

HENDERSON HIGH INCOME TRUST PLC

HALF-YEAR REPORT

(unaudited)

for the six months ended 30 June 2023

HENDERSON HIGH INCOME TRUST PLC

Unaudited results for the half-year ended 30 June 2023

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 2023

- Net asset value (NAV) total return (debt at fair value)¹ of 3.0% compared with a total return from the benchmark² of 1.9%
- Mid-market share price total return (including dividends reinvested) of 2.0%

Financial highlights

	at 30 June 2023	at 31 December 2022
NAV per share ³	164.1p	164.2p
Mid-market price per share	163.5p	165.3p
Net assets	£213.6m	£214.3m
Dividends paid/payable	5.15p	10.15p
Dividend yield	6.2%	6.1%
Gearing	21.3%	21.4%
(Discount)/premium to NAV (debt at fair value)	(0.4%)	0.6%

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) ¹	3.0	7.7	30.9	17.9	86.9
Share price total return ⁴	2.0	8.3	36.4	23.1	78.9
Benchmark ²	1.9	5.0	21.6	12.5	67.4
FTSE All-Share Index	2.6	7.9	33.2	16.5	78.0
ICE BofA Sterling Non-Gilts Index	-1.1	-7.1	-17.6	-7.0	22.4

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 2023 has been a volatile period for financial markets. With high inflation globally, policy makers have continued to raise interest rates in an attempt to cool economic activity and reduce price increases. Investors are focused on how much further rates will rise and trying to assess the impact on corporate profitability from increased borrowing costs. From a global perspective, there are some signs that the UK economy might see inflationary pressure take a little longer to abate, not least due to the very tight labour market in the UK and the pressure in particular from recent public and private sector pay settlements.

Against this backdrop the Company has made modest positive progress in the first half of 2023 achieving a net asset value total return of +3.0% compared with a benchmark return of +1.9%, outperformance of 1.1%. The Company's share price total return has been in line with the benchmark at +2.0%.

Gearing/Asset Allocation

The Company started 2023 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 2023 and the Company's gearing is also largely unchanged at 21.3% as at 30 June 2023 (21.4% as at 31 December 2022).

The Board regularly reviews the level of gearing with the Company's Fund Manager, and this has continued to be the case not least due to the increase in interest rates which impact the Company's overall borrowing costs, notwithstanding the fact that a proportion of the Company's borrowings are at fixed rates.

Dividends

The first interim dividend of 2.575 pence per share was paid on 28 April 2023 and a second interim dividend of the same amount was paid on 28 July 2023.

A third interim dividend, to be paid from the Company's revenue account, of 2.575 pence per share was announced on 17 July 2023 and this dividend will be paid on 27 October 2023 to shareholders registered at the close of business on 15 September 2023 (with the shares being quoted ex-dividend on 14 September 2023).

Looking across the corporate sector at recent results announcements it is encouraging that dividend payout levels continue to be relatively healthy and, notwithstanding the impact of higher borrowing costs on end demand and corporate profitability, UK corporate balance sheets remain in generally good health.

David Smith continues to regularly update the Board on prospective income levels from the Company's portfolio of investments and combined with the Company's current dividend reserves, the Board continues to have confidence in the Company's ability to deliver a high income return to shareholders.

Outlook

In the near term the outlook for markets will be driven by inflation expectations and the impact this will have on monetary policy. There are certainly some signs that inflation is easing a little, particularly in the US and across Europe. However, inflation in the UK is proving more problematic, and although the Bank of England has increased interest rates significantly in the first half of 2023, the expectation in the market is that they may have to rise a little further.

The UK corporate sector is in the midst of the interim results season and whilst there are certainly pockets of weakness, corporate results are for the most part holding up well. In particular, UK banks have announced positive updates showing relatively little sign of corporate and personal sector weakness, and capital levels within the banks are at very positive levels. In addition, the UK housing market, which is very important to the UK economy, is holding up reasonably well at this stage.

UK companies, where the majority of the Company's assets remain invested, still appear to be relatively attractively valued in a global context and are still delivering the income levels which will assist the Company's Fund Manager to deliver a high income return for shareholders whilst also retaining exposure to longer term capital growth.

Jeremy Rigg
Chairman
12 September 2023

FUND MANAGER'S REPORT

Markets

After a strong start to the year for equity markets on fading recessionary fears and good corporate earnings, the UK market pared back some of those gains as a result of higher-than-expected inflation and the subsequent rise in interest rates. The FTSE All-Share Index returned 2.6% on a total return basis, which lagged both US and European equity markets. While inflation continued to fall from its peak in October last year, it remained stubbornly high in the UK, with the Consumer Price Index (CPI) rising 8.7% in May. This prompted the Bank of England to raise interest rates four times in the period, from 3.5% to 5.0% as at the end of June. UK government bond yields also rose during the period due to concerns about inflation and the prospect of interest rates staying higher for longer, with the 10-year gilt yield increasing to 4.4% at the end of June, from 3.7% at the beginning of the period.

Larger cap companies continued to outperform mid-caps with the FTSE 100 up 3.2% versus the 0.6% decline in the FTSE 250. Sectors such as consumer discretionary, industrials and financials performed best, while consumer staples, basic materials and telecoms lagged.

Performance

The Company's NAV (with debt at fair value) rose by 3.0% during the period, outperforming the Company's benchmark return of 1.9%. Within the equity portfolio, holdings in 3i, B&M European Retail and Whitbread were positive for performance. Private equity group 3i announced strong trading from its largest holding, European discount retailer Action, which supported a significant uplift to its NAV. B&M is another discount retailer held by the portfolio which also delivered robust results, as pressure on consumer spending led to an increase in customers "trading down" to B&M's value proposition. Whitbread, the owner of budget hotel chain Premier Inn, reported good trading momentum with the company benefitting from the investment it made during the pandemic to emerge in a strong position versus its competitors. Elsewhere the portfolio's positions in Anglo American and British American Tobacco (BAT) detracted from returns. Anglo American shares came under pressure from falling commodity prices and fears the Chinese economic recovery was stalling, while BAT's underperformed after it stopped its share buyback program and announced it was to pay \$635 million to the US Department of Justice for a historic breach of sanctions in North Korea.

Portfolio Activity

During the period the allocation to bonds was increased, taking advantage of the move higher in yields on UK investment grade credit. Bonds were purchased in typically non-cyclical businesses such as Sky (media) and EDF (utilities). The bond portfolio represented 11.5% and 13.9% of portfolio gross and net assets respectively as at the end of June.

Within the equity portfolio new holdings were established in MoneySuperMarket.com, Conduit Re and DCC. MoneySuperMarket.com is the market leading price comparison website in the UK and should benefit from consumers looking to manage their bills in the current high inflation environment. Conduit Re is a specialist property and casualty reinsurer with a diversified portfolio of reinsurance risks. Capacity has reduced significantly in the reinsurance market after a number of years of large losses, and as a result, the market is entering a period of strong premium rate rises which should underpin high returns over the medium term. DCC, an international sales, marketing and distribution company operating in the LPG, oil, technology and health care sector, has a resilient business with strong free cash flow, high returns and a robust balance sheet which should support further accretive acquisitions. The Company sold some of its overseas holdings during the period, including McDonalds, Deutsche Post and Nordea after a period of good performance.

David Smith
Fund Manager
12 September 2023

INVESTMENT PORTFOLIO

Classification of Investments by Sector

Company	Total 30 June 2023 %	Total 31 December 2022 %
FIXED INTEREST		
Preference shares	1.6	1.8
Other fixed interest	9.9	9.4
	-----	-----
Total Fixed Interest	11.5	11.2
	-----	-----
EQUITIES		
Energy		
Oil, gas and coal	6.0	5.6
	-----	-----
Total Energy	6.0	5.6
	-----	-----
Basic Materials		
Chemicals	1.7	1.6
Industrial metals and mining	3.8	5.7
	-----	-----
Total Basic Materials	5.5	7.3
	-----	-----
Industrials		
Electronic and electrical equipment	1.3	0.8
General industrials	1.0	1.2
Industrial engineering	0.9	0.8
Industrial support services	2.0	1.2
Industrial transportation	-	0.9
	-----	-----
Total Industrials	5.2	4.9
	-----	-----
Consumer Discretionary		
Consumer services	1.8	1.6
Household goods and home construction	1.0	1.6
Media	3.1	2.7
Personal goods	1.2	1.4
Retailers	2.4	2.0
Travel and leisure	1.8	2.6
	-----	-----
Total Consumer Discretionary	11.3	11.9
	-----	-----
Health Care		
Pharmaceuticals and biotechnology	4.7	4.9
	-----	-----
Total Health Care	4.7	4.9
	-----	-----
Consumer Staples		
Beverages	5.0	5.1
Food producers	2.6	3.5
Personal care, drug and grocery stores	5.9	5.8
Tobacco	5.6	6.8
	-----	-----
Total Consumer Staples	19.1	21.2
	-----	-----

Utilities		
Electricity	2.0	1.8
Gas, water and multi-utilities	5.1	3.8
	-----	-----
Total Utilities	7.1	5.6
	-----	-----
Financials		
Banks	6.7	7.3
Closed end investments	2.1	2.3
Finance and credit services	0.9	1.1
Investment banking and brokerage services	7.9	7.0
Life insurance	2.8	2.5
Non-life insurance	3.5	2.6
	-----	-----
Total Financials	23.9	22.8
	-----	-----
Technology		
Software and computer services	2.4	1.2
Technology hardware and equipment	1.0	0.9
	-----	-----
Total Technology	3.4	2.1
	-----	-----
Real Estate		
Real estate investment trusts	2.3	2.5
	-----	-----
Total Real Estate	2.3	2.5
	-----	-----
Total investments	100.0	100.0
	=====	=====

TWENTY LARGEST INVESTMENTS

Company	Sector	Fair value	% of portfolio	Fair value	% of portfolio
		as at 30 June 2023 £'000		as at 31 December 2022 £'000	
British American Tobacco	Consumer Staples	9,543	3.7	11,775	4.5
Unilever	Consumer Staples	9,433	3.6	9,628	3.7
Relx (Netherlands)	Consumer	8,121	3.1	7,102	2.7
	Discretionary				
3i	Financials	6,725	2.6	6,389	2.5
Diageo	Consumer Staples	6,571	2.5	7,100	2.7
HSBC	Financials	6,441	2.5	3,943	1.5
NatWest	Financials	6,095	2.4	7,165	2.8
Tesco	Consumer Staples	5,910	2.3	5,520	2.1
BP	Energy	5,900	2.3	6,114	2.4
Shell	Energy	5,753	2.2	4,845	1.9
Rio Tinto	Basic Materials	5,702	2.2	6,034	2.3
AstraZeneca	Healthcare	5,528	2.1	7,182	2.8
SSE	Utilities	5,101	2.0	4,542	1.7
Imperial Brands	Consumer Staples	5,022	1.9	5,984	2.3
Lloyds Banking	Financials	4,912	1.9	4,819	1.9
National Grid	Utilities	4,889	1.9	4,488	1.7
Phoenix	Financials	4,712	1.8	4,253	1.6
Compass	Consumer	4,696	1.8	4,091	1.6
	Discretionary				
Immediate Capital	Financials	4,365	1.7	3,299	1.3
Anglo American	Basic Materials	4,315	1.7	7,062	2.7
Total		119,734	46.2	121,335	46.7

EQUITY PORTFOLIO SECTOR EXPOSURE AS AT 30 JUNE 2023

	Equity portfolio weight %	FTSE All-Share Index %
Basic Materials	6.2	7.2
Consumer Discretionary	12.6	12.0
Consumer Staples	21.2	15.0
Energy	6.7	10.7
Financials	28.3	23.2
Health Care	5.2	11.6
Industrials	5.7	11.9
Real Estate	2.6	2.3
Technology	3.7	1.2
Telecommunications	--	1.3
Utilities	7.8	3.6
Total	100.0	100.0

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 2022. The Board has completed a thorough review of the principal risks and considers that these risks have not changed over the last 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 12) 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

12 September 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended 30 June 2023 (Unaudited)			Half-year ended 30 June 2022 (Unaudited)			Year-ended 31 December 2022 (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
Losses on investments held at fair value through profit or loss	-	(420)	(420)	-	(25,159)	(25,159)	-	(22,469)	(22,469)
Income from investments held at fair value through profit or loss	8,415	-	8,415	8,203	-	8,203	14,632	-	14,632
Other interest receivable and similar income	275	-	275	176	-	176	307	-	307
Gross revenue and capital losses	8,690	(420)	8,270	8,379	(25,159)	(16,780)	14,939	(22,469)	(7,530)
Expenses									
Management fees (note 2)	(282)	(422)	(704)	(276)	(415)	(691)	(557)	(836)	(1,393)
Other administrative expenses	(227)	-	(227)	(232)	-	(232)	(498)	-	(498)
Net return before finance costs and taxation	8,181	(842)	7,339	7,871	(25,574)	(17,703)	13,884	(23,305)	(9,421)
Finance costs	(304)	(914)	(1,218)	(163)	(487)	(650)	(380)	(1,140)	(1,520)
Net return before taxation	7,877	(1,756)	6,121	7,708	(26,061)	(18,353)	13,504	(24,445)	(10,941)
Taxation on net return	(157)	-	(157)	(54)	-	(54)	(81)	-	(81)
Net return after taxation	7,720	(1,756)	5,964	7,654	(26,061)	(18,407)	13,423	(24,445)	(11,022)
Return/(loss) per ordinary share (note 3)	5.94p	(1.35p)	4.59p	5.93p	(20.20p)	(14.27p)	10.37p	(18.89p)	(8.52p)

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. No operations were acquired or discontinued during the period.

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half-year ended 30 June 2023 (Unaudited)						
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
At 30 June 2023	6,490	128,827	26,302	42,114	9,838	213,571
	=====	=====	=====	=====	=====	=====
Half-year ended 30 June 2022 (Unaudited)						
At 1 January 2022	6,430	126,783	26,302	68,315	8,404	236,234
Net return after taxation	-	-	-	(26,061)	7,654	(18,407)
Issue of new shares	60	2,044	-	-	-	2,104
Fourth interim dividend (2.525p per share) for the year-ended 31 December 2021, paid 28 January 2022	-	-	-	-	(3,247)	(3,247)
First interim dividend (2.525p per share) for the year-ended 31 December 2022, paid 29 April 2022	-	-	-	-	(3,255)	(3,255)
Refund of unclaimed dividends	-	-	-	-	15	15
At 30 June 2022	6,490	128,827	26,302	42,254	9,571	213,444
	=====	=====	=====	=====	=====	=====
Year-ended 31 December 2022 (Audited)						
At 1 January 2022	6,430	126,783	26,302	68,315	8,404	236,234
Net return after taxation	-	-	-	(24,445)	13,423	(11,022)
Issue of new shares	60	2,044	-	-	-	2,104
Fourth interim dividend (2.525p per share) for the year-ended 31 December 2021, paid 28 January 2022	-	-	-	-	(3,247)	(3,247)
First interim dividend (2.525p per share) for the year-ended 31 December 2022, paid 29 April 2022	-	-	-	-	(3,255)	(3,255)
Second interim dividend (2.525p per share) for the year-ended 31 December 2022, paid 29 July 2022	-	-	-	-	(3,275)	(3,275)
Third interim dividend (2.525p per share) for the year-ended 31 December 2022, paid 28 October 2022	-	-	-	-	(3,277)	(3,277)
Refund of unclaimed dividends	-	-	-	-	15	15
At 31 December 2022	6,490	128,827	26,302	43,870	8,788	214,277
	=====	=====	=====	=====	=====	=====

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2023 (Unaudited) £'000	30 June 2022 (Unaudited) £'000	31 December 2022 (Audited) £'000
Non-current assets			
Investments held at fair value through profit or loss (note 4)	259,000	259,292	260,053
Current assets			
Debtors	4,496	3,514	1,928
Cash at bank and in hand	2,843	3,258	2,873
	7,339	6,772	4,801
Creditors: amounts falling due within one year	(32,906)	(32,767)	(30,719)
Net current liabilities	(25,567)	(25,995)	(25,918)
Creditors: amounts falling due after more than one year	(19,862)	(19,853)	(19,858)
Net assets	213,571	213,444	214,277
Capital and reserves			
Called up share capital (note 6)	6,490	6,490	6,490
Share premium account	128,827	128,827	128,827
Capital redemption reserve	26,302	26,302	26,302
Other capital reserves	42,114	42,254	43,870
Revenue reserve	9,838	9,571	8,788
Total shareholders' funds	213,571	213,444	214,277
Net asset value per ordinary share (note 5)	164.54p	164.45p	165.09p

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

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended 30 June 2023 (Unaudited) £'000	Half-year ended 30 June 2022 (Unaudited) £'000	Year-ended 31 December 2022 (Audited) £'000
Cash flows from operating activities			
Net return/(loss) before taxation	6,121	(18,353)	(10,941)
Add back: finance costs	1,218	650	1,520
Add: losses on investments held at fair value through profit or loss	420	25,159	22,469
Withholding tax on dividends deducted at source	(157)	(54)	(81)
(Increase)/decrease in debtors	(189)	(484)	6
(Decrease)/increase in creditors	(292)	36	287
	-----	-----	-----
Net cash inflow from operating activities	7,121	6,954	13,260
	-----	-----	-----
Cash flows from investing activities			
Sales of investments held at fair value through profit or loss	28,282	40,692	60,179
Purchases of investments held at fair value through profit or loss	(31,134)	(34,604)	(51,435)
	-----	-----	-----
Net cash (outflow)/inflow from investing activities	(2,852)	6,088	8,744
	-----	-----	-----
Cash flows from financing activities			
Issue of ordinary share capital	-	2,104	2,104
Equity dividends paid (net of refund of unclaimed distributions)	(6,670)	(6,487)	(13,039)
Drawdown/(repayment) of loans	2,837	(9,519)	(11,330)
Interest paid	(1,213)	(645)	(1,512)
	-----	-----	-----
Net cash outflow from financing activities	(5,046)	(14,547)	(23,777)
	-----	-----	-----
Net decrease in cash and cash equivalents	(777)	(1,505)	(1,773)
Cash and cash equivalents at beginning of period	2,873	3,942	3,942
Exchange movements	747	821	704
	-----	-----	-----
Cash and cash equivalents at end of period	2,843	3,258	2,873
Comprising:	-----	-----	-----
Cash at bank	2,843	3,258	2,873
	=====	=====	=====

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 2022. 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 2022.

3. Revenue return/(loss) per ordinary share

The revenue return/(loss) per ordinary share is based on the following figures:

	Half-year ended 30 June 2023 (Unaudited) £'000	Half-year ended 30 June 2022 (Unaudited) £'000	Year-ended 31 December 2022 (Audited) £'000
Net revenue return	7,720	7,654	13,423
Net capital return	(1,756)	(26,061)	(24,445)
Total return	5,964	(18,407)	(11,022)
Weighted average number of ordinary shares	129,796,278	128,999,455	129,401,141
	Pence	Pence	Pence
Revenue return per ordinary share	5.94	5.93	10.37
Capital return/(loss) per ordinary share	(1.35)	(20.20)	(18.89)
Total return/(loss) per ordinary share	4.59	(14.27)	(8.52)

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 2023 the fair value of the senior unsecured note has been estimated to be £17,043,000 (30 June 2022: £19,636,000; 31 December 2022: £17,653,000) 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 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)
Total	259,000	(5)	-	258,995

Financial assets and financial liabilities at fair value through profit or loss at 30 June 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	232,005	-	-	232,005
Fixed interest investments:				
- Preference shares	4,842	-	-	4,842
- Other	22,445	-	-	22,445
- Options	-	(209)	-	(209)
Total	259,292	(209)	-	259,083

Financial assets and financial liabilities at fair value through profit or loss at 31 December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	230,977	-	-	230,977
Fixed interest investments:				
- Preference shares	4,585	-	-	4,585
- Other	24,491	-	-	24,491
Total	260,053	-	-	260,053

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 2023 were £239,000 (half-year ended 30 June 2022: £175,000; year-ended 31 December 2022: £289,000).

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 £213,571,000 (half-year ended 30 June 2022: £213,444,000; year ended 31 December 2022: £214,277,000) and on the 129,796,278 ordinary shares in issue at 30 June 2023 (30 June 2022: 129,796,278; 31 December 2022: 129,796,278).

6. Share capital

During the six months under review, the Company issued no shares (half-year ended 30 June 2022: 1,200,000; year ended 31 December 2022: 1,200,000). Between 1 July and 12 September 2023, no further 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 2022, a fourth interim dividend of 2.575p per share (2021: 2.525p) was paid on 27 January 2023 to shareholders on the register at close of business on 9 December 2022. In respect of the year ending 31 December 2023, a first interim dividend of 2.575p per share (2022: 2.525p) was paid on 28 April 2023 to shareholders on the register at close of business on 11 April 2023. These dividends are reflected in the half-year financial statements.

A second interim dividend of 2.575p per share (2022: 2.525p) for the year ending 31 December 2023 was paid on 28 July 2023 to shareholders on the register at close of business on 16 June 2023. A third interim dividend of 2.575p per share (2022: 2.525p) for the year ending 31 December 2023 will be paid on 27 October 2023 to shareholders on the register at close of business on 15 September 2023. The shares will be quoted ex-dividend on 14 September 2023. 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 2023	2,873	(29,141)	(19,858)	(46,126)
Cash flows	(777)	(2,837)	-	(3,614)
Exchange movements	747	257	-	1,004
Non cash flow:				
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 2022	3,942	(37,593)	(19,849)	(53,500)
Cash flows	(1,505)	9,519	-	8,014
Exchange movements	821	(2,525)	-	(1,704)
Non cash flow:				
Effective interest movements	-	-	(4)	(4)
Net debt as at 30 June 2022	3,258	(30,599)	(19,853)	(47,194)

	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 2022	3,942	(37,593)	(19,849)	(53,500)
Cash flows	(1,773)	11,330	-	9,557
Exchange movements	704	(2,878)	-	(2,174)
Non cash flow:				
Effective interest movements	-	-	(9)	(9)
Net debt as at 31 December 2022	2,873	(29,141)	(19,858)	(46,126)

9. 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.

10. 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 rising interest rates and its impact on the broader financial system, as well as considering 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.

11. Half-year report

The half-year report is available at www.hendersonhighincome.com or in hard copy from the Corporate Secretary by emailing itsecretariat@janushenderson.com. An abbreviated version of this half-year report, the 'Update', will be circulated to shareholders in September 2023.

12. 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, represented by Samantha McDonald, ACG. 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

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) are incorporated into, or form part of, this report.