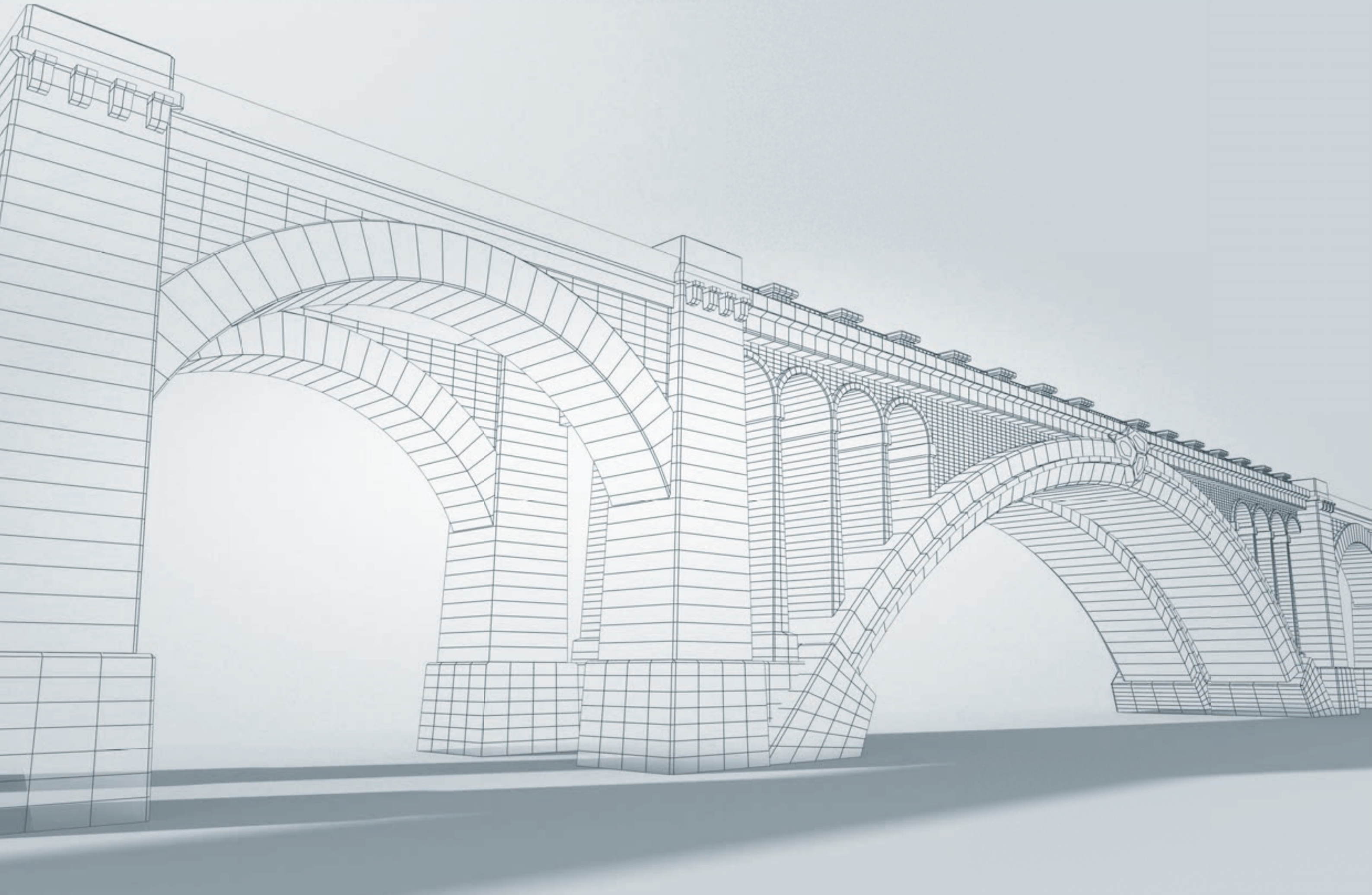
TR EUROPEAN GROWTH TRUST PLC

Annual Report 2015



MANAGED BY

Henderson

GLOBAL INVESTORS

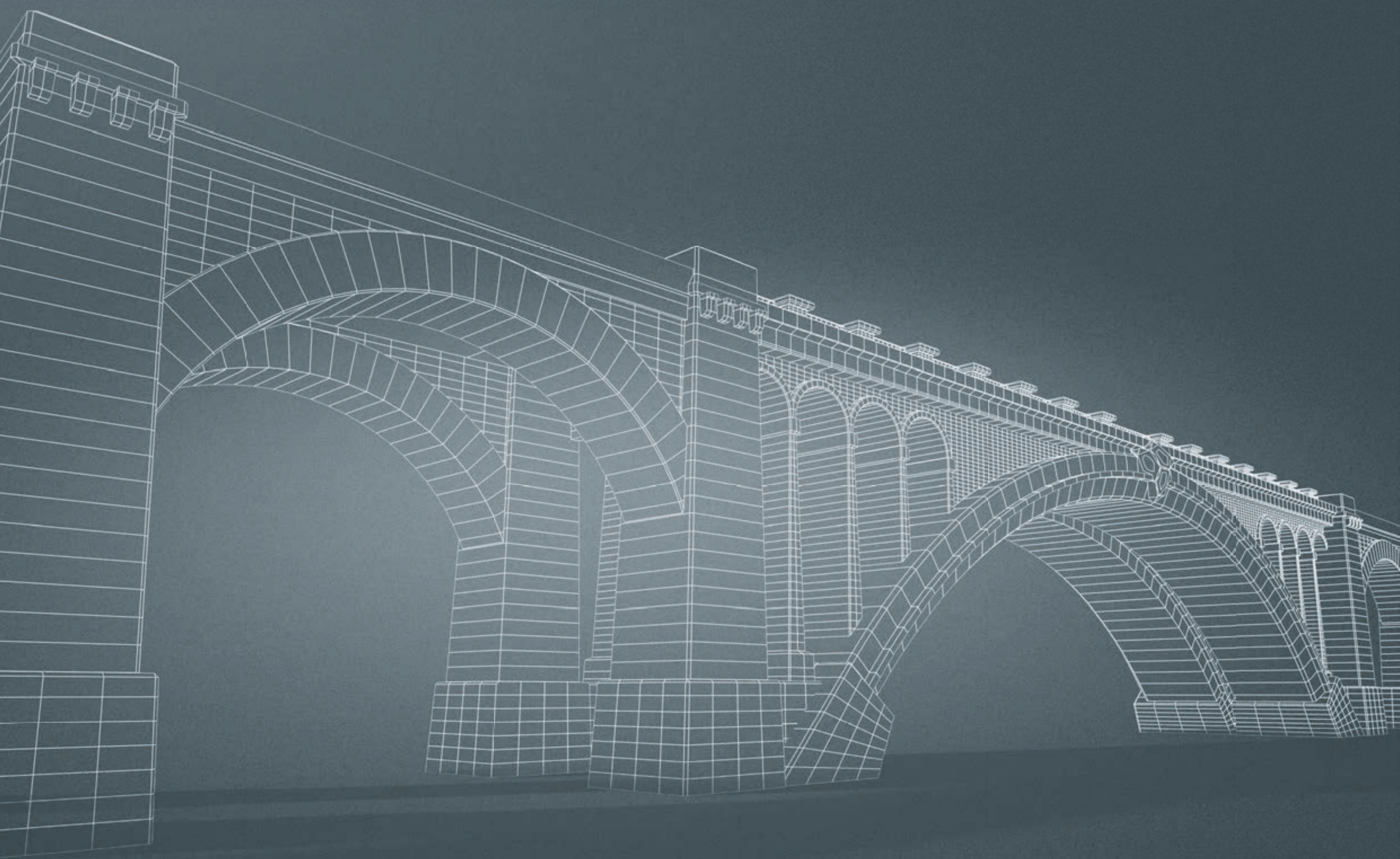
Contents

The image on the front cover is the Adolphe Bridge, Luxembourg.

Strategic Report

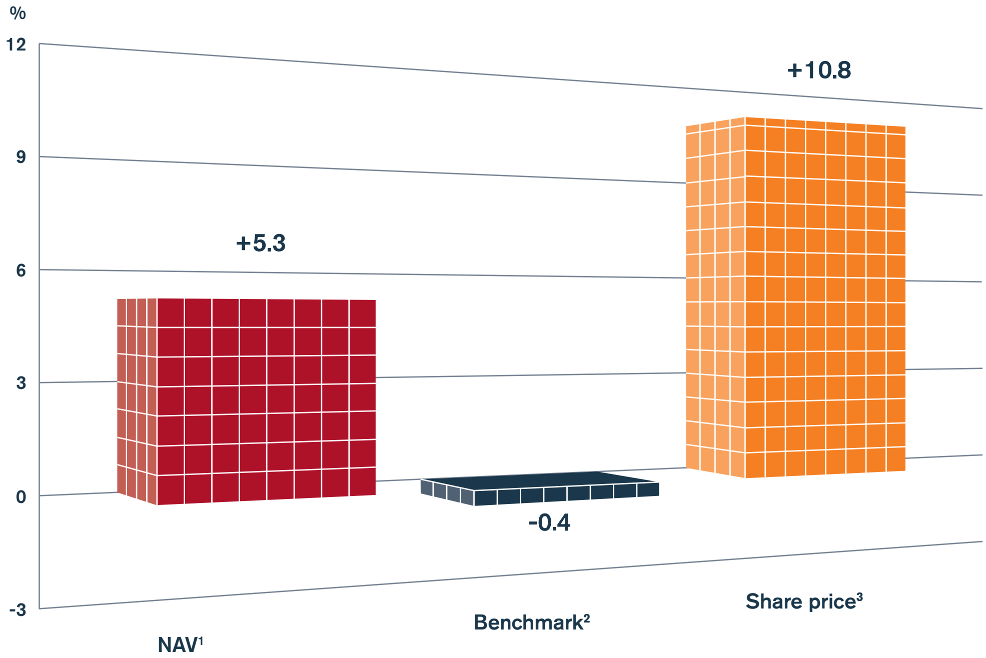
"The improvement in the economic backdrop in Europe suggests that our Company is a great place to be invested."

Audley Twiston-Davies, Chairman

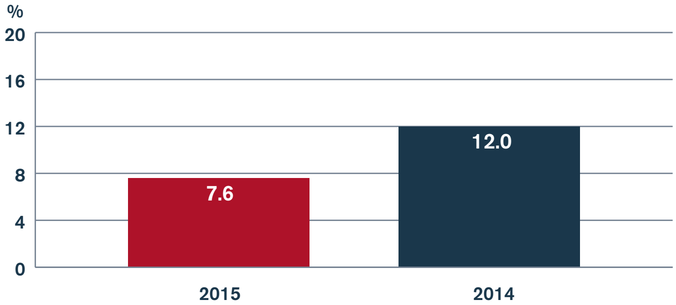


Strategic Report: Performance Highlights

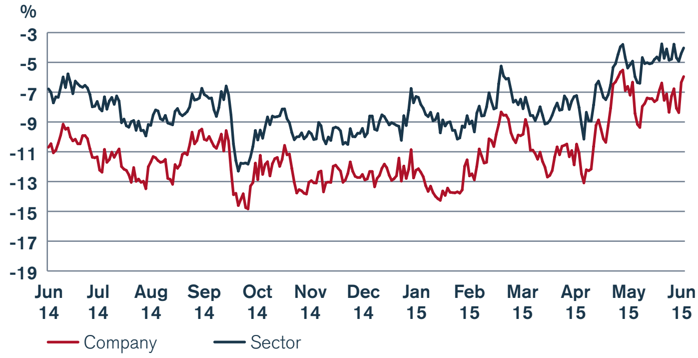
Total Return Performance for year to 30 June 2015



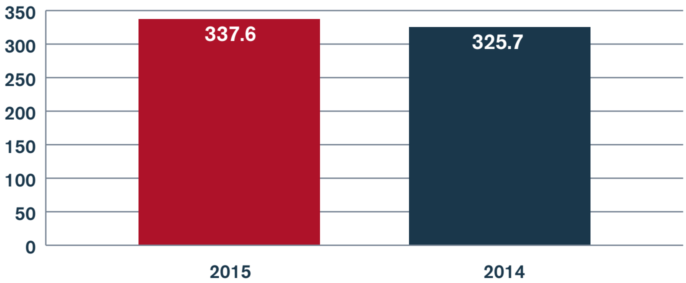
Discount at year end[4]



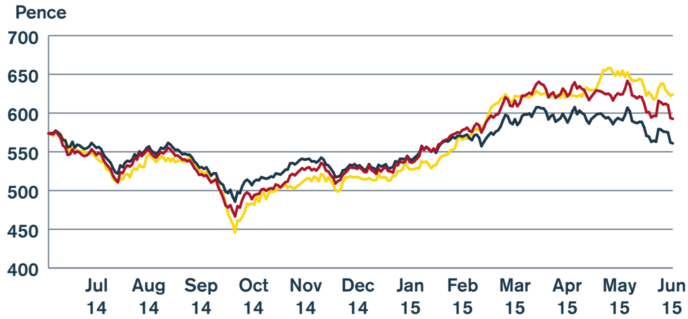
Discount[5]



Net assets at year end £million



NAV and share price performance versus the benchmark[6]



Source: Thomson Reuters Datastream

Strategic Report: Performance Highlights (continued)

NAV per share at year end

2015 **675.62p**

2014 651.67p

Share price at year end

2015 **624.00p**

2014 573.75p

Dividend for year

2015 **9.5p**[7]

2014 9.2p

Dividend yield[8]

2015 **1.5%**

2014 1.6%

Ongoing charge for year[9]

2015 **0.78%**

2014 0.69%

Gearing at year end

2015 **12.5%**

2014 14.3%

Number of investments[10]

2015 **140**

2014 136

Performance fee paid

2015 **£1.8m**

2014 £1.1m

1 Net asset value per share total return (including dividends reinvested). This is based on preliminary estimates made by the AIC, which is the industry recognised source for performance data, and does not reflect any subsequent change in the year end NAVs reflected in this report
2 Euromoney Smaller Companies Index (ex UK) expressed in sterling
3 Share price total return using mid-market closing price
4 Calculated using published daily NAVs including current year revenue
5 Graph shows the Company's share price discount to NAV compared with the average discount of the AIC European Smaller Companies sector over the year to 30 June 2015
6 Graph shows the Company's NAV per share total return and share price total return compared to the total return of the benchmark over the year to 30 June 2015
7 This represents ordinary and special dividends recommended or paid for the year. See page 5 for more details
8 Based on the ordinary and special dividends and the share price at the year end
9 The ongoing charge excludes the performance fee. The charge including the performance fee would have been 1.34% (2014: 1.07%)
10 Excludes those stocks valued at nil by the Directors
Sources: Morningstar for the AIC, Henderson, Datastream
A glossary of terms is included on pages 16 and 17

Strategic Report: Business Model

Investment objective

The Company's investment objective is to achieve capital growth by investing predominantly in smaller and medium sized companies in Europe (excluding the UK).

Investment policy

The Company's portfolio is managed within a framework of investment limits and restrictions determined by the Board, the primary purpose of which is to spread and mitigate investment risk. It is intended that the Company will continue to be managed so as to satisfy each year the conditions for approval by HM Revenue & Customs ("HMRC") as an investment trust.

Diversification

The Company maintains a diversified portfolio. The Company will not invest more than 7% of its total assets, calculated as at the time of investment, in any one holding. Henderson provides regular reports on investment activity and portfolio construction to the Directors at and between Board meetings.

Asset allocation

Generally, the Company will invest in companies which are quoted, domiciled, listed or have operations in European countries. Unquoted investments are permitted with prior Board approval. Investments may include shares, securities and related financial instruments, including derivatives.

Gearing

The Company will borrow money for investment purposes if the Board considers it appropriate. Net borrowings are limited to a maximum of 30% of NAV at the time of investment.

General

In accordance with the listing rules of the FCA (the "Listing Rules"), it is the Company's stated policy that it will not invest more than 15% of its gross assets in other listed investment companies, including investment trusts, and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed investment companies.

Strategy

The Company's strategy is to meet its investment objective. This is achieved through the appointment of external management which operates in accordance with the Company's investment policy.

Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive. The Company has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager in accordance with an agreement which was effective from 22 July 2014 and is terminable on six months' notice. HIFL delegates investment management services to Henderson Global Investors Limited. Both entities are authorised and regulated by the Financial Conduct Authority ("FCA"). References to Henderson within this report refer to the services provided by both entities.

The fund management team is led by Ollie Beckett, who has been in place since 1 July 2011, assisted by Rory Stokes.

Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of Henderson, by BNP Paribas Securities Services. Debbie Fish FCIS acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

The base management fee payable to Henderson is 0.6% per annum and is calculated as 0.15% of net assets at each quarter end.

Henderson may also be eligible to receive a performance related fee. In order to determine whether a performance fee is payable, performance is measured against, and expressed relative to, the benchmark, the Euromoney Smaller Companies Index (ex UK) expressed in sterling. Performance of both the Company and the benchmark is measured on a NAV total return (with gross income reinvested) basis and is measured over three years. In any given year in which a performance fee is payable, the performance fee rate is 15% of the positive difference between the average annual NAV total return and the average annual total return of the benchmark. The upper limit on the total fee, including the base fee and any performance fee, for any given accounting year is 2.0% of the NAV of the Company as at the last day of the relevant calculation period. A performance hurdle over the benchmark of 1.0% has to be reached before any performance fee can be earned. For clarity, performance is measured solely on the basis of NAV total return relative to the total return of the benchmark index; no account is taken of whether the NAV grows or shrinks in absolute terms.

Subsidiary

The Company has a wholly owned subsidiary undertaking, TREG Finance Limited, which can be used for investment dealing but was not active in the year. Together they are referred to as the "Group".

Strategic Report: Chairman's Statement

The Chairman of the Company, Audley Twiston-Davies, reports on the year to 30 June 2015

Performance

I am pleased to be able to report that over the year to 30 June 2015 our net asset value per share total return was 5.3% and our share price total return was 10.8% compared to a total return for our benchmark of -0.4%.

As a consequence of outperformance over the three year qualifying period we will be paying a performance fee to Henderson for the year of £1,759,000 (2014: £1,130,000). The performance fee paid for the year is equal to 0.5% of net assets as at 30 June (2014: 0.3%).

Revenue and dividends

Revenue return per share was 11.34p, a rise of 1.7%.

The Board aims to make progressive and steady increases in annual dividend payments. Shareholders must, however, recognise that such increases can never be guaranteed, and that circumstances may arise when it is necessary to reduce a dividend payment. Equally, there may be instances when the level of payment must be increased in order to comply with Section 1158 of the Corporation Tax Act in respect of the retention of distributable income. Where such instances would result in a payment going beyond the Board's aim, one-off "special dividend" payments are declared.

We are proposing, subject to shareholder approval at our annual general meeting, a final dividend per ordinary share of 7.00p, an increase of 7.7% over last year's final dividend of 6.50p. We are also proposing a special dividend of 2.50p per ordinary share, making a total dividend of 9.50p.

Annual general meeting ("AGM")

Shareholders are encouraged to attend the AGM on Monday 9 November 2015 at 201 Bishopsgate, London, EC2M 3AE. The meeting will start at 12.30 pm, will include a presentation by Ollie Beckett and will be followed by an opportunity for shareholders to meet the Board and management team. The notice of the meeting and full details of the resolutions to be proposed are included in a separate document which will be posted to shareholders with the Annual Report. The Directors recommend that shareholders vote in favour of all of the proposed resolutions as they intend to do in respect of their own beneficial holdings.

For the first time the Company's AGM will be broadcast live on the internet. If you are unable to attend in person you can watch the meeting as it happens by visiting **www.henderson.com/trustslive**.

Board changes

As reported last year, Jane Tufnell stood down from the Board on 17 November 2014 and Simona Heidempergher was appointed to the Board with effect from 1 September 2014.

Outlook

Despite the seemingly never ending political squabbles in the Eurozone, it has been a reasonable year for European equity markets. This has been encouraged, from October 2014 onwards, by clear signs that the long awaited economic recovery has finally begun, assisted by the ECB's Quantitative Easing.

The improvement in the economic backdrop in Europe suggests that our Company, which is exposed to companies with a relatively small market capitalisation which are more geared to a recovery, is a great place to be invested.

Going forward the shambolic situation in Greece will probably continue to grab the headlines but more important will be whether the global economy can continue to improve. Our fund managers will monitor the potential economic fracture points around the world, notably China. At a stock level we are starting to see earning upgrades in European smaller companies for the first time in four years, which is clearly very helpful. We are confident that with this backdrop there are still plenty of good investment opportunities in Europe for our fund managers to seek out and deliver healthy returns for shareholders.

Audley Twiston-Davies
Chairman
29 September 2015

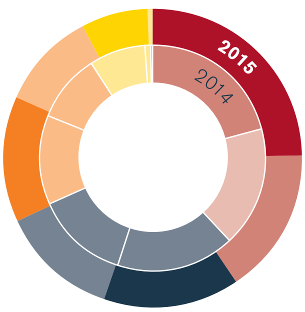
Strategic Report: Portfolio Information

Ten largest investments at 30 June 2015

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
1	1	**Brainlab**	Radiotherapy and image-guided surgery equipment **www.brainlab.com**	Germany	9,417	2.5
2	43	**OC Oerlikon**	Leading Swiss technology conglomerate manufacturing vacuum pumps, machinery for manmade fibres, drive systems for agricultural and construction machinery and drilling and mining applications **www.oerlikon.com**	Switzerland	7,368	1.9
3	79	**Cerved Information Solutions**	Number one in the Italian credit information market for corporates and financial institutions **www.cerved.com**	Italy	6,086	1.6
4	4	**CFE**	Belgian industrial group **www.cfe.be**	Belgium	5,955	1.6
5	3	**Comet**	High quality systems, components and services in x-ray, ebeam and RF technologies **www.comet-group.com**	Switzerland	5,798	1.5
6	-	**TKH**	Internationally active group of companies specialising in the creation and delivery of innovative telecom, building and industrial solutions **www.tkhgroup.com/en**	Netherlands	5,181	1.4
7	-	**OVS**	Italy's largest value fashion apparel retailer **www.ovs.it/en**	Italy	5,086	1.3
8	8	**Anima**	Asset management services **www.animasgr.it**	Italy	4,976	1.3
9	6	**Verkkokauppa**	Online retailer **www.verkkokauppa.com**	Finland	4,919	1.3
10	16	**Nobia**	Develops, manufactures, and markets kitchen interiors **www.nobia.com**	Sweden	4,732	1.2
					59,518	**15.6%**

Sector exposure at 30 June

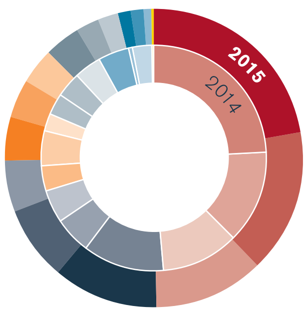
As a percentage of the investment portfolio excluding cash



	2015 %	2014 %
Industrial goods	**24.8**	21.1
Technology	**15.9**	17.0
Financials	**14.6**	16.9
Business providers	**12.9**	13.6
Basic materials	**13.5**	12.7
Consumer goods	**10.6**	9.8
Retail providers	**7.2**	8.0
Natural resources	**0.5**	0.7
Diversified	**–**	0.2

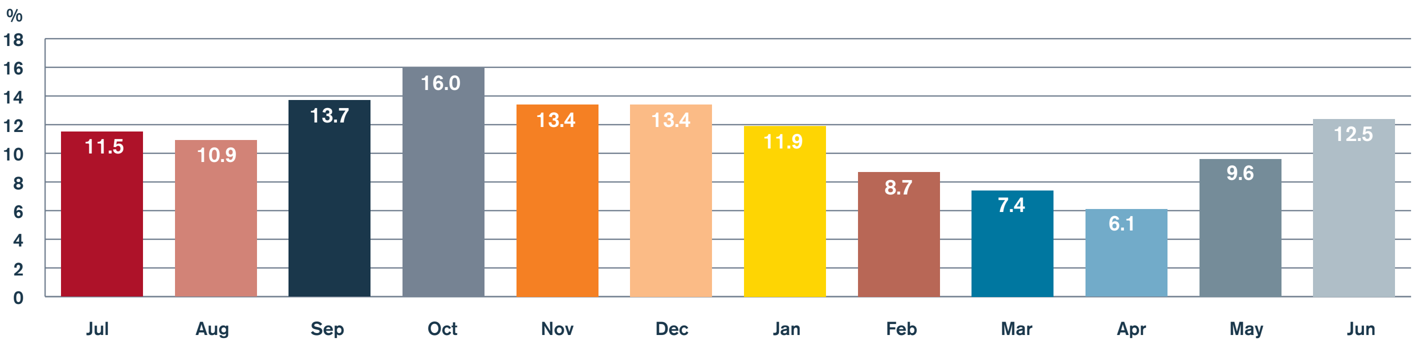
Geographic exposure at 30 June

As a percentage of the investment portfolio excluding cash



	2015 %	2014 %
Germany	**22.3**	24.3
France	**15.6**	13.2
Italy	**12.0**	11.2
Switzerland	**11.3**	11.6
Netherlands	**8.1**	5.4
Finland	**5.5**	4.6
Sweden	**4.8**	3.7
Spain	**4.2**	5.0
Ireland	**3.9**	2.6
Belgium	**3.8**	3.1
Denmark	**2.5**	3.5
Norway	**2.3**	4.0
Austria	**1.4**	4.4
Portugal	**1.4**	0.4
Greece	**0.8**	2.8
Other	**0.1**	0.2

Gearing levels over the year to 30 June 2015



Source: Henderson

Strategic Report: Fund Manager's Report

The Fund Manager of the portfolio, Ollie Beckett, reports on the year to 30 June 2015

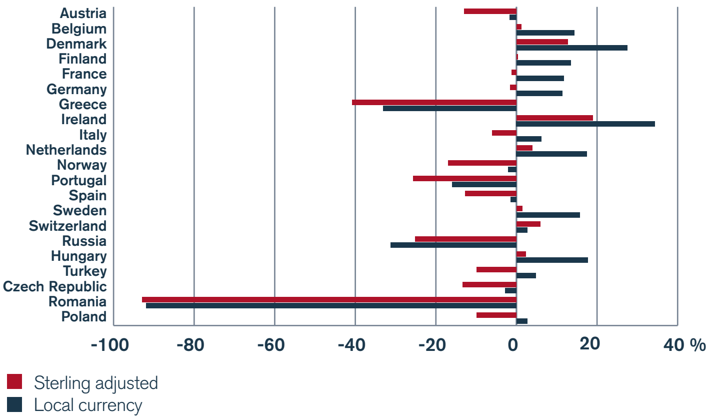
Rory Stokes assists Ollie Beckett with the management of the portfolio

Introduction

The year to June 2015 has been good for the Company. Despite periodic wobbles, and the ever present Greek situation, the European economic recovery continues to build, albeit tentatively. The stock market has responded with the Euromoney Smaller Companies Index (ex UK) down 0.4% in sterling terms, though the Company's net asset value total return was 5.3% (19.1% in euro terms).

The benefits of looser monetary policy through European Central Bank ("ECB") quantitative easing ("QE") are being felt in the economy. The big reform efforts in certain countries combined with corporate restructuring led to strong performance of certain stock markets, with Ireland and Italy being two of the strongest markets in Europe. The companies that are taking the difficult decisions are benefiting.

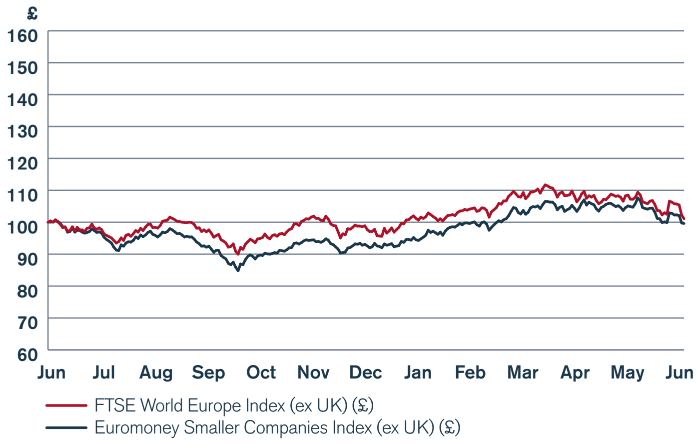
European stock exchange indices total return for the year ended 30 June 2015



Source: Datastream

We continue to believe that the European recovery will come through, despite the fact that there will be bumps in the road due to the inadequate political decision making process in the Eurozone. It remains a distinct possibility that the US and the UK monetary authorities will begin the process of raising rates within the next year and this may contribute to equity market volatility, but this reflects a global economy that is healing. This should ultimately be to the benefit of European smaller companies.

Movement in European indices (rebased to 100 at 30 June 2014)



The Portfolio

Portfolio positioning

During the 2014/2015 financial year the portfolio benefited from being positioned towards stocks with domestic European earnings. As the valuation discrepancy had unwound towards the end of the last financial year we focused the portfolio towards a more balanced positioning of value and growth, combined with domestic and international earnings. Stock specific stories have been what we have been pursuing and this can be seen in the shape of the portfolio.

An example of this approach is **OC Oerlikon**, the largest listed holding, that is approaching the end of the process of slimming down from being an unwieldy conglomerate to being a world class business in coatings and man-made fibre spinning machinery. We expect a disposal of its vacuum business and restructuring of its drives business in the next six to twelve months. Belgian construction and dredging company **CFE** is another large holding. The company has simplified its corporate structure and boosted its margins. It now looks set to benefit from large dredging projects such as the Singapore Port Authority land reclamation project. We invested in Italian fashion retailer **OVS** at initial public offering ("IPO") in March 2015 as we liked the management's aggressive growth story of a well-known Italian brand combined

Strategic Report: Fund Manager's Report (continued)

with tight cost control. We continue to like Swiss technology company **Comet** for the broad range of exciting potential it has, such as ebeam technology that is being used to sterilize packaging for Tetra Pak and which can hopefully be extended to sterilizing grain in silos to massively reduce rot. **TKH** in the Netherlands produces vision systems for a variety of applications including a machine that makes tyres in 32 seconds. We continue to be invested in kitchen manufacturer **Nobia** that has cut costs ferociously and is well positioned for the economic recovery. We have built a position in **Van Lanschot**, a Dutch private bank that is cheap and overlooked by the stockbroking community – we expect both characteristics to change in the coming year.

Performance attribution

The Company's performance cannot be explained by broad themes, beyond participation in some successful Italian IPOs that have been very good at growing, such as those of the asset gatherers **Anima** and **FinecoBank** or the fashion retailer **OVS**. Instead performance has been derived from stock specific factors. Dutch semiconductor equipment company **BE Semiconductor** was the biggest contributor to performance as the market cottoned on that it was gaining market share and that its cost savings programme was yielding better results than hoped for. Outdoor and online advertising company **Stroeer Out-Of-Home Media** was another strong contributor to performance as German advertising recovery drove increases in earnings forecasts. Danish ferry company **DFDS** also did well as the market began to appreciate the cost discipline and return on capital focus of the management. Swedish medical equipment company **Aerocrine**, that makes equipment for measuring the severity of asthma was subject to a bid by London listed Circassia Pharmaceutical. Spanish pulp and renewable energy business, **Ence**, took advantage of a crisis when Spanish electricity subsidies were cut to slash costs, refocus its business and improve cash flow and return on capital. Belgian specialty chemical company, **Tessenderlo Chemie**, has done well as the market has begun to believe in the benefits of its restructuring programme.

Conversely, the stocks that have burdened performance have done so for thematic reasons: either due to the falling oil price or the failure to manage change. For instance the holdings of oil and gas companies were hurt by the collapse in the oil price such as **Kvaerner**, **Fugro** and **Schoeller-Bleckman**. **OW Bunker** was a Danish IPO in the marine fuel sector that we sold immediately after a profit warning having decided the company was not what the management claimed it to be. Selling at a loss was painful, however, it proved the right thing to do as the company subsequently declared bankruptcy after alleging fraud against two employees. French directory and internet company **Solocal** suffered as the turnaround of the business proved slower than management had hoped. German laser company **LPKF Laser & Electronics** also disappointed after large customers delayed orders hurting company profitability. German retailer **Tom Tailor** floundered as management struggled with weather and with the digestion of a company called Bonita that it had acquired. **EVS Broadcast Equipment** missed numbers having failed to see any upturn in its industry.

Geographical and sector distribution

We remain dedicated to making stock selection on a bottom-up basis, rather than allocating capital to specific countries or sectors. We don't use the benchmark as a guide to portfolio structure and are happy running country and sector weightings that are substantially different from the benchmark, though we pay careful attention to the shape of the portfolio and any concentrated risks that might build up. The portfolio continues to be heavily overweight in Germany as we continue to find good companies, earning attractive returns and that look cheap. The portfolio is still overweight in Switzerland but this has reduced substantially as valuations have become quite full and a number of companies have been impacted by the appreciation of the Swiss Franc after the Swiss National Bank removed the peg with the euro. We also have overweight positions in the Netherlands where we see a housing recovery beginning to kick in; Ireland where the benefits of economic restructuring and exposure to the strong UK are being felt; and France which is an economy that whilst struggling, is nowhere near as bad as some would have you believe.

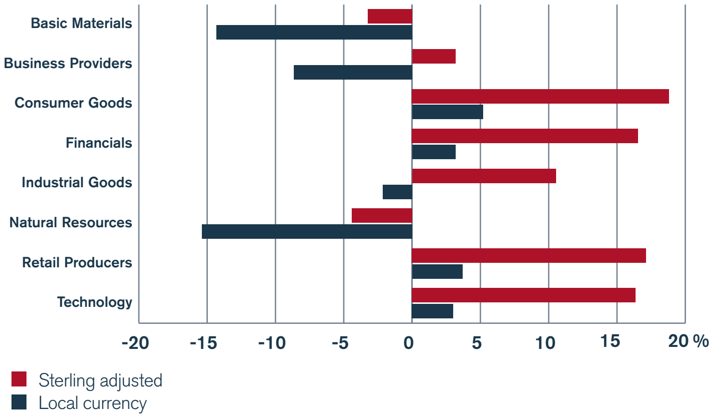
Our non-consensual views on France are reflected in the stocks owned by the Company, which has benefited from owning shares such as, domestic housebuilder, **Nexity**. We initially bought the shares in 2013 as they looked very cheap with a dividend yield of over 7.0% complete with a free option on the French economy improving. Now that there are signs of life in the French construction industry the shares have begun to perform, but the stock still yields 5.0%. The Company also continues to hold French Free-To-Air TV broadcaster **Television Francais**, which did very well last year as the management did an excellent job of realising value with the disposal of Eurosport, whilst maintaining strong cost discipline. There is more to come from self-help and any French advertising recovery will be a welcome bonus. The portfolio also contains a handful of outright growth stocks in France. **Teleperformance** operates call centres globally for all sorts of businesses from airlines to the largest tech companies in the world and is growing at a good rate – sales increased 13.4% in 2014. We have also added **Criteo**, a French web advertising business listed in America, which grew sales 70.0% in 2014 and continues to deliver prodigious growth.

The sector exposure of the portfolio remains heavily overweight Industrials. The focus is to find stocks that can improve corporate performance independently of the economic cycle or which can benefit from structural trends. For instance French cable manufacturer **Nexans** has been poorly run for some time, but the new management have a clear plan to expand margins and narrow the gap with Italian competitor Prysmian. Conversely, we have recently added stocks such as **Alimak** that have structural growth trends. Alimak make rack and pinion hoists used in construction. Their sales should grow strongly as a more conscientious safety culture replaces ladders with hoists in areas such as construction. The portfolio is also overweight technology as we see this as a real source of growth. Companies such as **RIB Software**, which produce software for the construction industry, are massively changing how buildings are designed and built. Within IT we have closed positions in **Wirecard** as the valuation looked too stretched compared to the cash generation and added PC and mobile phone security software company **AVG Technologies**.

Strategic Report: Fund Manager's Report (continued)

The portfolio is underweight in health care as beyond a few names such as medical and pharmacy software company **Cegedim**, we struggle to find stocks that have attractive valuations. The portfolio is also underweight in consumer staples for the same reason.

Total return by sector for the year ended 30 June 2015



Source: Datastream

Other purchases

Substantial purchases in the year include **Origin Enterprises**, an Irish agri-services business, that has shown a consistent capacity to grow, but which is cheap due both to a tough market for crop farmers and a perceived stock overhang. We added Spanish wind turbine producer **Gamesa Corp Technologica** to the portfolio as the wind market shows real evidence of recovering. The Company participated in a number of well scrutinised IPOs. Most have performed well, such as drill bit manufacturer **Robit** and Irish housebuilder **Cairn Homes**; others such as Italian retailer **OVS** or Swedish wire mesh producer **Troax** have been terrific. The only one that has been very poor has been **OW Bunker**.

Other disposals

We sold the holding in German media conglomerate **Axel Springer** after strong share price performance. We also exited the position in **Valmet** after a period of strong performance that left the shares looking a bit too expensive. Subsequent to the financial year end we bought some of the shares back after the share price came back. We also sold long term favourites such as asset manager **Partners Group** and life science equipment manufacturer **Stratec** after strong performance.

Greece

The portfolio has been underweight Greece and the disposal of toy and baby product retailer **Jumbo** further reduced that. At the financial year end the Company had two holdings in Greece: **Aegean Airlines** and industrial conglomerate **Mytilineos**. As the Greek stock market was closed for a number of weeks over the financial year end the Board agreed that applying a 15% discount to the last quoted price represented fair value of the Greek holdings at the year end. Subsequent to the market reopening in July, both shares have been among the best performing stocks in Greece.

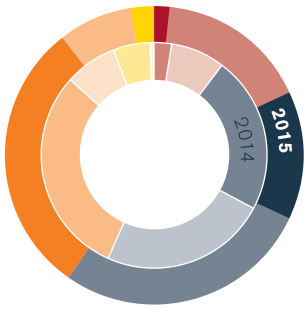
Gearing

Gearing levels varied between 5.5% and 18.1% over the course of the year and was at 12.5% at the close of the year. It should be remembered that just under 4% of the portfolio is in unquoted investments. We used the debt facility to maintain flexibility and freedom of action over the year as opportunities arose, rather than raising cash by selling assets quickly at bad prices.
The gearing also offers the potential to enhance returns.

Market Capitalisation range

We have continued to focus the portfolio towards small and medium sized companies, with a weighted average market capitalisation of £1.02bn as of 30 June 2015. The largest company in the portfolio was Imerys at £3.9bn and the smallest was Hi-Media at £34m.

Portfolio distribution by market capitalisation as at 30 June (% of listed assets)



	2015 %	2014 %
£0-£100m	**1.9**	2.5
£100-250m	**16.3**	8.1
£251-£500m	**13.8**	22.7
£501-£1000m	**27.8**	24.1
£1001-£2000m	**29.7**	30.1
£2001-£3000m	**8.1**	6.9
£3001-£4000m	**2.4**	5.2
£4001-£5000m	**–**	0.4

Unquoted investments

The Company continues to have three legacy unquoted investments. **Brainlab** is a global leader in software for high precision radiotherapy and image-guided surgery. This is a good asset for which we continue to seek a fair value. We continue to maintain an extensive dialogue with management and have encouraged interest in the company from certain investment banks. We are also invested in a French private equity fund **21 Centrale Partners III**. This is now in payback mode and will gradually decline in importance for the Company. The small holding in **Doughty Hanson & Co. Fund III** has been retained.

The unquoted holdings as at 30 June 2015 were:

	Value £'000	% of the portfolio
Brainlab	9,417	2.5
21 Centrale Partners III	3,323	0.9
Doughty Hanson & Co. Fund III	504	0.1
	13,244	**3.5**

These are good quality assets; however, going forward we will not be seeking unquoted opportunities.

Strategic Report: Fund Manager's Report (continued)

Outlook

The political discord within the Eurozone has been a persistent feature of the news headlines in recent months and years, with the situation in Greece providing entertaining politicians and drama for journalists. Similarly, we are mindful of wild gyrations in the Chinese stock market and a slowing real economy. Russian aggression in Eastern Europe and the negative impact of economic sanctions make for a real economic headwind. The seemingly imminent rate rises by the Federal Reserve worry the market as potentially being premature. However, the fact that economic recovery in Europe is progressing, albeit at a relatively slow pace, is less frequently referred to. Economies that have put effort into restructuring such as Ireland and Spain have begun to see recovery. The changes brought about by Prime Minister Renzi in Italy came suddenly just as the market began to doubt his commitment to them. However they already seem to be bearing fruit. Striking ferry workers and militant taxi workers in Paris show an economy that is still in desperate need of reform, yet despite this there are even signs of life in France. The government's property incentives appear to have helped. Whilst still inadequate, the Eurozone focus on banking reform and banking union show that policymakers have begun to understand the problem.

While there continue to be risks, we remain cautiously optimistic and believe that things are getting better. We have no reason to change our central scenario of being at a mid-cycle point in what will be a long, drawn out and muted recovery in European economies. The euro has fallen as the ECB has commenced QE and the fall in the oil price is a big shot in the arm for the economy in general. The combination of these two factors has driven corporate earnings upgrades for the first time in many years. While the European stockmarket in aggregate has performed well, the fact is that European Smaller Companies remain the last undervalued asset that investors can pursue. Around 60% of the investments in the portfolio are in stocks under £1bn market cap where this valuation discrepancy is at its greatest. We have begun to see a pick-up in mergers and acquisitions ("M&A"), with the Company benefiting from **Aerocrine** being acquired last year and, subsequent to the year-end, benefiting from a bid for **Faiveley Transport**. Other corporate actions are beginning to benefit the Company with Italian online luxury retailer **Yoox** merging with **Net-a-Porter** and medical device manufacturer **Sorin** merging with US listed **Cyberonics**. We expect M&A activity to continue, with smaller companies providing inorganic growth for cash rich companies in the slow growth economic environment. The Company should benefit from the organic growth that can be found at the lower end of the market with stocks such as **Comet** with ebeam sterilisation, **Criteo** with targeted web marketing, **Verkkokauppa** and **Yoox** with online retail and **SAFT** with lithium ion batteries. This should be further supplemented by the rerating of the holdings that we firmly believe to be misunderstood by the market, such as **OC Oerlikon**.

We remain committed to uncovering gaps between the market's perception of companies and the underlying reality. Inevitably there will be volatility going forward, however, there are exciting opportunities in the European smaller company space and we persist in searching for these for our shareholders.

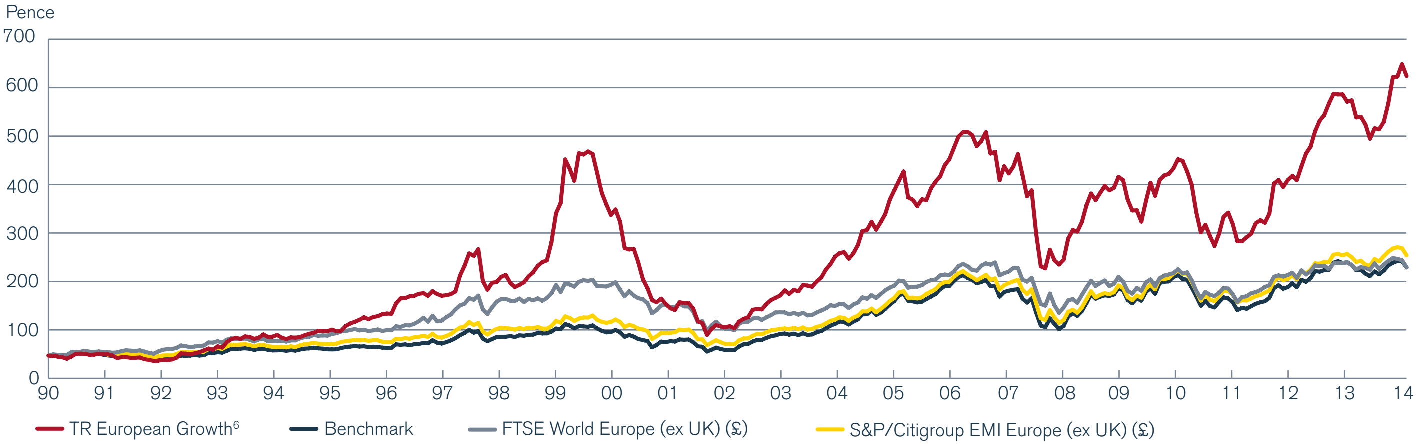
Ollie Beckett and Rory Stokes
Henderson Investment Funds Limited
29 September 2015

Strategic Report: Historical Performance and Financial Information

Total return performance to 30 June 2015 (including dividends reinvested and excluding transaction costs)

	1 year %	3 years %	5 years %	10 years %	Since launch[1] %
NAV[2]	5.3	89.9	86.7	144.1	1,681.0
Benchmark index[3]	-0.4	67.5	66.0	134.4	1,343.9
Average sector NAV[4]	6.3	75.8	93.5	175.7	1,664.9
Share price[5]	10.8	132.3	94.3	160.3	1,672.3
Average sector share price	9.7	103.5	109.3	204.7	1,675.8

Share price movement against indices since launch to 30 June 2015 (rebased to ordinary subscription price at launch)



Financial information

At 30 June	Net assets £'000	NAV p	Mid-market price per ordinary share p	Discount %	Profit/(loss) for year £'000	Revenue return p	Capital return p	Total return p	Final dividend p	Special dividend p	Expenses[7] %
2006	365,400	417.0	368.75	11.6	98,010	3.10	104.82	107.92	2.60	–	–
2007	460,100	565.0	509.00	9.9	125,670	2.92	143.35	146.27	2.80	–	–
2008	331,900	458.6	420.00	8.4	(84,515)	5.39	(115.02)	(109.63)	3.00	2.00	–
2009	215,400	334.1	303.00	9.3	(91,145)	5.79	(138.04)	(132.25)	3.20	2.30	–
2010	199,500	386.4	346.50	10.3	36,455	4.31	57.95	62.26	3.40	0.85	0.73
2011	264,400	522.2	427.13	18.2	70,917	3.79	135.36	139.15	3.60	0.65	0.75
2012	185,006	370.2	283.00	23.5	(75,149)	6.89	(155.73)	(148.84)	4.50	1.50	0.72
2013	246,124	492.5	409.25	16.9	64,115	9.29	119.00	128.29	6.00	2.00	0.74
2014	325,676	651.7	573.75	12.0	83,548	11.15	156.02	167.17	6.50	2.70	0.69
2015	**337,645**	**675.6**	**624.00**	**7.6**	**16,565**	**11.34**	**21.80**	**33.14**	**7.00**	**2.50**	**0.78**

1 Calculated from the end of September 1990 (the Company commenced business on 6 September 1990)
2 Net asset value per ordinary share with income reinvested for 1, 3 and 5 years and capital NAV plus income reinvested for 10 years
3 Euromoney Smaller Companies Index (ex UK) total return and expressed in sterling
4 The sector is the AIC European Smaller Companies sector
5 Middle market closing price
6 Share price total return
7 Using total expense ratio methodology for 2011 and previous years; ongoing charge methodology thereafter. Data is not available for periods prior to 2010
Sources: Henderson, Morningstar for the AIC, Datastream

Strategic Report: Corporate Information

Directors

The Directors appointed to the Board at the date of this report are:

Audley Twiston-Davies

Position: Chairman of the Board and of the Nominations and Management Engagement Committees
Date of appointment: 31 January 2000 (Chairman in May 2002)
Audley is currently chairman of BlackRock Frontiers Investment Trust plc. He was formerly chairman of Taylor Young Investment Management Limited and previously chief executive officer of Foreign & Colonial Emerging Markets Limited. He is Chairman of the Company's subsidiary.

Christopher Casey

Position: Chairman of the Audit Committee
Date of appointment: 1 March 2010
Christopher was a partner of KPMG LLP and its predecessor firms from 1992, having joined Peat Marwick & Mitchell in 1977. He was an audit partner responsible for large and listed companies but latterly specialised in mergers and acquisitions advisory assistance. He retired from KPMG LLP in February 2010. He is also a non-executive director of China Polymetallic Mining Limited, BlackRock North American Income Investment Trust plc and Latchways PLC. He is also a director of the Company's subsidiary.

Simona Heidempergher

Position: Director
Date of appointment: 1 September 2014
Simona is an executive director of Merifin Capital, a private investment company with its main office in Brussels. She is also a member of the board of directors for Fondazione Bruno Kessler, Europa Investimenti SpA and Flayr Bazando SA.

Andrew Martin Smith

Position: Director
Date of appointment: 19 May 2008
Andrew currently works as an adviser and consultant with Guinness Asset Management Limited. He holds a number of directorships including Atlantis Japan Growth Fund Limited, M&G High Income Investment Trust P.L.C. and Church House Investments Limited. He is chairman of Parmenion Capital Management LLP.

Alexander Mettenheimer

Position: Director
Date of appointment: 1 July 2011
Alexander was deputy chairman of the board of administration for Bayerische Landesbank, the leading Bavarian commercial bank for large and middle-market corporate customers in Germany and Europe from 2010 to 2013. His previous appointments include chief executive officer of both Merck Finck & Co Privatbankiers and Confia SA as well as various positions with Citibank. He holds other board positions in Germany and is spokesman of the executive directors of BHF Bank AG.

All Directors are independent of Henderson and are members of the Nominations, Management Engagement and Audit Committees.

Strategic Report: Corporate Information (continued)

Registered office

201 Bishopsgate
London EC2M 3AE

Service providers

Alternative Investment Fund Manager

Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Depositary and custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Stockbrokers

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Corporate Secretary

Henderson Secretarial Services Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registrar

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

Telephone: 0871 384 2472
(or +44 121 415 7047 if calling from overseas)
Calls to this number cost 8p per minute plus network extras.
Lines are open 8.30 am to 5.30 pm, Monday to Friday.

There is a range of shareholder information online.

You can check your holding and find practical help on transferring shares or updating your details at **www.shareview.co.uk**.

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Financial calendar

Annual results announced October 2015
Ex dividend date 22 October 2015
Dividend record date 23 October 2015
Annual general meeting[1] 9 November 2015
Final and special dividends payable on 23 November 2015
Half year results announced February 2016

Information sources

For more information about the Company, visit the website at
www.treuropeangrowthtrust.com

HGi

HGi is a content platform provided by Henderson that offers online personalisation where you can "follow" investment experts, topics and the trusts that are of interest to you. By creating your HGi profile you will be updated regularly on the topics that interest you most, bringing you closer to Henderson's investment expertise.

Scan the QR code or use this short URL to register for HGi:
http://HGi.co/rb

Follow Henderson Investment Trusts on Twitter

To get the latest updates follow us
on Twitter @HGiTrusts

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holdings shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone 08457 22 55 25, email **Henderson@halifax.co.uk** or visit their website **www.halifax.co.uk/sharedealing**. Henderson ISA holders can contact the Henderson ISA department at PO Box 10665, Chelmsford CM99 2BF, telephone 0800 856 5656.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Nominee share code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman. Investors via Halifax Share Dealing receive all shareholder communications and a voting instruction form is provided to facilitate voting at general meetings of the Company.

1 At the Company's registered office at 12.30 pm

Strategic Report: Corporate Information (continued)

Status

The Company is an investment company as defined in Section 833 of the Companies Act 2006 (the "Act") and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ("Section 1158"), is subject to the Listing Rules of the Financial Conduct Authority and is governed by its articles of association, amendments to which must be approved by shareholders by way of a special resolution. The Company is not a close company.

The Company has obtained approval from HMRC of its status as an investment trust under Section 1158; the Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158 since approval was granted and intends to continue to do so. The Company is liable to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains if it has complied at all times with Section 1158.

Borrowing

The Company has a secured multicurrency overdraft arrangement with HSBC Bank plc that allows it to borrow up to the lesser of £50 million and 25% of custody assets as and when required. The level of gearing at 30 June 2015 is shown on page 3.

Future developments

While the future performance of the Company is mainly dependent on the performance of international financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objective and strategy explained earlier. The Chairman's Statement and Fund Manager's Report provide commentary on the outlook for the Company.

Corporate responsibility

Responsible investment

Henderson is responsible for reporting on its work on corporate governance and corporate responsibility (or social, environmental and ethical ("SEE") issues) in the companies in which it invests on its clients' behalf, across all funds as part of its management duties. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ("ESG") issues into mainstream investment decision-making and ownership practices.

The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is considered by Henderson's risk team but investments are not ruled out on social and environmental grounds only.

Principal risks and uncertainties

The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified, which have not changed from last year, and the steps taken by the Board to mitigate these, are as follows:

Risk	Mitigation
Investment activity and performance risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group.	The Board monitors investment performance at each Board meeting and regularly reviews the extent of its borrowings.
Portfolio and market price risks Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. Investments in European stock markets may be impacted by political events. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds.	The Fund Manager seeks to maintain a diversified portfolio to mitigate against this risk. The Board regularly reviews the portfolio, activities and performance.
Tax and regulatory risks A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the Listing Rules could result in suspension of the Company's shares, while a breach of the Act could lead to criminal proceedings, or financial or reputational damage.	Henderson provides investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal control reports produced by Henderson on a quarterly basis, which confirm regulatory compliance.
Operational risks Disruption to, or failure of, Henderson's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service.	The Board monitors the services provided by Henderson and its other service providers and receives reports on the key elements in place to provide effective internal control.

Strategic Report: Corporate Information (continued)

Key performance indicators

In order to measure the success of the Company in meeting its objective and to evaluate the performance of Henderson, the Directors take into account the following key performance indicators ("KPIs"):

KPI	Action
Performance measured against the benchmark	The Board reviews and compares, at each meeting, the performance of both the NAV per share and share price for the Company and its benchmark. The Board considers the benchmark to be its most important key performance indicator and has determined that it should also be used to calculate whether a performance fee is payable to Henderson. Details of the performance fee arrangements are set out on page 4.
Discount to NAV	At each Board meeting, the Board monitors the level of the Company's discount to NAV per share (including income) and reviews the average discount/premium for the AIC European Smaller Companies sector. The Company publishes a NAV per share figure on a daily basis through the official newswire of the London Stock Exchange.
Performance against the Company's peer group	The Company is included in the AIC European Smaller Companies sector. In addition to comparison against the stated benchmark, the Board also considers at each meeting the performance of this AIC sector, as well as other European investment trusts and other European funds managed by Henderson.

The charts and tables on pages 2, 3 and 11 show how the Company has performed against these KPIs.

Voting policy and the UK stewardship code

Henderson's responsible investment policy sets out its approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients and its policy on proxy voting. The policy also sets out how Henderson implements the Stewardship Code. The Company has reviewed the policy and has delegated responsibility for voting to Henderson. The Board receives regular reports on the voting undertaken by Henderson on behalf of the Company. The Board and Henderson believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution the Fund Manager will give specific instructions on voting non-routine and unusual or controversial resolutions. Decisions not to support resolutions and the rationale for doing so are fed back to the investee company prior to voting.

Practical difficulties may prevent Henderson voting in some markets. In particular, various factors, including restrictions on dealing and costs, may inhibit voting in some international markets and must be taken into account.

The Henderson responsible investment policy and further details of Henderson's responsible investment activities can be found on the Henderson website, **www.henderson.com**.

Employees, social, community, human rights and environmental matters

The Company's core activities are undertaken by Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these, or social, community or human rights issues here; Henderson's policies are included in its annual report which can be found on the website **www.henderson.com**.

Henderson's corporate responsibility statement is included on the website stated above. In 2012 it was granted CarbonNeutral® Company status which it has committed to maintain at least until the end of 2015.

The Company's Annual Report is printed on paper produced using 50% recycled post-consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council; the printing company used is certified as CarbonNeutral®. Papers for the Company's Board meetings are now mainly circulated electronically rather than in paper form.

The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011, and confirmed its zero tolerance to bribery and corruption in its business activities. It has received assurances from the Company's main contractors and suppliers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

Board diversity

Currently, four of the Company's Directors are male and one is female. The Directors consider diversity when making appointments to the Board, taking into account relevant skills, experience, knowledge and gender. The Company has no employees and, therefore, there is nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

Christopher Casey
Director
29 September 2015

Strategic Report: Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Association of Investment Companies ("AIC")

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

Benchmark

An index against which performance is compared. For the Company this is the Euromoney Smaller Companies Index (ex UK) (in sterling terms, total return) (previously named the HSBC Smaller Europe (ex UK) Index).

Custodian

The custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary

With effect from 22 July 2014 all AIFs were required to appoint a depositary which has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation of the underlying holdings and is responsible for the appointment of a custodian. The depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it is has discharged its liability in certain markets. The depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

Dividend dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Gearing

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (e.g. bank loans or overdrafts) the Company has used to invest in the market and is calculated by taking the difference between total investments and equity shareholders' funds, dividing this by equity shareholders' funds and multiplying by 100. The Company can also use synthetic gearing through derivatives and foreign exchange hedging.

Investment trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market capitalisation (market cap)

The market value of a company, calculated by multiplying the mid-market price per share by the number of shares in issue.

Strategic Report: Glossary (continued)

Net asset value ("NAV") per ordinary share

The value of the Company's assets (i.e. investments and cash held) less any liabilities (i.e. bank borrowings and debt securities) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as shareholders' funds on the balance sheet. The NAV is published daily.

Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. The ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs, excluding any performance fees in accordance with the AIC methodology.

Premium/discount

The amount by which the market price per share of an investment company is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

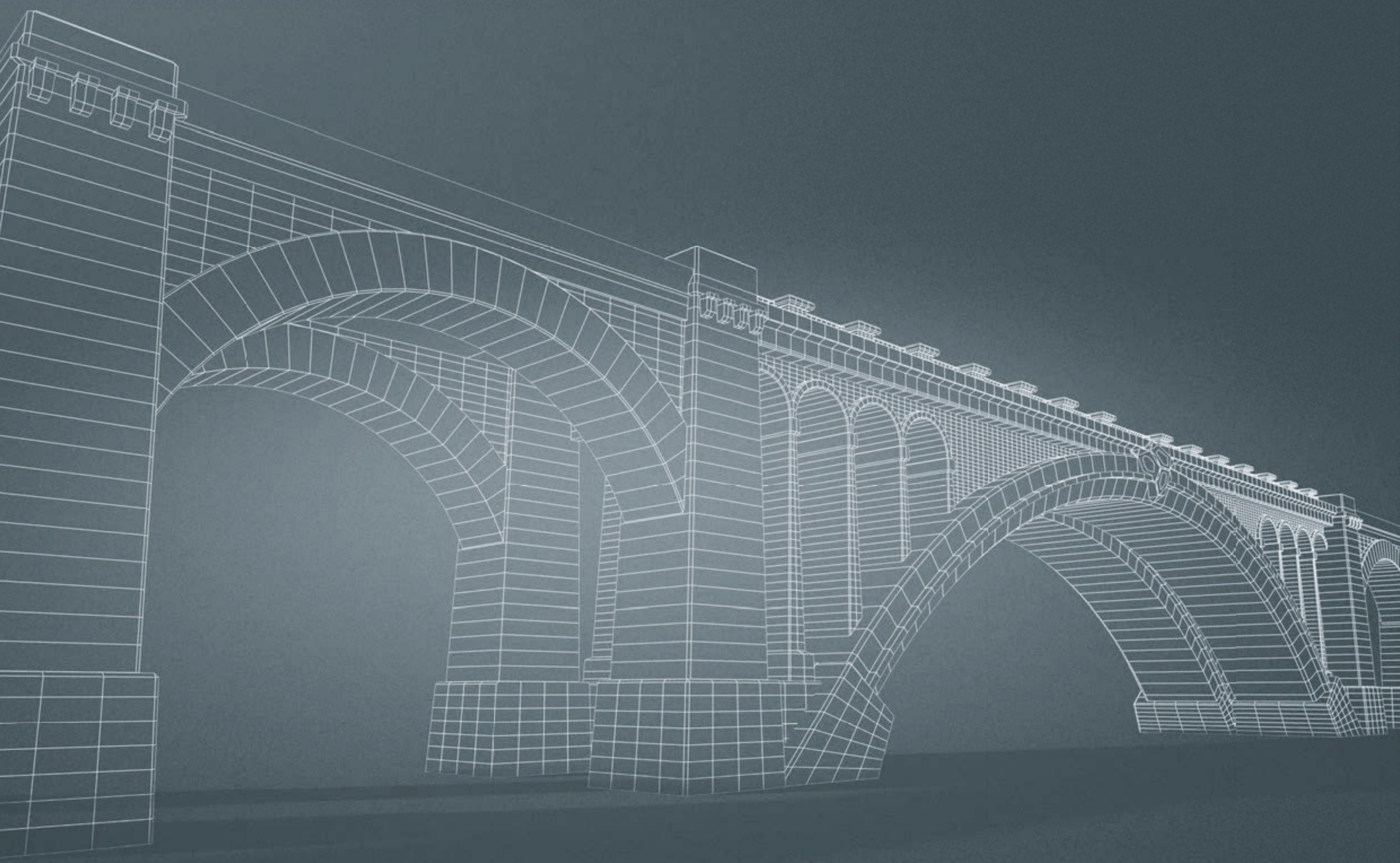
Total return performance

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

Yield

The annual dividend expressed as a percentage of the share price.

Corporate Report



Report of the Directors

The Directors present the audited financial statements of the Group and their report for the year from 1 July 2014 to 30 June 2015. The Group comprises TR European Growth Trust PLC (the "Company" or "Parent Company") and its wholly owned subsidiary undertaking, TREG Finance Limited (the "subsidiary"). The Company (registered in England & Wales on 10 July 1990 with company registration number 2520734) was active throughout the year under review and was not dormant.

Directors' remuneration and shareholdings

The Directors' Remuneration Report on pages 22 and 23 provides information on the remuneration and share interests of the Directors.

Directors' conflicts of interest

The Company's articles of association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The Board has a formal system in place for Directors to declare situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the systems it has in place for reporting and considering situational conflicts continue to operate effectively.

Related party transactions

The Company's transactions with related parties in the year were with the Directors, the subsidiary and Henderson. There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end. Directors' shareholdings are disclosed on page 22. The Company has paid expenses on behalf of the subsidiary as disclosed on page 59.

In relation to the provision of services by Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services there have been no material transactions with Henderson affecting the financial position of the Company during the year under review. More details on transactions with Henderson, including amounts outstanding at the year end, are given in note 22 on page 59.

Share capital

As at 30 June 2015 the Company's paid up share capital consisted of 49,975,897 ordinary shares of 12.5p each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no restrictions on voting, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the 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.

The holders of the Company's ordinary shares are entitled to one vote for every two shares. Therefore, as at 30 June 2015 the voting rights were 24,987,948 votes. As at 25 September 2015 the total voting rights were unchanged.

Subject to annual shareholder approval, the Company may purchase its own ordinary shares at a discount to net asset value ("NAV") per share. At the annual general meeting ("AGM") in November 2014 shareholders gave the Board authority to buy back 7,491,386 ordinary shares during the following 15 months for cancellation. To date this authority has not been used. The Company also seeks authority annually to allot shares; no shares have been issued since 1 July 2014.

Holdings in the Company's shares

Declarations of interests in the voting rights of the Company as at 30 June 2015 in accordance with the disclosure and transparency rules ("DTRs") were as follows:

	% of voting rights
Investec Wealth & Investment	6.3
Rathbone Brothers	5.0
1607 Capital Partners	4.6

No changes have been notified in the period 1 July 2015 to 25 September 2015.

In accordance with section 793 of the Companies Act 2006 ("section 793"), the Company is aware of the following substantial holdings in the Company's ordinary shares as at 30 June 2015:

	Number of ordinary shares held	% of ordinary shares in issue
Halifax Share Dealing	7,358,495	14.7
Investec Wealth & Investment	4,044,037	8.1
Lazard Asset Management	2,916,189	5.8
Vestra Wealth	2,353,152	4.7
Alliance Trust Savings	2,035,534	4.1
Hargreaves Lansdown	1,883,016	3.8
Rathbone Brothers	1,825,093	3.7

Differences between the disclosures made under the DTRs and section 793 arise when the beneficial owner has not given voting rights to the registered owner.

At 30 June 2015, 14.7% of the issued ordinary shares were held on behalf of participants in Halifax Share Dealing products run by Halifax Share Dealing Limited ("HSDL"), and 3.0% by participants in Henderson products. In accordance with the arrangements made

Report of the Directors (continued)

between HSDL and Henderson, the participants in these schemes are given the opportunity to instruct the relevant nominee company to exercise the voting rights attached to their shares in respect of all general meetings of the Company.

Duration of the Company and going concern

The Company's articles of association require that at every third AGM of the Company an ordinary resolution be put to shareholders asking them to approve the continuation of the Company; the next such resolution will be proposed at the AGM in 2016.

The assets of the Company consist mainly of a portfolio of diversified securities that are readily realisable, and the Company has adequate financial resources to meet its liabilities and continue in operational existence for the foreseeable future. For these reasons, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" published by the Financial Reporting Council.

Annual general meeting

The AGM will be held on Monday 9 November 2015 at 12.30 pm at the Company's registered office. The notice and details of the resolutions to be put at the AGM are contained in the separate document being sent to shareholders with this report.

Corporate Governance

The Corporate Governance Statement set out on pages 24 to 27 forms part of the Report of the Directors.

Directors' statement as to disclosure of information to auditors

Each of the Directors who were members of the Board at the date of approval of this report confirms that to the best of his or her knowledge and belief, there is no information relevant to the preparation of the Annual Report which the Company's auditors are unaware and he or she has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Global greenhouse gas emissions

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations for the year to 30 June 2015 (2014: same), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Listing Rule 9.8.4

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.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
29 September 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 Group and the Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the International Accounting Standards Regulation. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company's performance, business model and strategy.

Statement under DTR 4.1.12

Each of the Directors, who are listed on page 12, confirms that, to the best of his or her knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Christopher Casey
Director
29 September 2015

The financial statements are published on **www.treuropeangrowthtrust.com** which is a website maintained by Henderson.

The maintenance and integrity of the website is the responsibility of Henderson; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Annual Report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 (the "Regulations"). The report also meets the relevant requirements of the Companies Act 2006 (the "Act") and the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by section 439 of the Act, an ordinary resolution to approve the report will be proposed at the annual general meeting ("AGM") on 9 November 2015. The Company's remuneration policy was approved by shareholders at the AGM in 2014 in accordance with section 439A of the Act. No changes to the policy are currently proposed.

The Company's auditors are required to report on certain information contained within this report; where information set out below has been audited it is indicated as such.

All Directors are non-executive and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board as a whole considers the Directors' remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors review annually the fees paid to the boards of directors of other comparable investment trust companies).

Remuneration policy

Directors are remunerated in the form of fees, payable quarterly in arrears. In accordance with the Company's articles of association the aggregate remuneration of the Directors may not exceed £200,000 per annum. Subject to this overall limit, the Board's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to promote the long-term success of the Company. All Directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board and the Chairman of the Audit Committee who are paid a higher fee in recognition of their additional responsibilities. The level of remuneration paid to each Director is reviewed annually, although such review will not necessarily result in any change to the rate; any feedback from shareholders would be taken into account when setting remuneration levels. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

No Director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

No Director has a service contract with the Company. Directors' appointments may be terminated at any time by written notice with no compensation payable.

This policy has been in place since 1 July 2013 and will remain in place until the annual general meeting in 2017 unless it is amended by way of ordinary resolution put to shareholders at a general meeting. The Board may amend the level of remuneration paid to individual Directors within the parameters of the remuneration policy.

Annual statement

As Chairman, Audley Twiston-Davies reports that there have been no decisions on Directors' remuneration and (other than the increase in fees reported in last year's annual report which took place with effect from 1 July 2014) no changes to the remuneration paid to each individual Director in the year under review.

Annual report on remuneration

Directors' interests in shares (audited)

	Ordinary shares of 12.5p	
	30 June 2015	1 July 2014
Audley Twiston-Davies	12,500	12,500
Christopher Casey	6,000	6,000
Simona Heidempergher[1]	1,600	n/a
Robert Jeens[2]	n/a	10,000
Andrew Martin Smith	10,000	10,000
Alexander Mettenheimer	–	–
Jane Tufnell[3]	n/a	1,215

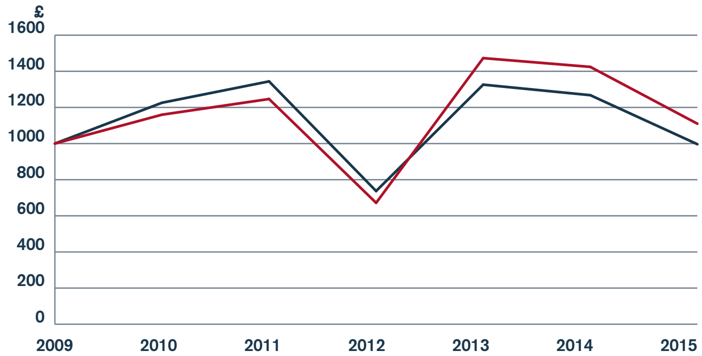
1 Appointed on 1 September 2014
2 Retired on 30 June 2014
3 Retired on 17 November 2014

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the above table. There have been no changes to any of the Directors' holdings in the period 1 July to 25 September 2015. Alexander Mettenheimer does not hold shares in the Company because of penal tax treatment of investment trust holdings by the German authorities.

Directors' Remuneration Report (continued)

Performance

The graph compares the mid-market price of the Company's ordinary shares over the six year period ended 30 June 2015 with the return from the Euromoney Smaller Companies Index (ex UK) expressed in sterling ("Index") over the same period.



Company's share price total return, assuming the investment of £1,000 on 30 June 2009 and the reinvestment of all dividends (excluding dealing expenses) (Source: Morningstar for the AIC)

Index total return, assuming the notional investment of £1,000 on 30 June 2009 and the reinvestment of all income (excluding dealing expenses) (Source: Datastream)

Directors' fees and expenses (audited)

The fees and expenses paid to the Directors who served during the years ended 30 June 2015 and 30 June 2014 were as follows:

	Year ended 30 June 2015 Total salary and fees £	Year ended 30 June 2014 Total salary and fees £	Year ended 30 June 2015 Taxable benefits £	Year ended 30 June 2014 Taxable benefits £	Year ended 30 June 2015 Total £	Year ended 30 June 2014 Total £
Audley Twiston-Davies[1]	31,000	28,000	–	–	31,000	28,000
Christopher Casey[2]	26,000	23,000	–	–	26,000	23,000
Simona Heidempergher[3]	20,000	–	–	–	20,000	–
Robert Jeens[4]	–	21,000	–	–	–	21,000
Andrew Martin Smith	24,000	21,000	–	–	24,000	21,000
Alexander Mettenheimer[5]	24,000	21,000	2,400	2,400	26,400	23,400
Jane Tufnell[6]	9,130	21,000	–	–	9,130	21,000
Total	**134,130**	**135,000**	**2,400**	**2,400**	**136,530**	**137,400**

Notes:

The table above omits other columns set out in the relevant regulations because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made

1 Chairman and highest paid Director
2 Chairman of the Audit Committee
3 Appointed on 1 September 2014
4 Retired on 30 June 2014
5 £2,400 of taxable benefits (2014: £2,400) relate to personal tax services provided by PricewaterhouseCoopers LLP
6 Retired on 17 November 2014

No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former Directors or third parties specified by any of them.

Since 1 July 2014 the fees paid to the Directors were: Chairman £31,000, Audit Committee Chairman £26,000 and Director £24,000 (previously: Chairman £28,000, Audit Committee Chairman £23,000 and Director £21,000).

Relative importance of spend on pay

In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared to the distributions paid to shareholders by way of dividends. There were no other significant distributions, payments or other uses of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	2015 £	2014 £	Change £
Total remuneration	136,530	137,400	(870)
Ordinary dividend paid during the year	4,597,783	3,998,072	599,711

Statement of voting at AGM

At the 2014 AGM 9,420,220 votes (95.2%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 442,336 (4.4%) were against, 26,284 (0.4%) were discretionary and 181,165 were withheld; the percentage of votes excludes votes withheld. In relation to the approval of the remuneration policy, 9,388,895 votes (94.9%) were received voting for the resolution, 468,258 (4.7%) were against, 26,900 (0.4%) were discretionary and 185,953 were withheld.

For and on behalf of the Board

Christopher Casey
Director
29 September 2015

Corporate Governance Statement

Applicable corporate governance codes

The Board is accountable to shareholders for the governance of the Company's affairs. As an investment trust, the Company's day-to-day responsibilities are delegated to third parties; the Company has no employees and the Directors are all non-executive. Therefore not all the provisions of the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in September 2012 are directly applicable to the Company. The Board has therefore considered the principles and recommendations of the Code of Corporate Governance published by the Association of Investment Companies in February 2013 (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the applicable principles set out in the UK Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The FRC has confirmed that by following the AIC Guide, boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

The Board has noted that the FRC and the AIC have issued revised Codes which the Company will be required to report against next year.

Copies of the AIC Code, the AIC Guide and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**.

Statement of compliance

The Directors believe that the Company has complied with the recommendations of the AIC Code that are applicable to smaller companies (those below the FTSE 350) during the year under review and up to the date of this report and thereby the provisions of the UK Code except as set out below.

The UK Code includes provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company as it is 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.

Directors

Directors' appointment and retirement

The Board may appoint Directors to the Board without shareholder approval. Any Director so appointed must stand for election by the shareholders at the next annual general meeting ("AGM") in accordance with the articles of association.

The AIC Code states that any director who has served for more than nine years is subject to annual re-election. Audley Twiston-Davies (who was appointed in 2000) is therefore required to seek re-election to the Board at the 2015 AGM.

All Directors retire at intervals of not more than three years; the Company's articles of association also provide that one-third (but not more than one-third) of "Relevant Directors" must seek re-election at each AGM. Relevant Directors exclude any Director who is required to seek re-election for any reason other than rotation in accordance with the articles of association. There are four Relevant Directors, one of whom must retire. Christopher Casey will retire by rotation at the 2015 AGM and has confirmed that he wishes to seek re-election to the Board.

The contribution and performance of each of the Directors seeking re-election was reviewed by the Nominations Committee at its meeting in July 2015, which recommended to the Board the continuing appointment of each of those Directors.

Under the articles of association shareholders may remove a Director before the end of his term by passing an ordinary resolution at a general meeting. An ordinary resolution is passed if more than 50% of the votes cast, in person or by proxy, are in favour of the resolution.

Directors' independence

All Directors have a wide range of other interests and are not dependent on the Company itself. At the Nominations Committee meeting in July 2015, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of Henderson. Audley Twiston-Davies has served on the Board for more than nine years; in line with the AIC Code, the Board believes that length of service does not diminish the contribution from a Director as experience and knowledge of the Company is a positive factor and should not impact a Director's independence. It believes that longer serving Directors are less likely to take a short-term view, which belief is supported by the AIC Code. The Board has determined that all Directors are independent in character and judgement and that their individual skills, broad business experience and high degree of knowledge and understanding of the Company are of great benefit to shareholders.

A senior independent director has not been identified as the Board considers that all the Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.

There were no contracts in existence during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' professional development

When a new Director is appointed he or she is offered an induction seminar which is held by Henderson at the request of the Chairman. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and

Corporate Governance Statement (continued)

internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors are also able to attend external training facilities and industry seminars at the expense of the Company and each Director's individual training requirements are considered as part of the annual performance evaluation.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover is in place which indemnifies the Directors against certain liabilities arising from the carrying out of their duties. Under the Company's articles of association and, subject to the provisions of UK legislation, a qualifying third party provision indemnity may be provided to Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

The Board

Board composition

The Board currently consists of five non-executive Directors and the biographies of those holding office at the date of this report are included on page 12. Those details demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors. All Directors served throughout the year, apart from Simona Heidempergher who was appointed on 1 September 2014. Jane Tufnell retired from the Board on 17 November 2014.

Responsibilities of the Board and its Committees

The Board, which is chaired by Audley Twiston-Davies who is an independent non-executive Director, meets formally at least five times a year, with additional Board or committee meetings arranged when required. The Directors have regular contact with the Fund Manager and representatives of the Corporate Secretary between formal meetings. The Board has a formal schedule of matters specifically reserved for its decision, which include strategy, management and structure, financial reporting and other communications, Board membership and other appointments, internal control and corporate governance.

The Board is responsible for the approval of annual and half year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects. The Directors confirm that they are satisfied that the Annual Report for the year ended 30 June 2015, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's net asset value ("NAV"), share price, discount, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which Henderson has discretion to act and regularly reviews investment strategy. It has adopted a procedure for Directors to take independent professional advice in the furtherance of their duties at the expense of the Company.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

Committees of the Board

The Board has three Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee. The terms of reference for these Committees are available on the website **www.treuropeangrowthtrust.com** or via the Corporate Secretary.

A separate remuneration committee has not been established as the Board consists of only non-executive Directors. The whole Board is responsible for setting Directors' fees in line with the remuneration policy set out on page 22, which is subject to periodic shareholder approval.

Audit Committee

The Audit Committee comprises all of the Directors and is chaired by Christopher Casey, who is a chartered accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Committee's members has recent and relevant financial experience. All members of the Audit Committee are independent. The Report of the Audit Committee, which forms part of this Corporate Governance Statement can be found on pages 28 and 29.

Nominations Committee

All Directors are members of the Nominations Committee, which is chaired by the Chairman of the Board (who would not chair the Committee when the Chairman's successor was being considered). The Committee is responsible for reviewing Board succession planning and tenure policy, the performance of the Board as a whole and the Board Committees and the recommendation to the Board on the appointment of new Directors through an established formal procedure.

When considering succession planning, the Committee bears in mind the balance of skills, knowledge, experience, gender and diversity existing on the Board. The Nominations Committee considers diversity as part of the annual performance evaluation and it is felt that there is a range of backgrounds and nationalities, with each Director bringing different qualities to the Board and its discussions.

Given the small size of the Board, it is not considered appropriate for the Company to have set targets in relation to diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment. The Nominations Committee will make recommendations to the Board when the recruitment of additional non-executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up. The Company uses external agencies as and when the requirement to recruit an additional Board member becomes necessary and did so in relation to the appointment of Simona Heidempergher when Trust Associates, which have not provided any other services to the Company, was engaged.

Corporate Governance Statement (continued)

The Committee also reviews and recommends to the Board the Directors seeking re-election. Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence. The Committee also takes into account the mix of skills and experience of the current Board members. In accordance with the UK Code any Director serving for longer than six years would be subject to particularly rigorous assessment of his or her contribution.

The Committee met in July 2015 to carry out its annual review of the Board, its composition and size and its Committees. The results of the performance evaluation are detailed below.

Management Engagement Committee
All Directors are members of the Management Engagement Committee, which is chaired by the Chairman of the Board.

The Committee is responsible for reviewing the management contract on a regular basis, ensuring that the terms are fair and reasonable and that its continuance, given the Company's performance over both short and longer terms, is in the best interests of the Company and its shareholders and also for reviewing the performance and cost effectiveness of the Company's other service providers.

The Committee met in July 2015 to carry out its annual review of Henderson, the results of which are detailed on page 27.

Board attendance

The table below sets out the number of Board and Committee meetings held during the year under review and the number of meetings attended by each Director. All Directors attended the AGM in November 2014.

	Board	AC	MEC	NC
Number of meetings	**5**	**3**	**1**	**1**
Audley Twiston-Davies	5	3	1	1
Christopher Casey	5	3	1	1
Simona Heidempergher[1]	4	3	–	–
Andrew Martin Smith	5	3	1	1
Alexander Mettenheimer	5	3	1	1
Jane Tufnell[2]	3	1	1	1

AC: Audit Committee
MEC: Management Engagement Committee
NC: Nominations Committee
1 Appointed on 1 September 2014
2 Retired on 17 November 2014

The Directors and committees of the Board also met during the year to undertake business such as the approval of the Company's results, dividends and documentation arising from the introduction of the Alternative Investment Fund Managers Directive.

Performance evaluation

The performance of the Company is considered in detail at each Board meeting. In the year under review the Board has conducted a review of its own performance, together with that of its Committees, the Chairman and each individual Director. This was conducted by the Chairman having a private discussion with each Director and the Chairman of the Audit Committee speaking to each Director about the performance of the Chairman. It was concluded that each were satisfactory and the Board has a good balance of skills and experience. In particular, it is considered that each of the Directors makes a significant contribution to the affairs of the Company, the Chairman continues to display effective leadership and the Directors seeking re-election at the Company's AGM merit re-election by shareholders.

Internal controls

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Group. The process accords with advice issued by the FRC and is subject to regular review by the Board. The Board has overall responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Group's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the Group's system of internal controls for the year ended 30 June 2015. During the course of its review the Board has not identified or been advised of any failings or weaknesses that have been determined as significant. All business risks faced by the Group are recorded in a risk map which is reviewed periodically.

Henderson has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by Henderson's compliance, internal audit and risk departments on a continuing basis. The Board receives a formal report on a quarterly basis which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of Henderson, and which reports the details of any known internal control failures. The Board receives a report on Henderson's internal controls each year which includes a report from Henderson's auditors on the control policies and procedures in operation.

The ongoing process for identifying, evaluating and managing significant risks faced by the Group has been in place throughout the year under review and up to the date of this report. Systems are in operation to safeguard the Group's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable. As all of the Group's management functions are delegated to third parties, and the Board monitors the controls in place with support from Henderson's internal audit department, the Board feels that there is currently no need for the Group to have its own internal audit function.

Accountability and relationship with Henderson

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 21, the Independent Auditors' Report on pages 30 to 35 and the statement of going concern on page 20.

Corporate Governance Statement (continued)

The Board has delegated contractually to external third parties, including Henderson, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets which is delegated through the appointment of the depositary as explained on page 16), the day-to-day accounting, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

The Board receives and considers regular reports from Henderson and ad hoc reports and information are supplied to the Board as required. In addition, the Chairman is able to attend meetings of all the chairmen of the investment trust companies managed by Henderson which provide a forum to discuss industry matters which would then be reported to the Board.

Henderson takes decisions as to the purchase and sale of individual investments. Henderson also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of Henderson attend each Board meeting enabling the Directors to probe further on matters of concern. The Directors have access to the advice and services of the Corporate Secretary through its appointed representative who is responsible to the Board for ensuring that Board and Committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all Board and Committee meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes. The Board and Henderson operate in a supportive, co-operative and open environment.

Henderson and BNP Paribas Securities Services, which acts for Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters.

Continued appointment of Henderson

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with Henderson are contained on page 4.

In addition to the monitoring of investment performance at each meeting, through the Management Engagement Committee an annual review of the Company's investment performance over both the short and longer terms, together with the quality of other services provided by Henderson, including company secretarial and accounting, is undertaken.

It is the Directors' opinion that the continuing appointment of Henderson on the existing terms is in the interests of the Company and its shareholders as a whole.

Share capital

Please see the Report of the Directors on page 19.

Relations with shareholders

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with its shareholders is through the half year results and Annual Report which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service and a monthly fact sheet which is available on the website. Henderson also provides information on the Company and Fund Manager videos on the website, via various social media channels and through its HGi content platform, more details of which are included on page 13.

The Board considers that shareholders should be encouraged to attend and participate in the AGM, which for the first time this year will also be available to watch live as it happens by visiting **www.henderson.com/trustslive**. Shareholders have the opportunity to address questions to the Chairman of the Board, the Chairman of the Audit Committee and all other Directors at the meeting and the Fund Manager will make a presentation to shareholders. A summary of the proxy votes received on the resolutions proposed is displayed at the meeting and each substantial issue is dealt with in a separate resolution. It is the intention of the Board that the Annual Report and notice of AGM be issued to shareholders so as to provide at least 20 working days' notice of the meeting. These documents are also included on the website. Shareholders wishing to lodge questions in advance of the meeting, or raise issues or concerns at any time, are invited to do so by writing to the Chairman at the registered office address given on page 13.

General presentations to both shareholders and analysts follow the publication of the annual results. All meetings between Henderson and shareholders are reported to the Board.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
29 September 2015

Report of The Audit Committee

The Chairman of the Audit Committee, Christopher Casey, reports on the year to 30 June 2015

Meetings

The Audit Committee met three times during the year under review. The Company's auditors are invited to attend meetings as necessary. Representatives of Henderson and BNP Paribas Securities Services may also be invited.

Role and responsibilities

The role of the Audit Committee is to assist the Board in applying financial reporting and internal control principles and to maintain an appropriate relationship with the auditors. The responsibilities are set out in formal terms of reference which are regularly reviewed. In the year under review the main duties undertaken were:

- consideration of the appropriateness of the Company's accounting policies;
- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy in order to make recommendations to the Board. In assessing whether the report is fair, balanced and understandable, each Director reviewed the disclosures made, applying their respective knowledge and expertise. The internal controls over financial reporting were also considered, together with feedback from the Company's auditors, Henderson and the Corporate Secretary;
- consideration of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Henderson;
- consideration of the valuation of the Company's unquoted investments for recommendation to the Board;
- consideration of the appropriate level of dividend to be paid by the Company for recommendation to the Board;
- consideration of the internal controls in place at Henderson and BNP Paribas Securities Services as administrator and Henderson's policies in relation to cyber risk and business continuity, meeting with representatives of Henderson's internal audit and risk departments periodically;
- consideration of the performance fee calculation;
- consideration of the key risks, risk management systems in place and the Company's risk map;
- consideration of the Company's anti-bribery policy;
- consideration of the nature and scope of the external audit and the findings therefrom;
- consideration of whether there is a need for an internal audit function in order to make a recommendation to the Board (as described on page 26);
- consideration of the appointment of the auditors, their effectiveness and remuneration (see page 29);
- consideration of the auditors' independence and objectivity and the provision of any non-audit services (as explained further on page 29) and the reporting of the external auditor; and
- consideration of the whistle blowing policy that Henderson has put in place for its staff to raise concerns about possible improprieties, including in relation to the Company, in confidence. The policy includes the necessary arrangements for independent investigation and follow up action.

Report of The Audit Committee (continued)

Annual Report for the year ended 30 June 2015

In relation to the Annual Report for the year ended 30 June 2015 the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Group's investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Investments that are unquoted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed by both Henderson's fair value pricing committee and by the Directors at least twice each year. Ownership of listed investments are verified by reconciliation to the custodian's records; for unquoted investments, verification is via reconciliation to the records of the investee entities.
Recognition of income	Income received is accounted for in line with the Company's accounting policies (as set out on page 42) and is reviewed by the Committee at each meeting.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times.
Maintaining internal controls	The Committee receives regular reports on internal controls from Henderson and its delegates and has access to the relevant personnel of Henderson who have a responsibility for risk management and internal audit.

Policy on non-audit services

The provision of non-audit services by the Company's auditors is considered and approved by the Audit Committee on a case by case basis. The policy set by the Audit Committee, which is kept under review, ensures that consideration is given to the following factors when considering the provision of non-audit services by the auditors:

- the level of non-audit fees paid to the audit firm in relation to the statutory audit fee;
- whether the audit firm is the most suitable supplier of non-audit services;
- the impact on the auditors' independence and objectivity and what safeguards can be put in place to eliminate or reduce any threat in this regard; and
- the cost-effectiveness of the services.

The Board has determined that the auditors will never be considered for the provision of services related to accounting and preparation of the financial statements, internal audit and custody.

During the year PricewaterhouseCoopers LLP ("PwC") were appointed to provide non-audit services in relation to personal tax services to a Director, paid for by the Company. The personal tax team at PwC is separate to the audit team and no conflicts or threats to the independence or objectivity of the auditors are perceived by the Board. PwC were chosen to provide this service as they had previously undertaken similar work for the Company's offshore Directors. There were no non-audit services provided to the Company during the year.

Auditors' appointment

The Audit Committee has considered the implications of PwC being appointed as auditors to Henderson and is satisfied that the auditors are independent of the Company as the audit teams for Henderson and the Company are independent of each other and strong controls are in place to ensure independence.

PwC have been the Company's auditors for over 20 years. The appointment of the auditors is not regularly put out to tender and as the Company is not in the FTSE 350 it is not required to do so on a regular basis. However, performance is regularly reviewed by the Audit Committee. As a Public Interest Entity listed on the London Stock Exchange, the Company will in future be subject to the mandatory rotation requirements of the European Union. Subject to the detailed implementation of the EU regulation in the UK, this is likely to mean that the Company will be required to put its audit contract out to tender at least every 10 years and change auditors at least every 20 years. The auditors are required to rotate partners every five years and this is the first year that the current partner has been in place.

The Audit Committee remains satisfied with the effectiveness of the audit provided by PwC on the basis of their performance and the Audit Committee recommended their continuing appointment to the Board with no tender necessary. The auditors have indicated their willingness to continue in office. Accordingly, resolutions to confirm the appointment of PwC as auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the AGM.

Fees paid or payable to the auditors are detailed in note 5 on page 45.

For and on behalf of the Board

Christopher Casey
Audit Committee Chairman
29 September 2015

Independent Auditors' Report to the members of TR European Growth Trust PLC

Report on the financial statements

Our opinion

In our opinion:

- TR European Growth Trust PLC's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2015 and of the Group's profit and the Group's and the Parent Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

TR European Growth Trust PLC's financial statements comprise:

- the Consolidated and Parent Company Balance Sheets as at 30 June 2015;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Parent Company Cash Flow Statements for the year then ended;
- the Consolidated and Parent Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Our audit approach

Overview

- Overall Group materiality: £3.7 million which represents 1% of net assets.

- The Group is structured as an investment entity and engages Henderson Investment Funds Limited (the "Manager") to manage its assets. We audited the Parent Company, TR European Growth Trust PLC and the subsidiary, TREG Finance Limited.
- We conducted our audit of the financial statements using information from BNP Paribas Securities Services (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Group, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Group operates.

- Valuation and existence of investments
- Dividend Income
- Performance fee

Independent Auditors' Report to the members of TR European Growth Trust PLC (continued)

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
Valuation and existence of investments Refer to page 29 (Report of The Audit Committee), page 41 (Accounting Policies) and pages 47-48 (Notes to the Financial Statements). The investment portfolio at the year-end comprised of listed investments (£366.4m), a direct private equity investment (£9.4m) and investments in private equity funds (£3.8m). We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Consolidated and Parent Company Balance Sheets in the financial statements.	We tested the valuation of the investment portfolio as follows: ▪ For listed investments we agreed the prices used in the valuation to independent third party sources; ▪ For the direct private equity investment, we understood and evaluated how the Manager had determined fair value, which was done using an earnings multiple approach with reference to a basket of comparable companies. We also confirmed that the Directors had approved the valuation of the investment as determined by the Manager. Our work included testing inputs to the valuation model by agreeing these to the investee entity's audited financial report and comparable company information. We also tested the calculations in the valuation model and discussed the valuation of this investment with the Manager and the Directors to challenge the appropriateness of the methodology, key inputs and assumptions used, with reference to the International Private Equity and Venture Capital Valuation Guidelines; and ▪ For the private equity fund investments, we checked the latest fund manager reports that supported the valuations applied. Where available, we considered the controls reports issued by the fund managers to understand and evaluate the controls in place around the valuation and reporting procedures. No misstatements were identified by our testing which required reporting to those charged with governance. We tested the existence of the investment portfolio by agreeing the holdings to an independent custodian confirmation from HSBC Bank plc or to confirmations from the investee entities, as appropriate. No differences were identified by our testing that required reporting to those charged with governance.

Independent Auditors' Report to the members of TR European Growth Trust PLC (continued)

Area of focus	How our audit addressed the area of focus
Dividend income Refer to page 29 (Report of The Audit Committee), page 42 (Accounting Policies) and page 44 (Notes to the Financial Statements). We focused on the accuracy and completeness of investment income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP"). This is because incomplete or inaccurate income could have a material impact on the Group's net asset value and dividend cover.	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of relevant controls surrounding income recognition. We tested dividend receipts by agreeing the dividend rates from investments to independent third party sources. No misstatements were identified by our testing which required reporting to those charged with governance. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared by investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Consolidated Statement of Comprehensive Income in line with the requirements set out in the AIC SORP. We then tested the validity of special dividends to independent third party sources. No material misstatements were identified by our testing which required reporting to those charged with governance.
Performance fee Refer to page 42 (Accounting Policies) and page 44 (Notes to the Financial Statements). A performance fee is payable for the year of £1.8 million. We focused on this area because the performance fee is calculated using a complex methodology as set out in the Investment Management Agreement between the Group and the Manager.	We independently recalculated the performance fee of £1.8 million using the methodology set out in the Investment Management Agreement and agreed the inputs to the calculation, including the benchmark data, to independent third party sources, where applicable. No misstatements were identified by our testing which required reporting to those charged with governance. We tested the allocation of the performance fee between the revenue and capital return columns of the Consolidated Statement of Comprehensive Income with reference to the accounting policy as set out on page 42. We found that the allocation of the performance fee was consistent with the accounting policy.

Independent Auditors' Report to the members of TR European Growth Trust PLC (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the Group, the involvement of the Manager and Administrator, the accounting processes and controls, and the industry in which the Group operates.

The Group's accounting is delegated to the Administrator who maintain their own accounting records and controls and report to the Manager and the Directors.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and reading the relevant control reports issued by the independent auditor of the Manager and Administrator in accordance with generally accepted assurance standards for such work. We then identified those relevant controls at the Administrator on which we could place reliance to provide audit evidence.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

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

Overall materiality	£3.7 million (2014: £3.2 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £188,000 (2014: £162,000), if any, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 20, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Parent Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and Parent Company's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the members of TR European Growth Trust PLC (continued)

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

▪ information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report arising from this responsibility.
▪ the statement given by the Directors on page 21, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Parent Company's performance, business model and strategy is materially inconsistent with our knowledge of the Group and Parent Company acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
▪ the section of the Annual Report on page 29, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

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

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Parent Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Independent Auditors' Report to the members of TR European Growth Trust PLC (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2015

Consolidated Statement of Comprehensive Income

Notes		Year ended 30 June 2015 Revenue return £'000	Year ended 30 June 2015 Capital return £'000	Year ended 30 June 2015 Total return £'000	Year ended 30 June 2014 Revenue return £'000	Year ended 30 June 2014 Capital return £'000	Year ended 30 June 2014 Total return £'000
2	Investment income	7,318	–	7,318	7,013	–	7,013
3	Other income	1	–	1	55	–	55
10	Gains on investments held at fair value through profit or loss	–	14,552	14,552	–	80,746	80,746
	Total income	**7,319**	**14,552**	**21,871**	**7,068**	**80,746**	**87,814**
	Expenses						
4	Management and performance fee	(382)	(3,287)	(3,669)	(310)	(2,370)	(2,680)
5	Other operating expenses	(566)	–	(566)	(559)	–	(559)
	Profit before finance costs and taxation	**6,371**	**11,265**	**17,636**	**6,199**	**78,376**	**84,575**
6	Finance costs	(92)	(369)	(461)	(98)	(392)	(490)
	Profit before taxation	**6,279**	**10,896**	**17,175**	**6,101**	**77,984**	**84,085**
7	Taxation	(610)	–	(610)	(527)	(10)	(537)
	Profit for the year and total comprehensive income	**5,669**	**10,896**	**16,565**	**5,574**	**77,974**	**83,548**
8	Return per ordinary share – basic and diluted	11.34p	21.80p	33.14p	11.15p	156.02p	167.17p

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRSs, as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All income is attributable to the equity holders of TR European Growth Trust PLC, the Parent Company.

The net profit of the Parent Company for the year was £16,565,000 (2014: £83,548,000).

The notes on pages 40 to 59 form part of these financial statements.

Consolidated and Parent Company Statements of Changes in Equity

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	Consolidated Year ended 30 June 2015						
	Total equity at 1 July 2014	6,247	115,451	13,931	169,179	20,868	325,676
	Total comprehensive income:						
	Profit for the year	–	–	–	10,896	5,669	16,565
	Transactions with owners, recorded directly to equity:						
9	Ordinary dividends paid	–	–	–	–	(4,598)	(4,598)
19	Refund of unclaimed dividends over 12 years old	–	–	–	–	2	2
	Total equity at 30 June 2015	**6,247**	**115,451**	**13,931**	**180,075**	**21,941**	**337,645**
	Consolidated Year ended 30 June 2014						
	Total equity at 1 July 2013	6,247	115,451	13,931	91,205	19,290	246,124
	Total comprehensive income:						
	Profit for the year	–	–	–	77,974	5,574	83,548
	Transactions with owners, recorded directly to equity:						
9	Ordinary dividends paid	–	–	–	–	(3,998)	(3,998)
19	Refund of unclaimed dividends over 12 years old	–	–	–	–	2	2
	Total equity at 30 June 2014	**6,247**	**115,451**	**13,931**	**169,179**	**20,868**	**325,676**
	Company Year ended 30 June 2015						
	Total equity at 1 July 2014	6,247	115,451	13,931	170,227	19,820	325,676
	Total comprehensive income:						
	Profit for the year	–	–	–	10,893	5,672	16,565
	Transactions with owners, recorded directly to equity:						
9	Ordinary dividends paid	–	–	–	–	(4,598)	(4,598)
19	Refund of unclaimed dividends over 12 years old	–	–	–	–	2	2
	Total equity at 30 June 2015	**6,247**	**115,451**	**13,931**	**181,120**	**20,896**	**337,645**
	Company Year ended 30 June 2014						
	Total equity at 1 July 2013	6,247	115,451	13,931	92,256	18,239	246,124
	Total comprehensive income:						
	Profit for the year	–	–	–	77,971	5,577	83,548
	Transactions with owners, recorded directly to equity:						
9	Ordinary dividends paid	–	–	–	–	(3,998)	(3,998)
19	Refund of unclaimed dividends over 12 years old	–	–	–	–	2	2
	Total equity at 30 June 2014	**6,247**	**115,451**	**13,931**	**170,227**	**19,820**	**325,676**

The notes on pages 40 to 59 form part of these financial statements.

Consolidated and Parent Company Balance Sheets

Notes		At 30 June 2015 Consolidated £'000	At 30 June 2014 Consolidated £'000	At 30 June 2015 Company £'000	At 30 June 2014 Company £'000
	Non current assets				
10	Investments held at fair value through profit or loss	379,683	372,212	380,659	373,191
	Current assets				
13	Receivables	2,411	1,420	2,411	1,420
	Cash and cash equivalents	107	3,568	104	3,565
		2,518	**4,988**	**2,515**	**4,985**
	Total assets	**382,201**	**377,200**	**383,174**	**378,176**
	Current liabilities				
14	Payables	(4,124)	(6,140)	(5,097)	(7,116)
	Bank overdrafts	(40,432)	(45,384)	(40,432)	(45,384)
		(44,556)	**(51,524)**	**(45,529)**	**(52,500)**
	Net assets	**337,645**	**325,676**	**337,645**	**325,676**
	Equity attributable to equity shareholders of the parent company				
16	Called up share capital	6,247	6,247	6,247	6,247
17	Share premium account	115,451	115,451	115,451	115,451
18	Capital redemption reserve	13,931	13,931	13,931	13,931
	Retained earnings:				
18	Other capital reserves	180,075	169,179	181,120	170,227
19	Revenue reserve	21,941	20,868	20,896	19,820
20	**Total equity**	**337,645**	**325,676**	**337,645**	**325,676**
20	Net asset value per ordinary share – basic and diluted	675.62p	651.67p	675.62p	651.67p

The financial statements on pages 36 to 59 were approved and authorised for issue by the Board on 29 September 2015 and signed on its behalf by:

Christopher Casey
Director

The notes on pages 40 to 59 form part of these financial statements.

Consolidated and Parent Company Cash Flow Statements

	Year ended 30 June 2015		Year ended 30 June 2014	
	Consolidated £'000	Company £'000	Consolidated £'000	Company £'000
Operating activities				
Profit before taxation	17,175	17,175	84,085	84,085
Add back: interest payable	461	461	490	490
Less: gains on investments held at fair value through profit or loss	(14,552)	(14,549)	(80,746)	(80,743)
Sales of investments held at fair value through profit or loss	189,701	189,701	193,005	193,005
Purchases of investments held at fair value through profit or loss	(187,072)	(187,072)	(211,414)	(211,414)
Withholding tax on dividends deducted at source	(912)	(912)	(897)	(897)
Decrease in prepayments and accrued income	153	153	295	295
(Increase)/decrease in amounts due from brokers	(1,041)	(1,041)	1,943	1,943
Increase in accruals and deferred income	681	678	942	939
(Decrease)/increase in amounts due to brokers	(2,697)	(2,697)	1,123	1,123
Net cash inflow/(outflow) from operating activities before interest and taxation	**1,897**	**1,897**	**(11,174)**	**(11,174)**
Interest paid	(461)	(461)	(490)	(490)
Taxation recovered	202	202	481	481
Net cash inflow/(outflow) from operating activities	**1,638**	**1,638**	**(11,183)**	**(11,183)**
Financing activities				
Equity dividends paid (net of refund of unclaimed dividends – see note 9)	(4,596)	(4,596)	(3,996)	(3,996)
Net cash used in financing	**(4,596)**	**(4,596)**	**(3,996)**	**(3,996)**
Decrease in cash and cash equivalents	(2,958)	(2,958)	(15,179)	(15,179)
Cash and cash equivalents at the start of year	(41,816)	(41,819)	(29,159)	(29,162)
Exchange movements	4,449	4,449	2,522	2,522
Cash and cash equivalents at the end of year	**(40,325)**	**(40,328)**	**(41,816)**	**(41,819)**
Comprising:				
Cash at bank	107	104	3,568	3,565
Bank overdrafts	(40,432)	(40,432)	(45,384)	(45,384)
	(40,325)	**(40,328)**	**(41,816)**	**(41,819)**

The notes on pages 40 to 59 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

The consolidated and Parent Company financial statements for the year ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and with those parts of the Companies Act 2006 (the "Act") applicable to companies reporting under IFRSs. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the IFRS interpretations committee that remain in effect to the extent that IFRSs have been adopted by the European Union. The accounting policies have been consistently applied in the current and previous year.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas which assumptions and estimates are significant to the financial statements are disclosed in notes 10, 11 and 15.5.

The financial statements have been prepared on a going concern basis. They have also been prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit and loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in January 2009 is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

The financial position of the Group is described in the Strategic Report on pages 2 to 17. Note 15 to the financial statements includes the Group's policies and process for managing its capital; its financial risk management objectives; and details of financial instruments and exposure to credit risk and liquidity risk.

Accounting standards

i) New and amended standards adopted by the Group

- IAS 39, 'Financial instruments: Recognition and measurement' (effective for annual periods beginning on or after 1 January 2014) – narrow scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- IAS 32, 'Financial instruments: Presentation' (effective for annual periods beginning on or after 1 January 2014) – updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- IFRS 10, 'Consolidated financial statements' (effective for annual periods beginning on or after 1 January 2014) – builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements.

- IFRS 10 – Consolidated Financial Statements Investment Entities amendments (effective for annual periods beginning on or after 1 January 2014) – changes introduced by the Investment Entities amendments require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent. The Directors, having assessed the criteria, believe the Parent Company meets the criteria to be an investment entity under IFRS 10 and that this accounting treatment reflects the Company's activities as an investment trust. Therefore any investments in subsidiaries should be carried at fair value through profit and loss in accordance with IAS 39. However, the principal activity of the subsidiary, TREG Finance Limited (which is controlled by the Company), is investment dealing activities and therefore this entity is considered to provide investment related services to the Company and is required to be consolidated under the Investment Entities amendment.

ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Group

- IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2015) – these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016, subject to EU endorsement.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

- IFRS 9, 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018) – addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018, subject to endorsement by the EU.

(iii) New standards, amendments and interpretations issued but not effective for the current financial year and not relevant to the Group's operations

- IAS 19, 'Employee benefits'.
- IAS 16, 'Property, plant and equipment'.
- IFRS 14, 'Regulatory deferral accounts'.
- IAS 27, 'Separate financial statements'.
- IAS 28, 'Investments in associates and joint ventures'.
- IFRS 11, 'Joint arrangements'.

b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and of its sole wholly owned subsidiary undertaking, TREG Finance Limited (the "subsidiary"). Consistent accounting policies have been used across the Group. The intragroup balances are eliminated on consolidation. The investment in the subsidiary is recognised at fair value in the financial statements of the Parent Company.

c) Investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments in the balance sheet is based on their quoted bid price at the balance sheet date, without deduction of the estimated future selling costs. Unquoted investments (including the Parent Company's investment in its subsidiary) are valued by the Directors using primary valuation techniques such as earnings multiples, recent transactions and net assets. All such valuations are reviewed by both Henderson's fair value pricing committee and by the Directors at least twice each year. Where fair value cannot be reliably measured, the investment will be carried at the previous reporting date value unless there is evidence that the investment has since been impaired, in which case the value will be reduced.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Statement of Comprehensive Income as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

d) Presentation of Consolidated Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Consolidated Statement of Comprehensive Income. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010 ("Section 1158").

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

e) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Special dividends are treated as revenue return or as capital return, depending on the facts of each individual case. Bank deposit interest is accounted for on an accruals basis.

Where the Company enters into a commitment to sub-underwrite an issue of securities in exchange for the receipt of commission, a derivative financial instrument is created. Any such derivatives are recognised initially at fair value. They are re-measured subsequently at fair value, with the related gains and losses being reflected in the Consolidated Statement of Comprehensive Income. Net losses arising from these derivatives, where the actual or expected loss from taking up the securities underwritten exceeds the commission income, are allocated to the capital return. Net gains are allocated to the revenue return.

f) Expenses

All expenses and interest payable are accounted for on an accruals basis. On the basis of the Board's expected long-term split of total returns in the form of capital and revenue returns of 80% and 20%, respectively, the Company charges 80% of its finance costs and management fees to capital. Any performance fees payable are allocated wholly to capital, reflecting the fact that although they are calculated on a total return basis they are expected to be attributable largely, if not wholly, to capital performance. Expenses which are incidental to the purchase or sale of an investment are charged to the capital return column of the Consolidated Statement of Comprehensive Income and allocated to other capital reserves. All other operating expenses are charged to the revenue return column of the Consolidated Statement of Comprehensive Income.

g) 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. Taxable profit differs from net profit as reported in the Consolidated 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 Group's liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period.

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 Consolidated Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Consolidated Statement of Comprehensive Income, then no tax relief is transferred to the capital return 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. Investment trusts which have approval as such under Section 1158 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated 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.

h) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders. Dividends are dealt with in the Consolidated and Parent Company Statement of Changes in Equity.

i) Foreign currency

For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in pounds sterling, which is the functional currency of the Company and of its subsidiary and the presentational currency of the Group. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company and its subsidiary operates.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities and equity investments held at fair value through profit or loss that are denominated in overseas currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. Exchange gains and losses on investments held at fair value through profit or loss are included within "Gains or losses on investments held at fair value through profit or loss".

j) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. In the Consolidated and Parent Company Cash Flow Statements, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the Consolidated and Parent Company Balance Sheets, bank overdrafts are shown within borrowings in current liabilities.

k) Bank borrowings

Interest bearing bank loans and overdrafts are recorded initially at fair value, being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Consolidated Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

l) Receivables

Receivables are amounts due from securities sold for future settlement, withholding tax recoverable, prepayments and accrued income in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

m) Payables

Payables are obligations to pay for securities purchased for future settlement, amounts due to the subsidiary undertaking, accruals and deferred income that have been acquired/incurred in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

n) Repurchase of ordinary shares

The costs of repurchasing ordinary shares, including related stamp duty and transaction costs, are taken directly to equity and dealt with in the Consolidated and Parent Company Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of called up share capital and into the capital redemption reserve.

o) Capital reserves

The following are accounted for in the "Capital reserve arising on investments sold":

- expenses and finance costs charged to capital net of tax relief;
- gains and losses on the disposals of investments;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

The following are accounted for in the "Capital reserve arising on revaluation of investments held":

- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

p) Key estimates and assumptions

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments. These are valued in accordance with the techniques set out in this note under the heading “Investments held at fair value through profit or loss”. At the year end, unquoted investments represented 3.9% of net assets (2014: 4.2%). These comprise the entirety of the Group’s Level 3 investments in Note 15.5.

q) Operating segments

Under IFRS 8, operating segments are considered to be the components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Directors meet regularly to consider investment strategy and monitor the Company’s performance. The Fund Manager, who has been appointed to manage the Company’s investments, attends all Board meetings at which investment strategy and performance are discussed. The Directors consider that the Group has one operating segment, being the Parent Company’s activity of investing in shares and securities primarily for capital appreciation in accordance with the Company’s published investment objective. Its wholly owned subsidiary exists to trade in securities to enhance the Group’s returns but has not entered into any such transactions in recent years.

An analysis of investments by country has been provided on page 6. Further analyses of expenses, investment gains or losses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

2 Investment income

	2015 £’000	2014 £’000
Overseas dividend income from listed investments	7,318	7,013

All dividend income is derived from investments in Continental Europe.

3 Other income

	2015 £’000	2014 £’000
Bank interest	1	1
Underwriting commission (allocated to revenue)[1]	–	54
	1	**55**

1 The Company was not required to take up any shares in respect of its underwriting commitments in this or the previous year.

4 Management and performance fee

	2015			2014		
	Revenue return £’000	Capital return £’000	Total return £’000	Revenue return £’000	Capital return £’000	Total return £’000
Management fee	382	1,528	1,910	310	1,240	1,550
Performance fee	–	1,759	1,759	–	1,130	1,130
Total	**382**	**3,287**	**3,669**	**310**	**2,370**	**2,680**

A summary of the terms of the management agreement is given on page 4.

Notes to the Financial Statements (continued)

5 Other operating expenses

	2015 £'000	2014 £'000
Auditors' remuneration:		
▪ audit services relating to the Group and Parent Company	26	25
▪ audit services relating to the subsidiary undertaking	1	1
Directors' fees and expenses[1]	137	137
Other expenses payable to the management company[2]	20	20
Custody fees	70	66
Depositary charges[3]	44	–
Printing	26	43
AIC fee	21	22
Irrecoverable VAT	39	37
Other expenses	182	208
	566	**559**

1 Included within this balance is £2,400 (2014: £2,400) in relation to personal tax services provided by PricewaterhouseCoopers LLP to a Director as disclosed on page 29. See Directors' Remuneration Report on page 23 for more details on remuneration
2 Other expenses payable to the management company relate to marketing services
3 Depositary appointed on 22 July 2014 to meet the requirements of the Alternative Investment Fund Managers Directive

6 Finance costs

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Bank overdraft interest	92	369	461	98	392	490

7 Taxation

a) Analysis of charge in year

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Foreign withholding taxes	915	–	915	897	10	907
Overseas tax reclaimable	(305)	–	(305)	(326)	–	(326)
Prior year adjustment	–	–	–	(44)	–	(44)
Total current tax for the year (see note 7 b)	**610**	**–**	**610**	**527**	**10**	**537**

Notes to the Financial Statements (continued)

7 Taxation (continued)

b) Factors affecting tax charge for the year

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 20.75%.

The tax assessed for the year ended 30 June 2015 is lower than the effective rate of corporation tax of 20.75% (2014: 22.50%).

	2015			2014		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Net profit on ordinary activities before taxation	**6,279**	**10,896**	**17,175**	**6,101**	**77,984**	**84,085**
Corporation tax at 20.75% (2014: 22.50%)	1,303	2,261	3,564	1,373	17,546	18,919
Effects of:						
Gains on investments held not taxable	–	(3,020)	(3,020)	–	(18,167)	(18,167)
Capital expenses unutilised for tax purposes	–	759	759	–	621	621
Non-taxable dividends	(1,450)	–	(1,450)	(1,533)	–	(1,533)
Overseas tax	612	–	612	571	10	581
Losses available to be utilised	145	–	145	160	–	160
Prior year adjustment	–	–	–	(44)	–	(44)
Tax charge	**610**	**–**	**610**	**527**	**10**	**537**

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or in the prior year. Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to maintain approval of such status in the foreseeable future, the Company has not provided deferred tax on any capital gains arising on the revaluation or disposal of investments.

d) Factors that may affect future tax charges

The Group has not recognised deferred tax assets of £3,645,000 (2014: £2,774,000) arising as a result of loan relationship deficits and excess management expenses. These expenses will only be utilised if the Group has profits chargeable to corporation tax in the future.

8 Return per ordinary share

The return per ordinary share figure is based on the net profit for the year of £16,565,000 (2014: £83,548,000) and on the weighted average number of ordinary shares in issue during the year of 49,975,897 (2014: 49,975,897).

The return per ordinary share figure detailed above can be further analysed between revenue and capital, as below. The Company has no securities in issue that could dilute the return per ordinary share. Therefore the basic and diluted return per ordinary share are the same.

	2015 £'000	2014 £'000
Net revenue profit	5,669	5,574
Net capital profit	10,896	77,974
Net profit	**16,565**	**83,548**
Weighted average number of ordinary shares in issue during the year	49,975,897	49,975,897

	2015 Pence	2014 Pence
Revenue return per ordinary share	11.34	11.15
Capital return per ordinary share	21.80	156.02
Total return per ordinary share	**33.14**	**167.17**

Notes to the Financial Statements (continued)

9 Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend of 6.50p and special dividend of 2.70p per ordinary share for the year ended 30 June 2014 (2014: final dividend of 6.00p and special dividend of 2.00p per ordinary share for the year ended 30 June 2013)	4,598	3,998
	4,598	**3,998**

The final dividend of 6.50p and the special dividend of 2.70p per ordinary share in respect of the year ended 30 June 2014 were paid on 24 November 2014 to shareholders on the register of members at the close of business on 17 October 2014. The total dividend paid amounted to £4,598,000.

Subject to approval at the AGM in November 2015, the proposed final dividend of 7.00p and a special dividend of 2.50p per ordinary share will be paid on 23 November 2015 to shareholders on the register of members at the close of business on 23 October 2015. The shares will be quoted ex-dividend on 22 October 2015.

The proposed final and special dividends for the year ended 30 June 2015 have not been included as a liability in these financial statements. Under IFRSs, these dividends are not recognised until approved by shareholders.

During the year the Company received a refund of £2,000 of unclaimed dividends over 12 years old (2014: £2,000).

The total dividends payable in respect of the financial year which form the basis of Section 1158 are set out below:

	Consolidated		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Revenue available for distribution by way of dividends for the year	5,669	5,574	5,672	5,576
Proposed total dividend for the year ended 30 June 2015 – 9.50p (2014: 9.20p) (comprising a final dividend of 7.00p and a special dividend of 2.50p) (based on 49,975,897 shares in issue at 25 September 2015)	(4,748)	(4,598)	(4,748)	(4,598)
Revenue surplus	**921**	**976**	**924**	**978**

For Section 1158 purposes the Company's undistributed revenue represents 12.1% (2014: 13.0%) of total income.

10 Investments held at fair value through profit or loss

a) Consolidated

	2015 £'000	2014 £'000
Cost at 1 July	344,841	273,481
Investment holding gains/(losses) at 1 July	27,371	2,093
Valuation at 1 July	**372,212**	**275,574**
Movements in the year:		
Acquisitions at cost	187,072	211,414
Disposals at cost	(163,932)	(140,054)
Movements in investment holding gains	(15,669)	25,278
Valuation at 30 June	**379,683**	**372,212**
Cost at 30 June	367,981	344,841
Investment holding gains	11,702	27,371
Valuation at 30 June	**379,683**	**372,212**

Included in the total investments are investments shown at the Directors' fair valuation of £13,244,000 and classified as Level 3 investments (2014: £13,749,000) and investments where there was no active market at year end of £2,974,000 (2014: nil) and classified as Level 2 investments. Further detail is provided in note 15.5 on page 55.

At 30 June 2015 no convertible or fixed interest securities were held in the portfolio (2014: none).

Notes to the Financial Statements (continued)

10 Investments held at fair value through profit or loss (continued)

b) Company

2015	Investments £'000	Subsidiary undertaking £'000	Total £'000
Cost at 1 July 2014	344,841	–	344,841
Investment holding gains at 1 July 2014	27,371	979	28,350
Valuation at 1 July 2014	**372,212**	**979**	**373,191**
Movements in the year:			
Acquisitions at cost	187,072	–	187,072
Disposals at cost	(163,932)	–	(163,932)
Movements in investment holding gains	(15,669)	(3)	(15,672)
Valuation at 30 June 2015	**379,683**	**976**	**380,659**
Cost at 30 June 2015	367,981	–	367,981
Investment holding gains	11,702	976	12,678
Valuation at 30 June 2015	**379,683**	**976**	**380,659**

Included in the total investments are unquoted investments shown at the Directors' fair valuation of £14,220,000 and classified as Level 3 investments (2014: £14,728,000) and investments where there was no active market at year end of £2,974,000 (2014: nil) and classified as Level 2 investments. Further detail is provided in note 15.5 on page 55.

Purchase and sale transaction costs for the Company during the year ended 30 June 2015 were £258,000 and £184,000 respectively (2014: transaction costs of purchases £201,000; transaction costs of sales £187,000). These comprise mainly stamp duty and commission.

2014	Investments £'000	Subsidiary undertaking £'000	Total £'000
Cost at 1 July 2013	273,481	–	273,481
Investment holding gains at 1 July 2013	2,093	982	3,075
Valuation at 1 July 2013	**275,574**	**982**	**276,556**
Movements in the year:			
Acquisitions at cost	211,414	–	211,414
Disposals at cost	(140,054)	–	(140,054)
Movements in investment holding gains	25,278	(3)	25,275
Valuation at 30 June 2014	**372,212**	**979**	**373,191**
Cost at 30 June 2014	344,841	–	344,841
Investment holding gains	27,371	979	28,350
Valuation at 30 June 2014	**372,212**	**979**	**373,191**

Included in the total investments are unquoted investments shown at the Directors' fair valuation of £14,728,000 (2013: £15,868,000).

Purchase and sale transaction costs for the Company during the year ended 30 June 2014 were £201,000 and £187,000 respectively (2013: transaction costs of purchases £179,000; transaction costs of sales £127,000). These comprise mainly stamp duty and commission.

c) Total capital gains from investments

	2015 £'000	2014 £'000
Realised gains based on historical cost	25,769	52,951
Less revaluation losses recognised in previous years	(25,777)	(17,041)
(Losses)/gains on investments sold in the year on carrying value at the previous balance sheet date	**(8)**	**35,910**
Revaluation of investments held at 30 June	10,111	42,319
Exchange gains	4,449	2,517
Total	**14,552**	**80,746**

Notes to the Financial Statements (continued)

11 Subsidiary undertaking

The Company has an investment in the entire issued ordinary share capital, fully paid, of £2 in its wholly owned subsidiary undertaking, TREG Finance Limited, which is registered in England and Wales and operates in the United Kingdom as an investment dealing company. The investment is stated in the Company's financial statements at the NAV, which is considered by the Directors to equate to fair value. The amount due to the subsidiary company at 30 June 2015 amounted to £976,000 (2014: £979,000). This payable has been eliminated on consolidation.

12 Substantial interests

The Group has interests of 3% or more of any class of capital in seven investee companies. At 30 June 2015 no one company represented more than 3% of the investments. These investments are not considered by the Directors to be significant in the context of these financial statements.

Company

	Valuation £'000	% of issued share capital
Brainlab	9,417	6.9
Verkkokauppa	4,919	3.0
21 Centrale Partners III	3,323	3.0
Robit	2,183	3.2
SAES Getters	1,743	5.7

The Company also has an interest of more than 3% in STS and Safwood. Both are Level 3 securities and are valued at zero in the portfolio at 30 June 2015.

13 Receivables

	Consolidated		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Securities sold for future settlement	1,943	902	1,943	902
Withholding tax recoverable	431	328	431	328
Prepayments and accrued income	37	190	37	190
	2,411	**1,420**	**2,411**	**1,420**

14 Payables

	Consolidated		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Securities purchased for future settlement	1,677	4,374	1,677	4,374
Amounts due to subsidiary undertaking	–	–	976	979
Accruals and deferred income	2,447	1,766	2,444	1,763
	4,124	**6,140**	**5,097**	**7,116**

Notes to the Financial Statements (continued)

15 Risk management policies and procedures

As an investment trust the Company invests in equities and other investments for the long term so as to secure its investment objectives as stated in the Strategic Report. In pursuing its investment objective, the Group is exposed to a variety of financial risks that could result in either a reduction in the Group's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks: market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board and Henderson co-ordinate the Group's risk management and there are various risk management systems in place as detailed below.

- Straight-through processing via a deal order and management system ("OMS") is utilised for listed securities with connectivity to third-party affirmation and trade repository services.
- Portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine.
- Fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas Securities Services) which utilises Hiportfolio software.
- The IT tools to which the Henderson risk, compliance and operations teams have access for independent monitoring and risk measurement purposes include:
  – Charles River Compliance module for investment restrictions monitoring;
  – ArcLogics operational risk database;
  – RiskMetrics, UBS Delta, Style Research, Finanalytica and Barra Aegis for market risk measurement;
  – Bloomberg for market data and price-checking; and
  – Hiportfolio for portfolio holdings and valuations.

The Board determines the objectives, policies and processes for managing the risks, and these are set out below under the relevant risk category. The policies for the management of risk have not changed from the previous accounting period.

15.1 Market risk

The fair value of a financial instrument held by the Group may fluctuate due to changes in market prices. Market risk comprises market price risk (see note 15.1.1), currency risk (see note 15.1.2) and interest rate risk (see note 15.1.3). Henderson assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

15.1.1 Market price risk

Market price risks (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the fair value of the listed and unquoted investments.

Management of the risk

The Board manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from Henderson. Investment performance is reviewed at each Board meeting. The Board monitors Henderson's compliance with the Group's objectives and is directly responsible for investment strategy and asset allocation, including as between countries and economies.

The Group's exposure to changes in market prices on equity investments was £379,683,000 (2014: £372,212,000).

Concentration of exposure to market price risk

A geographical analysis of the Group's investment portfolio is shown on page 6. There is a concentration of exposure to Germany, France, Italy and Switzerland, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The sensitivity of (a) the return after taxation for the year and (b) the Group's net assets to an increase or decrease of 20% in the fair values of the Company's investments at each balance sheet date is given below. This level of change is considered to be reasonably possible, based on observation of current market conditions.

The impact of a 20% increase in the value of the investments on the revenue return as at 30 June 2015 is a decrease of £91,000 (2014: £74,000) and on the capital return is an increase of £75,572,000 (2014: £74,145,000). Accordingly, the total impact on shareholders' funds is an increase of £75,481,000 (2014: £74,070,000).

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1.1 Market price risk (continued)

The impact of a 20% decrease in the value of the investments on the revenue return as at 30 June 2015 is an increase of £91,000 (2014: £74,000) and on the capital return is a decrease of £75,572,000 (2014: £74,145,000). Accordingly, the total impact on shareholders' funds is a decrease of £75,481,000 (2014: £74,070,000).

15.1.2 Currency risk

A proportion of the Group's assets, liabilities, income and expenses are denominated in currencies other than sterling (the Group's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

Henderson monitors the Group's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. Henderson measures the risk to the Group of the foreign currency exposure by considering the effect on the Group's NAV and total return of a movement in the exchange rate to which the Group's assets, liabilities, income and expenses are exposed.

Foreign currency borrowing and financial instruments may be used to limit the Group's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. Borrowings are limited to 30% of NAV.

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

Foreign currency exposure

The fair values of the Group's monetary items that have foreign currency exposure at the year end are shown below. Where the Group's equity investments (which are not monetary items) are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2015	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000
Receivables (securities sold for future settlement, dividends and other income receivable)	1,967	–	27	401
Payables (securities purchased for future settlement, accruals and other payables)	(616)	(685)	(139)	(288)
Bank overdrafts	(40,432)	–	–	–
Total foreign currency exposure on net monetary items	**(39,081)**	**(685)**	**(112)**	**113**
Investments	293,288	6,548	43,249	36,598
Total net foreign currency exposure	**254,207**	**5,863**	**43,137**	**36,711**

2014	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000
Receivables (securities sold for future settlement, dividends and other income receivable)	1,241	–	120	42
Payables (securities purchased for future settlement, accruals and other payables)	(4,423)	–	–	–
Bank overdrafts	(45,384)	–	–	–
Total foreign currency exposure on net monetary items	**(48,566)**	**–**	**120**	**42**
Investments	283,183	743	43,196	41,865
Total net foreign currency exposure	**234,617**	**743**	**43,316**	**41,907**

The above amounts are not representative of the exposure to risk during each year, as levels of monetary foreign currency exposure change significantly throughout the year.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1.2 Currency risk (continued)

Foreign currency sensitivity

The following tables illustrate the sensitivity of the total profit after tax for the year and the net assets in regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates for the euro/sterling, US dollar/sterling, Swiss franc/sterling and other/sterling.

It assumes the following changes in exchange rates:

Euro/sterling +/- 10% (2014: 10%). US dollar/sterling +/- 10% (2014: 10%).
Swiss franc/sterling +/- 10% (2014: 10%). Other/sterling +/- 10% (2014: 10%).

These percentages are deemed reasonable based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial assets and financial liabilities held at each balance sheet date.

The impact on the total profit after tax and the year end net assets of a depreciation in the year end exchange rate for sterling against the currencies shown would have been as follows:

	2015				2014			
	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000
Profit after tax								
Revenue return	128	13	77	59	469	15	96	88
Capital return	32,432	723	4,782	4,046	26,314	83	4,780	4,633
Change to profit after tax for the year	**32,560**	**736**	**4,859**	**4,105**	**26,783**	**98**	**4,876**	**4,721**
Impact on net assets	**32,560**	**736**	**4,859**	**4,105**	**26,783**	**98**	**4,876**	**4,721**

The impact on the total profit after tax and the year end net assets of an appreciation in the year end exchange rate for sterling against the currencies shown would have been as follows:

	2015				2014			
	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000	Euro £'000	US dollar £'000	Swiss franc £'000	Other £'000
Profit after tax								
Revenue return	(604)	(11)	(75)	(49)	(384)	(12)	(78)	(72)
Capital return	(26,532)	(592)	(3,913)	(3,311)	(21,530)	(68)	(3,911)	(3,790)
Change to profit after tax for the year	**(27,136)**	**(603)**	**(3,988)**	**(3,360)**	**(21,914)**	**(80)**	**(3,989)**	**(3,862)**
Impact on net assets	**(27,136)**	**(603)**	**(3,988)**	**(3,360)**	**(21,914)**	**(80)**	**(3,989)**	**(3,862)**

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole since the level of exposure changes frequently as part of the currency risk management process used to meet the Group's objective.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1.3 Interest rate risk

Interest rate movements may affect the level of interest receivable from cash and cash equivalents and the interest payable on the Group's short term borrowings. Interest rate changes may also have an impact on the market value of the Company's equity investments. In particular, the effect of interest rate changes on the earnings of companies held within the portfolio may have a significant impact on the valuations of those companies.

Management of the risk

The Group finances part of its activities through borrowings at levels approved and monitored by the Board. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rate risk can be found on the Consolidated and Parent Company Balance Sheets under the headings "Cash and cash equivalents" and "Bank overdrafts". These amounts are not necessarily representative of the exposure to interest rates during the year as the level of exposure changes as investments are made, borrowings are drawn down and repaid. The Group does not have any fixed interest rate exposure.

Interest received on cash balances or paid on the bank overdraft is at a margin over the applicable base rate (2014: same).

Interest rate sensitivity

The impact on the total profit after tax and the year end net assets of an increase or decrease of 100 basis points (2014: 100 basis points) in interest rates would have been as follows:

Consolidated Statement of Comprehensive Income

	Increase in rates 2015 £'000	Decrease in rates 2015 £'000	Increase in rates 2014 £'000	Decrease in rates 2014 £'000
Profit after tax				
Revenue return	(80)	80	(55)	55
Capital return	(323)	323	(363)	363
Change to net profit and net assets	**(403)**	**403**	**(418)**	**418**

This level of change is considered to be reasonable based on current market conditions.

In the opinion of the Directors, these sensitivity analyses are not representative of the year as a whole since exposure changes as investments are made and borrowings are drawn down or repaid throughout the year.

15.2 Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the Group's assets are investments in listed securities that are readily realisable. During the year the Group had a secured multi-currency overdraft facility equal to the lesser of £50,000,000 and 25% of custody assets with HSBC Bank plc, the Company's depositary and custodian (2014: same).

The Board gives guidance to Henderson as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short term borrowings be used to manage short term cash requirements.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.2 Liquidity risk (continued)

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required, was as follows:

	2015		2014	
	3 months or less £'000	Total £'000	3 months or less £'000	Total £'000
Current liabilities:				
Borrowings under the overdraft facility	40,432	40,432	45,384	45,384
Amounts due in relation to securities purchased for future settlement and accruals	4,124	4,124	6,140	6,140
	44,556	**44,556**	**51,524**	**51,524**

The Company's cash balances are offset against its borrowings under the overdraft facility for the purposes of monitoring the level of borrowing within the overdraft limit.

15.3 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Group suffering a loss.

Management of the risk

Credit risk is managed as follows:

- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Group of default;
- investment transactions are carried out with a large number of approved brokers, whose credit-standard is reviewed periodically by Henderson, and limits are set on the amount that may be due from any one broker;
- cash is held only with the custodian/depositary or reputable banks. The entity with which cash is held is subject to continual review.

None of the Group's financial assets or liabilities are secured by collateral or other credit enhancements.

Outstanding settlements are subject to credit risk. Credit risk is mitigated by the Group through its decision to transact with counterparties of high credit quality. The Group only buys and sells investments through brokers which are approved counterparties, thus minimising the risk of default during settlement. The credit ratings of brokers are reviewed periodically by Henderson and limits are set on the amount that may be due from any one broker.

The Group is also exposed to credit risk through the use of banks for its cash position. Bankruptcy or insolvency of banks may cause the Group's rights with respect to cash held by banks to be delayed or limited. The Group's cash balances are held by the custodian, HSBC Bank plc. The Directors believe this counterparty is of high credit quality; therefore the Group has minimal exposure to credit risk.

Credit risk exposure

The table below summarises the maximum credit risk exposure of the Group as at the year end:

	2015 £'000	2014 £'000
Receivables:		
Securities sold for future settlement	1,943	902
Accrued income	22	173
Cash and cash equivalents	107	3,568
	2,072	**4,643**

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or their carrying amount is a reasonable approximation of fair value due to their short term to maturity (amounts due from securities sold for future settlement, dividends and interest receivable, amounts related to securities purchased for future settlement, accruals, cash and cash equivalents and bank overdrafts).

15.5 Fair value hierarchy disclosures

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy.

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

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

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies note on page 41.

Fair value hierarchy	Group 2015 £'000	Company 2015 £'000
Equity Investments		
Level 1	363,465	363,465
Level 2	2,974	2,974
Level 3	13,244	14,220
Total	**379,683**	**380,659**

As further explained in the Fund Manager's Report on page 9, the Greek stock market was closed for a number of weeks over the financial year end. Consequently, investments in Greek equities where there was no active market at the year end have been classified as Level 2 and are valued by the Directors at the last quoted price prior to the market closing less a 15% liquidity discount as recommended by Henderson's Fair Value Pricing Committee.

Level 3 represents the Group's and Company's unquoted investments. A reconciliation of fair value movements within Level 3 is set out below:

Level 3 investments at fair value through profit or loss	Group 2015 £'000	Company 2015 £'000
Opening balance	13,749	14,728
Acquisitions	–	–
Disposal proceeds	(753)	(753)
Transfers into level	–	–
	12,996	**13,975**
Total gains included in the Consolidated Statement of Comprehensive Income		
On assets sold	279	279
On assets held at the year end	(31)	(34)
	248	**245**
Closing balance	**13,244**	**14,220**

Fair value hierarchy	Group 2014 £'000	Company 2014 £'000
Equity Investments		
Level 1	358,463	358,463
Level 2	–	–
Level 3	13,749	14,728
Total	**372,212**	**373,191**

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.5 Fair value hierarchy disclosures (continued)

Level 3 investments at fair value through profit or loss	Group 2014 £'000	Company 2014 £'000
Opening balance	14,886	15,868
Acquisitions	–	–
Disposal proceeds	(1,385)	(1,385)
Transfers into level	–	–
	13,501	**14,483**
Total gains included in the Consolidated Statement of Comprehensive Income		
On assets sold	(3,825)	(3,825)
On assets held at the year end	4,073	4,070
	248	**245**
Closing balance	**13,749**	**14,728**

The key inputs into the valuation of Brainlab, an unquoted investment within Level 3, are comparable company multiples and a discount. If the multiples used in calculating the price used in the valuation of this unquoted investment would change by +/- 20%, the impact would be an increase or decrease in revenue after tax of £2,000 (2014: £2,000), capital return after tax of £1,872,000 (2014: £1,703,000) and total profit after tax of £1,870,000 (2014: £1,701,000). If the discount rate that has been applied to the valuation of this unquoted investment within Level 3 would change by +/- 20%, the impact would be an increase or decrease in revenue after tax of £6,000 (2014: £5,000), capital return after tax of £5,352,000 (2014: £4,859,000) and total profit after tax of £5,346,000 (2014: £4,854,000). The key inputs to the other unquoted investments (i.e. the holdings in Doughty Hanson & Co. Fund III and 21 Centrale Partners III) included within Level 3 are net asset value statements provided by the investee entities, which represent fair value.

The total value of unquoted investments as at 30 June 2015 was £13,244,000 (2014: £13,749,000). A list of unquoted investments is shown on page 9.

15.6 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The portfolio includes unquoted investments which total 3.5% of the total portfolio (2014: 3.7%). These unquoted investments include limited liability partnerships (where the valuations are based on accounts produced by those companies) and unquoted holdings (which are held at Directors' valuations).

The Group's capital at 30 June 2015 comprised its equity share capital, reserves and debt that are shown in the Consolidated and Parent Company Balance Sheets at a total of £378,077,000 (2014: £371,060,000).

The Board, with the assistance of Henderson, monitors and reviews the broad structure of the Group's capital on an ongoing basis. This review includes:

- the need to buy back equity shares for cancellation, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to the following 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 law.

These requirements are unchanged since last year, and the Company has complied with them.

Notes to the Financial Statements (continued)

16 Called up share capital (Group & Company)

	2015		2014	
	number of shares	£'000	number of shares	£'000
Allotted, issued and fully paid Ordinary shares of 12.5p	49,975,897	6,247	49,975,897	6,247

During the year no ordinary shares (2014: no ordinary shares) were bought back for cancellation.

17 Share premium account

	Group and Company £'000
At 1 July 2014 and at 30 June 2015	115,451

18 Capital redemption reserve and other capital reserves

a) Consolidated

2015	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Other capital reserves £'000
At 1 July 2014	13,931	27,371	141,808	169,179
Transfer on disposal of investments (see note 10 c)	–	(25,777)	25,777	–
Capital gains for the year	–	10,111	(8)	10,103
Expenses, finance costs and taxation charged to capital	–	–	(3,656)	(3,656)
Net gain on foreign exchange	–	–	4,449	4,449
At 30 June 2015	**13,931**	**11,705**	**168,370**	**180,075**

The capital reserve arising on revaluation of investments held at 30 June 2015 includes a loss of £22,810,000 in respect of the revaluation of unquoted investments (2014: loss of £22,779,000).

b) Company

2015	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Other capital reserves £'000
At 1 July 2014	13,931	28,350	141,877	170,227
Transfer on disposal of investments (see note 10 c)	–	(25,777)	25,777	–
Capital gains for the year	–	10,108	(8)	10,100
Expenses, finance costs and taxation charged to capital	–	–	(3,656)	(3,656)
Net gain on foreign exchange	–	–	4,449	4,449
At 30 June 2015	**13,931**	**12,681**	**168,439**	**181,120**

The capital reserve arising on revaluation of investments held at 30 June 2015 includes a loss of £21,834,000 in respect of the revaluation of unquoted investments (2014: loss of £21,800,000).

Notes to the Financial Statements (continued)

18 Capital redemption reserve and other capital reserves (continued)

a) Consolidated

2014	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Other capital reserves £'000
At 1 July 2013	13,931	2,093	89,112	91,205
Transfer on disposal of investments (see note 10 c)	–	(17,041)	17,041	–
Capital gains for the year	–	42,319	35,910	78,229
Expenses, finance costs and taxation charged to capital	–	–	(2,772)	(2,772)
Net gain on foreign exchange	–	–	2,517	2,517
At 30 June 2014	**13,931**	**27,371**	**141,808**	**169,179**

The capital reserve arising on revaluation of investments held at 30 June 2014 includes a loss of £22,779,000 in respect of the revaluation of unquoted investments (2013: £26,852,000).

b) Company

2014	Capital redemption reserve £'000	Capital reserve arising on revaluation of investments held £'000	Capital reserve arising on investments sold £'000	Other capital reserves £'000
At 1 July 2013	13,931	3,075	89,181	92,256
Transfer on disposal of investments (see note 10 c)	–	(17,041)	17,041	–
Capital gains for the year	–	42,316	35,910	78,226
Expenses, finance costs and taxation charged to capital	–	–	(2,772)	(2,772)
Net gain on foreign exchange	–	–	2,517	2,517
At 30 June 2014	**13,931**	**28,350**	**141,877**	**170,227**

The capital reserve arising on revaluation of investments held at 30 June 2014 includes a loss of £21,800,000 in respect of the revaluation of unquoted investments (2013: £25,870,000).

19 Retained earnings – revenue reserve

	Consolidated		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At 1 July	20,868	19,290	19,820	18,239
Ordinary dividends paid	(4,598)	(3,998)	(4,598)	(3,998)
Revenue return for the year	5,669	5,574	5,672	5,577
Refund of unclaimed dividends over 12 years old	2	2	2	2
At 30 June	**21,941**	**20,868**	**20,896**	**19,820**

As permitted by Section 408 of the Act, the Company has not presented its own Statement of Comprehensive Income. The return after taxation of the Company amounted to £16,565,000 (2014: £83,548,000).

Notes to the Financial Statements (continued)

20 Net asset value per ordinary share

The NAV per ordinary share is based on the net assets attributable to the ordinary shares of £337,645,000 (2014: £325,676,000) and on the 49,975,897 ordinary shares in issue at 30 June 2015 (2014: 49,975,897). The Company has no securities in issue that could dilute the NAV per ordinary share (2014: same). The NAV per ordinary share at 30 June 2015 was 675.62p (2014: 651.67p).

The movements during the year in assets attributable to the ordinary shares were as follows:

	2015 £'000	2014 £'000
Net assets attributable to ordinary shares at 1 July	325,676	246,124
Profit for the year	16,565	83,548
Dividends paid in the year	(4,598)	(3,998)
Refund of unclaimed dividends over 12 years old	2	2
Net assets at 30 June	**337,645**	**325,676**

21 Capital commitments and contingent liabilities

Capital commitments

At 30 June 2015 there were capital commitments of £371,000 (2014: £421,000) in respect of the Company's holdings in limited partnerships.

Contingent liabilities

At 30 June 2015 there were no contingent liabilities in respect of sub underwriting participations (2014: same).

22 Transactions with the Manager and related parties

Under the terms of an agreement effective from 22 July 2014, the Company has appointed wholly owned subsidiaries of Henderson Group plc ("Henderson") to provide investment management, accounting, administration and secretarial services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services.

Details of the arrangements are given on page 4 in the Strategic Report. The total of the management fees paid or payable to Henderson under the management agreement in respect of the year ended 30 June 2015 was £3,669,000 (2014: £2,680,000), of which £2,267,000 was outstanding at 30 June 2015 (2014: £1,539,000).

In addition to the above services, Henderson has provided the Company with sales and marketing services. The total fees payable for these services for the year ended 30 June 2015 amounted to £20,000 (excluding VAT) (2014: £20,000), of which £5,000 (excluding VAT) was outstanding at 30 June 2015 (2014: £5,000).

The compensation payable to key management personnel in respect of short term employment benefits was £134,000. This disclosure relates wholly to the fees of £134,000 payable to the Directors in respect of the year (2014: £135,000); the Directors are all non-executive and receive no other compensation. The Directors' Remuneration Report on pages 22 and 23 provides more detail. The Company has no employees.

The Company has paid administrative expenses on behalf of its subsidiary, TREG Finance Limited, totalling £2,000 (2014: £2,000).

General Shareholder Information

BACS

Dividends can be paid by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the registrar. Alternatively, shareholders can write to the registrar (the address is given on page 13) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Equality Act 2010

Copies of this report and other documents issued by the Company are available from the Corporate Secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

You can contact the registrar, Equiniti Limited, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0871 384 2455. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

Non-mainstream pooled investments (NMPI) status

The Company currently conducts its affairs so that its ordinary shares of 12.5p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

ISA

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for a stocks and shares ISA.

Share price listings

The market price of the Company's ordinary shares is published daily in The Financial Times, which also shows figures for the estimated net asset value ("NAV") per share and discount.

Performance details/share price information

Details of the Company's share price and NAV per share can be found on the website **www.treuropeangrowthtrust.com**. The Company's NAV is published daily.

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the registrar, Equiniti Limited, via **www.shareview.co.uk**. Please note that to gain access to your details on the Equiniti site you will need the holder reference number shown on your share certificate.

Warning to shareholders

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's registrar, Equiniti Limited, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call the Corporate Secretary at the number provided on page 13.

Alternative Investment Fund Managers Directive
(unaudited)

Henderson and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a Key Investor Information Document ("KIID") which can be found on the Company's website **www.treuropeangrowthtrust.com**. There have been no material changes to the disclosures contained within the KIID since publication in July 2014.

The periodic disclosures to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report. A full list of portfolio holdings is included on pages 63 to 65;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report and note 15 to the financial statements set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by Henderson; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. Disclosures for the Company are required only after Henderson has undergone a full performance period under AIFMD and associated financial disclosures will be made with the Company's Annual Report from 2016 onwards.

Leverage

Although leverage is often used as another term for gearing, under the AIFMD regulations leverage is expressed as a ratio of the exposure of debt, non-sterling currency, equity or currency hedging and derivatives exposure against the net asset value ("NAV"). It defines two types of leverage, the gross method and the commitment method.

These are essentially the same other than the commitment method allows derivative instruments to be netted off to reflect "netting" or "hedging arrangements". Non-sterling cash is deemed to carry a currency exposure so is considered to be leverage. In accordance with the AIFMD the Company is obliged to disclose the maximum expected leverage levels under both methods and this is disclosed on page 62. In order to comply with the AIFMD the maximum leverage levels have been set in accordance with the maximum gearing allowable by the Company's articles of association. However, the day-to-day management of gearing and leverage levels will be conducted within the tighter limits set by the Company's investment policy.

Leverage may be applied to the portfolio by utilising financial gearing (such as bank borrowings and overdrafts) and synthetic gearing (through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes such as stock-lending). Typically, leverage will arise through the use of index futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as a margin against the current mark-to-market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited. The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of the Company through non-fully funded exposure to underlying markets or securities.

Leverage is considered in terms of the Company's overall "exposure" to financial or synthetic gearing and includes any method by which the exposure of the Company is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. Henderson is required, in accordance with the AIFMD, to calculate and monitor the level of leverage of the Company, expressed as the ratio between the total exposure of the Company and its NAV with exposure values being calculated by both the gross method and commitment method.

Exposure values under the gross method basis are calculated as the absolute value of all positions in the portfolio; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions, even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The gross method of exposure of the Company requires the calculation to:

- include the sum of all non-derivative assets (if applicable) held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Company, that are readily convertible to a known amount of cash, which are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- include derivative instruments which are converted into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements as applicable.

Alternative Investment Fund Managers Directive
(unaudited) (continued)

Exposure values under the commitment method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalent items in line with regulatory requirements.

The calculation of leverage assumes that a leverage percentage of 100% equates to zero leverage. A percentage above 100% would mean that the portfolio had leverage equal to the percentage amount above 100%.

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	As a percentage of net asset value	
	Gross method	Commitment method
Maximum level of leverage	200	200
Actual	113	113

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement.

Changes to the information contained either within this Annual Report or the KIID in relation to any special arrangements in place, the maximum level of leverage which Henderson may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

Investment Portfolio as at 30 June 2015 (unaudited)

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
1	1	Brainlab[1]	Technology hardware & equipment	Germany	9,417	2.5
2	43	OC Oerlikon	Industrial engineering	Switzerland	7,368	1.9
3	79	Cerved Information Solutions	Support services	Italy	6,086	1.6
4	4	CFE	Construction & materials	Belgium	5,955	1.6
5	3	Comet	Electronic & electrical equipment	Switzerland	5,798	1.5
6	–	TKH	Electronic & electrical equipment	Netherlands	5,181	1.4
7	–	OVS	Personal goods	Italy	5,086	1.3
8	8	Anima	Financial services	Italy	4,976	1.3
9	6	Verkkokauppa	Online retail	Finland	4,919	1.3
10	16	Nobia	Household goods & home construction	Sweden	4,732	1.2
		10 largest			**59,518**	**15.6**
11	–	Van Lanschot	Banks	Netherlands	4,689	1.2
12	12	Faiveley Transport	Industrial engineering	France	4,424	1.2
13	2	Inficon	Industrial engineering	Switzerland	4,354	1.1
14	41	Aareal Bank	Financial services	Germany	4,343	1.1
15	–	Criteo	Software & computer services	France	4,296	1.1
16	127	FinecoBank	Banks	Italy	4,274	1.1
17	26	Stroer Out-Of-Home Media	Media	Germany	4,178	1.1
18	7	ASM International	Technology hardware & equipment	Netherlands	4,174	1.1
19	24	Carl Zeiss Meditec	Health care equipment & services	Germany	4,030	1.1
20	–	Ence Energia Y Celulosa	Forestry & paper	Spain	4,025	1.1
		20 largest			**102,305**	**26.8**
21	18	Safilo	Personal goods	Italy	3,954	1.0
22	56	Dalata hotel	Travel & leisure	Ireland	3,909	1.0
23	20	Aurelius	Financial services	Germany	3,678	1.0
24	5	BE Semiconductor	Technology hardware & equipment	Netherlands	3,662	1.0
25	–	Sixt Leasing	General retailers	Germany	3,656	1.0
26	30	Jyske Bank	Banks	Denmark	3,625	1.0
27	–	Nos SGPS	Media	Portugal	3,595	0.9
28	94	Yoox	General retailers	Italy	3,592	0.9
29	126	Fugro	Oil equipment services & distribution	Netherlands	3,578	0.9
30	36	Grenkeleasing	Support services	Germany	3,562	0.9
		30 largest			**139,116**	**36.4**
31	–	Origin Enterprises	Food producers	Ireland	3,552	0.9
32	117	Tessenderlo Chemie	Chemicals	Belgium	3,486	0.9
33	10	DFDS	Industrial transportation	Denmark	3,445	0.9
34	44	Sopra	Software & computer services	France	3,364	0.9
35	47	Outotec	Industrial engineering	Finland	3,327	0.9
36	88	Zumtobel	Construction & materials	Austria	3,326	0.9
37	9	21 Centrale Partners III[1]	Financial services	France	3,323	0.9
38	–	Europcar	Travel & leisure	France	3,310	0.9
39	25	Nexity	Real estate investment services	France	3,278	0.9
40	98	IMCD	Chemicals	Netherlands	3,221	0.8
		40 largest			**172,748**	**45.3**
41	46	Pfeiffer Vacuum Technology	Industrial engineering	Germany	3,142	0.8
42	92	SAFT	Electronic & electrical equipment	France	3,100	0.8
43	–	Gamesa Corp Tecnologica	Alternative energy	Spain	3,070	0.8
44	65	Mersen	Electronic & electrical equipment	France	3,061	0.8
45	–	Kingspan	Construction & materials	Ireland	3,047	0.8
46	90	Stabilus	Industrial engineering	Germany	3,015	0.8
47	19	Sorin	Health care equipment & services	Italy	2,972	0.8
48	85	AMS	Technology hardware & equipment	Switzerland	2,953	0.8
49	40	Cargotec	Industrial engineering	Finland	2,942	0.8
50	74	Credito Emiliano	Banks	Italy	2,941	0.8
		50 largest			**202,991**	**53.3**

1 Unquoted investment

Investment Portfolio as at 30 June 2015 (unaudited) (continued)

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
51	55	GFK	Media	Germany	2,937	0.8
52	110	KSB	Industrial engineering	Germany	2,908	0.8
53	33	Eiffage	Construction & materials	France	2,852	0.8
54	49	Lindab	Construction & materials	Sweden	2,848	0.8
55	–	Gaztransport Et Techniga	Support services	France	2,830	0.7
56	–	Nexans	Electronic & electrical equipment	France	2,789	0.7
57	42	Grupo Catalana Occidente	Nonlife insurance	Spain	2,781	0.7
58	48	Television Francaise (T.F.I)	Media	France	2,725	0.7
59	14	Braas Monier	Construction & materials	Germany	2,721	0.7
60	71	Melia Hotels International	Travel & leisure	Spain	2,687	0.7
		60 largest			**231,069**	**60.7**
61	–	Heijmans	Construction & materials	Netherlands	2,682	0.7
62	63	EVS Broadcast Equipment	Electronic & electrical equipment	Belgium	2,682	0.7
63	58	Jungheinrich	Machinery	Germany	2,667	0.7
64	83	Kuoni	Travel & leisure	Switzerland	2,631	0.7
65	21	Stolt-Nielsen	Industrial transportation	Norway	2,613	0.7
66	17	SHW	Automobiles & parts	Germany	2,613	0.7
67	113	Industria Macchine Automatiche	Industrial engineering	Italy	2,606	0.7
68	–	Conzzeta	Industrial engineering	Switzerland	2,600	0.7
69	60	Sanoma	Media	Finland	2,511	0.7
70	52	Imerys	Construction materials	France	2,497	0.7
		70 largest			**257,171**	**67.7**
71	–	Myriad	Software & computer services	Switzerland	2,460	0.6
72	–	Wuestenrot & Wuerttemberg	Financial services	Germany	2,449	0.6
73	–	Asiakastieto	Financial services	Finland	2,448	0.6
74	–	Alimak	Industrial engineering	Sweden	2,441	0.6
75	93	Tomra	Industrial engineering	Norway	2,437	0.6
76	–	Europris	General retailers	Norway	2,424	0.6
77	111	Flsmidth & Co	Construction & materials	Denmark	2,341	0.6
78	–	Troax	Industrial metals & mining	Sweden	2,313	0.6
79	–	IFG	Financial services	Ireland	2,298	0.6
80	–	Cairn Homes	Household goods & home construction	Ireland	2,271	0.6
		80 largest			**281,053**	**73.7**
81	27	Salini Impregilo	Construction & materials	Italy	2,257	0.6
82	–	Leifheit	Household goods & home construction	Germany	2,243	0.6
83	–	Mobistar	Mobile telecommunications	Belgium	2,221	0.6
84	119	Technicolor	Media	France	2,211	0.6
85	–	Robit	Industrial engineering	Finland	2,183	0.6
86	32	Teleperformance	Support services	France	2,155	0.6
87	70	Gurit	Chemicals	Switzerland	2,122	0.6
88	120	Tomorrow Focus	Media	Germany	2,117	0.6
89	–	Ferratum	Financial services	Finland	2,089	0.6
90	91	RIB Software	Software & computer services	Germany	2,086	0.5
		90 largest			**302,737**	**79.6**
91	–	Cegedim	Software & computer services	France	2,055	0.5
92	129	Portucel	Forestry & paper	Portugal	2,055	0.5
93	–	Datalogic	Electronic & electrical equipment	Italy	2,054	0.5
94	–	Gameloft	Leisure goods	France	2,042	0.5
95	82	Forbo	Household durables	Switzerland	2,041	0.5
96	72	Komax	Industrial engineering	Switzerland	2,033	0.5
97	87	Porr	Construction & materials	Austria	1,988	0.5
98	–	Talgo	Industrial engineering	Spain	1,962	0.5
99	64	Bauer	Construction & materials	Germany	1,908	0.5
100	–	AMG Advanced Metallurgical	Industrial engineering	Netherlands	1,906	0.5
		100 largest			**322,781**	**84.6**

1 Unquoted investment

Investment Portfolio as at 30 June 2015 (unaudited) (continued)

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
101	53	Surteco	Household goods & home construction	Germany	1,886	0.5
102	86	Krones	Industrial engineering	Germany	1,866	0.5
103	66	SAF-Holland	Automobiles & parts	Germany	1,846	0.5
104	121	Interparfums	Personal goods	France	1,805	0.5
105	–	Swissquote	Financial services	Switzerland	1,801	0.5
106	96	Haulotte	Industrial engineering	France	1,795	0.5
107	–	EFG International	Banks	Switzerland	1,791	0.5
108	–	Burckhardt Compression	Industrial engineering	Switzerland	1,778	0.5
109	75	Tom Tailor	General retailers	Germany	1,772	0.5
110	–	Transcom Worldwide	Support services	Sweden	1,765	0.5
		110 largest			**340,886**	**89.6**
111	–	Mekonomen	Automobiles & parts	Sweden	1,763	0.5
112	102	Mytilineos	Industrial metals & mining	Greece	1,762	0.5
113	–	AVG Technologies	Software & computer services	Netherlands	1,747	0.5
114	99	Saes Getters Di Risp	Electronic & electrical equipment	Italy	1,743	0.5
115	100	Uzin Utz	Construction & materials	Germany	1,732	0.5
116	108	Nexus	Software & computer services	Germany	1,726	0.5
117	77	Trevi Finanziaria Industrial	Construction & materials	Italy	1,716	0.5
118	–	Qliro	General retailers	Sweden	1,658	0.4
119	–	Solocal	Media	France	1,642	0.4
120	76	Liberbank	Banks	Spain	1,547	0.4
		120 largest			**357,922**	**94.3**
121	–	Schaltbau	Industrial engineering	Germany	1,486	0.4
122	81	Danieli & C Risp	Industrial engineering	Italy	1,474	0.4
123	–	Daetwyler	General industrials	Switzerland	1,438	0.4
124	–	Heliocentris Energy Solution	Alternative energy	Germany	1,401	0.4
125	112	Cewe Stiftung	General retailers	Germany	1,371	0.4
126	109	Atea	Software & computer services	Norway	1,329	0.4
127	128	Evotec	Pharmaceuticals & biotechnology	Germany	1,278	0.3
128	–	Lastminute.Com	Travel & leisure	Switzerland	1,235	0.3
129	104	Aegean Airlines	Travel & leisure	Greece	1,212	0.3
130	–	Naturex	Food producers	France	1,167	0.3
		130 largest			**371,313**	**97.9**
131	62	Manz	Industrial engineering	Germany	1,029	0.3
132	61	LPKF Laser & Electronics	Electronic & electrical equipment	Germany	987	0.3
133	132	SNP Schneider-Neureither & Partner	Software & computer services	Germany	913	0.2
134	–	Opus	Electronic & electrical equipment	Sweden	864	0.2
135	–	Plazza	Real estate	Switzerland	845	0.2
136	118	Suess Microtec	Electronic & electrical equipment	Germany	836	0.2
137	124	Blue Solutions	Electronic & electrical	France	832	0.2
138	–	Hipay	Support services	France	816	0.2
139	97	Hi-Media	Media	France	744	0.2
140	134	Doughty Hanson & Co. Fund III[1]	Investment fund	Other	504	0.1
		Total investments			**379,683**	**100.0**

1 Unquoted investment

TR European Growth Trust PLC
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