

Company Number: 02422514

# **HENDERSON HIGH INCOME TRUST PLC**

## **HALF-YEAR REPORT**

*(unaudited)*

**for the six months ended 30 June 2024**

**HENDERSON HIGH INCOME TRUST PLC****Unaudited results for the half-year ended 30 June 2024****Investment Objective**

The Company invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

**Performance for the six months to 30 June 2024**

- Net asset value (NAV) total return (debt at fair value)<sup>1</sup> of 6.5% compared with a total return from the benchmark<sup>2</sup> of 5.9%
- Mid-market share price total return (including dividends reinvested) of 3.4%

**Financial highlights**

	at 30 June 2024	at 31 December 2023
<b>NAV per share<sup>3</sup></b>	<b>175.2p</b>	169.6p
<b>Mid-market price per share</b>	<b>156.5p</b>	156.5p
<b>Net assets</b>	<b>£304.2m</b>	£222.3m
<b>Dividends paid/payable</b>	<b>5.25p</b>	10.35p
<b>Dividend yield</b>	<b>6.8%</b>	6.6%
<b>Gearing</b>	<b>21.5%</b>	21.4%
<b>(Discount)/premium to NAV (debt at fair value)</b>	<b>(10.7%)</b>	(7.7%)

**Total return performance** *(including dividends reinvested and excluding transaction costs)*

	6 months	1 year	3 years	5 years	10 years
	%	%	%	%	%
NAV total return (debt at fair value) <sup>1</sup>	<b>6.5</b>	13.5	22.3	32.2	81.3
Share price total return <sup>4</sup>	<b>3.4</b>	2.3	8.3	21.4	57.8
Benchmark <sup>2</sup>	<b>5.9</b>	12.4	16.5	24.3	67.9
FTSE All-Share Index	<b>7.4</b>	13.0	23.9	30.9	77.8
ICE BofA Sterling Non-Gilts Index	<b>-0.1</b>	9.7	-11.2	-3.8	25.6

1. Net asset value with debt at fair value per ordinary share total return (including dividends reinvested and excluding transaction costs)

2. The benchmark is a composite of 80% of the FTSE All-Share Index (total return) and 20% of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually

3. Net asset value per share with debt at fair value as published by the Association of Investment Companies (AIC)

4. The mid-market share price total return (including dividends reinvested)

Sources: Morningstar Direct and Janus Henderson

## INTERIM MANAGEMENT REPORT

### CHAIRMAN'S STATEMENT

#### Markets/Performance

The first half of 2024 has been a generally positive period for financial markets. With softer inflation globally, policy makers are focusing on lowering interest rates and investors have responded accordingly by increasing exposure to financial assets. Geopolitical tensions remain elevated however, particularly in Ukraine and the Middle East and the US presidential election campaign is proving eventful. Closer to home in the UK, July saw an earlier than expected general election and of course a change in government.

Against this backdrop the Company made positive progress in the first half of 2024 achieving a net asset value total return of +6.5% compared with a benchmark return of +5.9%, outperformance of 0.6%. The Company's share price total return was lower at +3.4%.

#### Gearing/Asset Allocation

The Company started 2024 with an overweight position in equities and an underweight position in fixed interest investments compared with its benchmark (80% equities, 20% bonds). This position has not changed markedly during the first half of 2024 and the Company's gearing is also largely unchanged (21.5% as at 30 June 2024).

The Board has continued to regularly review the level of gearing with the Company's Fund Manager during the current period of higher borrowing costs notwithstanding the fact that a proportion of the Company's borrowings are at fixed rates.

#### Combination with Henderson Diversified Income Trust plc

As highlighted in the 2023 Report and Accounts, the Company was able to issue £72.1 million of new shares in January 2024 following the successful combination with Henderson Diversified Income Trust plc. This will help to improve the liquidity and marketability in the Company's shares and also help to spread the Company's fixed costs across a larger shareholder base which is in the interests of all our shareholders.

#### Dividends

The first interim dividend of 2.625 pence per share was paid on 26 April 2024 and the second interim dividend for the same amount was paid on 26 July 2024.

A third interim dividend, to be paid from the Company's revenue account, of 2.675 pence per share was announced on 4 July 2024 and this dividend will be paid on 25 October 2024 to shareholders registered at the close of business on 13 September 2024 (with the shares being quoted ex-dividend on 12 September 2024).

The UK equity market is delivering growth in dividend payouts during 2024 as UK corporates remain in relatively robust financial health. Within the market UK banks in particular have increased payout levels although this has been offset to some degree by lower dividends from the UK mining sector where weaker metals prices globally have impacted profitability.

As usual David Smith, the Company's Fund Manager, regularly updates the Board on prospective income levels from the Company's portfolio of investments and the Board continues to have confidence in the Company's ability to deliver a high income return to shareholders.

#### Outlook

The immediate outlook for markets is dominated by speculation over the timing of interest rate cuts with the US Federal Reserve having just instigated its first reduction. The Bank of England has made its first cut from 5.25% to 5% and there have been a number of reductions across Europe. Inflationary pressures are abating and with early signs of weaker labour markets across the globe it is now likely that monetary policy will loosen further over the remainder of 2024.

The UK equity market continues to look relatively attractively priced in a global context and is currently in the midst of the half year results season; generally it is showing the UK economy in robust shape compared with other European neighbours and UK banks in particular are seeing low levels of distress across both the corporate and personal sectors although there are undoubted pockets of weaker activity, particularly in UK construction and housebuilding. Overall, however, with real wage growth and expectations that monetary policy is on a downward trajectory, the outlook for UK equities appears to be positive and within the Company's portfolio the Fund Manager has increased exposure to the mid cap sector which should benefit from lower interest rates.

There are of course continuing geopolitical tensions to be mindful of and as we near the US presidential election in November we should expect further volatility. The first Labour government budget at the end of October may also result

in higher levels of personal taxation which could prove a headwind, but the new government has made positive noises around focusing on growing the economy.

Against this backdrop the Company will continue to focus on the primary objective of delivering a high level of income to shareholders whilst seeking to deliver longer term capital growth.

**Jeremy Rigg**  
**Chairman**  
**26 September 2024**

## FUND MANAGER'S REPORT

### Markets

The UK equity market made good returns during the first half of the year with the FTSE All-Share Index up 7.4% on a total return basis. Although the Bank of England (BoE) kept its benchmark interest rate on hold at 5.25% during the first half of the year, slowing inflation raised optimism towards the end of the period that interest rates may be cut, and this was confirmed by the BoE's first cut in interest rates on 1<sup>st</sup> August. Indeed, annual inflation moderated to 2.0% in May – the first time it had reached the BoE's target in three years, although it may increase again as we head towards the end of the year in response to the proposed rise in the energy price cap and renewed upward pressure on wages as a result of above-inflation pay settlements in the public sector. UK GDP growth expanded by 0.7% over the first quarter as the economy emerged from the technical recession it entered at the end of last year. UK government bond yields rose during the period as expectations over imminent interest rate cuts from central banks at the start of the year were pushed out to the second half. The 10-year gilt yield increased to 4.2% at the end of June, from 3.5% at the beginning of the period.

Larger cap companies continued to outperform mid-caps with the FTSE 100 Index up 7.9% versus the 4.8% gain from the FTSE 250 Index. Sectors such as health care, industrials and financials performed best, while utilities, basic materials and real estate lagged.

### Performance

The Company's NAV (with debt at fair value) rose by 6.5% during the period, outperforming the Company's benchmark return of 5.9%. Within the equity portfolio, holdings in Britvic, NatWest and Intermediate Capital were positive for performance. Britvic announced strong results during the period before being subject to a bid approach from Carlsberg. NatWest reported good results with net interest margins ahead of expectations and a 15% increase in the dividend. Alternative asset manager Intermediate Capital announced solid trading with better than expected fund raisings which should lead to future profit growth. Elsewhere the portfolio's positions in Burberry and Mony Group (owner of MoneySuperMarket.com) detracted from returns. Mony Group's share price was weak as investors feared that an easing in insurance premium price inflation would lead to fewer consumers switching their insurance providers. Burberry reported poor results and cautioned on the outlook given the challenging demand environment for luxury goods. After period end the company announced a further deterioration in trading and a suspension of the dividend, hence the position was sold.

### Portfolio Activity

At the start of the year the Company completed the proposed combination with Henderson Diversified Income Trust plc (HDIV). The £72.1 million of new assets taken on as part of the transaction were invested in line with the existing portfolio at the time. The bond allocation remained relatively stable through the period and ended June at 14.0% of net assets.

Within the equity portfolio new holdings were established in Dunelm, Mondi and Aviva. Dunelm is the UK's leading homewares retailer with a strong business model which supports its competitive price position that has driven market share gains. The company also has a robust balance sheet, high free cash flow and an attractive dividend yield. Mondi is an integrated European packaging and paper company where we believe cyclical pressures that had constrained profits in recent years are now easing. Current investment in new capacity should also produce value accretive growth for the company over the medium term. After a period of restructuring, Aviva is now a much simpler business with good market positions in its core operations in the UK and Canada. It is well diversified across both life and general insurance and generates good cash flow. Funding came from the sale of B&M European Value Retail and Woodside Energy. B&M was sold on concerns that the business was being run too aggressively, while fears regarding the oversupplied LNG (Liquefied Natural Gas) market led us to exit the position in Woodside Energy.

**David Smith**

**Fund Manager**

**26 September 2024**

## INVESTMENT PORTFOLIO

### Classification of Investments by Sector

Company	Total 30 June 2024 %	Total 31 December 2023 %
<b>FIXED INTEREST</b>		
Preference shares	1.6	1.7
Other fixed interest	10.0	10.6
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<b>Total Fixed Interest</b>	<b>11.6</b>	<b>12.3</b>
	-----	-----
<b>EQUITIES</b>		
<b>Energy</b>		
Oil, gas and coal	5.7	5.6
	-----	-----
<b>Total Energy</b>	<b>5.7</b>	<b>5.6</b>
	-----	-----
<b>Basic Materials</b>		
Chemicals	1.8	1.7
Industrial metals and mining	4.4	4.5
	-----	-----
<b>Total Basic Materials</b>	<b>6.2</b>	<b>6.2</b>
	-----	-----
<b>Industrials</b>		
Aerospace and defence	0.9	-
Construction and materials	0.9	0.8
Electronic and electrical equipment	0.6	1.0
General industrials	1.8	1.3
Industrial engineering	0.8	0.9
Industrial support services	2.4	2.7
	-----	-----
<b>Total Industrials</b>	<b>7.4</b>	<b>6.7</b>
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<b>Consumer Discretionary</b>		
Consumer services	1.4	1.7
Household goods and home construction	1.1	1.3
Media	2.8	3.0
Personal goods	0.7	1.2
Retailers	2.3	2.3
Travel and leisure	1.0	1.7
	-----	-----
<b>Total Consumer Discretionary</b>	<b>9.3</b>	<b>11.2</b>
	-----	-----
<b>Health Care</b>		
Pharmaceuticals and biotechnology	3.5	4.0
	-----	-----
<b>Total Health Care</b>	<b>3.5</b>	<b>4.0</b>
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<b>Consumer Staples</b>		
Beverages	4.0	4.4
Food producers	2.8	3.0
Personal care, drug and grocery stores	6.1	5.2
Tobacco	6.6	5.8
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<b>Total Consumer Staples</b>	<b>19.5</b>	<b>18.4</b>
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<b>Utilities</b>		
Electricity	1.1	1.3
Gas, water and multi-utilities	5.6	5.7
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<b>Total Utilities</b>	<b>6.7</b>	<b>7.0</b>
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<b>Financials</b>		
Banks	7.4	5.5
Closed end investments	2.1	2.3
Finance and credit services	1.0	1.1
Investment banking and brokerage services	7.5	8.7
Life insurance	4.1	3.0
Non-life insurance	2.8	2.5
	-----	-----
<b>Total Financials</b>	<b>24.9</b>	<b>23.1</b>
	-----	-----
<b>Technology</b>		
Software and computer services	1.1	1.0
Technology hardware and equipment	0.9	0.9
	-----	-----
<b>Total Technology</b>	<b>2.0</b>	<b>1.9</b>
	-----	-----
<b>Real Estate</b>		
Real estate investment trusts	3.2	3.6
	-----	-----
<b>Total Real Estate</b>	<b>3.2</b>	<b>3.6</b>
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<b>Total investments</b>	<b>100.0</b>	<b>100.0</b>
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## TWENTY LARGEST INVESTMENTS

Company	Sector	Fair value	% of portfolio	Fair value	% of portfolio
		as at 30 June 2024 £'000		as at 31 December 2023 £'000	
British American Tobacco	Consumer Staples	14,948	4.0	9,545	3.5
Unilever	Consumer Staples	14,411	3.9	8,747	3.2
HSBC	Financials	12,762	3.5	7,737	2.9
Rio Tinto	Basic Materials	11,590	3.1	8,025	3.0
BP	Energy	10,761	2.9	6,399	2.4
Shell	Energy	10,283	2.8	6,310	2.3
RELX (Netherlands)	Consumer Discretionary	10,166	2.8	8,221	3.0
Imperial Brands	Consumer Staples	9,319	2.5	5,927	2.2
3i	Financials	8,523	2.3	5,602	2.1
Tesco	Consumer Staples	8,099	2.2	5,374	2.0
NatWest	Financials	7,748	2.1	3,026	1.1
National Grid	Utilities	7,741	2.1	5,407	2.0
Britvic	Consumer Staples	7,513	2.0	4,282	1.6
Phoenix	Financials	7,448	2.0	5,379	2.0
Lloyds Banking Group	Financials	6,985	1.9	3,958	1.5
Intermediate Capital	Financials	6,561	1.8	5,323	2.0
M&G	Financials	6,397	1.7	5,085	1.9
Hilton Food Group	Consumer Staples	5,970	1.6	4,406	1.6
Compass	Consumer Discretionary	5,319	1.4	4,579	1.7
AstraZeneca	Health Care	5,034	1.4	4,584	1.7
<b>Total</b>		<b>177,578</b>	<b>48.0</b>	<b>117,916</b>	<b>43.7</b>

The increase in value of the twenty largest investments reflects the additional value invested following the completion of the HDIV transaction. For further details please refer to note 10.

## EQUITY PORTFOLIO SECTOR EXPOSURE AS AT 30 JUNE 2024

	Equity portfolio weight %	FTSE All-Share Index %
Financials	29.4	24.5
Consumer Staples	21.7	13.4
Consumer Discretionary	10.3	10.8
Industrials	8.2	12.3
Utilities	7.5	3.6
Basic Materials	6.9	7.1
Energy	6.3	11.2
Health Care	3.9	12.0
Real Estate	3.6	2.6
Technology	2.2	1.3
Telecommunications	0.0	1.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Janus Henderson



## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks associated with the Company's business can be divided into the following main areas:

- Climate change risk
- Investment risk
- Market/financial risk
- Operational risks including cyber risks, pandemic risks and epidemic risks and risks relating to terrorism and international conflicts
- Tax, legal and regulatory risk

Information on these risks and how they are managed is given in the Company's Annual Report for the year-ended 31 December 2023. The Board has completed a thorough review of the principal risks and considers that these risks have not changed over the past six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors (listed in note 13) confirm that, to the best of their knowledge:

- a) the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting issued by the Financial Reporting Council;
- b) this report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) this report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**For and on behalf of the Board**

**Jeremy Rigg**

**Chairman**

**26 September 2024**

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended 30 June 2024 (Unaudited)			Half-year ended 30 June 2023 (Unaudited)			Year-ended 31 December 2023 (Audited)		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Gains/(losses) on investments held at fair value through profit or loss	-	8,900	8,900	-	(420)	(420)	-	10,620	10,620
Income from investments held at fair value through profit or loss	11,917	-	11,917	8,415	-	8,415	14,859	-	14,859
Other interest receivable and similar income	44	-	44	275	-	275	538	-	538
<b>Gross revenue and capital gains/(losses)</b>	<b>11,961</b>	<b>8,900</b>	<b>20,861</b>	<b>8,690</b>	<b>(420)</b>	<b>8,270</b>	<b>15,397</b>	<b>10,620</b>	<b>26,017</b>
<b>Expenses</b>									
Management fees (note 2)	(327)	(490)	(817)	(282)	(422)	(704)	(565)	(846)	(1,411)
Other administrative expenses	(307)	-	(307)	(227)	-	(227)	(456)	-	(456)
<b>Net return before finance costs and taxation</b>	<b>11,327</b>	<b>8,410</b>	<b>19,737</b>	<b>8,181</b>	<b>(842)</b>	<b>7,339</b>	<b>14,376</b>	<b>9,774</b>	<b>24,150</b>
Finance costs	(442)	(1,327)	(1,769)	(304)	(914)	(1,218)	(646)	(1,938)	(2,584)
<b>Net return before taxation</b>	<b>10,885</b>	<b>7,083</b>	<b>17,968</b>	<b>7,877</b>	<b>(1,756)</b>	<b>6,121</b>	<b>13,730</b>	<b>7,836</b>	<b>21,566</b>
Taxation on net return	(179)	94	(85)	(157)	-	(157)	(247)	101	(146)
<b>Net return after taxation</b>	<b>10,706</b>	<b>7,177</b>	<b>17,883</b>	<b>7,720</b>	<b>(1,756)</b>	<b>5,964</b>	<b>13,483</b>	<b>7,937</b>	<b>21,420</b>
<b>Return/(loss) per ordinary share</b> (note 3)	<b>6.35p</b>	<b>4.25p</b>	<b>10.60p</b>	<b>5.94p</b>	<b>(1.35p)</b>	<b>4.59p</b>	<b>10.39p</b>	<b>6.11p</b>	<b>16.50p</b>

The total columns of this statement represent the Company's Income Statement, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no other comprehensive income items recognised other than those disclosed in the Income Statement.

All items in the above statement derive from continuing operations. Although no operations were acquired or discontinued during the period, please refer to note 10 for further details on the HDIV transaction.

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year ended 30 June 2024 (Unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 January 2024	6,490	128,827	26,302	51,807	8,916	222,342
Net return after taxation	-	-	-	7,177	10,706	17,883
Issue of shares on the HDIV transaction	2,117	69,949	-	-	-	72,066
Listing fees in respect of new shares issued following the HDIV transaction	-	(146)	-	-	-	(146)
Fourth interim dividend (2.625p per share) for the year-ended 31 December 2023, paid 26 January 2024	-	-	-	-	(3,407)	(3,407)
First interim dividend (2.625p per share) for the year-ending 31 December 2024, paid 26 April 2024	-	-	-	-	(4,519)	(4,519)
Refund of unclaimed dividends	-	-	-	-	19	19
<b>At 30 June 2024</b>	<b>8,607</b>	<b>198,630</b>	<b>26,302</b>	<b>58,984</b>	<b>11,715</b>	<b>304,238</b>
Half-year ended 30 June 2023 (Unaudited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 January 2023	6,490	128,827	26,302	43,870	8,788	214,277
Net return after taxation	-	-	-	(1,756)	7,720	5,964
Fourth interim dividend (2.575p per share) for the year-ended 31 December 2022, paid 27 January 2023	-	-	-	-	(3,342)	(3,342)
First interim dividend (2.575p per share) for the year-ending 31 December 2023, paid 28 April 2023	-	-	-	-	(3,342)	(3,342)
Refund of unclaimed dividends	-	-	-	-	14	14
<b>At 30 June 2023</b>	<b>6,490</b>	<b>128,827</b>	<b>26,302</b>	<b>42,114</b>	<b>9,838</b>	<b>213,571</b>
Year-ended 31 December 2023 (Audited)	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 1 January 2023	6,490	128,827	26,302	43,870	8,788	214,277
Net return after taxation	-	-	-	7,937	13,483	21,420
Fourth interim dividend (2.575p per share) for the year-ended 31 December 2022, paid 27 January 2023	-	-	-	-	(3,342)	(3,342)
First interim dividend (2.575p per share) for the year-ended 31 December 2023, paid 28 April 2023	-	-	-	-	(3,342)	(3,342)
Second interim dividend (2.575p per share) for the year-ended 31 December 2023, paid 28 July 2023	-	-	-	-	(3,342)	(3,342)
Third interim dividend (2.575p per share) for the year-ended 31 December 2023, paid 27 October 2023	-	-	-	-	(3,342)	(3,342)
Refund of unclaimed dividends	-	-	-	-	13	13
<b>At 31 December 2023</b>	<b>6,490</b>	<b>128,827</b>	<b>26,302</b>	<b>51,807</b>	<b>8,916</b>	<b>222,342</b>

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2024 (Unaudited) £'000	30 June 2023 (Unaudited) £'000	31 December 2023 (Audited) £'000
<b>Non-current assets</b>			
Investments held at fair value through profit or loss (note 4)	369,785	259,000	270,007
<b>Current assets</b>			
Debtors	3,064	4,496	2,092
Cash at bank and in hand	4,047	2,843	1,990
	7,111	7,339	4,082
<b>Creditors: amounts falling due within one year</b>	(52,785)	(32,906)	(31,880)
<b>Net current liabilities</b>	(45,674)	(25,567)	(27,798)
<b>Creditors: amounts falling due after more than one year</b>	(19,873)	(19,862)	(19,867)
<b>Net assets</b>	304,238	213,571	222,342
<b>Capital and reserves</b>			
Called up share capital (note 6)	8,607	6,490	6,490
Share premium account	198,630	128,827	128,827
Capital redemption reserve	26,302	26,302	26,302
Other capital reserves	58,984	42,114	51,807
Revenue reserve	11,715	9,838	8,916
<b>Total shareholders' funds</b>	304,238	213,571	222,342
<b>Net asset value per ordinary share (note 5)</b>	176.74p	164.54p	171.30p

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended 30 June 2024 (Unaudited) £'000	Half-year ended 30 June 2023 (Unaudited) £'000	Year-ended 31 December 2023 (Audited) £'000
<b>Cash flows from operating activities</b>			
Net return before taxation	17,968	6,121	21,566
Add back: finance costs	1,769	1,218	2,584
Add: (gains)/losses on investments held at fair value through profit or loss	(8,900)	420	(10,620)
Withholding tax on dividends deducted at source	(85)	(157)	(146)
Increase in debtors	(972)	(189)	(164)
Decrease in creditors	(235)	(292)	(337)
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<b>Net cash inflow from operating activities</b>	<b>9,545</b>	<b>7,121</b>	<b>12,883</b>
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<b>Cash flows from investing activities</b>			
Sales of investments held at fair value through profit or loss	53,912	28,282	66,925
Purchases of investments held at fair value through profit or loss	(105,535)	(31,134)	(67,282)
	-----	-----	-----
<b>Net cash outflow from investing activities</b>	<b>(51,623)</b>	<b>(2,852)</b>	<b>357</b>
	-----	-----	-----
<b>Cash flows from financing activities</b>			
Net cash acquired and received following the HDIV transaction	32,586	-	-
Listing fees in respect of new shares issued following the HDIV transaction	(146)	-	-
Equity dividends paid (net of refund of unclaimed distributions)	(7,907)	(6,670)	(13,355)
Drawdown of loans	21,070	2,837	1,649
Interest paid	(1,764)	(1,213)	(2,575)
	-----	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	<b>43,839</b>	<b>(5,046)</b>	<b>(14,281)</b>
	-----	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>			
	<b>1,761</b>	<b>(777)</b>	<b>(1,755)</b>
Cash and cash equivalents at beginning of period	1,990	2,873	2,873
Exchange movements	296	747	872
	-----	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>4,047</b>	<b>2,843</b>	<b>1,990</b>
Comprising:	-----	-----	-----
Cash at bank	4,047	2,843	1,990
	=====	=====	=====

The accompanying notes are an integral part of the condensed financial statements.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. Accounting policies: basis of accounting

The Company is a registered investment company as defined by Section 833 of the Companies Act 2006 and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010.

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", which was updated by the Association of Investment Companies in July 2022.

For the period under review the Company's accounting policies have not varied from those described in the Annual Report for the year-ended 31 December 2023. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditor.

### 2. Management fees

Management fees are charged in accordance with the terms of the management agreement which are set out in the Company's Annual Report for the year-ended 31 December 2023.

### 3. Revenue return per ordinary share

The revenue return per ordinary share is based on the following figures:

	Half-year ended 30 June 2024 (Unaudited) £'000	Half-year ended 30 June 2023 (Unaudited) £'000	Year-ended 31 December 2023 (Audited) £'000
Net revenue return	10,706	7,720	13,483
Net capital return	7,177	(1,756)	7,937
Total return	17,883	5,964	21,420
Weighted average number of ordinary shares	168,651,693	129,796,278	129,796,278

  

	Pence	Pence	Pence
Revenue return per ordinary share	6.35	5.94	10.39
Capital return/(loss) per ordinary share	4.25	(1.35)	6.11
Total return per ordinary share	10.60	4.59	16.50

The Company does not have any dilutive securities therefore the basic and diluted returns per share are the same.

### 4. Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives), or the statement of financial position amount is a reasonable approximation of fair value (due from brokers, dividends, and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and amounts due under the multi-currency loan facility). At 30 June 2024 the fair value of the senior unsecured note has been estimated to be £18,095,000 (30 June 2023: £17,043,000; 31 December 2023: £18,696,000) and is categorised as Level 3 in the fair value hierarchy.

The current estimated fair value of the senior unsecured note is calculated using a discount rate based on the redemption yield of the relevant existing reference UK Gilt plus a suitable estimated credit spread. The estimated credit spread is based on the spread between the yield of the ICE BofA 10-15 Year A Sterling Non-Gilt Index and the redemption yield of the ICE BofA 10-15 Year UK Gilt Index. The discount rate is calculated and updated at each month end and applied daily to determine the Company's published fair value NAVs.

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

- Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.
- Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data.

Financial assets and financial liabilities at fair value through profit or loss at 30 June 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	327,067	-	-	327,067
Fixed interest investments:				
- Preference shares	5,748	-	-	5,748
- Other	36,970	-	-	36,970
<b>Total</b>	<b>369,785</b>	<b>-</b>	<b>-</b>	<b>369,785</b>

Financial assets and financial liabilities at fair value through profit or loss at 30 June 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	229,312	-	-	229,312
Fixed interest investments:				
- Preference shares	3,870	-	-	3,870
- Other	25,818	-	-	25,818
- Options	-	(5)	-	(5)
<b>Total</b>	<b>259,000</b>	<b>(5)</b>	<b>-</b>	<b>258,995</b>

Financial assets and financial liabilities at fair value through profit or loss at 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	236,793	-	-	236,793
Fixed interest investments:				
- Preference shares	4,470	-	-	4,470
- Other	28,744	-	-	28,744
<b>Total</b>	<b>270,007</b>	<b>-</b>	<b>-</b>	<b>270,007</b>

The Company's holdings in options are included within Level 2 and are included in creditors amounts falling due within one year in the Statement of Financial Position.

Premiums from written options during the half-year ended 30 June 2024 were £nil (half-year ended 30 June 2023: £239,000; year-ended 31 December 2023: £454,000).

## 5. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £304,238,000 (half-year ended 30 June 2023: £213,571,000; year ended 31 December 2023: £222,342,000) and on the 172,141,700 ordinary shares in issue at 30 June 2024 (30 June 2023: 129,796,278; 31 December 2023: 129,796,278).

## 6. Share capital

On 17 January 2024 the Company issued 42,345,422 new shares to HDIV shareholders in consideration of the £72.1 million of net assets acquired from HDIV in accordance with the scheme of reconstruction and winding up of HDIV under section 110 of the Insolvency Act 1986. No further shares were issued during the six months under review (half-year ended 30 June 2023: nil; year-ended 31 December 2023: nil).

At 30 June 2024 there were 172,141,700 ordinary shares of 5p nominal value in issue. Between 1 July and 26 September 2024, no shares have been issued. The Company has no shares held in Treasury.

## 7. Dividends

The Company pays dividends on a quarterly basis. In respect of the year ended 31 December 2023, a fourth interim dividend of 2.625p per share (2022: 2.575p) was paid on 26 January 2024 to shareholders on the register at close of business on 8 December 2023. In respect of the year ending 31 December 2024, a first interim dividend of 2.625p per share (2023: 2.575p) was paid on 26 April 2024 to shareholders on the register at close of business on 5 April 2024. These dividends are reflected in the half-year financial statements.

A second interim dividend of 2.625p per share (2023: 2.575p) for the year ending 31 December 2024 was paid on 26 July 2024 to shareholders on the register at close of business on 14 June 2024. A third interim dividend of 2.675p per share (2023: 2.575p) for the year ending 31 December 2024 will be paid on 25 October 2024 to shareholders on the register at close of business on 13 September 2024. The shares will be quoted ex-dividend on 12 September 2024.

In accordance with FRS 102, the second and third interim dividends have not been accrued for in the half-year financial statements as they will be paid after the period end.

## 8. Net debt reconciliation

	Cash and cash equivalents £'000	Bank loans repayable within one year £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt as at 1 January 2024	1,990	(30,639)	(19,867)	(48,516)
Cash flows	1,761	(21,070)	-	(19,309)
Non cash flows:				
Exchange movements	296	(69)	-	227
Effective interest movements	-	-	(6)	(6)
Net debt as at 30 June 2024	4,047	(51,778)	(19,873)	(67,604)

	Cash and cash equivalents £'000	Bank loans repayable within one year £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt as at 1 January 2023	2,873	(29,141)	(19,858)	(46,126)
Cash flows	(777)	(2,837)	-	(3,614)
Non cash flows:				
Exchange movements	747	257	-	1,004
Effective interest movements	-	-	(4)	(4)
Net debt as at 30 June 2023	2,843	(31,721)	(19,862)	(48,740)

	Cash and cash equivalents £'000	Bank loans repayable within one year £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt as at 1 January 2023	2,873	(29,141)	(19,858)	(46,126)
Cash flows	(1,755)	(1,649)	-	(3,404)
Non cash flows:				
Exchange movements	872	151	-	1,023
Effective interest movements	-	-	(9)	(9)
Net debt as at 31 December 2023	1,990	(30,639)	(19,867)	(48,516)

## 9. Going concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

The Company's shareholders are asked every five years to vote for the continuation of the Company. An ordinary resolution to this effect was passed by the shareholders at the annual general meeting held on 23 June 2020.

The Directors have considered the risks associated with global interest rates that continue to remain at higher levels despite recent cuts and the continued impact on the broader financial system, as well as the risks arising from the wider ramifications of geopolitical conflicts, including cash flow forecasting, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. They have concluded that they are able to meet their financial obligations, including the repayment of the bank loan, as they fall due for a period of at least twelve months from the date of issuance. Having assessed these factors, the principal risks and other matters discussed in connection with the viability statement, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.



## 10. Transaction with Henderson Diversified Income Trust plc (HDIV)

On 16 January 2024, the Company announced that it had acquired £72.1 million of net assets from HDIV in consideration for the issue of 42,345,422 new Ordinary shares as part of a recommended s110 Scheme under the Insolvency Act.

<b>Net assets acquired</b>	<b>£'000</b>
Investments and accrued income	39,480
Cash	32,586
<b>Net assets</b>	<b>72,066</b>
<b>Satisfied by the value of new ordinary shares issued</b>	<b>72,066</b>

## 11. Related party transactions

The Company's current related parties are its Directors and Janus Henderson. There have been no material transactions between the Company and its Directors during the period and the only amounts paid to them were in respect of expenses and remuneration, for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by Janus Henderson, other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there have been no material transactions with Janus Henderson affecting the financial position of the Company during the period under review.

During the period the Company received £442,000 from Janus Henderson to cover project costs paid or payable in relation to the transaction with HDIV.

## 12. Half Year Report

The half-year report is available at [www.hendersonhighincome.com](http://www.hendersonhighincome.com) or in hard copy from the Corporate Secretary by emailing [itsecretariat@janushenderson.com](mailto:itsecretariat@janushenderson.com). An abbreviated version of this half-year report, the 'Update', will be circulated to shareholders in September 2024.

## 13. General information

### a) Company Status

The Company is a UK domiciled investment trust company with registered number 02422514.

SEDOL/ISIN number: 0958057

London Stock Exchange (TIDM) code: HHI

Global Intermediary Identification Number (GIIN): JBA08I.99999.SL.826

Legal Entity Identifier (LEI): 213800OEXAGFSF7Y6G11

### b) Directors, Corporate Secretary and Registered Office

The Directors of the Company are Jeremy Rigg (Chairman), Jonathan Silver (Chairman of the Audit & Risk Committee), Zoe King (Senior Independent Director), Richard Cranfield and Francesca Ecsery. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited. The registered office is 201 Bishopsgate, London EC2M 3AE.

### c) Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.hendersonhighincome.com](http://www.hendersonhighincome.com)