Invesco Perpetual UK Smaller Companies Investment Trust plc

Investment Objective

Invesco Perpetual UK Smaller Companies Investment Trust plc is an investment trust whose investment objective is to achieve long-term total returns for shareholders primarily by investment in a broad cross-section of small to medium sized UK quoted companies.

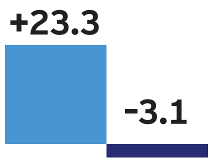
Contents

Financial Information and Performance Statistics

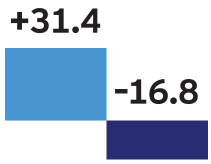
Total Return Statistics[1]
(dividends reinvested)

- Six Months to 31 July 2021 (%)
- Year Ended 31 January 2021 (%)

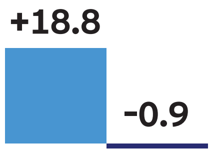
Net asset value (NAV)[1][2]



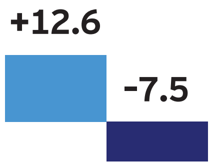
Share price[1][2]



Benchmark index[2][3]



FTSE All-Share Index[2]



Financial Highlights

Period End Date	**At 31 July 2021**	**At 31 January 2021**	**change %**
Net assets (£'000)[1]	231,627	191,380	+21.0
Net asset value[1] per share (NAV)	684.74p	565.76p	+21.0
Share price[2]	622.00p	483.00p	+28.8
Discount[1]	(9.2)%	(14.6)%	
Gearing[1]:			
- gross gearing	nil	nil	
- net cash	1.0%	2.2%	
Maximum authorised gearing	6.5%	7.8%	
Return and dividend per ordinary share	**Six Months Ended 31 July 2021**	**Six Months Ended 31 July 2020**	
Return[1]			
- revenue	4.34p	0.67p	
- capital	126.46p	(139.67)p	
- total	130.80p	(139.00)p	
First interim dividend	3.75p	3.75p	

Notes:

(1) Alternative Performance Measures (APM). See pages 16 to 17 for the explanation and calculation of APMs. Further details are provided in the Glossary of Terms and Alternative Performance Measures in the Company's 2021 annual financial report.

(2) Source: Refinitiv.

(3) The Benchmark Index of the Company is the Numis Smaller Companies Index (excluding Investment Companies) with income reinvested.

Chairman's Statement

Highlights

- Net asset value total return of +23.3% and share price total return of +31.4%
- Target dividend yield of 4% of the year end share price

Dear Shareholders,

I am pleased to report that over the six months to 31 July 2021 the Portfolio Managers generated good returns for the Company's shareholders in both absolute terms and relative to the Numis Smaller Companies Index (excluding investment companies), the Company's benchmark. The Portfolio Managers' report which follows sets out how they achieved this.

Over the six months under review, the UK stock market, as measured by the FTSE All-Share Index, increased by 12.6% on a total return basis while smaller companies, as measured by the Numis Smaller Companies Index (excluding investment companies) increased by 18.8% on a total return basis.

Against this background, the net asset value total return of your Company was +23.3% over the six month period. This is a pleasing result which the Board believes supports our Portfolio Managers' unchanged focus on owning high quality, growing businesses at attractive valuations.

The Company's share price increased from 483p to 622p during the period to 31 July, an increase of 28.8% (a 31.4% increase on a total return basis), and the discount to net asset value ended the period at 9.2%, having been 14.6% as at 31 January 2021.

Since the Company's half-year end to 8 October 2021, the latest practical date before publication of this interim report, the Company's NAV total return is +1.6%, the share price total return is -2.3%, whilst the benchmark total return is +0.8%. As at 8 October 2021, the discount was 12.7%.

Dividends

As set out in the last Annual Financial Report, the Board reinstated the Company's dividend policy to pay out all income earned within the portfolio and to enhance it annually through the use of realised capital profits with a target dividend yield of 4% of the year end share price.

In accordance with the dividend policy, on 28 July 2021 the Board declared a first interim dividend of 3.75p for the year ending 31 January 2022, payable on 2 September 2021 to shareholders on the register on 6 August 2021 (2020: 3.75p). The expected timetable for the remaining dividend payments is: second and third interim dividends in December 2021 and March 2022 respectively, with the final dividend payable in June 2022, following its approval by shareholders at the Company's Annual General Meeting.

Outlook

Uncertainties, particularly those relating to Covid-19, appear to be lifting. The UK economic recovery is expected to continue through the second half of the year, however, the strength of gains is unlikely to match those experienced over the recent past. Policy makers now have the difficult task of managing the return to normality, the repayment of debt incurred during the Pandemic while at the same time making sure economic recovery is not stifled.

The current inflationary environment is cause for concern as economic recovery continues and input prices rise. Our Portfolio Managers are watchful as to how this might affect the companies they invest in, as well as any opportunities it creates.

While there is greater visibility in the outlook for the companies in which the Portfolio Managers invest, changes in the operating and economic environments may affect investee companies in ways that are not yet fully understood. The Company's diversified portfolio continues to provide shareholders with an investment in good quality businesses which over the longer term should be able to provide attractive total returns and balance the opportunities and risks of investing in UK smaller companies.

Jane Lewis
Chairman

11 October 2021

Portfolio Managers

Jonathan Brown is a member of the UK Equity team specialising in smaller companies and has been with Invesco for more than 13 years. He became the Portfolio Manager at the end of June 2014.

Jonathan began his investment career with Lazard Asset Management in 1997, where he specialised in private client fund administration, before joining Invesco within a similar role in 2000. In 2004, Jonathan joined the UK Equities team as a trainee fund manager and, after three years specialising in the UK small cap sector, became a fund manager in his own right.

Jonathan graduated with a BSc in Bio-Chemistry from UMIST and has also secured both the Investment Management Certificate from the CFA Society of the UK and the Securities Institute Diploma.

Robin West is the deputy Portfolio Manager. Robin started his career at KPMG and is a small company specialist who worked at Invesco initially, then Oriel Securities and Aviva Investors, before returning to Invesco in 2014.

Portfolio Managers' Report

Investment Review

The period under review produced good returns for equity investors as the success of vaccination programmes and the subsequent relaxation of restrictions facilitated a strong economic recovery. The UK market also benefitted from a surge in takeover activity, as private equity funds looked to take advantage of cheap debt and lower valuations for UK stocks in the wake firstly of Brexit and then Covid-19. The rapid rebound in activity, combined with a variety of pandemic related constraints on production, has led to supply chain disruption for many businesses and a significant increase in inflation. So far governments have been reluctant to reduce the level of monetary stimulus applied to the economy, which has created a favourable backdrop for markets.

Over the last six months the UK stock market, as measured by the FTSE All-Share Index, increased by 12.6% on a total return basis. Smaller companies, as measured by the Numis Smaller Companies Index (excluding Investment Companies), fared even better, increasing by 18.8% on a total return basis over the Company's half

Portfolio Review

Against this background, your Company generated a net asset value total return of +23.3% at the interim stage. This is a pleasing result which we believe vindicates our focus on owning high quality businesses at the right valuation. In terms of sector performance, the portfolio benefitted from its positions in more economically sensitive sectors such as Industrials, Construction Materials, Media, and Financials. We had disappointing performances from the Oil & Gas and Pharmaceutical sectors.

At the individual stock level, the best performers included: **Future** (+98%), a publisher of online and magazine content, which continued to perform strongly. Its strategy of driving revenue through digital advertising and e-commerce has generated significant organic growth which has been boosted by acquisitions. **Volution** (+67%), which produces ventilation products, benefitted from a rebound in construction activity and an increased focus on indoor air quality. Defence business **Ultra Electronics** (+60%), received a takeover approach from Cobham. Its focus on the strategically important areas of marine warfare, secure communications, and electronic warfare, make the business a highly attractive asset. **CVS** (+57%), which is one of the country's leading veterinary services groups, should continue to benefit from increased pet ownership in the UK for many years to come. Financial administration business, **Sanne** (+53%), is currently the subject of acquisition approaches. We continue to like its combination of high margins, organic growth, and strong revenue visibility from multi-year contracts.

Although it was a strong six months for the portfolio, there were a couple of significant disappointments: Pharmaceutical business, **Clinigen** (-22%), suffered from a sales shortfall as Covid-19 reduced the level of hospital activity and therefore the use of its products. We are hopeful of an improvement in the situation as the number of Covid-19 cases subsides, so we have maintained our holding. Oil & Gas business, **Energean** (-18%), saw profit taking after a strong performance over the previous period. Disruption to working practises due to Covid-19 also delayed the construction of its production platform, which it requires to extract gas from its new field in the Mediterranean.

It has been an unusually active period for takeover bids in the UK, predominantly by private equity funds, but also corporates. The UK market had underperformed many overseas markets over the last few years, and this left many stocks undervalued and vulnerable to an approach. Much of the activity has focussed on the smaller companies sector and a number of our holdings have been bid for. These include **Ultra Electronics** and **Sanne**, as mentioned above, but also: real estate business, **St. Modwen Properties**; respiratory drug company, **Vectura**; office services business, **Restore**; and software engineering company, **Sumo**. Whilst it is encouraging that the value in these holdings is being recognised, we are keen to ensure that they are not taken out "on the cheap" and that we receive full value for these businesses and have engaged with management where appropriate.

Investment Strategy

Our investment strategy remains unchanged. The current portfolio is comprised of around 75 stocks with the sector weightings being determined by where we are finding attractive companies at a given time, rather than by allocating assets according to a "top down" view of the economy. We continue to seek growing businesses, which have the potential to be significantly larger in the medium term. These tend to be companies that either have great products or services, that can

Portfolio Managers' Report (continued)

enable them to take market share from their competitors, or companies that are exposed to higher growth niches within the UK economy or overseas. We prefer to invest in cash generative businesses that can fund their own expansion, although we are willing to back strong management teams by providing additional capital to invest for growth.

The sustainability of returns and profit margins is vital for the long-term success of a company. The assessment of the position of a business within its supply chain and a clear understanding of how work is won and priced are key to determining if a company has "pricing power", which is particularly important in the current inflationary environment. It is also important to determine which businesses possess unique capabilities, in the form of intellectual property, specialist know-how or a scale advantage in their chosen market. We conduct around 300 company meetings and site visits a year (where this is possible), and these areas are a particular focus for us on such occasions.

Environmental, Social and Governance (ESG) issues are currently a focus for many investors and analysis of these factors has always been a core part of our investment process. Environmental liabilities, socially dubious business practises and poor corporate governance, can have a significant impact on share prices. We seek to quantify the cost and probability of environmental risks within a business, and factor this into our valuation considerations before we invest and over the course of our ownership. Social issues can be less tangible, but we avoid unethical businesses, which whilst acting within the law, run the risk of a public backlash, or being constrained by new legislation. When it comes to governance, board structure and incentivisation, we proactively consult with all the businesses we own and vote against resolutions where standards fall short of our expectations.

The Company remains ungeared. We retain an overdraft facility to give us flexibility to gear the Company up to a maximum of 6.5% of the net assets, as at 31 October 2021. We monitor a range of economic and valuation data points and will gear the Company when we feel it is likely to enhance shareholder returns.

New Holdings

New stocks that we added to the portfolio in the period include:

- **Serco** – Although the business has a chequered history, it has returned to growth and addressed its legacy issues under the current management team. The company reduced its reliance on UK government work, with more than half its profit now coming from overseas. We like the high level of recurring revenue from multi-year contracts and believe the valuation is modest for a business with significant growth potential.
- **Restaurant Group** – The business, which is best known for its Wagamama and Frankie & Benny's brands, has successfully exited a large number of underperforming sites over the last year. Trading should benefit from the recovery in consumer spending and reduced competition following the pandemic.
- **Avon Protection** – The business is a leading supplier of protective equipment for the armed services, with a leading position in the UK and US. We bought a position after a significant fall in the share price following some contract delays. We believe these issues will prove to be relatively short term in nature, and that the company can return to growth.

Significant Holdings

The 5 largest holdings in the portfolio at the interim stage are:

- **Future** (3.5% of the portfolio) is a media business which is successfully transitioning from publishing magazines to running a diverse range of niche interest websites such as TechRadar, What Hi-Fi, Period Living and Decanter. The business aims to produce relevant, high quality content and monetise it via subscriptions, advertising, and e-commerce. Management has been successful in revitalising numerous brands, and the company has grown revenue and profit both organically and via acquisition.
- **JTC** (2.7% of the portfolio) is a financial administration business operating primarily in the Channel Islands but also with offices in North America and Europe. It provides services to real estate and private equity funds, multinational companies, and high net worth individuals. The business has a strong reputation for quality and has augmented its organic growth with acquisitions. The business benefits from long term contracts, giving it excellent earnings visibility.
- **NCC** (2.5% of the portfolio) is a cyber-security and software escrow business. Its cyber-security division helps businesses protect themselves against cyber-attacks and assists them in their recovery following an attack. Its software escrow division protects businesses against the failure of software suppliers. The company has genuine expertise and is growing organically and potentially by acquisition.
- **Hill & Smith** (2.4% of the portfolio) is a supplier of products and services into the Infrastructure sectors in the UK, US and Europe. Its proprietary steel and composite products are used in the rail, roads, water and energy sectors. The business also provides galvanizing services to protect steel structures, and leases temporary road barriers and security products. The company generates good margins and is exposed to growing areas of expenditure.
- **Sanne** (2.4% of the portfolio) provides a broad range of administration services to investment businesses. Increased outsourcing of these activities has driven organic growth which management has augmented with a series of bolt-on acquisitions. Long term contracts give the business good earnings visibility, and the specialist nature of the services allows the company to generate an attractive profit margin.

Outlook

With vaccination programmes around the world progressing well, we are hopeful that the worst of the Covid-19 pandemic is behind us. However, the recent increase in inflation, caused by the rapid economic recovery combined with widespread supply disruption, creates a quandary for central banks. Ordinarily, interest rates would rise to restrain burgeoning inflation. However, with the future path of the pandemic still unclear, and public sector debt at post war highs, central banks are currently hoping that price increases will be transient. Whilst we believe that this is the most likely outcome, if inflation proves more persistent, then a more rapid increase in interest rates might be necessary and this could have consequences for asset values.

Even the worst of crises can present opportunities. Significant economic set-backs tend to see weaker businesses either downsizing or exiting the market entirely. This reduction in capacity presents an opportunity for significant market share gains by businesses with ability to invest for growth. Our approach of focussing on financially strong, market leading businesses should serve us well in this environment. Recent discussions with the management of portfolio businesses suggests that this is already occurring, and clearly, we are keen to support businesses by providing capital for acquisitions and organic expansion.

In the absence of an unexpected turn for the worse, we expect the UK economic recovery to continue through the second half of the year. Equities continue to look good value when compared with bonds, particularly in the UK, and therefore the market should remain well supported. Although the current environment presents significant uncertainty, we believe there is money to be made through careful stock selection.

Jonathan Brown	**Robin West**
Portfolio Manager	*Deputy Portfolio Manager*

11 October 2021

Principal Risks and Uncertainties

The Directors confirm that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. Most of these risks are market related and are similar to those of other investment trusts investing primarily in listed markets.

Principal Risk Description	Mitigating Procedures and Controls
Market (Economic) Risk Factors such as fluctuations in stock markets, interest rates and exchange rates are not under the control of the Board or the Portfolio Manager, but may give rise to high levels of volatility in the share prices of investee companies, as well as affecting the Company's own share price and the discount to its NAV. The risk could be triggered by unfavourable developments globally and/or in one or more regions, contemporary examples being the market uncertainty in relation to Covid-19 pandemic.	The Directors have assessed the market impact of Covid-19 through regular discussions with the Portfolio Managers and the Corporate Broker. To a limited extent, futures can be used to mitigate this risk, as can the judicious holding of cash or other very liquid assets.
Investment Risk The Company invests in small and medium-sized companies traded on the London Stock Exchange or on AIM. By their nature, these are generally considered riskier than their larger counterparts and their share prices can be more volatile, with lower liquidity. In addition, as smaller companies may not generally have the financial strength, diversity and resources of larger companies, they may find it more difficult to overcome periods of economic slowdown or recession.	The Portfolio Managers' approach to investment is one of individual stock selection. Investment risk is mitigated via the stock selection process, together with the slow build-up of holdings rather than the purchase of large positions outright. This allows the Portfolio Manager, cautiously, to observe more data points from a company before adding to a position. The overall portfolio is well diversified by company and sector. The weighting of an investment in the portfolio tends to be loosely aligned with the market capitalisation of that company. This means that the largest holdings will often be amongst the larger of the smaller companies available. The Portfolio Manager is relatively risk averse, looks for lower volatility in the portfolio and seeks to outperform in more challenging markets. The Portfolio Manager remains cognisant at all times of the potential liquidity of the portfolio. There can be no guarantee that the Company's strategy and business model will be successful in achieving its investment objective. The Board monitors the performance of the Company and has guidelines in place to ensure that the Portfolio Manager adheres to the approved investment policy. The continuation of the Manager's mandate is reviewed annually.
Shareholders' Risk The value of an investment in the Company may go down as well as up and an investor may not get back the amount invested.	The Board reviews regularly the Company's investment objective and strategy to ensure that it remains relevant, as well as reviewing the composition of the shareholder register, peer group performance on both a share price and net asset value basis, and the Company's share price discount to net asset value per share. The Board and the Portfolio Manager maintain an active dialogue with the aim of ensuring that the market rating of the Company's shares reflects the underlying net asset value; both share buy back and issuance facilities are in place to help the management of this process.
Borrowings The Company may borrow money for investment purposes. If the investments fall in value, any borrowings (or gearing) will magnify the extent of any loss. If the borrowing facility could not be renewed, the Company might have to sell investments to repay any borrowings made under it.	All borrowing and gearing levels are reviewed at every Board meeting and limits agreed. The Company did not use any borrowings during the period under review.

Principal Risk Description	Mitigating Procedures and Controls
Reliance on the Manager and other Third-Party Service Providers The Company has no employees and the Directors are all non-executive. The Company is therefore reliant upon the performance of third-party service providers for its executive function and service provisions. The Company's operational structure means that all cyber risk (information and physical security) arises at its third-party service providers, including fraud, sabotage or crime against the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company successfully to pursue its investment policy. The Company's main service providers, of which the Manager is the principal provider, are listed on page 18. The Manager may be exposed to reputational risks. In particular, the Manager may be exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not it is valid, will harm its reputation. Damage to the reputation of the Manager could potentially result in counterparties and third parties being unwilling to deal with the Manager and by extension the Company, which carries the Manager's name. This could have an adverse impact on the ability of the Company to pursue its investment policy successfully.	Third-party service providers are subject to ongoing monitoring by the Manager and the Company. The Manager reviews the performance of all third-party providers regularly through formal and informal meetings. The Audit Committee reviews regularly the performance and internal controls of the Manager and all third-party providers through audited service organisation control reports, together with updates on information security and business continuity plans and testing, the results of which are reported to the Board. The Directors have reviewed the operational capabilities as detailed in the "Operational Resilience Risk" section.
Regulatory Risk The Company is subject to various laws and regulations by virtue of its status as an investment trust, its listing on the London Stock Exchange and being an Alternative Investment Fund under the UK AIFMD regime. A loss of investment trust status could lead to the Company being subject to corporation tax on the chargeable capital gains arising on the sale of its investments. Other control failures, either by the Manager or any other of the Company's service providers, could result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.	The Manager reviews the level of compliance with tax and other financial regulatory requirements on a regular basis. The Board regularly considers all risks, the measures in place to control them and the possibility of any other risks that could arise. The Manager's Compliance and Internal Audit Officers produce regular reports for review at the Company's Audit Committee. Further details of risks and risk management policies as they relate to the financial assets and liabilities of the Company are detailed in note 16 of the Company's 2021 annual financial report.
Operational Resilience Risk The Company's operational capability relies upon the ability of its third-party service providers to continue working throughout the disruption caused by a major event such as the Covid-19 pandemic.	The Manager's business continuity plans are reviewed on an ongoing basis and the Directors are satisfied that the Manager has in place robust plans and infrastructure to minimise the impact on its operations so that the Company can continue to trade, meet regulatory obligations, report and meet shareholder requirements. As the impact of Covid-19 continues, the Manager maintains work from home arrangements and has implemented split team working for business premises and meetings can be held virtually or via conference calls. Other similar working arrangements are in place for the Company's third-party service providers. The Board receives regular update reports from the Manager and third-party service providers on business continuity processes and has been provided with assurance from them all insofar as possible that measures are in place for them to continue to provide contracted services to the Company.

In the view of the Board, these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

Thirty Largest Investments

AT 31 JULY 2021

Ordinary shares unless stated otherwise

Company	Sector	Market Value £'000	% of Portfolio
Future	Media	7,990	3.5
JTC	Investment Banking and Brokerage Services	6,233	2.7
NCC	Software and Computer Services	5,675	2.5
Hill & Smith	Industrial Metals and Mining	5,553	2.4
Sanne	Investment Banking and Brokerage Services	5,533	2.4
RWS[AIM]	Industrial Support Services	5,436	2.4
CVS[AIM]	Consumer Services	5,411	2.4
Hilton Food	Food Producers	5,185	2.3
Ultra Electronics	Aerospace and Defence	5,110	2.2
Volution	Construction and Materials	5,045	2.2
Top Ten Holdings		**57,171**	**25.0**
4imprint	Media	4,932	2.1
The Gym	Travel and Leisure	4,840	2.1
Hollywood Bowl	Travel and Leisure	4,562	2.0
discoverIE	Technology Hardware and Equipment	4,559	2.0
Johnson Service[AIM]	Industrial Support Services	4,181	1.8
Advanced Medical Solutions[AIM]	Medical Equipment and Services	4,179	1.8
Aptitude Software	Software and Computer Services	4,116	1.8
CLS	Real Estate Investment and Services	4,000	1.7
Brooks Macdonald[AIM]	Investment Banking and Brokerage Services	3,907	1.7
St. Modwen Properties	Real Estate Investment and Services	3,687	1.6
Top Twenty Holdings		**100,134**	**43.6**
Serco	Industrial Support Services	3,673	1.6
Clinigen[AIM]	Pharmaceuticals and Biotechnology	3,628	1.6
Essentra	Industrial Support Services	3,546	1.6
Vistry	Household Goods and Home Construction	3,542	1.5
Vitec	Industrial Engineering	3,482	1.5
Crest Nicholson	Household Goods and Home Construction	3,395	1.5
Arrow Global	Finance and Credit Services	3,335	1.5
Learning Technologies[AIM]	Software and Computer Services	3,220	1.4
Restore[AIM]	Industrial Support Services	3,194	1.4
Inspecs[AIM]	Personal Goods	3,081	1.3
Top Thirty Holdings		**134,230**	**58.5**
Other Investments (47)		95,255	41.5
Total Holdings (77)		**229,485**	**100.0**

AIM: Investments quoted on AIM

Governance

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis, as the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all of its liabilities, including any bank overdraft, and ongoing expenses as they fall due.

Related Party Transactions and transactions with the Manager

Note 20 of the Company's 2021 annual financial report gives details of related party transactions and transactions with the Manager. This report is available on the Company's section of the Manager's website at www.invesco.co.uk/ipukscit.

Directors' Responsibility Statement

in respect of the preparation of the half-yearly financial report

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and International Financial Reporting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the International Accounting Standards 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UKLA's Disclosure Guidance and Transparency Rules; and
- the interim management report includes a fair review of the information required on related party transactions.

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

Signed on behalf of the Board of Directors.

Jane Lewis
Chairman

11 October 2021

Condensed Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED

	Notes	31 July 2021 Revenue £'000	31 July 2021 Capital £'000	31 July 2021 Total £'000	31 July 2020 Revenue £'000	31 July 2020 Capital £'000	31 July 2020 Total £'000
Profit/(loss) on investments held at fair value		-	43,484	43,484	-	(46,740)	(46,740)
Loss on foreign exchange		-	(1)	(1)	-	-	-
Income	2	1,777	-	1,777	501	-	501
		1,777	43,483	45,260	501	(46,740)	(46,239)
Investment management fees	3	(123)	(700)	(823)	(89)	(503)	(592)
Other expenses		(186)	(2)	(188)	(184)	(2)	(186)
Profit/(loss) before finance costs and taxation		1,468	42,781	44,249	228	(47,245)	(47,017)
Finance costs	3	(1)	(3)	(4)	-	(3)	(3)
Profit/(loss) before taxation		1,467	42,778	44,245	228	(47,248)	(47,020)
Taxation	4	-	-	-	-	-	-
Profit/(loss) after taxation		1,467	42,778	44,245	228	(47,248)	(47,020)
Return per ordinary share		4.34p	126.46p	130.80p	0.67p	(139.67)p	(139.00)p
Weighted average number of ordinary shares in issue during the period				33,826,929			33,826,929

The total column of this statement represents the Company's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. The profit/(loss) after taxation is the total comprehensive income. The supplementary revenue and capital columns are both prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

Condensed Statement of Changes in Equity

	Notes	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
For the six months ended 31 July 2021							
At 31 January 2021		10,642	22,366	3,386	154,986	-	191,380
Total comprehensive income for the period		-	-	-	42,778	1,467	44,245
Dividends paid	5	-	-	-	(3,998)	-	(3,998)
At 31 July 2021		10,642	22,366	3,386	193,766	1,467	231,627
For the six months ended 31 July 2020							
At 31 January 2020		10,642	22,366	3,386	167,973	876	205,243
Total comprehensive loss for the period		-	-	-	(47,248)	228	(47,020)
Dividends paid	5	-	-	-	(2,879)	(876)	(3,755)
At 31 July 2020		10,642	22,366	3,386	117,846	228	154,468

Condensed Balance Sheet

Registered number 2129187

	Notes	At 31 July 2021 £'000	At 31 January 2021 £'000
Non-current assets			
Investments held at fair value through profit or loss		229,485	187,782
Current assets			
Amounts due from brokers		148	26
Tax recoverable		9	-
Prepayments and accrued income		202	188
Cash and cash equivalents		2,312	4,218
		2,671	4,432
Total assets		232,156	192,214
Current liabilities			
Amounts due to brokers		(326)	(638)
Accruals		(203)	(196)
		(529)	(834)
Net assets		231,627	191,380
Capital and reserves			
Share capital		10,642	10,642
Share premium		22,366	22,366
Capital redemption reserve		3,386	3,386
Capital reserve		193,766	154,986
Revenue reserve		1,467	-
Total shareholders' funds		231,627	191,380
Net asset value per ordinary share		684.74p	565.76p
Number of ordinary shares in issue at the period end	6	33,826,929	33,826,929

Condensed Cash Flow Statement

	Notes	Six months ended 31 July 2021 £'000	Six months ended 31 July 2020 £'000
Cash flow from operating activities			
Profit/(loss) before finance costs and taxation		44,249	(47,017)
Adjustments for:			
Purchases of investments		(25,511)	(26,287)
Sales of investments		26,858	26,799
		1,347	512
(Profit)/loss on investments held at fair value		(43,484)	46,740
(Increase)/decrease in receivables		(23)	318
Increase/(decrease) in payables		7	(60)
Net cash inflow from operating activities after taxation		2,096	493
Cash flow from financing activities			
Finance cost paid		(4)	(3)
Dividends paid	5	(3,998)	(3,755)
Net cash outflow from financing activities		(4,002)	(3,758)
Net decrease in cash and cash equivalents		(1,906)	(3,265)
Cash and cash equivalents at start of the period		4,218	5,493
Cash and cash equivalents at the end of the period		2,312	2,228
Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:			
Cash held at custodian		92	118
Invesco Liquidity Funds plc – Sterling, money market fund		2,220	2,110
Cash and cash equivalents		2,312	2,228
Cash flow from operating activities includes:			
Dividends received		1,761	823

As the Company did not have any long term debt at both the current and prior period ends, no reconciliation of the net debt position is presented.

Notes to the Financial Condensed Statements

1. Basis of Preparation

Accounting Standards and Policies

The condensed financial statements have been prepared using the same accounting policies as those adopted in the Company's 2021 annual financial report. They have been prepared on an historical cost basis, in accordance with the applicable International Financial Reporting Standards (IFRS), in conformity with the requirements of the Companies Act 2006 and, where possible, in accordance with the Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in April 2021 ('SORP').

2. Income

	Six months ended 31 July 2021 £'000	Six months ended 31 July 2020 £'000
Income from investments:		
UK dividends		
– ordinary	1,625	387
– special	10	-
Overseas dividends	142	114
	1,777	501

3. Management Fees and Finance Costs

Investment management fee and finance costs are allocated 15% to revenue and 85% to capital.

A base management fee is payable monthly in arrears and is calculated at the rate of 0.75% (2020: 0.75%) per annum by reference to the Company's gross funds under management.

4. Taxation and Investment Trust Status

No tax liability arises on capital gains because the Company has been accepted by HMRC as an approved investment trust and it is the intention of the Directors to conduct the affairs of the Company so that it continues to satisfy the conditions for this approval.

5. Dividends paid on Ordinary Shares

	Six months ended 31 July 2021		Six months ended 31 July 2020	
	Rate	£'000	Rate	£'000
Third interim	3.75p	1,268	3.75p	1,268
Final	8.07p	2,730	7.35p	2,487
Total	11.82p	3,998	11.10p	3,755

The first interim dividend of 3.75p per ordinary share (2020: 3.75p) was paid on 2 September 2021 to shareholders on the register on 6 August 2021.

6. Share Capital, including Movements

Share capital represents the total number of shares in issue, including treasury shares.

	Six months ended 31 July 2021	Year ended 31 January 2021
Share capital:		
Ordinary shares of 20p each (£'000)	6,765	6,765
Treasury shares of 20p each (£'000)	3,877	3,877
	10,642	10,642
Number of ordinary shares in issue:	33,826,929	33,826,929

7. Classification Under Fair Value Hierarchy

Note 16 of the Company's 2021 annual financial report sets out the basis of classification.

As at 31 July 2021, the majority of the Company's portfolio was composed of quoted (Level 1) investments. As at 31 January 2021, ECO Animal Health was the only Level 2 investment in the portfolio valued at £1,149,000. The investment had been temporarily suspended from AIM but resumed trading on 4 February 2021. This is now included as a Level 1 investment as at 31 July 2021.

Berry Starquest Limited (dormant subsidiary) was the only Level 3 investment valued at £100 (31 January 2021: £100).

8. Status of Half-Yearly Financial Report

The financial information contained in this half-yearly financial report, which has not been reviewed or audited by an independent auditor, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the half years ended 31 July 2020 and 31 July 2021 has not been audited. The figures and financial information for the year ended 31 January 2021 are extracted and abridged from the latest audited accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Independent Auditor's Report, which was unqualified.

By order of the Board
Invesco Asset Management Limited
Company Secretary

11 October 2021

Glossary of Terms and Alternative Performance Measures

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The calculations shown in the corresponding tables are for the six months ended 31 July 2021 and the year ended 31 January 2021. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability.

Benchmark (or Benchmark Index)

A market index, which averages the performance of companies in any sector, giving a good indication of any rises or falls in the market. The benchmark used in these accounts is the Numis Smaller Companies Index (excluding Investment Companies) with income reinvested. This index does not include AIM stocks.

Discount/Premium (APM)

Discount is a measure of the amount by which the mid-market price of an investment company share is lower than the underlying net asset value (NAV) of that share. Conversely, Premium is a measure of the amount by which the mid-market price of an investment company share is higher than the underlying net asset value of that share. In this half-yearly financial report the discount is expressed as a percentage of the net asset value per share and is calculated according to the formula set out below. If the shares are trading at a premium the result of the below calculation will be positive and if they are trading at a discount it will be negative.

		31 July 2021	31 January 2021
Share price	a	622.00p	483.00p
Net asset value per share	b	684.74p	565.76p
Discount	c = (a-b)/b	(9.2)%	(14.6)%

Gearing (APM)

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which net assets, or shareholders' funds, would move if the value of a company's investments were to rise or fall. A positive percentage indicates the extent to which net assets are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that a company is not fully invested and is holding net cash as described below.

There are several methods of calculating gearing and the following has been used in this report:

Gross Gearing (APM)

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of net assets. As at 31 July 2021 the Company had no gross borrowings (31 January 2021: £nil).

		31 July 2021 £'000	31 January 2021 £'000
Bank overdraft facility		-	-
Gross borrowings	a	-	-
Net asset value	b	231,627	191,380
Gross gearing	c = a/b	nil	nil

Net Gearing or Net Cash (APM)

Net gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and cash equivalents (incl. investments in money market funds). It is based on net borrowings as a percentage of net assets. Net cash reflects the net exposure to cash and cash equivalents, as a percentage of net assets, after any offset against total borrowings.

		31 July 2021 £'000	31 January 2021 £'000
Bank overdraft facility		-	-
Less: cash and cash equivalents		2,312	4,218
Net cash	a	2,312	4,218
Net asset value	b	231,627	191,380
Net cash	c = a/b	1.0%	2.2%

Maximum Authorised Gearing

This reflects the maximum authorised borrowings of a company taking into account both any gearing limits laid down in the investment policy and the maximum borrowings laid down in covenants under any borrowing facility and is calculated as follows:

		31 July 2021 £'000	31 January 2021 £'000
Maximum authorised borrowings as laid down in:			
Investment policy:			
– lower of 30% of net asset value; and	a = 30% x e	69,488	57,414
– £25m	b	25,000	25,000
Bank facility covenants: lower of 30% of net asset value and £15m	c	15,000	15,000
Maximum authorised borrowings (d = lower of a, b and c)	d	15,000	15,000
Net asset value	e	231,627	191,380
Maximum authorised gearing	f = d/e	6.5%	7.8%

Net Asset Value (NAV)

Also described as shareholders' funds the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per ordinary share is calculated by dividing the net assets by the number of ordinary shares in issue. For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at par (their repayment – often nominal – value).

Return

The return generated in a period from the investments including the increase and decrease in the value of investments over time and the income received.

Total Return

Total return is the theoretical return to shareholders that measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. In this half-yearly financial report these return figures have been sourced from Refinitiv who calculate returns on an industry comparative basis.

Net Asset Value Total Return (APM)

Total return on net asset value per share, with debt at market value, assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Share Price Total Return (APM)

Total return to shareholders, on a mid-market price basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Six months ended 31 July 2021		Net Asset Value	Share Price
As at 31 July 2021		684.74p	622.00p
As at 31 January 2021		565.76p	483.00p
Change in period	a	21.0%	28.8%
Impact of dividend reinvestments(1)	b	2.3%	2.6%
Total return for the period	c = a+b	23.3%	31.4%

Year Ended 31 January 2021		Net Asset Value	Share Price
As at 31 January 2021		565.76p	483.00p
As at 31 January 2020		606.74p	606.00p
Change in year	a	-6.8%	-20.3%
Impact of dividend reinvestments(1)	b	3.7%	3.5%
Total return for the year	c = a+b	-3.1%	-16.8%

(1) Total dividends paid during the six months to 31 July 2021 of 11.82p (31 January 2021: 18.60p) reinvested at the NAV or share price on the ex-dividend date. NAV or share price falls subsequent to the reinvestment date consequently further reduce the returns, vice versa if the NAV or share price rises.

Benchmark

Total return on the benchmark is on a mid-market value basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

Directors, Investment Manager and Administration

Directors
Jane Lewis (Chairman of the Board and Nomination Committee)
Bridget Guerin (Chairman of the Management Engagement Committee and Senior Independent Director)
Graham Paterson (Chairman of the Audit Committee)
Mike Prentis (appointed 22 February 2021)
Christopher Fletcher (retired 10 June 2021)

Alternative Investment Fund Manager (Manager)
Invesco Fund Managers Limited

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Company Number
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☎ 020 3753 1000

Company Secretarial contact: Andrea Davidson

Invesco Client Services
Invesco's Client Services Team is available from 8.30am to 6.00pm Monday to Friday (excluding UK bank holidays).

Please note no investment advice can be given.

☎ 0800 085 8677

www.invesco.co.uk/investmenttrusts

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Independent Auditor
Ernst & Young LLP
25 Churchill Place, Canary Wharf, London
E14 5EY

Registrar
Link Asset Services Limited, The Registry, 34 Beckenham Road, Kent BR3 4TU

If you hold your shares directly and not through a savings scheme or ISA and have queries relating to your shareholding you should contact the Registrar on: ☎ 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider.

Link Asset Services provides an on-line and telephone share dealing services to existing shareholders who are not seeking advice on buying or selling. This service is available at www.linksharedeal.com or ☎ 0371 664 0445. Calls are charged at the standard geographic rate and will vary by provider.

Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm Monday to Friday (excluding Bank Holidays in England and Wales).

Shareholders holding shares directly can also access their holding details via Link's website www.signalshares.com

Manager's Website
Information relating to the Company can be found on the Company's section of the Manager's website, which can be located at www.invesco.co.uk/ipukscit.

The contents of websites referred to in this document, or accessible links within those websites, are not incorporated into, nor do they form part of, this financial report.

General Data Protection Regulation
The Company's privacy notice can be found at www.invesco.co.uk/ipukscit

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