174,213)
Realised gain/(loss) on sale of investments	**22,104**	**(26)**	**22,078**	9,700	(39)	9,661
Change in unrealised (depreciation)/ appreciation	**(64,652)**	**2**	**(64,650)**	124,177	3	124,180
Closing fair value at the end of the year	**782,463**	**5,170**	**787,633**	849,150	7,944	857,094
Closing cost at the end of the year	**734,594**	**5,172**	**739,766**	736,629	7,948	744,577
Closing unrealised appreciation/ (depreciation) at the end of the year	**47,869**	**(2)**	**47,867**	112,521	(4)	112,517
Closing fair value at the end of the year	**782,463**	**5,170**	**787,633**	849,150	7,944	857,094

The Company received £154,148,000 (2021: £174,213,000) from investments sold in the year. The book cost of these investments when they were purchased was £132,070,000 (2021: £164,551,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

12. Investments Held at Fair Value Through Profit or Loss continued

(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 (2021: £nil).
- 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 (2021: £nil).

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 year (2021: no transfers) and as such no reconciliation between levels has been presented.

	2022 Level 1 £000	2021 Level 1 £000
Financial assets		
Quoted equities	**782,463**	849,150
Debt securities	**5,170**	7,944
	787,633	857,094

13. Receivables

	2022 £000	2021 £000
Accrued income	**1,481**	4,757
Other receivables	**776**	415
	2,257	5,172

Accrued income includes dividends and fixed-interest income.

14. Current Liabilities

	2022 £000	2021 £000
Accruals	**1,782**	1,712
Due to broker	**295**	426
	2,077	2,138

15. Borrowings

	2022 £000	2021 £000
Interest bearing borrowings		
Amounts payable after more than one year:		
4.05% Private Placement Loan 2028	**49,817**	49,785
2.99% Private Placement Loan 2047	**24,890**	24,886
	74,707	74,671
Total	**74,707**	74,671

	2022 £000	2021 £000
Opening balance as per the Statement of Financial Position	**74,671**	113,288
Borrowings repaid	–	(38,000)
Interest movement	**(2,772)**	(3,785)
Finance costs for the year as per the Statement of Comprehensive Income	**2,808**	3,168
Closing balance as per the Statement of Financial Position	**74,707**	74,671

The 4.05% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par (£50,000,000) on 3 September 2028.

The 2.99% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par (£25,000,000) on 24 October 2047.

See note 22 on page 82 for the disclosure and fair value categorisation of the financial liabilities.

16. Ordinary Share Capital

	2022 Number	2021 Number*	2022 £000	2021 £000
Allotted, called up and fully paid				
Ordinary shares of 5p (2021: 25p) each				
Listed	**334,363,825**	66,872,765	**16,719**	16,719
In treasury	**(16,541,439)**	(920,980)	**–**	–
In circulation	**317,822,386**	65,951,785	**16,719**	16,719

During the year the Company bought back 260,125* prior to the share split and 10,635,914 post share split (2021: 920,980*) ordinary shares.

At the AGM of the Company held on 10 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.

There were no shares issued during 2022 (2021: nil.)

* Balances stated prior to the subsequent 5 for 1 share split.

17. Share Premium

	2022 £000	2021 £000
Balance at 1 January	**96,040**	96,040
Balance at 31 December	**96,040**	96,040

18. Capital Reserves

The capital reserves comprise both realised and unrealised amounts. A summary of the split is shown below:

	2022 £000	2021 £000
Capital reserves realised	**552,339**	560,099
Capital reserves unrealised	**47,867**	112,517
	600,206	672,616

19. Contingent Liabilities And Capital Commitments

As at 31 December 2022, there were no contingent liabilities or capital commitments for the Company (2021: £nil).

20. Net Asset Values

	2022		2021	
	Net asset value per ordinary share Pence	**Net assets attributable £000**	Net asset value per ordinary share Pence	Net assets attributable £000
Ordinary shares of 25p each	**228.54**	**726,346**	241.72*	797,083

The net asset value per ordinary share is based on net assets at the year end of £726,346,000 (2021: £797,083,000) and on 317,822,386 (2021: 329,758,925*) ordinary shares in circulation at the year end.

* Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.

21. Related Party Transactions and Transactions with the Investment Manager
IAS 24 'Related party disclosures' requires the disclosure of material transactions between the Company and any related parties. Accordingly, the disclosures required are set out below:

Directors – The remuneration of the Directors is set out in the Report on Directors' Remuneration on pages 47 to 48. There were no contracts existing during or at the end of the year in which a Director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other material transactions during the year with the Directors of the Company. See page 48 for details of Directors' shareholdings.

At 31 December 2022, there was £nil (2021: £nil) payable to the Directors for fees and expenses.

AIFM and Investment Manager – On 30 October 2020, Link Fund Solutions Limited was appointed the AIFM of the Company and has delegated portfolio management to Redwheel, who is deemed to be Key Management Personnel for the purposes of disclosing related party information under IAS24. Details of the services provided by the Investment Manager are given on page 39. Fees of £2,937,000 were accrued during the year (2021: £1,593,000).

22. Risk Management and Financial Instruments
The Company's investing activities undertaken in pursuit of its investment objective, as set out on page 13, involve certain inherent risks. The main financial risks arising from the Company's financial instruments are market price risk, interest rate risk, liquidity risk, credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks as summarised below. The Board has also established a series of investment parameters, which are reviewed annually, designed to limit the risk inherent in managing a portfolio of investments. These policies have remained substantially unchanged during the current and preceding periods, although the affects of COVID-19 have been closely monitored by the Board. The Board meets on four scheduled occasions in each year and at each meeting it receives sufficient financial and statistical information to enable it to monitor adequately the investment performance and status of the business.

Market price risk
Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's borrowings have the effect of increasing the market risk faced by shareholders. This gearing effect is such that, for example, for a 20% movement in the valuation of the Company's investments, the net assets attributable to shareholders would move by approximately 21.5%.

Interest rate risk
Interest rate risk is the risk of movements in the value of financial instruments or interest income cash flows that arise as a result of fluctuations in interest rates. The Company finances its operations through retained profits including capital profits, and additional financing is obtained through the two Private Placement Loans, on both of which interest is paid at a fixed rate and therefore not subject to interest rate risk.

Financial assets – Interest rate risk
The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The Company's fixed-interest holdings have a market value of £5,170,000, representing 0.7% of net assets of £726,346,000 (2021: £797,083,000; 1.0%). The weighted average running yield as at 31 December 2022 was 4.0% (2021: 4.0%) and the weighted average remaining life was 0.7 years (2021: 0.7 years). The Company's cash balance of £13,240,000 (2021: £11,626,000) earns interest, calculated on a tiered basis, depending on the balance held, by reference to the base rate.

If the bank base rate had increased by 0.5%, the impact on the profit or loss and net assets would have been a positive £66,200 (2021: £58,130). If the bank base rate had decreased by 0.5%, the impact on the profit or loss and net assets would have been a negative £66,200 (2021: £58,130). The calculations are based on the cash balances at the respective Statement of Financial Position dates.

Financial liabilities – Interest rate risk
The 4.05% Private Placement Loan and the 2.99% Private Placement Loan, which are repayable in 2028 and 2047 respectively, pay interest at fixed rates. The weighted average period until maturity of the loans is 12 years (2021: 13 years) and the weighted average interest rate payable is 3.7% (2021: 3.7%) per annum. All current liabilities are repayable within one year.

Liquidity risk
The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of cash balances and short-term bank deposits.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is mitigated by the Investment Manager reviewing the credit ratings of broker counterparties. The Company's Custodian is responsible for the collection of income on behalf of the Company. Cash is held either with reputable banks with high quality external credit ratings or in liquidity/cash funds providing a spread of exposures to various underlying banks in order to diversify risk. The carrying amounts of financial assets represent their maximum exposure to credit risk. The full portfolio can be found on pages 32 to 34. The debt securities held at the year end have credit ratings ranging from AA to BB+.

22. Risk Management and Financial Instruments continued
Currency risk
The income and capital value of the Company's investments and liabilities can be affected by exchange rate movements as some of the Company's assets and income are denominated in currencies other than Pounds Sterling, which is the Company's reporting currency. The key areas where foreign currency risk could have an impact on the Company are:

- movements in rates that would affect the value of investments; and
- movements in rates that would affect the income received.

The Company had the following currency exposures, all of which are included in the Statement of Financial Position based on the exchange rates ruling at the respective year ends. Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Company arising out of the investment and risk-management processes.

	31 December 2022					
	Investments £000	**Cash £000**	**Receivables £000**	**Payables £000**	**Borrowings £000**	**Total £000**
Euro	**50,086**	–	–	–	–	**50,086**
US Dollar	**55,995**	–	**151**	–	–	**56,146**
Canadian Dollar	**9,919**	–	–	–	–	**9,919**
Hong Kong Dollar	**12,350**	–	–	–	–	**12,350**
Japanese Yen	**11,434**	–	–	–	–	**11,434**
Pounds Sterling	**647,849**	**13,240**	**2,106**	**(2,077)**	**(74,707)**	**586,411**
	787,633	**13,240**	**2,257**	**(2,077)**	**(74,707)**	**726,346**

	31 December 2021					
	Investments £000	Cash £000	Receivables £000	Payables £000	Borrowings £000	Total £000
Euro	50,520	–	–	–	–	50,520
US Dollar	69,093	77	136	–	–	69,306
Canadian Dollar	10,389	–	–	–	–	10,389
Hong Kong Dollar	12,531	–	–	–	–	12,531
Japanese Yen	13,172	–	–	–	–	13,172
Pounds Sterling	701,389	11,549	5,036	(2,138)	(74,671)	641,165
	857,094	11,626	5,172	(2,138)	(74,671)	797,083

Foreign currency sensitivity

	2022		2021	
	£000	**£000**	£000	£000
Projected movement	**+10%**	**-10%**	+10%	-10%
Effect on net assets for the year	**12,858**	**(15,380)**	14,367	(17,087)
Effect on capital return	**12,844**	**(15,363)**	14,355	(17,072)

A movement of 10% is believed unlikely and has been used to show a worst case scenario.

22. Risk Management and Financial Instruments continued

Other price risk exposure

If the investment valuation fell by 20% at 31 December 2022, the impact on the profit or loss and net assets would have been negative £157.5 million (2021: 20% negative £169.8 million). If the investment portfolio valuation rose by 20% at 31 December 2022, the impact on the profit or loss and net assets would have been positive £157.5 million (2021: 20% positive £171.4 million). The calculations are based on the portfolio valuation as at the respective year-end dates. A movement of 20% is believed unlikely and has been used to show a worst case scenario.

The Company held the following categories of financial instruments, all of which are included in the Statement of Financial Position at fair value or amortised cost with is an approximation of fair value, with the exception of interest-bearing borrowings which are shown at book value at 31 December 2022.

	2022		2021	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
Assets at fair value through profit or loss	**787,633**	**787,633**	857,094	857,094
Cash	**13,240**	**13,240**	11,626	11,626
Loans and receivables				
Investment income receivable	**1,481**	**1,481**	4,757	4,757
Other receivables	**776**	**776**	415	415
Payables	**(2,077)**	**(2,077)**	(2,138)	(2,138)
Interest-bearing borrowings:				
4.05% Private Placement Loan[1]	**(49,817)**	**(44,872)**	(49,785)	(54,223)
2.99% Private Placement Loan[2]	**(24,890)**	**(13,987)**	(24,886)	(24,941)
	726,346	**742,194**	797,083	792,590

1 Effective interest rate is 4.133%.
2 Effective interest rate is 3.015%.

The 4.05% Private Placement Loan 2028 and the 2.99% Private Placement Loan 2047 do not have prices quoted on an active market but their fair values are based on observable inputs. As such they have been classified as Level 2 instruments (2021: Level 2).

22. Risk Management and Financial Instruments continued

Liquidity risk exposure

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

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required, are as follows:

	31 December 2022					
	Three months or less £000	**Not more than one year £000**	**Two years £000**	**Three years £000**	**More than three years £000**	**Total £000**
Creditors: amounts falling due after more than one year						
Loans	**–**	**–**	**2,772**	**2,773**	**22,520**	**28,065**
Loan principle					**75,000**	**75,000**
Creditors: amounts falling due within one year						
Accruals	**1,938**	**139**	**–**	**–**	**–**	**2,077**
Loans	**1,013**	**1,760**	**–**	**–**	**–**	**2,773**
	2,951	**1,899**	**2,772**	**2,773**	**97,520**	**107,915**

	31 December 2021					
	Three months or less £000	Not more than one year £000	Two years £000	Three years £000	More than three years £000	Total £000
Creditors: amounts falling due after more than one year						
Loans	–	–	2,773	2,772	25,292	30,837
Loan principle					75,000	75,000
Creditors: amounts falling due within one year						
Accruals	1,998	140	–	–	–	2,138
Loans	1,013	1,760	–	–	–	2,773
	3,011	1,900	2,773	2,772	100,292	110,748

22. Risk Management and Financial Instruments continued

Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to provide long-term growth in revenue and capital, principally by investment in UK securities. There have been no changes in the Company's objectives, policies and processes for managing capital from the prior year.

The Company's capital is its equity share capital and reserves that are shown in the Statement of Financial Position and fixed-term loans (see note 15) at a total of £726,346,000 (2021: £797,083,000).

The Company is subject to several externally imposed capital requirements:

- as a public Company, the Company has a minimum share capital of £50,000;
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law; and
- the terms of the Debenture Trust Deed had various covenants that prescribed that monies borrowed should not exceed the adjusted total capital and reserves as defined in the Debenture Trust Deed. The Note Purchase Agreements governing the terms of the Private Placement Loans also contain certain financial covenants. These are measured in accordance with the policies used in the Annual Report & Financial Statements.

The Company has complied with all of the above requirements during the current and prior year.

23. Post Balance Sheet Events

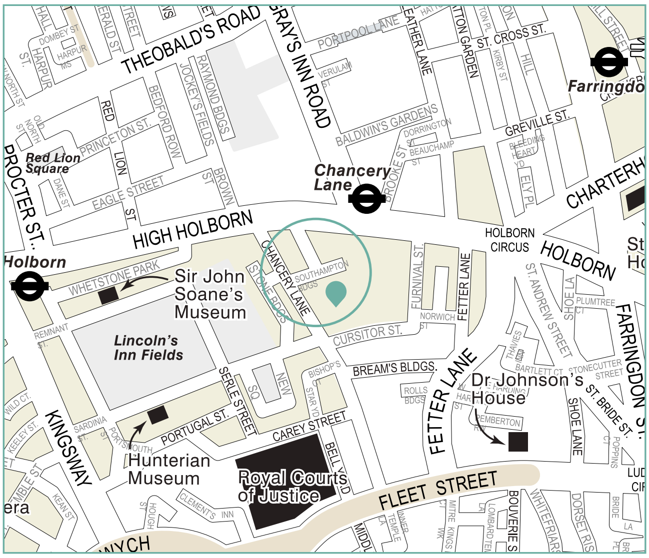
Subsequent to the year end and up to the date of this Annual Report, the Company bought back 8,010,042 ordinary shares for treasury, at a total cost of £19,221,361, representing 2.40% of the issued share capital as at 31 December 2022.

On 14 February 2023, the Board approved a fourth interim dividend for the year ended 31 December 2022, of 2.5 pence per ordinary share payable on 31 March 2023.

Temple Bar Investment Trust Plc
Annual Report & Financial Statements for the year ended 31 December 2022

Shareholder Information

Notice of Annual General Meeting



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your ordinary shares in Temple Bar Investment Trust Plc, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the 97th Annual General Meeting ("AGM") of Temple Bar Investment Trust Plc will be held at 25 Southampton Buildings, London WC2A 1AL on Tuesday, 9 May 2023 at 12:30pm for the purpose of considering and, if thought fit, passing the resolutions below.

ORDINARY RESOLUTIONS

1. To approve the Company's Annual Report & Financial Statements for the year ended 31 December 2022 (together with the reports of the Directors and Auditor thereon).
2. To approve the Report on Directors' Remuneration for the year ended 31 December 2022.
3. To approve the Company's Remuneration Policy.
4. To elect Mrs Carolyn Sims as a Director of the Company.
5. To re-elect Mr Charles Cade as a Director of the Company.
6. To re-elect Dr Lesley Sherratt as a Director of the Company.
7. To re-elect Mr Richard Wyatt as a Director of the Company.
8. To re-elect Dr Shefaly Yogendra as a Director of the Company.
9. To re-appoint BDO LLP as the Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next meeting at which financial statements are laid before the Company.
10. To authorise the Audit and Risk Committee to determine the remuneration of the Auditor.
11. To approve the Company's dividend policy, authorising the Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval.
12. That, in substitution of all existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Companies Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ('Rights') up to an aggregate maximum nominal amount of £1,671,819, being 10% of the issued share capital of the Company as at the date of this Notice and representing 33,436,383 ordinary shares in the capital of the Company (or if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such authority to expire at the conclusion of the AGM of the Company to be held in 2024 (unless previously renewed, varied, revoked or extended by the Company in general meeting), save that the Company may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted after such expiry, and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

13. That, subject to the passing of resolution 11 set out above, the Directors be and they are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act to allot equity securities (as defined in Section 560 of the Companies Act) for cash, including for the avoidance of doubt, the sale of shares held by the Company as treasury shares, in accordance with the authority conferred on the Directors by resolution 11, as if Section 561 of the Companies Act did not apply to the allotment or sale, up to an aggregate nominal amount of £1,671,819 (being 10% of the issued ordinary share capital of the Company at the date of this Notice), (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such power to expire at the conclusion of the AGM of the Company to be held in 2024 (unless previously renewed, varied, revoked or extended by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell ordinary shares from treasury in pursuance of such an offer or agreement as if such power had not expired.

14. That, the Company generally be and is hereby authorised for the purpose of Section 701 of the Companies Act to make market purchases (as defined in Section 693 of the Companies Act) of its ordinary shares in issue, either for retention as treasury shares for future reissue, resale, transfer or cancellation provided that:

    i) the maximum number of ordinary shares hereby authorised to be purchased is 14.99% of the issued share capital of the Company as at the date of the passing of this resolution;

    ii) the minimum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares is the nominal value per share;

    iii) the maximum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares shall be the higher of:

        i) an amount equal to 105% of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary shares are purchased; and

        ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

This authority shall expire at the conclusion of the AGM of the Company to be held in 2024 (unless previously revoked, varied, renewed or extended by the Company in general meeting) save that the Company may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

15. That, a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board

Link Company Matters Limited
Company Secretary

22 March 2023

Registered Office:
6th Floor, 65 Gresham Street
London EC2V 7NQ

NOTES

1. Entitlement to attend and vote

Members who hold ordinary shares in the Company in uncertificated form must have been entered on the Company's register of members by 6.30pm on 8 May 2023 in order to be able to attend and vote at the meeting, or if the meeting is adjourned, 6.30pm on the day two business days before the time fixed for the adjourned meeting. Such members may only vote at the meeting in respect of ordinary shares held at the time.

2. Proxies

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend the meeting to speak and vote on a show of hands and, on a poll, to vote instead of them. A proxy need not be a member of the Company. A member wishing to appoint more than one proxy must appoint each proxy in respect of a specified number of shares within their holding. For this purpose, a member may photocopy the enclosed form of proxy before completion and must indicate the number of shares in respect of which each proxy is appointed.

Instruments of proxy should be sent to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 12.30 pm on Thursday, 4 May 2023. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting should they wish to do so.

As an alternative to completing a hard copy form of proxy, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed at the top right-hand side of the form of proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your form of proxy at www.shareview.co.uk. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated. Full instructions are given on both websites. To be valid, your proxy appointment(s) and instructions should reach Equiniti Limited no later than 12.30pm on Thursday, 4 May 2023.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The CREST message must be transmitted so as to be received by the issuer's agent (ID RA19) by not later than 48 hours (excluding non-working days) before the time appointed for the holding of the meeting or the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST message by the CREST Applications Host) from which the issuer's agent is able to retrieve the CREST message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member(s) is/are a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

3. Proxymity
If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:30pm on Thursday, 4 May 2023 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

4. Corporate representatives
A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

5. Nominated persons
In accordance with Section 325 of the Companies Act, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act. Persons nominated to receive information rights under Section 146 of the Companies Act who have been sent a copy of this Notice are hereby informed, in accordance with Section 149 (2) of the Companies Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

6. Joint holders
In the case of joint holders, the signature of only one of the joint holders is required on the proxy form and, where more than one joint holder has signed the proxy form or where more than one joint holder purports to appoint a proxy, only the signature of, or the appointment submitted by the most senior holder will be accepted to the exclusion of the other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

7. Members' requests under Section 527 of the Companies Act
Under Section 527 of the Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM for the financial year ended 31 December 2022; or (ii) any circumstance connected with an Auditor of the Company appointed for the financial year ended 31 December 2022 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act. Where the Company is required to place a statement on a website under Section 527 of the Companies Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act to publish on a website.

8. Members' rights to ask questions
Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

9. Members' rights under Sections 338 and 338A of the Companies Act
Shareholders meeting the threshold under Sections 338 and 338A of the Companies Act can instruct the Company: (i) to give shareholders (entitled to receive notice of the AGM) notice of a resolution which may properly be proposed and is intended to be proposed at the AGM; and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be proposed or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective; (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 28 March 2023, being the date six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

10. Total number of shares and voting rights
As at 21 March 2023, the latest practicable date prior to publication of this Notice, the Company had 334,363,825 ordinary shares in issue with a total of 309,812,344 voting rights.24,551,481 shares were held in treasury.

11. Website
In accordance with Section 311A of the Companies Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at: www.templebarinvestments.co.uk.

12. Documents available for inspection
Copies of letters of appointment between the Company and the Non-Executive Directors may be inspected during usual business hours on any weekday (public holidays excepted) at the registered office of the Company from the date of this Notice until the date of the AGM and at the place of the Meeting from 12.15pm until the Meeting's conclusion.

Any shareholders wishing to inspect the documents are requested to contact the Company Secretary by email at templebar.cosec@linkgroup.co.uk in advance of any visit to ensure that appropriate arrangements can be made and access can be arranged.

Useful Information for Shareholders

Annual General Meeting
9 May 2023

Dividend Dates

31 March 2023
Payment of fourth interim dividend year ended 31 December 2022

30 June 2023
Payment of first interim dividend year ended 31 December 2023

29 September 2023
Payment of second interim dividend year ending 31 December 2023

29 December 2023
Payment of third interim dividend year ending 31 December 2023

Payment of Dividends
Cash dividends will be sent by cheque to the first-named shareholder on the Register at his or her registered address together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System ('BACS'). This may be arranged by contacting the Company's Registrar on 0371 384 2432.

Price and Performance Information
The Company's ordinary shares are traded on the London Stock Exchange. The market price of the ordinary shares is shown daily in the Financial Times, other leading newspapers and on the Company's website.

Share Register Enquiries
The Company's Registrar, Equiniti, maintains the share register. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2432 (overseas +44 (0)121 415 7047). Lines are open from 8.30am to 5.30pm Monday to Friday. Changes of name or address must be notified in writing to the Registrar.

Tax Information Exchange
Local laws may require Temple Bar to disclose investor holding and income data to UK and other tax authorities. This will only happen where required by law.

AIC
The Company is a member of the AIC, which produces monthly publications of detailed information on the majority of investment trusts.

Temple Bar Website
The Company's website can be found at www.templebarinvestments.co.uk and includes useful background information on the Company, together with helpful downloads of published documentation such as previous annual and half-yearly reports.

Where to Buy Temple Bar Shares

1. Via a third-party provider
Third party providers include:

AJ Bell	Interactive Investor
Barclays Stockbrokers	James Brearley
Bestinvest	James Hay
Charles Stanley Direct	Selftrade
FundsNetwork	TD Direct
Hargreaves Lansdown	Trustnet Direct

Please note this list is not exhaustive and the availability of Temple Bar may vary depending on the provider. These websites are third-party sites and Temple Bar does not endorse or recommend any. Please consult each site's privacy and cookie policies as well as their platform charges structure.

The Board encourages all shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to continue to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the AIC's website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

2. Through a professional adviser
Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at www.unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the FCA adviser charging and commission rules, visit www.fca.org.uk.

Alternative Investment Fund Managers Directive

The AIFMD requires certain disclosures to be made about the remuneration policy of the Company's AIFM.

Details of the Link Fund Solutions Limited (LFS) AIFM remuneration policy can be found at https://www.linkfundsolutions.co.uldmedia/gjcdba2w/lfs-explanation-of-compliance-with-remuneration-code.pdf

Remuneration Policy
Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the Alternative Investment Funds ('AIFs') it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

None of LFSL's staff receives remuneration based on the performance of any individual and. LFSL acts as the operator of both UK UCITS funds and AIFs.

LFSL delegates portfolio management for the AIFs to various investment management firms. The portfolio managers' fees for providing investment management services are paid by Temple Bar Investment Trust ("Company"). The investment manager makes information on its remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities, and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties solely for particular AIFs, nor are they remunerated by reference to the performance of any individual AIF. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Company itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 30 June 2022, being the most recent accounting period, which accounts have been prepared for LFSL prior to the production of these accounts. As at 30 June 2022, LFSL operated 91 UK UCITS and 105 AIFs, whose respective assets under management ('AuM') were £37,814 million and £44,462 million. The Company was valued at £735.3 million as at that date and represented 0.89% of LFSL's total AuM and 1.65% of its AIF AuM.

The disclosure below represents that required under FUND 3.3.5 R (5) and (6) for funds subject to AIFMD obligations.

2022	Number of beneficiaries	Fixed £	Variable £	Total £
Total amount of remuneration paid by LFSL for the financial year to 30 June 2022	183	8,711	618	9,329

Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 30 June 2022

Senior management (including all Board members)	7	878	205	1,083
Staff engaged in control functions	7	666	52	718
Risk takers and other identified staff	22	1,577	150	1,727
Any employees receiving total remuneration that takes them into the same remuneration	–	–	–	–

LFSL's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by LFSL, and the Link Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to LFSL's success. The precise metrics used vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at: https://www.linkfundsolutions.co.uk/media/gjcdba2w/lfs-explanation-of-compliance-with-remuneration-code.pdf.

Corporate Information

Alternative Investment Fund Manager
Link Fund Solutions Limited
6th Floor
65 Gresham Street
London EC2V 7NQ

Investment Manager
RWC Asset Management LLP
Verde 4th Floor
10 Bressenden Place
London SW1E 5DH

Registered Office
6th Floor
65 Gresham Street
London EC2V 7NQ

Company Secretary
Link Company Matters Limited
6th Floor
65 Gresham Street
London EC2V 7NQ

Fund Administrator
Link Alternative Fund Administrators Limited
6th Floor
65 Gresham Street
London EC2V 7NQ

Depositary, bankers and custodian
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Stockbroker
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Solicitor
Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

Independent Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone numbers:
+44 121 415 7047 (overseas shareholder helpline)
0371 384 2432 (shareholder helpline)*
0906 559 6025 (broker helpline)

* Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday.

Temple Bar Identifiers
ISIN (ordinary shares) – GB00BMV92D64
SEDOL (ordinary shares) – BMV92D6
Legal Entity Identifier – 213800O8EAP4SG5JD323

Registered number
Registered in England Number 00214601

Glossary of Terms

AIC
The Association of Investment Companies.

Benchmark
A comparative performance index.

Borrowing
Borrowing is the amount of finance taken out by the Company. See net gearing.

Cash Alternatives/Equivalent
Also known as cash equivalents. A class of investments considered relatively low risk because of their high liquidity, meaning they can be quickly converted into cash.

Derivative Instruments
An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Discount*
The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Diversification
Holding a range of assets to reduce risk.

Dividend
The portion of company net profits paid out to shareholders.

Dividends per ordinary share
Dividends per share paid or proposed for the financial year for Section 1158 purposes.

In 2022 there was one interim payment of 2.05p per share, one interim payment of 2.3p per share and one interim payment of 2.5p per share and a declared fourth interim dividend of 2.5p, totalling 9.35p.

In 2021 there were three interim payments of 1.95p (restated from 9.75p) per share and a declared fourth interim dividend of 2.05p (restated from 10.25p) per share, totalling 7.9p (restated from 39.5p).

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.

Gilts
A bond that is issued by the British government which is generally considered low risk.

Hedging
A technique seeking to offset or minimise the exposure to a specific risk by entering an opposing position.

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.

Net Asset Value per Share with Debt at Amortised Cost
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 still to be expensed. The net asset value per share is calculated by dividing this amount by the number of ordinary shares outstanding.

Net Asset Value per Share with Debt at Market Value*
The value of total assets less liabilities, with debenture and loan stocks at market value, £742,194,000 (2021: £792,590,000 see note 22 for breakdown. The net asset value per share is calculated by dividing this amount by the number of ordinary shares outstanding.

The market value of each debt instrument is based on benchmark sovereign yield (sovereign bond yield of the same currency and similar maturity to the instrument) plus benchmark credit spread (average spread versus sovereign of a group of selected comparators) plus illiquidity premium (evaluated on market analysis).

* Alternative Performance Measure.

Net Gearing*
In accounting terms, gearing is the amount of a company's total borrowings divided by its shareholder funds.

The gearing ratio as at 31 December 2022 is calculated as the ratio of the Company's borrowings of £74,707,000 (2021: £74,671,000) less cash and cash equivalents (including gilts) of £18,410,000 (2021: £19,570,000), divided by investments of £782,463,000 (2021: £849,150,000). The resultant ratio of 7.2% can be seen in the summary of results on page 1.

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

		Year to 31 December 2022
Investment management fee		**2,937,000**
Administrative expenses		**1,181,000**
Less: one off legal and professional fees		**(18,000)**
Total	(a)	**4,100,000**
Average cum income net asset value throughout the period	(b)	**762,206,378**
Ongoing charges (c=a/b)	(c)	**0.54%**

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

Premium*
The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Relative Performance
The return that an asset achieves over a period of time, compared to a benchmark.

Share Buy back
When a company buys some of its own shares in the market, which may lead to a narrowing of the discount to net asset value. It changes the company's debt-to-equity ratio and is a tax-efficient alternative to paying out dividends.

Total Return*
Captures both the capital appreciation/depreciation of an investment as well as the dividends generated over a holding period.

Return on Net Asset
Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income, and dividing by the starting net asset value. Reinvestments are made using the actual reinvestment net asset value.

The total returns account for management and administrative fees and other costs taken out of assets.

Return on Gross Assets
Fees and associated costs are removed from the net asset value to arrive at a gross return.

Return on Share Price*
For equities, only market return can be calculated (since no net asset value exists), but the market return is also stored as the total return. This is done so that users can more easily compare a stock's return to that of other investments.

Market return does not reinvest dividends. Dividends are treated as a cash payout as of the end of the period. The calculation is point to point using adjusted price at the beginning of the period and the adjusted price at the end of the period incorporating any dividends paid. Therefore, it doesn't compound returns/the impact of dividends reinvested over that period.

Valuation
Determination of the value of a company's stock based on earnings and the market value of assets.

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.

Notes

Temple Bar Investment Trust Plc

Registered Office
6th Floor
65 Gresham Street
London
EC2V 7NQ

www.templebarinvestments.co.uk

Investment Manager
RWC Asset Management LLP
Verde 4th Floor
10 Bressenden Place
London SW1E 5DH

TEMPLE BAR
Investment Trust Plc