Invesco Income Growth Trust plc

Annual Financial Report for the Year ended 31 March 2020

aic DIVIDEND HERO

If you have any queries about Invesco Income Growth Trust plc, or any of the other investment companies managed by Invesco, please contact the Client Services Team on

0800 085 8677

Website – www.invesco.co.uk/incomegrowth

Contents

Strategy

Overview

Strategic Report

Investments

Governance

Financial

Other Information for Shareholders

The Company's shares are eligible for investment in an ISA and qualify to be considered as a mainstream investment product suitable for promotion to retail investors.

AIC DIVIDEND HERO

The Association of Investment Companies recognises those investment companies that have increased their dividends each year for 20 years or more, which includes this Company, as "dividend heroes".

The Board believes that many investors will be attracted by the prospect of income and capital growth superior to that of the UK stock market and by dividends paid quarterly that, over time, grow above the rate of inflation.

Highlights

	2020	2019
Net asset value total return†	-17.3%	+5.7%
FTSE All-Share Index total return†	-18.5%	+6.4%
Share price total return†	-13.6%	+1.2%
Discount	(12.6)%	(15.8)%
Dividend growth	+2.6%	+3.6%

† Source: Refinitiv.

Investment Objective

The Company's investment objective is to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation.

Principal Investment Aims

The Company aims to:

- have a portfolio yielding more than the FTSE All-Share Index in order to generate sufficient income;
- provide shareholders with dividend growth in excess of inflation over the longer-term;
- achieve capital growth in excess of the FTSE All-Share Index over the longer-term;
- reduce risk by diversifying investments across a wide range of companies and sectors; and
- enhance returns by utilising borrowings, when appropriate.

Manager's Investment Approach

The Manager aims to exploit stock market inefficiencies. A strong emphasis is placed on:

- Analysis – focusing on the fundamentals of a company; its business model, sales growth, pricing power, market position, profit margins, financial characteristics and management strategy, including dividend outlook;
- Valuation – to ensure a stock offers an appropriate investment opportunity at its current share price.

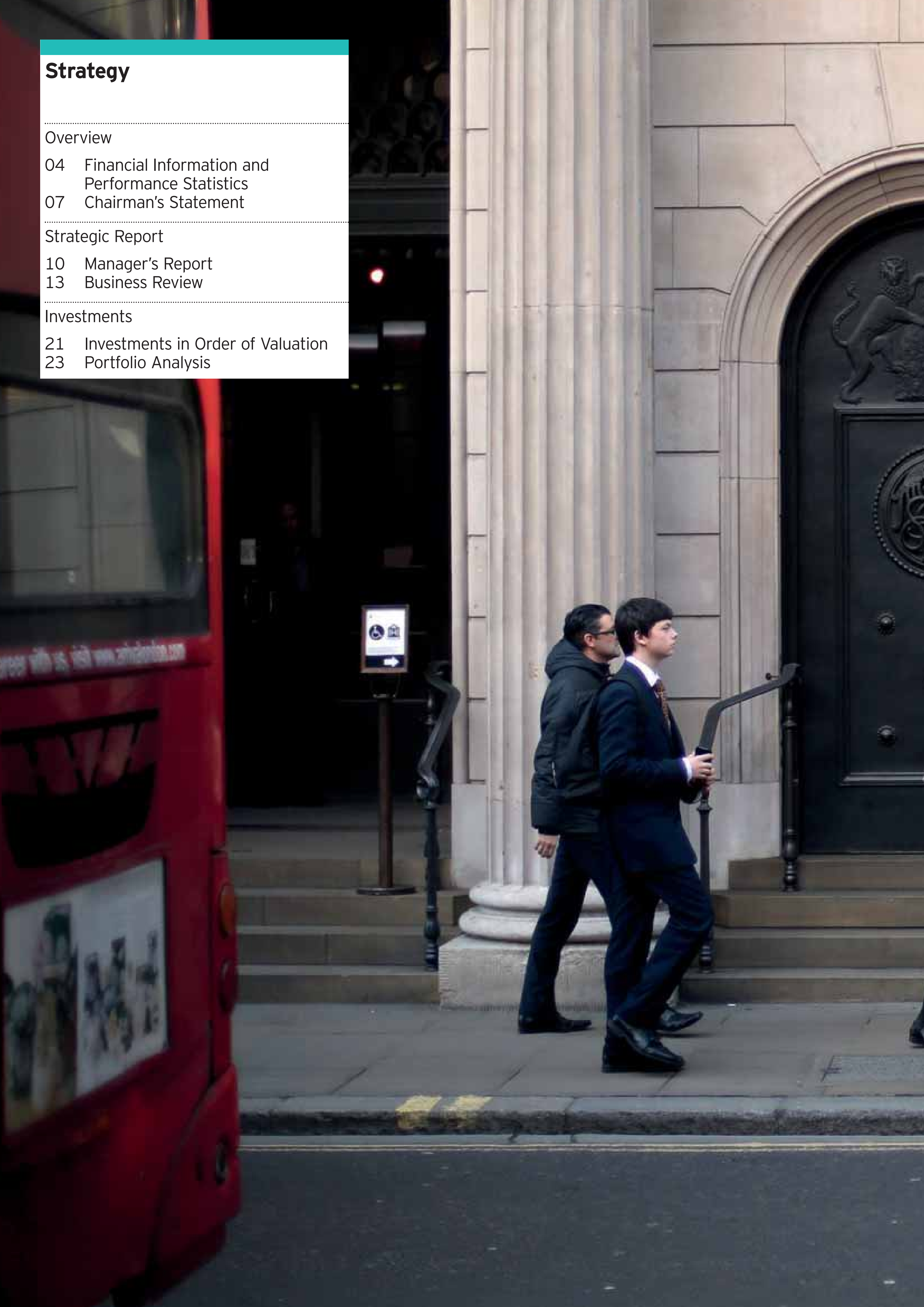
Borrowings

Gearing is provided by a bank overdraft facility and will not exceed 25% of the net asset value of the Company.

Nature of the Company

The Company is a public listed UK investment company whose shares are traded on the London Stock Exchange. The business of the Company consists of investing the pooled funds of its shareholders, according to a specified investment objective and policy (set out on pages 13 and 14), with the aim of spreading investment risk and generating a return for shareholders. The Company may use bank borrowings, the proceeds from which can also be invested with the aim of enhancing returns to shareholders. Such additional investment increases the potential risk to shareholders should the value of the investments fall.

The Company has contracted with an external investment manager, Invesco Fund Managers Limited (the 'Manager'), to manage its investments and for the Company's general administration. Other administrative functions are contracted to other external service providers. The Company has a Board of non-executive Directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment policy is adhered to. The Company has no employees.



Strategy

Overview

Strategic Report

Investments

Strategy

Financial Information and Performance Statistics

Total Return[1][2][3] (includes net dividends reinvested)

	Year Ended 31 March 2020	Year Ended 31 March 2019
Net asset value (NAV) per ordinary share	-17.3%	+5.7%
FTSE All-Share Index[4]	-18.5%	+6.4%
Share price	-13.6%	+1.2%

	At 31 March 2020	At 31 March 2019	Change %
Capital Return			
NAV[1] per ordinary share	248.2p	311.2p	-20.2
FTSE All-Share Index[2]	3,107.4	3,978.3	-21.9
Share price[2]	217.0p	262.0p	-17.2
Discount[1][3] per ordinary share	(12.6)%	(15.8)%	

Gearing		
Gross gearing[1] – excluding the effect of cash	4.3%	3.9%
Net gearing[1] – including the effect of cash	4.3%	3.9%

Revenue and Dividends[3]

	Year Ended 31 March 2020	Year Ended 31 March 2019	Change %
Net revenue after tax (£'000)	6,513	6,997	-6.9
Revenue return per ordinary share	11.12p	11.95p	-6.9
Dividends:			
– first interim	2.50p	2.40p	
– second interim	2.50p	2.40p	
– third interim	2.55p	2.45p	
– fourth interim	4.20p	4.20p	
	11.75p	11.45p	+2.6

Retail Price Index[2] – annual change	2.6%	2.4%
Ongoing charges[1][3]	0.71%	0.73%

Notes:

(1) Alternative Performance Measure (APM). See Glossary of Terms and Alternative Performance Measures on pages 74 to 76 of the financial report for details of the explanation and reconciliations of APMs.
(2) Source: Refinitiv.
(3) Key Performance Indicator.
(4) The benchmark index of the Company.

Ten Year Historical Information

To 31 March	Income (revenue account) £'000	Net revenue available for ordinary shareholders £'000	Dividend on ordinary shares Cost £'000	Rate p	Shareholders' funds £'000	Net asset value per ordinary share p	Share Price p
2011	5,346	4,538	5,269	9.00	121,767	208.0	191.3
2012	6,369	5,510	5,387	9.20	129,831	221.7	213.8
2013	6,447	5,545	5,592	9.55	153,971	263.0	245.5
2014	6,783	5,786	5,767	9.85	169,530	289.5	276.0
2015	7,411	6,398	5,913	10.10	181,033	309.2	292.8
2016	7,778	6,763	6,031	10.30	172,061	293.9	260.0
2017	7,475	6,508	6,236	10.65	192,227	328.3	291.0
2018	7,866	6,954	6,470	11.05	178,706	305.2	270.0
2019	7,885	6,997	6,704	11.45	182,228	311.2	262.0
2020	7,394	6,513	6,880	11.75	145,339	248.2	217.0

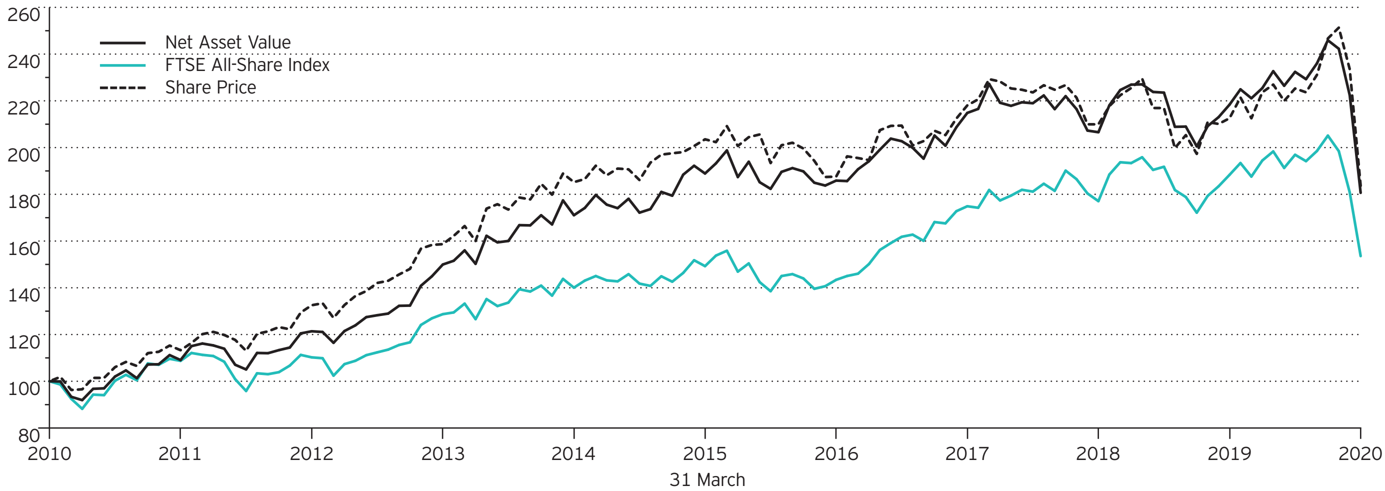
Total Returns to 31 March 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	3yr	5yr	10yr
NAV per ordinary share %	9.1	11.5	23.7	14.2	10.6	-1.6	15.6	-3.9	5.7	-17.3	-15.9	-4.4	80.6
FTSE All-Share %	8.7	1.4	16.8	8.8	6.6	-3.9	22.0	1.2	6.4	-18.5	-12.2	2.9	53.6
Share Price %	13.3	17.0	19.7	16.7	9.9	-7.8	16.2	-3.7	1.2	-13.6	-15.8	-9.8	83.6

Source: Refinitiv.

Ten Year Total Returns

Rebased to 100 at 31 March 2010



Source: Refinitiv.

Financial Information and Performance Statistics

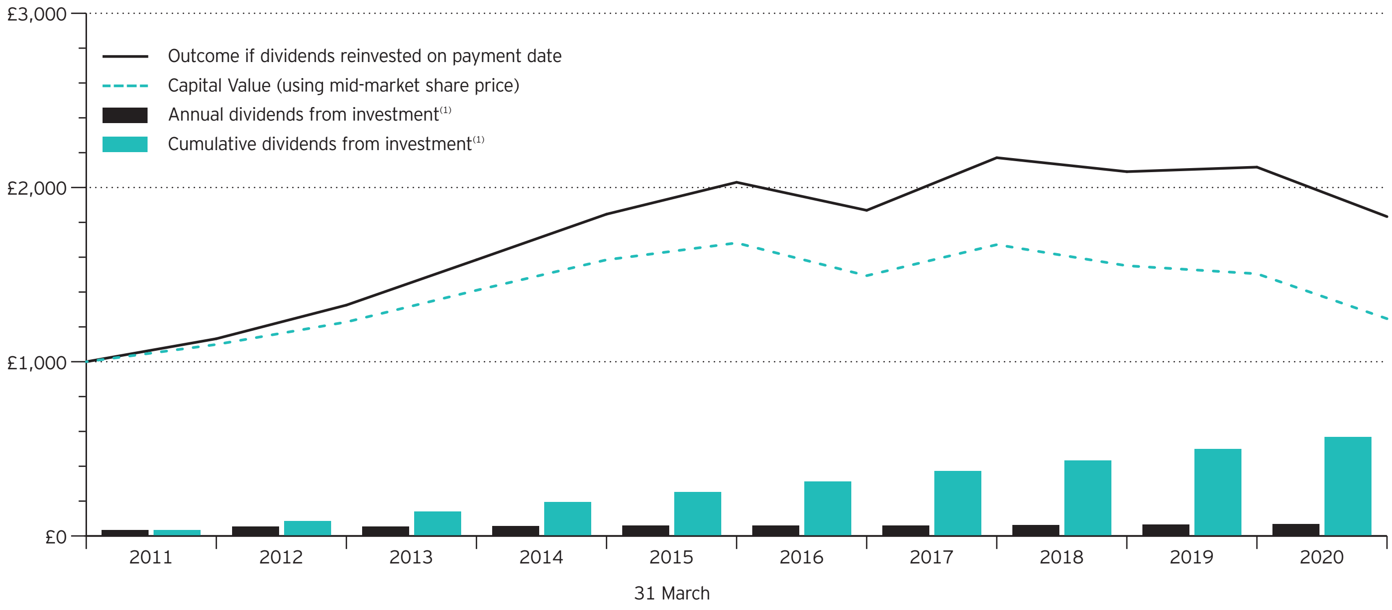
Historical Shareholder Returns from an Initial Investment of £1,000 on 31 March 2010

31 March	Annual dividends per share[1] pence	Annual dividends from investment[1] £	Cumulative dividends from investment[1] £	Mid-Market share price pence	Capital value (using mid-market share price) £	Outcome if dividends reinvested on payment date £
2010	–	–	–	174.00	1,000	1,000
2011	5.70[2]	32	32	191.25	1,099	1,132
2012	9.15	53	85	213.75	1,228	1,325
2013	9.35	53	138	245.50	1,410	1,585
2014	9.75	56	194	276.00	1,585	1,847
2015	10.00	58	252	292.75	1,682	2,030
2016	10.25	59	311	260.00	1,494	1,869
2017	10.45	60	371	291.00	1,672	2,171
2018	10.95	62	433	270.00	1,551	2,091
2019	11.35	66	499	262.00	1,505	2,117
2020	11.75	67	566	217.00	1,247	1,833

Source: Refinitiv.

Returns on an Initial Investment of £1,000 in the Company

Ten Years to 31 March 2020



Notes:
(1) Based on dividend payment dates.
(2) The last dividend of 3.30p in respect of the year ended 31 March 2010 was paid in March rather than in July for taxation reasons. If this dividend had been paid in accordance with the normal payment dates, the dividend paid for 2011 would have been 9p.

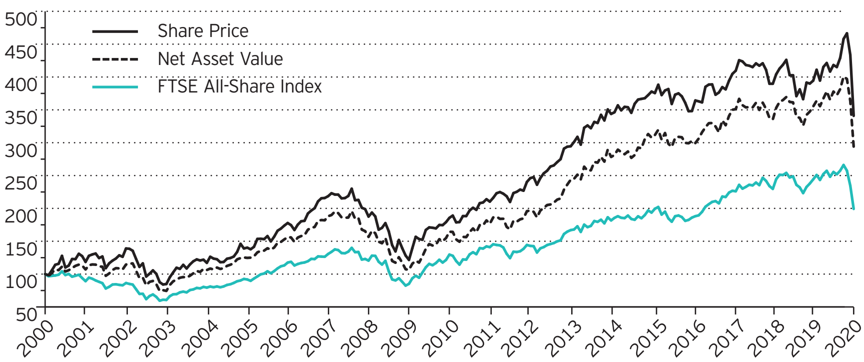
Hugh Twiss MBE
Chairman

2 July 2020

Performance
Harold Macmillan is reputed to have responded to a question as to what could knock governments off course, with "Events, dear boy, events". His perception remains as valid today as then, as we have just discovered with the Covid-19 outbreak. This event threw stock markets completely off course in the last weeks of our financial year and so too our Company which, up to that point, had been following a very promising course with positive returns, outperformance over most periods and a narrowing discount. In the event our NAV total return was down 17.3% for the financial year and our Share Price total return was down 13.6% as it benefited from the narrowing of the discount, and both were better than our benchmark's decline of 18.5%. Whilst disappointing, these figures should be put into the longer-term context where over 10 years the comparable figures are NAV +80.6% and Share Price +83.6%, so comfortably outperforming the +53.6% from our benchmark. The credit for this goes to Ciaran who has been our Manager throughout this period. This strong performance also underlines that investing in a company like ours should only really be for the longer-term, rather than for too short-term time horizons. However, having just lived a locked down life where a week seems a long time and three months an eternity, where we have become fixated on the latest Covid-19 figures and the shape of the curve and how the stock market has behaved as if nothing had happened, then the previous figures are now of historic interest. The UK stock market has strongly recovered from its lows and as at 30 June 2020 the 10 years performance figures are NAV +114.3%, Share Price +103.3% and Benchmark +91.8%, so further underlining the long-term performance success of this Company and the benefit of the long-term view which is further highlighted in the chart below of the Company's outperformance over the last 20 years too. Ciaran in his report gives greater detail as to what has been happening in our portfolio and how he has positioned it for the future.

Twenty Year Total Return

Rebased to 100 at 31 March 2000



Revenue & Dividends
In the last weeks of our financial year, many companies announced the cancellation or suspensions of their dividends in response to the effects of the Covid-19 crisis. A number of these were dividends that had already been declared and we were expecting to receive, so as a result for the year to 31 March 2020, our revenue return per share at 11.12p per share (2019: 11.95p) was lower than we had anticipated. So using our revenue reserves, we have declared a fourth interim dividend, of 4.20p per share which together with previously declared interim dividends of 7.55p, gives a total dividend per share for the year of 11.75p (2019: 11.45p). This is in line with the annualised inflation rate for the year to 31 March 2020 of 2.6% (as measured by RPI) and is consistent with our longer-term objective of growing the dividend at above the rate of inflation. This is also the 23rd consecutive year of dividend increases and maintains the Company as an AIC 'dividend hero'. The fourth interim dividend will be paid on 24 July 2020 to shareholders on the register on 3 July 2020. The shares will be quoted ex-dividend on 2 July 2020.

Since the year end the number of companies cancelling or suspending their dividends has increased substantially and, as a result, we are now forecasting a substantial reduction in our income for the year to 2021, although this can only be a tentative forecast as we are only three months into the year. However, we recognise the importance of the dividends which we pay to our shareholders. So it is at times like this that the revenue reserves which we have been building up for such occasions, and if necessary the capital reserves, can be further deployed in helping us to meet our investment objective of growing, over time, our dividend above the rate of inflation. Whilst this is absolutely our goal, we cannot know with certainty whether we can achieve it until we discover the actual income that we will receive and the speed with which companies restore their dividends. So, we will continuously monitor this as the year progresses and take one step at a time. Notwithstanding this, it is our current intention to at least maintain the level of the first interim dividend due to be paid in October.

The Board

As I indicated in my statement last year, it was my intention to step down in 2020. This is still my intention; however, it will now be later in the year than I had originally anticipated. This is at the request of the Board who asked if I would remain in post in order to see through the Continuation Vote being proposed at the AGM, before handing over to my successor who will be announced in due course.

As I also indicated last year, there is a plan in place to refresh the Board in a phased way over the next few years and the first part of that process – finding a replacement for Jonathan Silver as Audit Chair – is currently in hand and expected to be completed before the end of this year, at which point the start of the next phase of the refreshment in finding a replacement for Roger Walsom will commence.

Having had the privilege to serve on a number of different investment trust boards over the last 30 years, as well as having been on the other side as part of the management team, I know from that experience the value in so many different ways that a board can add to a company like ours. Shareholders need be in no doubt that they have and continue to benefit from a board that not only carries out its duties diligently, but also robustly when this is required, as I am sure our Manager Invesco will attest to.

Share buybacks

The Board seeks permission from shareholders at each AGM (as we will be doing at this AGM) to be able to repurchase shares in the market at a discount, to be either held as treasury shares or for cancellation. Whilst the Board has used this power in the past, it has not done so in recent years despite the wide discount at which the shares have often traded. This may appear surprising considering the desire to see the discount reduced and given that it would also enhance the NAV. However, although the Board has kept this under very active consideration and discussed the matter frequently with its advisors, it has so far concluded that to achieve a significant and sustainable reduction in the level of the discount would require such a significant capital commitment that it was not in the best financial interests of the Company and would also reduce the marketability of the shares to the disadvantage of shareholders. The Board will continue to keep this under regular review, particularly in light of the outcome of the Continuation Vote, and will not hesitate to utilise it if it concludes that it's required, is likely to have the desired beneficial effects and will be in the best interests of the Company to use its valuable capital in this way.

Outlook

As I prepare to step down from 50 years of 'front line' investment activity during which time I have lived through more bear markets and crises than I care to remember, I have learnt four key things. First, whatever people may think at the time, it is never different this time. Bull markets always lead to a bear market which always leads to another bull market and so on. Their lengths and the causes of their tipping points may be different, but they come round time and time again. Second, events happen and they are usually unexpected and in the memorable words of Donald Rumsfeld are usually caused by the "known unknowns". So do not try to be too clever, save regularly (the wonders of 'pound cost averaging') and invest with a long-term horizon, rather than discovering that you may not be clever enough to invest successfully with a short-term horizon. Thirdly, there is no better investment vehicle to invest through than the investment trust, with all the benefits of its closed-end structure, ability to gear and, importantly, to have revenue reserves. Benefits which sadly too many investors have discovered over the last year that their chosen investment vehicle did not have. If it trades at a discount occasionally then great, as so much more attractive to buy on a discount than a premium! Lastly, despite all my experience, the last thing which I have learnt is that my views on the outlook are really no better than yours, but what I have learnt is that not trying to be too clever, investing with a longer-term horizon and utilising investment trusts, like this Company, has served me very well as I prepare for my dotage. I remain confident that under Ciaran's management this Company will continue to meet its investment objectives of growing the income and capital in real terms over the longer-term and will continue to serve me and all other shareholders well into whatever the future may hold.

Continuation Vote

Resolution 12 in the Notice of Meeting is to approve the Company's continuation and I thought it would be helpful to explain the background to this resolution.

As shareholders will be aware, the Company had been trading on a stubbornly wide discount for some time, to the frustration of not only the Board but also many shareholders. There were several factors that lay behind this and whilst your Board has been very active in trying to overcome those where it had some leverage, such as increased pressure on Invesco to improve performance, improve marketing etc, a number of the factors were less easily surmountable. For instance, although the Company's discount was much wider than the Income Growth sector's average, the sector was out of fashion with investors during most of this period, although it is encouraging that since the Covid-19 crisis, this seems to be changing and investors are again recognising the sector's attractions. At the same time, Ciaran, our portfolio manager, has recently been appointed co-manager of the flagship UK equity ICVC funds managed by Invesco and our Company will shortly be the only Invesco-managed investment trust in the UK Equity Income sector, so we will be able to benefit from a higher profile than we have previously and look forward to the benefits that this will hopefully bring.

However, before these more positive recent developments, your Board had concluded from their discussions with and feedback from shareholders, particularly the larger ones on our register, that although frustrated by the wide discount, they were supportive of the status quo and were more patient that the performance would improve, particularly as value investing recovered, and so the discount would reduce naturally. On the other hand, there was clearly also a number, particularly amongst some of the smaller shareholders, who did not share this patience for the discount to narrow naturally and wanted to see action, such as share buybacks, being taken to reduce it. As I set out earlier, the Board did not see share buybacks as likely to be effective or in the best interests of the Company. So, in light of these divergent views, the Board decided that it would be appropriate to put a Continuation Vote to shareholders at the AGM. This will allow all shareholders a say in the future of the Company and give them an opportunity to clearly indicate their view on the continuation of the Company.

Therefore, an Ordinary Resolution that the Company should continue in its present form is being proposed at the AGM. This requires a simple majority to be passed.

Whatever the actual result of the Continuation Vote will be, the Board will assess the votes cast so as to help them establish the best way forward. However, if the resolution is defeated then this would signal the end of the Company in its present form. In these circumstances the Board will immediately work with its advisors to bring forward proposals as soon as is practical, for the best way forward for the Company. These could include an option for shareholders either to remain invested broadly as at present, although not necessarily with the same Manager, fee basis, level of income or closed-ended structure, or to take cash near to NAV (net of costs and subject to possible liabilities to tax on capital gains).

The Board urges all shareholders to vote in favour of a continuation of the Company which has delivered on its investment objectives to shareholders over the longer-term (as clearly shown in the charts and tables in the previous pages), and there is every reason to believe that it will continue to do so in the future. The Board will be voting their combined holding of 113,129 shares in favour. However, the Board recognises that some shareholders may have misgivings that a wider discount could materialise again in the future or performance will not improve. Therefore, if the Continuation Vote is passed, the Board undertake that a similar Continuation Vote will be proposed every 2 years after the forthcoming AGM. Shareholders should be clear that to vote against this resolution could lead to the reconstruction of the Company which would result in substantial changes and costs as mentioned earlier. Shareholders should, therefore, seek their own independent advice if they are uncertain.

The AGM

The Company's AGM will be held at Invesco's office, 43-45 Portman Square, London W1H 6LY on 10 September 2020 at 11am. However, although the Government has begun to ease the Stay at Home measures introduced in response to Covid-19, restrictions on gatherings are still in place and our meeting venue remains closed. Accordingly, we feel compelled to plan for the meeting to be held in a different format with attendance limited to the minimum quorum required by the Company's Articles. For that reason, this year's AGM will be restricted to the formal business, set out in the Notice of Meeting on pages 68 to 70, and there will be no presentation by the Portfolio Manager. Shareholders and their proxies are advised not to seek to attend the AGM, since we expect they will not be admitted to the venue. Rather, it is recommended that shareholders exercise their votes by means of registering them with the Company's Registrar ahead of the meeting, online or by completing paper proxy forms, and appoint the Chairman of the meeting as their proxy. A video presentation from Ciaran Mallon will be made available on the Company's web page on the Invesco website in lieu of the usual Portfolio Manager presentation at the meeting. In the unlikely event of the situation changing, the Company will update shareholders through an announcement to the London Stock Exchange and on the Company's web page on the Invesco website. In any event, we also still wish to engage with shareholders so if you have questions, on the business of the meeting or otherwise, please address them to the Company Secretary at investmenttrusts@invesco.com or, in hard copy, to 43-45 Portman Square, London W1H 6LY. The Company Secretary will ensure that questions received will be replied to by the appropriate person after the AGM and made available on the Company's web page on the Invesco website.

The Directors have carefully considered all the resolutions proposed and believe them to be in the best interests of shareholders and the Company as a whole. Accordingly, the Directors recommend that shareholders vote in favour of each resolution, as will the Directors in respect of their own shareholdings.

For the year ended 31 March 2020

Ciaran Mallon
Portfolio Manager

2 July 2020

Market Review

The UK equity market provided a negative return of -18.5% in the 12 months to 31 March 2020, as measured by the Company's benchmark, the FTSE All-Share Index. It was a volatile 12 month period dominated by concerns over the outlook for global economic growth, Brexit negotiations and the UK General Election. These concerns were overwhelmed however, in the final 3 months of the year by the impact of the Covid-19 pandemic. 2020 has delivered the market shock that no one could possibly have predicted. The UK equity market fell by over 25% in the quarter to 31 March 2020, posting its biggest quarterly drop for more than three decades as the global economic costs of the Covid-19 pandemic continued to mount. Between 23 January 2020, the date that the World Health Organisation (WHO) first met in Geneva to discuss the gathering crisis, and the low point on 23 March, the FTSE All-Share Index fell by 34.1%. Extreme levels of volatility were witnessed with large intraday swings in equity prices.

Prior to the pandemic, there had been clear grounds for greater optimism signalled by a marked shift in soft and hard economic data. The uncertainty that had lingered over the UK since the 2016 EU referendum looked to be lifting and there were encouraging signs about the direction of the UK economy. As the scale of the pandemic unfolded, however, governments around the world restricted the movement of people which brought immediate and severe disruption to economic activity. Governments quickly launched stimulus measures on an unprecedented scale, whilst central banks cut interest rates to support economic activity. The strength and depth of the measures announced in the UK by the Chancellor and the Bank of England should provide material support to employment, income and bank lending to the real economy, which will be of great benefit in enabling many businesses to navigate through what will be an extremely tough period. In the short-term there is considerable uncertainty, and this has been reflected in equity market movements.

Portfolio Review

The Company's net asset value, including reinvested dividends, delivered a return of -17.3% during the period under review, marginally outperforming the benchmark, the FTSE All-Share Index which delivered a total return of -18.5% over the same period.

Performance of the portfolio had been encouraging in the latter stages of 2019, particularly in the weeks immediately after the UK General Election. But as the disruption around Covid-19 became clear and the potential impact was digested the market started to fall. The portfolio had been carefully positioned with an element of caution factored in given the headwind of the UK exiting the EU. Whilst the portfolio showed some resilience versus the benchmark at the end of January as the crisis was unfolding, it was unfortunately short lived.

The strongest performing sector in the portfolio over the 12 month period has been utilities. Post the general election the threat of nationalisation by a far-left Labour government has been removed and these companies saw this relief materialise in an upward movement of their share prices. Since the post-election rally, these utility companies (Pennon, Severn Trent, National Grid, SSE and United Utilities) have continued to perform well. They have an attractive yield and provide defensive qualities in a challenging environment. Whilst there is some risk from regulators that might be disinclined to see dividends paid to shareholders, as customers struggle to pay their bills in a virus impacted world, I believe this risk to be low.

The exception to the strong performances in utilities was the holding of Drax which traded broadly sideways for the majority of the 12 month period before falling in March as a result of reduced power demand as the country locked down and amid concerns over increased bad debts from business customers in a virus impacted environment.

Elsewhere in the portfolio strong performances were seen from two of the largest holdings, Experian and RELX. The Experian share price has been resilient over the last 12 months but the share price was extremely volatile in

March. Despite this the holding remained a strong performer for the portfolio over the period and the company has a resilient and cash generative model with a diverse base of drivers of growth within the business, which should stand it in good stead for the continued disruption in the coming months. In the last recession the business performed well and it is in an even stronger position now. RELX, which provides information and analytics to businesses, performed well for the majority of the period before the impact of the virus. The majority of the business should be resilient during this market volatility but the smaller exhibitions part of the business which accounted for 16% of revenues last year has been severely impacted by the lockdown.

Softcat released interim results mid March stating that trading has been in line with expectations, but given the uncertainty of the length of the impact of the virus the company thought it prudent to protect its cash position and to maintain flexibility around the timing of dividend payments in relation to the current financial year. As such they decided to cancel the interim dividend but will take the opportunity to review this decision later in the year as the impact of the virus becomes clearer. I believe that the company has been slightly over cautious in this decision and fully expect the dividend to be restored in due course. One should remember that if a dividend is not paid, this money does not disappear, rather it remains on the balance sheet available for distribution at a later date, or indeed it remains as cash in the business which should translate into the share price. Following a period of strength in the share price I reduced the holding in early February. Other strong performances in the portfolio were seen from Ferguson and Smith & Nephew.

In contrast, the portfolio's holdings of Informa and Whitbread have detracted from performance as the virus poses serious challenges to their businesses. Informa which provides business intelligence and academic publishing services, for the most part had an uneventful year, but the virus has significantly impacted the group's events-related businesses. Other parts of the business remain resilient but in order to ensure stability for the business the company has suspended the dividend, applied for the Bank of England's Covid-19 Corporate Financing Facility (CCFF) and has raised capital from the equity market by placing new shares. I believe that the company is doing the right things by delivering meaningful cost savings, freezing recruitment and senior leadership are sacrificing part of their salaries. All things considered I am content to hold the position as the actions taken by the management team leave the company in a stronger position financially, and well placed for the spring back in economic activity as the lock downs ease.

Whitbread, which is probably best known for its Premier Inn brand, has effectively closed for business. As a result of the lockdown all its hotels in the UK and Germany have closed, together with its pubs and restaurants. The majority of staff have been furloughed on full pay. The business had enough liquidity to see it through 12 months of closure but subsequently announced a rights issue so that it may press ahead with its structural growth ambitions and win market share in the UK and Germany. The scale of their portfolio means that when they are able to reopen, they can do this in a staged way with not all hotels in each location opening to begin with. The company started the year with a strong balance sheet and access to significant liquidity. There is material headroom on their funding facilities, and they are able to access the CCFF should they require additional financing. In addition, the business is backed by a valuable freehold property estate. However, given the unprecedented situation they have taken swift action to reduce costs and the Board has decided not to declare a dividend for the company's 2020 financial year. Whilst the business is closed for now, when it reopens, I am reassured that the very experienced management team will do so in a disciplined way to maximise opportunity.

Other detractors over the period have been Young & Co's Brewery (Youngs) and Bunzl. Both companies saw their share prices trade within a relatively narrow price range over the 12-month period leading up to the crisis but suffered falls as events unfolded. As the country went into lockdown, Youngs closed their pubs and furloughed the majority of their workers. The company has accessed the CCFF and has decided not to pay its final dividend. Youngs has a strong balance sheet supported by a predominantly freehold estate and has enough headroom to withstand a long period of closure. Bunzl has several divisions to its business with each experiencing varying degrees of impact from the crisis. The food service and retail sectors have been badly affected as offices, conferences and canteens have been closed and they expect cleaning, hygiene and safety areas to vary depending on the end markets served. The grocery and healthcare divisions of the business are expected to have a robust performance but due to uncertainty the company has cancelled the dividend.

Being underweight oil was a positive for the relative performance of the portfolio to the benchmark as oil prices plummeted and some of the major oil companies cut their dividends. Not holding Glencore, Lloyds Bank or Barclays was also helpful for relative performance, although the portfolio does hold Royal Bank of Scotland (RBS) which was a detractor over the period.

There were no new holdings introduced to the portfolio over the period. Notable additions to existing holdings included Drax, GlaxoSmithKline, HSBC, National Grid, RBS, Royal Dutch Shell and Vodafone. G4S has not performed well and the holding has been reduced in recent weeks alongside BT, Aviva, InterContinental Hotels, Legal & General and Softcat. Meanwhile Imperial Brands has been sold and the holding of Merlin Entertainments was bid for and exited the portfolio. Subsequent to the period end the remaining holdings of G4S and BT have been sold.

Outlook & portfolio strategy

It has become increasingly apparent that Covid-19 will have a significant and widespread impact on global as well as UK economic growth. The scale and duration of disruption remains subject to great uncertainties. The restrictions put in place since March to limit the spread of Covid-19 will naturally have a large impact on a wide range of economic indicators. As the effects of the virus start to fade, the measures implemented by the Government and the Bank of England will, in my view, encourage the stabilisation of economic activity in the second half of 2020 and the resumption of economic growth in 2021.

The FTSE All-Share seems to have shrugged off many of the concerns around the impact on future growth and earnings, the market deciding instead that the recovery will be more expeditious than previously thought, and the Index has rallied around 30% from its low point in March. There is no doubt that the stimulus measures put in place have had a significant impact and investors have pinned their hopes on a swift economic rebound. I think it sensible to pause and digest the fact that although the lockdown is easing and some activities normalising, the UK is still expected to face a severe recession.

In recent weeks I have had many conversations with the management teams of the companies that I hold and those that I am considering as potential new holdings. I am, on the whole, reassured by these conversations, finding that company behaviour is instructive; by that I mean that they are preparing for weaker trading, in some cases for many months. I am further comforted that they are conserving cash and, in a few cases, raising equity where appropriate. I believe that the next twelve to 18 months will bring continued disruption to many businesses, but in the longer-term I do find myself more positive that markets will recover and they will take any encouraging news of a new treatment or vaccine positively.

I strongly believe that whilst I am quite cautious about the immediate outlook, the portfolio has both highly defensive companies for a Covid-19 world, and a number of companies which, while very sound normally, are under pressure currently. These companies should recover well and become strong performers in the future. I have removed companies that I believe to have been more susceptible to the weaker environment, those that have a weaker business model, balance sheet or management team and have focused on stronger and more resilient businesses. At the same time, I am alert to new opportunities that may present themselves and having kept gearing low going into this crisis I have an additional tool at my disposal.

The cancellation or reduction of dividends is an inevitable result of this crisis as companies seek to sustain liquidity within their businesses. Whilst one would prefer this not to be the case, in most instances it is prudent given the unknown length and depth of this disruption. As I have mentioned briefly earlier, the money set aside for dividends does not disappear when the dividend is reduced or cancelled. It stays within the business enhancing the balance sheet, ready for distribution at a later date should the crisis be shorter and less disruptive than imagined or should the management have turned out to be more conservative than was warranted. I believe that once the environment normalises businesses that have not been casualties of the crisis will quickly return to pre-crisis activity levels and thus will be able to restart their dividend payments.

For the time being I think it sensible to remain conservative in my investment approach and having kept gearing at a low level for some months, notwithstanding some brief elevation as a result of extreme market volatility, I see no reason to adjust this currently. Having made some changes to the portfolio in recent months I remain confident in the long-term potential of the current holdings. Whilst it is difficult to be optimistic during such a challenging environment, I can see through this disruption to a time when these businesses are back to a new normal.

Purpose, Strategy and Business Model

Invesco Income Growth Trust plc is a UK investment trust company and its investment objective is set out below. The Company's purpose is to invest its shareholders' capital professionally and cost effectively in a diversified portfolio, in order to provide shareholders with sustainable long-term returns.

The strategy the Board follows to achieve the investment objective is to set investment policy and risk guidelines, together with investment limits, and to monitor how they are applied. These have been approved by shareholders and are set out below.

The business model the Company has adopted to achieve its investment objective has been to contract investment management and administration to appropriate external service providers. The Board has oversight of the Company's service providers and monitors them on a formal and regular basis. The Board has a collegiate culture and pursues its fiduciary responsibilities with independence, integrity and diligence, taking advice and outside views as appropriate and constructively challenging and interacting with service providers, including the Manager.

The principal service provider at present is Invesco Fund Managers Limited (IFML or the Manager). Invesco Asset Management Limited (IAML), an associate company of IFML, currently manages the Company's investments and acts as company secretary under delegated authority from IFML. References to the Manager in this annual financial report should consequently be considered to include both entities. The Manager provides company secretarial, marketing and general administration services including accounting and manages the portfolio in accordance with the Board's strategy. The portfolio manager responsible for the day to day management of the portfolio is Ciaran Mallon.

In addition to the management and administrative functions of the Manager, the Company has contractual arrangements with Link Asset Services to act as registrar and The Bank of New York Mellon (International) Limited (BNYMIL) as depositary and custodian.

Investment Policy

The Company's investment objective, principal investment aims, investment policy and risk and investment limits combine to form the 'Investment Policy' of the Company.

Investment Objective

The Company's investment objective is to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation.

Principal Investment Aims

The Company aims to:

- have a portfolio yielding more than the FTSE All-Share Index in order to generate sufficient income;
- provide shareholders with dividend growth in excess of inflation over the longer-term;
- achieve capital growth in excess of the FTSE All-Share Index over the longer-term;
- reduce risk by diversifying investments across a wide range of companies and sectors; and
- enhance returns by utilising borrowings, when appropriate.

Investment Policy and Risk

The Company invests principally in quoted UK equities and equity-related securities of UK companies selected from any market sector. The Company is also permitted to invest up to 20% of its gross assets in overseas-listed equities and securities although the Manager has not utilised this permission to date. At certain times some exposure to fixed interest securities may be considered desirable by the Manager whereby the main criteria for inclusion will be income, liquidity and credit quality.

The Company utilises borrowings when appropriate in order to seek to enhance its returns. The associated risks will be mitigated by limiting the maximum amount of borrowings that can be utilised and by investing predominantly in liquid investments so that any gearing can be managed in a timely way.

One of the Company's principal characteristics is that it diversifies its investments across a wide range of companies and sectors, so minimising the risks associated with having too much invested in one stock or sector. The Portfolio Manager's aim is to have a broad cross-section of the best-performing stocks that he can find consistent with this characteristic.

Investment Limits

The Board has prescribed limits on the Investment Policy, among which are the following:

- no more than 10% of gross assets will be held in a single investment;
- no more than 15% of gross assets will be held in other listed investment companies;
- no more than 5% of gross assets will be held in unquoted investments, subject to approval by the Board; and
- borrowings may be used to raise market exposure up to a maximum of 25% of net assets.

Except for borrowings, all of the preceding limits are measured at the time of investment.

The Company does not currently use derivative instruments, but could potentially do so for efficient portfolio management purposes, subject to specific sanction of the Board.

Performance

Key Performance Indicators

The Board and Manager work closely together to achieve the Company's investment objective. To help shareholders understand how this is achieved and monitored, the following key performance indicators are used:

- the income available to be paid as dividends compared to Retail Price Inflation (RPI);
- the net asset value performance;
- the Company's total return performance compared to inflation, its benchmark and its peer group;
- the premium or discount to net asset value at which the Company's shares trade; and
- ongoing charges (the total cost to shareholders incurred by the Company).

Dividends and Dividend Payment Policy

The Board aims to pay a sustainable level of base dividend that grows above the rate of inflation and so provides shareholders with real long-term growth in dividends. Additional dividend payments above the sustainable level may be paid on a case by case basis as special dividends.

The Board's Dividend Payment Policy is for the Directors to declare four dividends in respect of each accounting year, with one payment in respect of each calendar quarter. Currently, payments are made in October, December, March and July. Additional special dividends may be declared, at the discretion of the Directors.

For the year ended 31 March 2020, three interim dividends have been paid and the Directors have declared a fourth interim dividend, in lieu of a final dividend, of 4.20p (2019: 4.20p) per share. The first two interim dividends were of 2.50p (2019: 2.40p) each per share and were paid on 11 October 2019 and 27 December 2019. The third interim dividend was 2.55p (2019: 2.45p) and was paid on 13 March 2020. The fourth interim dividend will be paid to shareholders on 24 July 2020. In total, the Directors have declared dividends of 11.75p, an increase of 2.6% over the previous year. Further details on the dividend payment history can be found on page 5.

The Board keeps under review the income generated by the portfolio. The average yield of the portfolio during the year was approximately 4.9%, a premium of 0.5% over the average yield of the FTSE All-Share Index over the same period, which was 4.4%. Whilst the portfolio's yield has been, and is anticipated to continue to be, at a premium to the index the premium has narrowed in recent years. Many of the large, higher yielding companies in the benchmark index have dividends which are not well covered by earnings. Inclusion in the portfolio takes account not only of current dividend yield, but also dividend safety and growth prospects.

Asset Performance

On 31 March 2020, the share price and the net asset value (NAV) per share were 217.0p and 248.2p respectively. The comparable figures for 31 March 2019 were 262.0p and 311.2p.

The Board monitors the Company's NAV and compares its performance with relevant indices, principally the FTSE All-Share Index, which is the Company's benchmark. The NAV total return of the Company for the year was -17.3% compared with a total return of -18.5% for the FTSE All-Share Index, -17.4% for the FTSE All-Share 5% Capped Index,

-18.4% for the FTSE 100 Share Index and -18.4% for the FTSE 350 High Yield Index.

Peer Group Performance

The Board monitors the performance of the Company in relation to both the AIC UK Equity Income sector as a whole and, as this sector is quite diverse in its objectives and structures, to those companies within it which the Board considers to be the peer group that most closely matches it.

As at 31 March 2020, out of the 24 investment trusts ranked within the AIC UK Equity Income sector, the Company was ranked 7th over one year, 11th over three years and 12th over five years by NAV performance (source: J.P. Morgan Cazenove).

Discount

The Board monitors the discount at which the Company's shares trade in relation to the value of the underlying assets and how this compares to other investment trusts in the AIC UK Equity Income sector. During the year the Company's shares traded at a discount between 5.1% and 17.9%. At the year end the discount was 12.6% (2019: 15.8%) and the average discount of the sector was 3.0% (2019: 3.5%) (source: J.P. Morgan Cazenove).

The Board and Manager closely monitor movements in the Company's share price and dealings in the Company's shares. In order to avoid significant overhang or shortage of shares in the market, the Board asks shareholders to approve resolutions every year authorising the repurchase of shares (for cancellation or to be held as treasury shares) and also their issuance. This may assist in the management of the discount. These authorities were not utilised in the year.

The Company does not currently hold shares in treasury. However, if the Company held shares in treasury and should the Board consider it to be in shareholders' interests to do so, then it is the Board's policy to sell shares held as treasury shares on terms that are in the best interests of shareholders.

Ongoing Charges

The expenses of managing the Company are reviewed by the Board at every meeting. The Board aims to minimise the ongoing charges figure, which provides a guide to the effect on performance of all annual operating costs of the Company. The ongoing charges figure is calculated by dividing the annualised ongoing charges, including those charged to capital, by average net asset value during the year, expressed as a percentage. The ongoing charges figure for the year was 0.71% (2019: 0.73%).

Financial Position

At 31 March 2020, the Company's net assets were valued at £145 million (2019: £182 million). The portfolio consisted wholly of equity investments at the year end.

The Company has an overdraft facility, which is limited to the lesser of 25% of net asset value and £25 million and total assets will not fall below £75 million. At the balance sheet date, drawings were £6.3 million (2019: £7.1 million). Note 11 to the financial statements gives details of the facility.

Due to the readily realisable nature of the Company's assets, cash flow does not have the same significance as for an industrial or commercial company.

The Company's principal cash flows arise from the purchase and sales of investments and the income from investments, against which must be set the costs of borrowing and management expenses. The Company's use of financial instruments is disclosed in note 1C and note 15 to the financial statements.

Future Trends

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Manager's Report section of this Strategic Report on pages 10 to 12. Further details as to the risks affecting the Company are set out below under 'Principal Risks and Uncertainties'.

Principal Risks and Uncertainties

The Audit Committee regularly undertakes a robust assessment of the principal and emerging risks the Company faces, on behalf of the Board (see Audit Committee Report on pages 30 and 31). Attention is also drawn to what is said under the Viability Statement on page 17.

The following are considered to be the most significant risks to shareholders in relation to their investment in the Company and how they are being managed or mitigated. Further details of risks and risk management policies as they relate to the financial assets and liabilities of the Company are detailed in note 15 to the financial statements.

Investment Objective

There can be no guarantee that the Company will meet its investment objective.

The Board monitors the performance of the Company and has established guidelines to ensure that the investment policy is followed.

Market Risk

All of the investments held in the year traded on the London Stock Exchange. The prices of securities and the income derived from them are influenced by many factors such as general economic conditions, interest rates, inflation, political events and government policies, as well as by supply and demand reflecting investor sentiment. Such factors are outside the control of the Board and Manager and may give rise to high levels of volatility in the prices of investments held by the Company, although the risk to the Company's performance can be mitigated to an extent by adjusting the level of borrowing or holding cash balances. The extreme volatility experienced in March 2020 from the market reaction to the Covid-19 virus exemplifies this risk, which has had a marked effect on both the valuation of the Company's portfolio of investments and the discount to net asset value at which the Company's shares trade.

Pandemic (Covid-19) Risk

As the impact from Covid-19 continues, the Directors are monitoring the situation closely, together with the Manager and other service providers. A range of actions has been implemented to ensure that the Company and its service providers are in a good position to continue to run their business even if there is prolonged disruption. 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.

The Manager has mandated work from home arrangements and implemented split team working for those whose work is deemed necessary to be carried out on business premises. Any meetings are being held virtually or via conference calls.

The Company's other service providers have similar working arrangements in place.

Investment Risk

There is a risk that the performance of stocks selected for the portfolio might disappoint. This could significantly increase risks to the liquidity and price of certain stocks under certain scenarios and market conditions. Any poor performance of individual investments is mitigated by the diversification of the portfolio and the continual analysis of all holdings by the portfolio manager. The portfolio of investments held at 31 March 2020 is set out on pages 21 and 22.

Shares

Shareholders are exposed to certain risks in addition to risks applying to the Company itself. The market value of the shares in the Company may not reflect their underlying net asset value (NAV) and they may trade at a discount to it. The Board and the Manager monitor the market rating of the Company's shares and both share repurchase and issuance powers are in place that can be used to help in its management and are intended to be renewed at the AGM.

The value of an investment in the Company and the income derived from that investment may go down as well as up and an investor may not get back the amount invested. Past performance of the Company is not necessarily indicative of future performance.

While it is the intention of the Directors to pay dividends to shareholders quarterly from revenue earned, the ability to do so will depend upon the level of income received from securities and the timing of receipt of such income by the Company. Accordingly, the amount of quarterly dividends paid to shareholders may fluctuate.

Gearing Arising from Borrowings

Whilst the use of borrowings by the Company will enhance the total return on the shares where the return on the Company's underlying securities is positive and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is negative. The Board and the Manager keep the level of borrowing under review.

Regulatory

The Company is subject to various laws and regulations by virtue of its status as a public limited company registered under section 833 of the Companies Act 2006, its status as an investment trust, and its listing on the Official List of the UK Listing Authority.

Loss of investment trust status could lead to the Company being subject to tax on the realised capital profits on the sale of its investments. A serious breach of other regulatory rules could lead to suspension from the Official List, a fine or a qualified audit report. 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 compliance with tax and other financial regulatory requirements on a daily basis. All transactions, income and expenditure are reported to the Board. The Board regularly considers all perceived risks and the measures in place to control them. The Board ensures that satisfactory assurances are received from service providers. The depositary and the Manager's compliance and internal audit officers report regularly to the Company's Audit Committee.

Reliance on Third Party Service Providers

The Company has no employees and the Directors are all appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive functions. In particular, the Manager performs services which are integral to the operation of 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 to successfully pursue its Investment Policy.

The Manager may be exposed to reputational risks, in particular, the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not it is valid, will harm its reputation.

Any damage to the reputation of the Manager could result in potential counterparties and third parties being unwilling to deal with the Manager and by extension, the Company.

The Board regularly reviews the quality of services provided. The Company's main service providers are listed on page 73.

Viability Statement

The Company is an investment company operating as an investment trust, as defined by sections 1158 and 1159 of the Corporation Tax Act 2010. As such, the Company is a collective investment vehicle designed and managed for long-term investment. The Company's investment objective is to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation. The Directors take a long-term view in their stewardship of the Company, as does the portfolio manager in his management of the portfolio. The Company has delivered on its objective over the longer-term. This assessment of the Company's viability is based on the assumption that the resolution for the continuation of the Company which the Directors have decided to propose at the forthcoming AGM will be passed, and therefore takes a long term view which the Directors consider for these purposes to be at least five years. The actual outcome of the vote on continuation will depend on the views of shareholders at the time, which will be influenced by the Company's performance, sympathy with the investment strategy being followed and external factors. The life of the Company is not intended to be limited to five years or any other period.

In assessing the viability of the Company the Board considered the principal risks to which it is exposed, as set out on pages 15 to 17, together with mitigating factors. The Board also took into account the capabilities of the Manager and the varying market conditions already experienced by the Company since it commenced operations in 1996. The risks of failure to meet the Company's investment objective, and contributory market and investment risks were considered to be of particular importance. These risks have been a particular focus during the Covid-19 disruption this year and the outlook for economic growth and its effect on UK companies' earnings gives rise to greater than usual uncertainty for performance.

However, the Company's own financial position is robust: operating expenses (including finance costs) were covered more than five times by income in the year under review; there are no long term liabilities and outstanding debt was covered more than twenty times at the year end; the investments comprising the portfolio are currently all listed on the London Stock Exchange and readily realisable and their value greatly exceeds the value of all the Company's liabilities and annual operating costs. While there appears little or no prospect of the Company being unable to meet its financial obligations as they fall due, as at the date of this report there is material uncertainty over whether the continuation vote will be passed. This may cast significant doubt on the likelihood of the Company continuing as a going concern. Despite this material uncertainty the financial statements have been prepared on a going concern basis and, subject to that uncertainty, the Directors confirm that they have a reasonable expectation that, if the vote is passed, the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

Board's Duty to Promote the Success of Company

The Directors have a fiduciary duty to act, in good faith, for the benefit of shareholders taken as a whole. Section 172 of the Companies Act 2006 codifies this duty and also widens the responsibility to incorporate the consideration of wider relationships that are necessary for the Company's sustainability. Using the terminology of the Act, the Directors have a duty to promote the success of the Company, whilst also having regard to certain broader matters, including the need to engage with employees, suppliers, customers and others, and to have regard to their interests. This is reflected in the summary of the Board's responsibilities on pages 32 and 33.

In fulfilling these duties, and in accordance with the Company's nature as an investment company with no employees and no customers in the traditional sense, the Board's principal concern has been, and continues to be, the interests of the Company's shareholders taken as a whole. Notwithstanding this, the Board has a responsible governance culture and also has due regard for broader matters so far as they apply. In particular, the Board engages with the Manager at every Board meeting and reviews the Company's relationships with the other service providers, such as the registrar, depositary and custodian, at least annually. The Board continues to be content with the services provided by the Manager and other service providers.

Some of the key considerations for the Board during the year were:

- to challenge the Manager on performance and discount matters, which led to putting a vote to shareholders on the continuation of the Company. Discussions with major shareholders highlighted their continued support;
- to continue to grow the dividend in accordance with its policy to provide shareholders with dividend growth in excess of inflation over the longer-term; and
- to consider a successor for the Chairman and the Board's overall succession plan.

Shareholder relations are given a high priority by the Board. The prime medium by which the Company communicates with shareholders is through the annual and half-yearly financial reports, which aim to provide shareholders with a full understanding of the Company's activities and its results. This information is supplemented by the publication of monthly factsheets and the NAV of the Company's ordinary shares, which is published daily via the London Stock Exchange and on the

Company's section of the current Manager's website at www.invesco.co.uk/incomegrowth.

Shareholders normally have the opportunity to communicate directly with the Directors at the AGM.

It is the intention of the Board that the annual financial report and the notice of the AGM be issued to shareholders so as to provide twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so, either on the reverse of the proxy card, via the current Manager's website (www.invesco.co.uk/incomegrowth) or in writing to the Company Secretary at the address given on page 73. At other times the Company responds to queries from shareholders on a range of issues.

There is a clear channel of communication between the Board and the Company's shareholders via the Company Secretary. The Company Secretary has no express authority to respond to enquiries addressed to the Board and all such communication, other than junk mail, is redirected to the Chairman or Senior Independent Director as appropriate.

There is a regular dialogue with individual major shareholders to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to develop a balanced understanding of their issues and concerns. The Manager also engages in a series of regional meetings throughout the year to promote the Company to institutional shareholders, analysts and potential investors. Ahead of the upcoming continuation vote at the AGM in September 2020, the Chairman has held meetings with a number of the largest shareholders to ascertain their support for voting in favour of the resolution. In normal circumstances, shareholders are invited to attend the AGM but this year, as explained in the Chairman's Statement, shareholders should lodge their questions to the Company Secretary at investmenttrusts@invesco.com or, in hard copy, to 43-45 Portman Square, London W1H 6LY. The Company Secretary will ensure that questions received will be replied to by the appropriate person after the AGM and made available on the Company's web page on the Invesco website.

Shareholders can visit the Company's section of the current Manager's website (www.invesco.co.uk/incomegrowth) in order to access copies of annual and half-yearly financial reports, pre-investment information, key information document (KID), factsheets, Stock Exchange announcements, schedule of matters reserved for the Board, terms of reference of Board Committees, Directors' letters of appointment and proxy voting results.

Board Diversity

The Company's policy on diversity is set out, under the Nomination Committee section, on page 35. The Board currently comprises six non-executive Directors of whom one is a woman, thereby constituting 17% female representation. Summary biographical details of the Directors are set out on page 26. The Company has no employees.

Environmental, Social and Governance (ESG) Matters

As an investment company with no employees, property or activities outside investment, environmental policy has limited application. A greenhouse gas emissions statement is included in the Directors' Report on page 38. In relation to the portfolio, the Company has, for the time being, delegated the management of the Company's investments to the current Manager, who has an ESG Guiding Framework which sets out a number of principles that are intended to be considered in the context of its responsibility to manage investments in the financial interests of shareholders.

The Manager is committed to being a responsible investor and applies, and is a signatory to, the United Nations Principles for Responsible Investment, which demonstrates its extensive efforts in terms of ESG integration, active ownership, investor collaboration and transparency. The Manager is also a signatory to the FRC Stewardship Code 2012, which seeks to improve the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The Henley investment team incorporates ESG considerations in its investment process as part of the evaluation of new opportunities, with identified ESG concerns feeding into the final investment decision and assessment of relative value. The portfolio managers make their own subjective conclusions about the ESG characteristics of each investment held and about the overall ESG characteristics of the portfolio, although third party ESG ratings may inform their view. Additionally, the Manager's ESG team provides formalised ESG portfolio monitoring. This is a rigorous semi-annual process where the portfolio is reviewed from an ESG perspective.

Regarding stewardship, the Board considers that the Company has a responsibility as a shareholder towards ensuring that high standards of corporate governance are maintained in the companies in which it invests. To achieve this, the Board does not seek to intervene in daily management decisions, but aims to support high standards of governance and, where necessary, will take the initiative to ensure those standards are met. The principal means of putting shareholder responsibility into practice is through the exercise of voting rights. The Company's voting rights are exercised on an informed and independent basis.

The Company's stewardship functions have been delegated to the Manager, who has adopted a clear and considered policy towards its responsibility as a shareholder on behalf of the Company. As part of this policy, the Manager takes steps to satisfy itself about the extent to which the companies in which it invests look after shareholders' value and comply with local recommendations and practices, such as the UK Corporate Governance Code. The Manager reports back regularly to the Board on its activities. A copy of the current Manager's Stewardship Policy, which is updated annually, can be found at www.invesco.co.uk.

The Company is an investment vehicle and does not provide goods or services in the normal course of its business, or have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015.

This Strategic Report was approved by the Board on 2 July 2020

Invesco Asset Management Limited
Company Secretary

Strategy
Investments in Order of Valuation

At 31 March 2020

UK listed ordinary shares unless otherwise stated

Holdings	Company	Industry	Sector	Value £'000	% of Portfolio
589,454	GlaxoSmithKline	Health Care	Pharmaceuticals & Biotechnology	8,926	5.9
792,794	Pennon	Utilities	Gas, Water & Multiutilities	8,606	5.7
365,864	Experian	Industrials	Support Services	8,236	5.4
427,643	RELX	Consumer Services	Media	7,405	4.9
138,310	Ferguson	Industrials	Support Services	6,990	4.6
240,367	British American Tobacco	Consumer Goods	Tobacco	6,627	4.4
657,215	National Grid	Utilities	Gas, Water & Multiutilities	6,218	4.1
126,964	Croda International	Basic Materials	Chemicals	5,420	3.6
233,819	Severn Trent	Utilities	Gas, Water & Multiutilities	5,329	3.5
1,143,574	HSBC	Financials	Banks	5,195	3.4
Top ten holdings				**68,952**	**45.5**
1,452,783	BP	Oil & Gas	Oil & Gas Producers	4,990	3.3
371,149	SSE	Utilities	Electricity	4,840	3.2
334,955	Smith & Nephew	Health Care	Health Care Equipment & Services	4,802	3.2
626,800	Young & Co's Brewery – *Non-Voting*[AIM]	Consumer Services	Travel & Leisure	4,701	3.1
322,708	Royal Dutch Shell – *B shares*	Oil & Gas	Oil & Gas Producers	4,387	2.9
246,761	Bunzl	Industrials	Support Services	4,020	2.7
851,151	Informa	Consumer Services	Media	3,757	2.5
293,941	Compass	Consumer Services	Travel & Leisure	3,712	2.5
121,445	Whitbread	Consumer Services	Travel & Leisure	3,680	2.4
86,914	Next	Consumer Services	General Retailers	3,539	2.3
Top twenty holdings				**111,380**	**73.6**
436,960	Euromoney Institutional Investor	Consumer Services	Media	3,535	2.3
284,653	Nichols[AIM]	Consumer Goods	Beverages	3,416	2.2
2,569,847	Vodafone	Telecommunications	Mobile Telecommunications	2,903	1.9
1,253,862	Legal & General	Financials	Life Insurance	2,430	1.7
568,966	JTC	Financials	Financial Services	2,418	1.7
239,087	United Utilities	Utilities	Gas, Water & Multiutilities	2,159	1.4
207,361	Softcat	Technology	Software & Computer Services	2,150	1.4
318,103	Phoenix	Financials	Life Insurance	1,993	1.3
54,647	InterContinental Hotels	Consumer Services	Travel & Leisure	1,919	1.3
899,087	Jupiter Fund Management	Financials	Financial Services	1,798	1.2
Top thirty holdings				**136,101**	**90.0**

Strategy
Investments in Order of Valuation

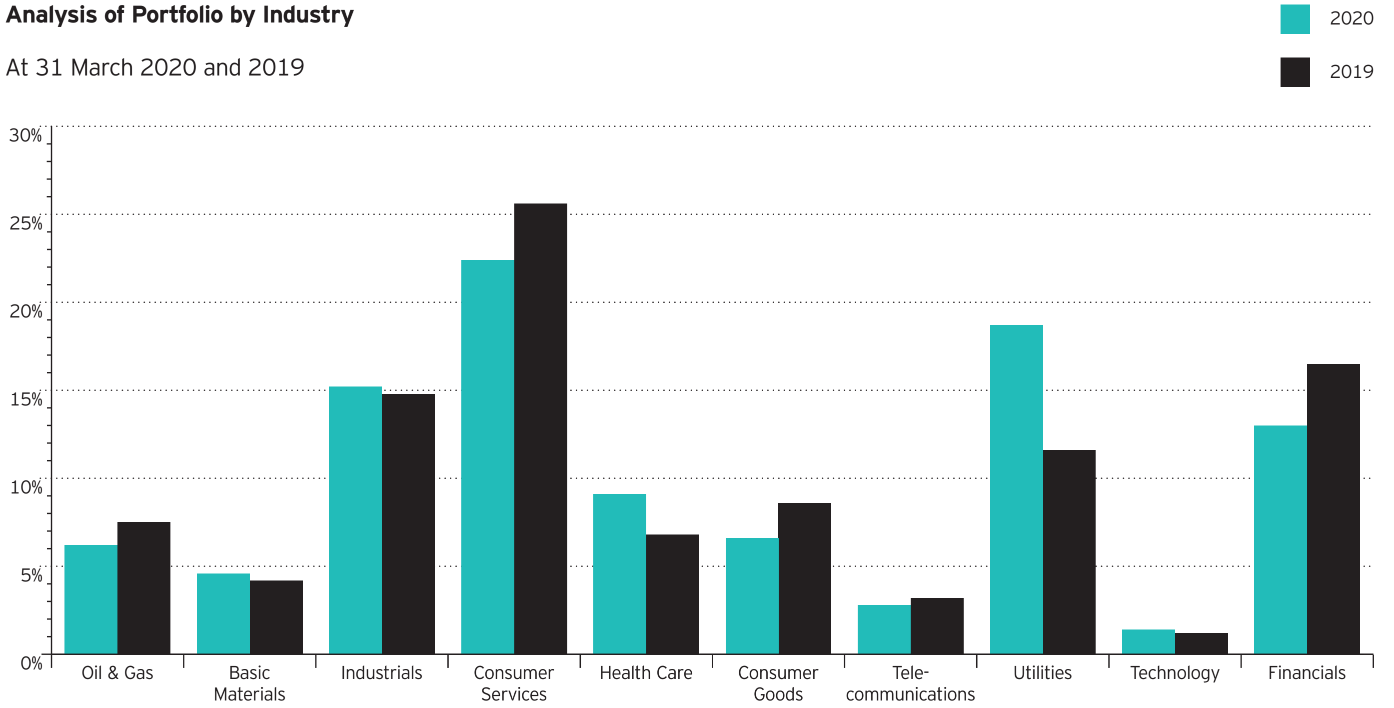
At 31 March 2020

Holdings	Company	Industry	Sector	Value £'000	% of Portfolio
1,586,164	Royal Bank of Scotland	Financials	Banks	1,791	1.1
1,562,957	XPS Pensions	Financials	Financial Services	1,704	1.1
206,283	CVS[AIM]	Consumer Services	General Retailers	1,701	1.1
595,795	Aviva	Financials	Life Insurance	1,599	1.1
393,940	Treatt	Basic Materials	Chemicals	1,536	1.0
549,773	Essentra	Industrials	Support Services	1,445	1.0
1,083,538	BT	Telecommunications	Fixed Line Telecommunications	1,277	0.8
765,777	Drax	Utilities	Electricity	1,177	0.8
281,745	Ricardo	Industrials	Support Services	1,152	0.8
1,186,687	G4S	Industrials	Support Services	1,095	0.7
Top forty holdings				**150,578**	**99.5**
241,002	Chesnara	Financials	Life Insurance	702	0.5
Total Value Of Investments (41)				**151,280**	**100.0**

[AIM] Investments quoted on AIM.

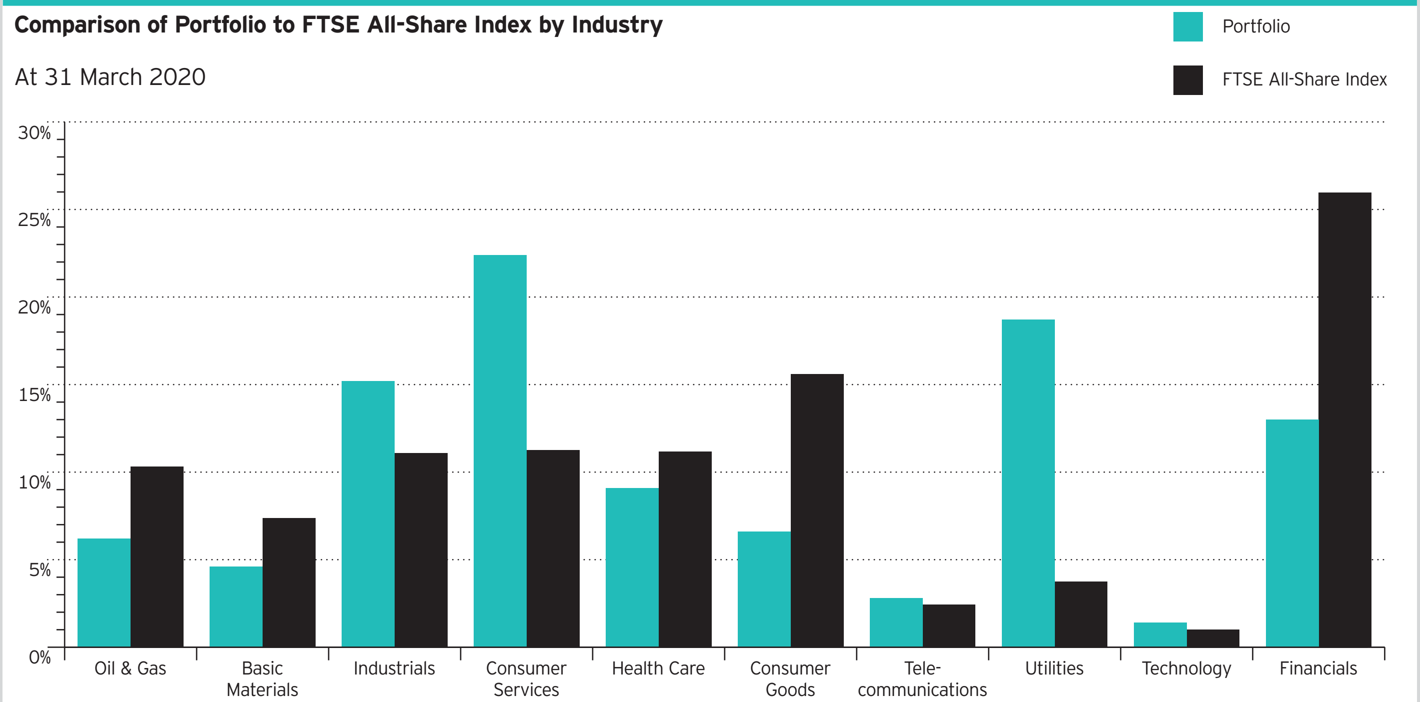
Analysis of Portfolio by Industry

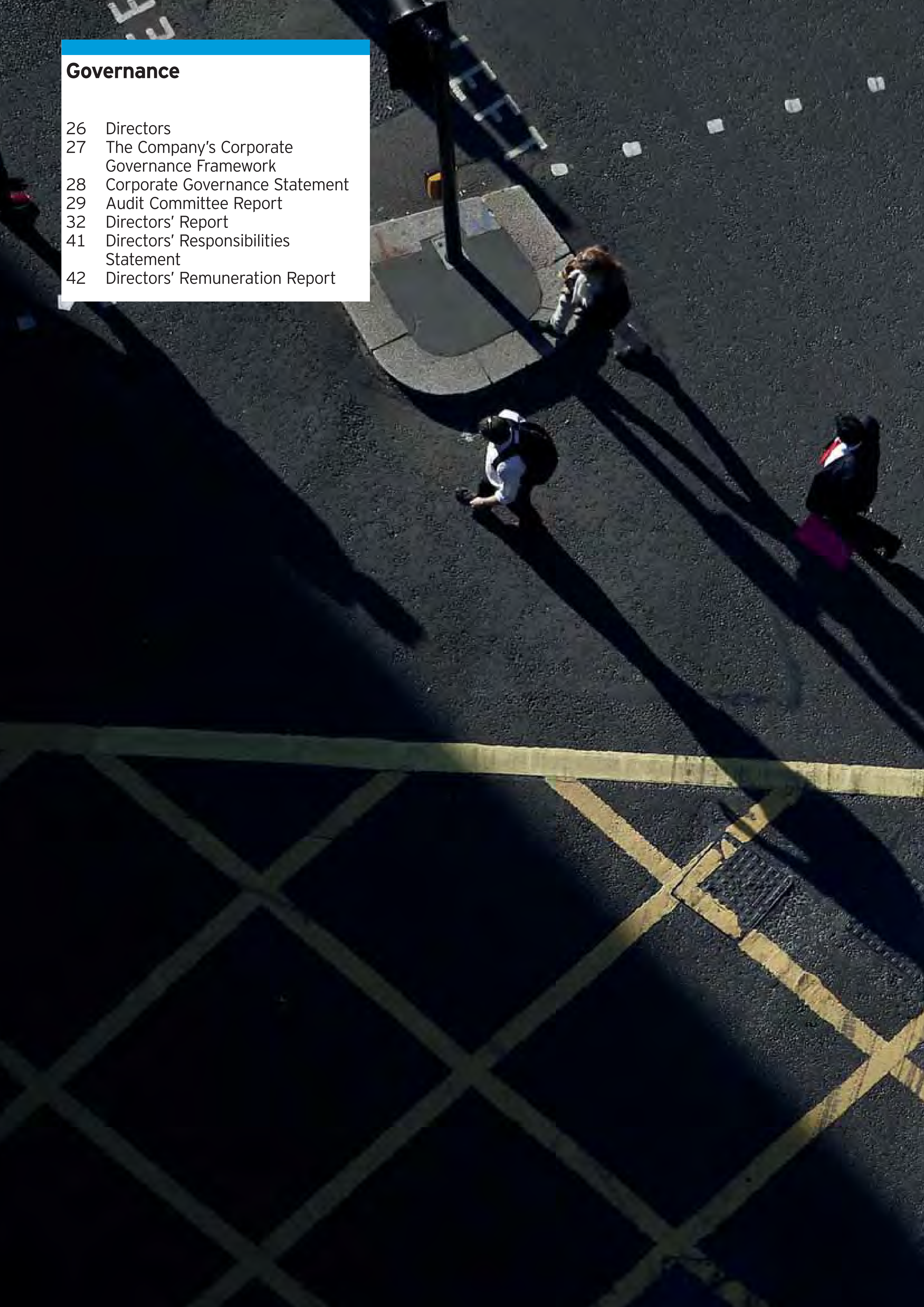
At 31 March 2020 and 2019



Comparison of Portfolio to FTSE All-Share Index by Industry

At 31 March 2020





Governance

Directors

All Directors are non-executive and considered independent.

All Directors are members of the Management Engagement and Nomination Committees.
† Member of the Audit Committee.

Hugh Twiss MBE

Mr Twiss was appointed to the Board on 23 November 2001. He became Chairman of the Company on 13 July 2012. He undertakes various charity and consultancy work and was Chairman of Henderson High Income Trust plc until 2016. He was formerly a director of Fleming Investment Management for many years.

Davina Curling†

Ms Curling was appointed to the Board on 1 March 2011 and is Chairman of the Management Engagement Committee and the Senior Independent Director.
Ms Curling is a non-executive director of Henderson Opportunities Trust plc. She is also a non-executive director of BlackRock Greater Europe Investment Trust plc and is a member of the Investment Committee of St. James's Place. Prior to this she was Managing Director and Head of Pan European Equities at Russell Investments and before this of F&C Asset Management. Ms Curling started her career at Kleinwort Benson in 1987 before moving to run the European desks at Nikko, RSA and then ISIS Asset Management.

Mark Dampier†

Mr Dampier was appointed to the Board on 1 March 2016. He is Head of Investment Research at Hargreaves Lansdown, a position he has held since 1998. He is also a non-executive director of Jupiter Emerging & Frontier Trust plc. He has over 30 years' experience in the fund management industry, including managing and marketing investment trusts and unit trusts, has published a book on effective investing and is a leading commentator on the investment sector.

Jonathan Silver†

Mr Silver was appointed to the Board on 1 August 2007 and is Chairman of the Audit Committee. Mr Silver is a non-executive director and Chairman of the Audit Committee of Henderson High Income Trust plc. He is a non-executive director of East and North Hertfordshire NHS Trust. He is also a non-executive director and Chairman of the Audit Committee of Spirent Communications plc and was Chief Financial Officer on the main Board of Laird plc until he retired in May 2015, having held that position since 1994. Prior to 1994, Mr Silver held various senior financial positions within Laird plc, which he joined in 1986. He is a member of the Institute of Chartered Accountants of Scotland.

Roger Walsom†

Mr Walsom was appointed to the Board on 5 May 2006 and is Chairman of the Nomination Committee. He is currently Chairman of a company related to Ashurst, the City law firm, where he was previously a partner for many years and had a wide-ranging corporate practice including advising a number of investment trusts and other funds. He was previously a non-executive director of the Pensions Regulator, St. James's Place plc and the Miller insurance broking group at Lloyds.

Tim Woodhead†

Mr Woodhead was appointed to the Board on 3 April 2018. He is a senior Investment Director at Rathbone Brothers plc.
Mr Woodhead holds various trustee positions in charities and for a number of family trusts. He previously held the role of lead fund manager of Albany Investment Trust plc and was a member of the Stock Selection Committee at Rathbone Brothers plc. He was a Trustee and then Chairman of Rathbone 1987 Pension Scheme, standing down in June 2018. Mr Woodhead has over 20 years of investment experience managing private client investments and is an active investor with a keen interest in UK midcap and investment trusts.

Governance
The Company's Corporate Governance Framework

The Board and Committees
Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that it is an Investment Company with no employees and outsources investment management to the Manager and administration to the Manager and other external service providers.

The Board
Six non-executive directors (NEDs)

Chairman
Hugh Twiss

Key responsibilities:
- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- to challenge constructively and scrutinise performance of all outsourced activities.

Audit Committee (page 29)	**Management Engagement Committee** (page 35)	**Nomination Committee** (page 35)	**Remuneration Committee Function** (page 42)
All NEDs except Mr Twiss	All NEDs	All NEDs	The Board as a whole performs this function
Chairman Jonathan Silver	**Chairman** Davina Curling	**Chairman** Roger Walsom	
Key responsibilities: - to oversee financial reporting and the control environment; and - to manage the relationship with the external auditor.	**Key responsibilities:** - to review the performance of the Manager; and - to review other service providers.	**Key responsibilities:** - to review regularly the Board's structure and composition; and - to recommend any changes or new Board appointments.	**Key responsibilities:** - to set the remuneration policy of the Company.

The Portfolio Manager
The portfolio manager, Ciaran Mallon, is based in Henley-on-Thames. He is a member of the Manager's UK Equities team in Henley and is responsible for the management of a number of UK equity portfolios.

Ciaran began his investment career in 1994, joining HSBC where he was an investment analyst before moving to United Friendly Asset Management in 1999 as a fund manager and joining Invesco in 2005. He holds a BA (Honours) in Chemistry from Oxford University and has also gained the CFA and Securities Institute Diploma.

Governance
Corporate Governance Statement

For the year ended
31 March 2020

The Board is committed to maintaining high standards of Corporate Governance and is accountable to shareholders for the governance of the Company's affairs.

The Directors have considered the principles and recommendations of the latest AIC Code of Corporate Governance (AIC Code). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The AIC Code is available from the Association of Investment Companies website (*www.theaic.co.uk*). The UK Code is available from the Financial Reporting Council website (*www.frc.org.uk*).

The Company has complied with the recommendations of the 2019 AIC Code and provisions of the 2018 UK Code, except the provisions relating to:

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

For reasons set out in the AIC Code, the Board considers these provisions are not relevant to the position of Invesco Income Growth Trust plc, being an externally managed investment company with no executive employees and, in relation to the third, in view of the Manager having an internal audit function.

Information on how the Company has applied the principles of the 2019 AIC Code, and consequently the 2018 UK Code, follows:

The composition and operation of the Board and its committees are summarised on pages 32 to 35, and pages 29 to 31 in respect of the Audit Committee.

The Board's diversity policy is set out under the Nomination Committee section on page 35.

The Company's approach to internal control and risk management is summarised on pages 30 and 31.

The contractual arrangements with, and assessment of, the Manager are summarised on page 37.

The Company's capital structure and voting rights are summarised on page 38.

The most substantial shareholders in the Company are listed on page 39.

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on pages 34 and 35. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Amendment of the Company's Articles of Association and powers to issue or buy back the Company's shares, which are sought annually, require shareholders approval.

By order of the Board

Invesco Asset Management Limited
Company Secretary

2 July 2020

Audit Committee Report

For the year ended 31 March 2020

The Audit Committee comprises all of the Directors on the Board except Mr Twiss, in compliance with the 2018 Corporate Governance Code. At the discretion of the Audit Committee Chairman, Mr Twiss may be invited to attend Audit Committee meetings as a guest. The Committee has written terms of reference that clearly define its responsibilities and duties.

The Audit Committee Chairman will be present at the Annual General Meeting to answer any questions relating to the financial statements.

Audit Committee Responsibilities

The responsibilities of the Audit Committee include:

- reviewing the effectiveness of the internal controls and risk management systems, including reports received on the operational controls of the Company's service providers;
- reviewing the annual and half-yearly financial reports and announcements of the Company and ensuring compliance with relevant statutory and listing requirements;
- management of the relationship with the external auditor, including their appointment, fees, and the scope, effectiveness, independence and objectivity of their audit; and
- advising the board on whether the Committee believes the annual financial report taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

The Committee met three times in the year. At these meetings the Committee reviewed the internal financial and non-financial controls, accounting policies, the contents of the half-yearly and annual financial reports to shareholders, the auditor's independence, objectivity and effectiveness and, together with the Manager, reviewed the Company's compliance with financial reporting and regulatory requirements as well as risk management processes. Representatives of the Manager's Compliance and Internal Audit Departments attended two of these meetings. The Committee received reports on cyber security. The depositary also provided a report and attended the meeting at which the draft annual financial report was reviewed.

The external audit programme and timetable were drawn up, considered by the Audit Committee at its planning meeting in March 2020 and agreed with the auditor, Ernst & Young LLP. At this stage, matters for audit focus were discussed and agreed. These matters were given particular attention during the audit process and, among other matters, were reported on by the auditor in its audit results report to the Committee. Representatives of the auditor attended the Committee meeting at which the draft annual financial report was reviewed and were given the opportunity to speak to Committee members without the presence of representatives of the Manager. The audit results report was considered by the Committee and discussed with the auditor and the Manager prior to the approval and signing of the financial statements.

Following a thorough review process, the Audit Committee is satisfied that the 2020 annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Accounting Matters and Significant Areas

For the year end the accounting matters that were subject to specific consideration by the Committee and consultation with the auditor, where necessary, as follows. These have not changed from the previous year.

Significant area	**How addressed**
Portfolio Valuation and Proof of Ownership	Actively traded listed investments are valued using stock exchange prices provided by third party pricing vendors. The investments are held on behalf of the Company by the Company's custodian. Controls are in place to ensure that valuations are appropriate and existence is verified to custodian records. In addition, the depositary confirmed that the accounting records correctly recorded all investee holdings and that these had been agreed to custodian records.
Income Recognition	The Manager reviewed each stock line to ensure that those marked ex-dividend in the year were included in revenue and that any special dividends were appropriately attributed to revenue or capital.

The above were satisfactorily addressed as described above and through consideration of reports provided by, and discussed with, the Manager and the auditor.

For the year ended
31 March 2020

Going Concern

The Directors are proposing a resolution at the forthcoming AGM that the Company continues as a closed-end investment company. Whilst it is not possible to be certain on the outcome of the vote, the Directors are of the opinion that it is appropriate for the financial statements to be prepared on a going concern basis as the Company has been subject to stress testing scenarios on revenue forecasts. When the highly liquid nature of the portfolio of investments is also taken into account, these revenue scenarios provide a more than reasonable expectation that that Company remains able to meet its financial obligations as they fall due and is able to comply with its financial covenants for the foreseeable future.

External Auditor

This year's audit of the Company's annual financial report was the fifth performed by Ernst & Young LLP (EY), and by Sarah Williams as engagement partner, since they were appointed following a tender process in 2015.

The Committee assessed the performance and effectiveness of the external audit process. This included a review of the audit planning, execution and reporting, and the quality of the audit work, results and audit team. The view of the Manager was also sought. The Audit Committee also considered the independence of the auditor and the objectivity of the audit process and is satisfied that EY has fulfilled its obligations to shareholders and as independent auditor to the Company for the year.

No other services have been provided by EY and it is the Company's policy not to seek substantial non-audit services from its auditor. Were the provision of significant non-audit services being considered, the Committee would consider whether the particular skills of the audit firm made them a suitable supplier of those services and that there was no threat to the objectivity and independence of the audit.

A resolution proposing the re-appointment of EY as the Company's auditor for the year to 31 March 2021 and authorising the Audit Committee to determine its remuneration will be put to shareholders at the forthcoming AGM.

Internal Controls and Risk Management

The Committee undertakes a robust assessment of the risks, including emerging risks, to which the Company is exposed by reference to a risk control summary, which maps the risks, mitigating controls in place and relevant information reported to the Directors. The resultant ratings of the mitigated risks, in the form of a risk heat map, allow the Directors to concentrate on those risks that are most significant and also forms the basis of the list of principal risks and uncertainties set out in the Strategic Report on pages 15 to 17.

For the year under review, 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. The Audit Committee reviews the Company's risk control summary at each meeting, and as part of this process, gives consideration to identifying emerging risks. Any emerging risks that are considered to be of significance will be recorded on the Company's Risk Control Summary with any mitigations. In carrying out this assessment, consideration is being given to the market and possible regulatory uncertainty arising from Brexit and the potential impact from the Covid-19 outbreak.

The Committee, on behalf of the Board, is responsible for ensuring that the Company maintains a sound system of internal control to mitigate risk and safeguard shareholders' investment and the Company's assets. The effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems is reviewed at least annually. Appropriate action is taken to remedy any significant failings or weaknesses identified from these reviews. No significant items were identified in the year. The risk management and internal controls have been in place throughout the year and up to the date of this report.

The Company relies on external service providers for all of its operations and on the controls they operate on behalf of the Company. The Committee receives and considers, together with representatives of the Manager, independent service auditors' reports provided by the relevant service provider in relation to the operational controls of the investment manager, accounting administrator, custodian, Company Secretary and registrar. These reviews identified no significant issues.

The Committee has reviewed and accepted the Manager's 'Whistleblowing' policy under which staff of the Manager can, in confidence, raise concerns about possible improprieties or irregularities in matters affecting the Company.

Internal Audit
Due to the nature of the Company, being an externally managed investment company with no employees, and in view of the Manager and external service providers having internal audit functions, the Company does not have its own internal audit function.

Jonathan Silver
Chairman of the Audit Committee

2 July 2020

Directors' Report

For the year ended 31 March 2020

Business and Status
The Company was incorporated and registered in England and Wales on 22 December 1995 as a public limited company, registered number 3141073, and commenced operations in March 1996.

The Company is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust within the meaning of the Corporation Tax Act 2010 (CTA) and the Investment Trusts (Approved Company) (Tax) Regulations 2011. HM Revenue and Customs has approved the Company's status as an investment trust and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to maintain such approval.

Performance and Dividends
Details of the Company's performance and dividends are shown in the Strategic Report on pages 14 and 15.

The Board
The Company currently has a Board of six non-executive Directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment policy is adhered to. Details of the Board's responsibilities, information it relies upon and the number of meetings it holds are set out on the following pages. Certain aspects of the Company's affairs are dealt with by the Directors sitting as the Audit Committee (see pages 29 to 31), the Management Engagement Committee (see page 35) and the Nomination Committee (see page 35). In view of the size of the Board and the nature of the Company, all of these committees except the Audit Committee, are comprised of all of the Directors.

Each committee has written terms of reference which are available for inspection at the registered office of the Company, at the Company's correspondence address (see page 73) and on the Company's section of the Manager's website.

The Board has resolved that a remuneration committee is not appropriate for a company of this size and nature. Remuneration is therefore regarded as part of the Board's responsibilities. For information on the Directors' remuneration, please refer to the Directors' Remuneration Report on pages 42 and 43.

The Board regards all of the Directors to be wholly independent of the Company's Manager. The Directors have a range of business, financial and asset management skills as well as experience relevant to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 26.

Chairman
The Chairman of the Board is Hugh Twiss, a non-executive Director who has no conflicting relationships.

Senior Independent Director
Davina Curling is the Senior Independent Director (SID). The SID provides a sounding board for the Chairman, serves as an intermediary for the other Directors if necessary and provides a channel of communication for shareholders where contact through the Chairman or Company Secretary have failed to resolve the issue or where that channel of communication is inappropriate.

Board Responsibilities
The Directors have a duty to promote the success of the Company taking into consideration the likely consequences of any decision in the long-term, the need to foster the Company's business relationships with its Manager and advisers, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly between stakeholders of the Company.

In order to promote the success of the Company, the Board directs and supervises its affairs within a framework of effective controls which enable risk to be assessed and managed. A formal schedule of matters reserved for the Board has been established. The schedule is reviewed annually to ensure compliance with the latest regulatory requirements, best practice and the AIC Code and is available for inspection at the registered office of the Company, at the Company's correspondence address (see page 73) and on the Company's page of the Manager's website. The main responsibilities of the Board include: setting policies and standards, ensuring that the Company's obligations to shareholders and others are understood and complied with, approving accounting and dividend policies, managing the capital structure, setting long-term objectives and strategy, assessing risk, reviewing investment performance, approving loans and borrowing, approving recommendations presented by the Company's respective Board Committees, controlling risks and the ongoing assessment of the Manager. The Board also seeks to ensure that shareholders are provided with sufficient information in order to understand the risk/reward balance to which they are exposed by holding their shares, through the details given in the annual and half-yearly financial reports, and regulatory information service announcements, including daily NAV disclosures.

The Board is committed to the prevention of corruption in the conduct of the Company's affairs and, taking account of the nature of the Company's business and operations, has put in place procedures that allow the Board to have reasonable assurance that persons associated with it are prevented from engaging in bribery for and on behalf of the Company. The Board has a zero tolerance approach towards the facilitation of tax evasion.

Supply of Information

To enable the members of the Board to fulfil their roles, the Manager and Company Secretary ensure that Directors have timely access to all relevant management, financial and regulatory information. The Company Secretary ensures that all non-spam correspondence addressed to the Company is reported to the Board and dealt with in a timely manner.

The Board meets on a regular basis at least five times each year, including once to specifically review strategy issues, and additional meetings are arranged as necessary. Regular contact is maintained between the Manager, the Company Secretary and the Board outside formal meetings. Board meetings follow a formal agenda, which includes a review of the investment portfolio with reports from the Manager on the current investment position and outlook, strategic direction, performance against stock market indices and the Company's peer group, asset allocation, borrowing policy, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance and other issues.

On being appointed to the Board, Directors are fully briefed as to their responsibilities and are continually updated throughout their term in office on industry and regulatory matters. Newly appointed Directors receive induction training. The Directors take responsibility for their own training needs while in office, but also receive briefings from key members of the Manager's staff in order that Directors can keep up to date with new legislation and changing risks.

Board, Committee and Directors' Performance Appraisal

The Directors recognise the importance of the AIC Code particularly in terms of evaluating the performance of the Board as a whole, the respective Committees of the Board and individual Directors. Performance of the Board, Committees and Directors has been assessed during the year in terms of:

- attendance at Board and Committee Meetings;
- the independence of individual Directors;
- the ability of Directors to make an effective contribution to the Board and Committees due to the diversity of skills and experience each Director brings to meetings; and
- the Board's ability to challenge the Manager's recommendations, suggest areas of debate and fix timetables for debates on the future strategy of the Company.

The Board conducted its annual performance evaluation through discussions between the Directors and between each Director and the Senior Independent Director. The review concluded that the Board and its Committees collectively, and the Directors individually, including the Chairman, continue to be effective and that the Directors demonstrate commitment to their respective roles.

For the year ended
31 March 2020

Attendance at Board and Committee Meetings

The number of scheduled meetings held during the year to 31 March 2020 and the attendance of individual Directors are shown in the table below:

	Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings
Number of meetings:	5	3	1	1
- Davina Curling	5	3	1	1
- Mark Dampier	5	3	1	1
- Jonathan Silver	5	3	1	1
- Hugh Twiss	5	3[(1)]	1	1
- Roger Walsom	5	3	1	1
- Tim Woodhead	5	3	1	1

In addition to the above, occasional meetings of sub-committees of the Board were held to deal with ad hoc items.

[(1)] Mr Twiss is not a member of the Audit Committee, but attended the meetings by invitation.

Appointment, Re-election and Tenure of Directors
The Board has a refreshment plan, which includes succession of the Chairman and the Audit Chairman, and is considered in detail by the Nomination Committee. New Directors are appointed by the Board, following recommendation by the Nomination Committee, and are then subject to election by shareholders at the first Annual General Meeting (AGM) following their appointment. No Director has a contract of employment with the Company. Directors' terms and conditions of appointment are set out in letters of appointment, copies of which are on the Company page of the Manager's website.

Boards of investment companies operate in an environment where they are not only having to deal with the oversight of increasingly challenging investment activities, but also regulatory and related business activities. The Board recognises that, to carry out its duties successfully and for the benefit of shareholders, it needs a relevant mixture of skills and experiences, as well as sufficiently long corporate knowledge. Much of this – which is particularly relevant to the Company – is only acquired over time, but often remains relevant and beneficial to the Company for periods that may be longer than a Director's normal tenure. It is against this background that the Board has set its tenure policies.

A Director's normal tenure of office will be for nine years, except that the Board may determine otherwise if it is considered that the continued participation on the Board of an individual Director is in the best interests of the Company and its shareholders. Notwithstanding their length of service, the Board considers that Davina Curling, Hugh Twiss, Jonathan Silver and Roger Walsom continue to remain independent in character and judgement from the Company's Manager, a view which has been demonstrated by their actions on behalf of the Company.

The Chairman's normal tenure will be for up to nine years as chairman, notwithstanding any previous time served as a Director, except that the Board may determine otherwise if it is considered in the best interests of the Company and its shareholders.

The Company's Articles of Association (Articles) require that each Director shall retire at every third AGM after appointment or (as the case may be) last re-appointment. However, in accordance with the AIC Code, the Board has resolved that all Directors shall stand for annual re-election at the AGM.

The Board confirms that each of the Directors standing for re-election continues to perform effectively and demonstrates commitment to their respective roles and recommends that shareholders vote in favour of the resolutions, numbered 5 to 10, for their re-election.

Audit Committee and Audit Information
The composition and activities of the Audit Committee are summarised in the Audit Committee Report on pages 29 to 31, which is included in this Directors' Report by reference. Similarly, the Directors representations required by the Companies Act 2006 on audit information, which are included with other representations in the Directors' Responsibilities Statement on page 41, are also included in this Directors' Report by reference.

Management Engagement Committee
All of the Directors are members of the Management Engagement Committee, which is chaired by Davina Curling. The Committee has written terms of reference, which are reviewed as and when appropriate and clearly define its responsibilities and duties.

The Committee meets at least once a year to formally review all supplier services and, in particular, the performance of, and contractual arrangements with, the Manager in its roles of investment manager, Company Secretary and administrator. The assessment of the Manager is reported on page 37.

Nomination Committee
The Nomination Committee comprises all of the Directors and is chaired by Roger Walsom. Due to the size and nature of the Company, the Directors feel it is appropriate for the entire Board to be members of the Committee. The main responsibilities of the Nomination Committee are to review the size, structure, diversity and skills of the Board and to make recommendations to the Board with regard to any changes considered necessary or new appointments.

The Nomination Committee has written terms of reference, which are reviewed as and when appropriate and clearly define its responsibilities and duties.

The Board's policy on diversity is that the Board seeks to ensure that its structure, size and composition, including the skills, knowledge, diversity (including gender) and experience of the Directors, is sufficient for the effective direction and control of the Company. The Board has not set any measurable objectives in respect of this policy. The Board is mindful of the importance of having a suitably mapped board succession and renewal process in line with corporate governance best practice and the Nomination Committee maintains, and keeps under review, a succession plan for the Board.

The Board has formulated a formal, rigorous and transparent procedure for the selection and appointment of new Directors to the Board. The Nomination Committee carries out the procedure with a view to making recommendations to the Board and may appoint an external search consultancy to identify potential candidates. Such an appointment has been arranged for purposes of the refreshment process described in the Chairman's Statement, on page 8.

Directors

Conflicts of Interest

A Director must avoid a situation where he or she has an interest that conflicts with the Company's interests. The Articles of the Company give the Directors authority to authorise potential conflicts of interest and there are safeguards that apply when they decide whether to do so. First, only Directors who have no interest in the matter being considered are able to take the relevant decision, and second, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Directors have declared any potential conflicts of interest to the Company. These are entered into the Company's register of potential conflicts, which is reviewed regularly by the Board. The Directors are obliged to advise the Company Secretary and/or Chairman as soon as they become aware of any potential conflicts of interest.

Disclosable Interests

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report on page 43.

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end other than in respect of indemnification and insurance as set out below.

Directors' Indemnification and Insurance

The Company maintains a Directors' and Officers' liability insurance policy.

A Deed of Indemnity has been executed by the Company under the terms of which, to the extent permitted by law and the Company's Articles of Association, the Company will indemnify the Directors against liabilities incurred in connection with their office as Directors of the Company and fund reasonable expenditure incurred by them in defending proceedings brought against them in connection with their position as Directors of the Company. The indemnity does not apply in certain circumstances, including to the extent that the costs are recoverable under the Directors' and Officers' liability insurance policy maintained by the Company or from any other insurance maintained by the Director.

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, taken as 12 months from the signing of the balance sheet for this purpose. This conclusion is consistent with the longer-term viability statement on pages 17 and 18 and in reaching it 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 bank overdraft, and ongoing expenses from its assets. The Directors also considered revenue forecasts, including stress tested scenarios, and future dividend payments in concluding that the going concern basis is appropriate.

The Directors also took into consideration the uncertain economic outlook in the wake of the Covid-19 virus pandemic and the continuation vote due to be decided by shareholders at the AGM in September 2020. As explained in the Viability Statement, notwithstanding the Company's continuing viability from a financial perspective, there is material uncertainty over the outcome of the continuation vote, which may cast significant doubt as to the likelihood of the Company continuing as a going concern. Whilst recognising this uncertainty, the Directors consider it appropriate for the financial statements to be prepared on a going concern basis.

As discussed in Principal Risks and Uncertainties, the Company's operations and those of its core service providers have adapted to the restrictions imposed in the UK as a result of the Covid-19 pandemic.

The Manager

Invesco Fund Managers Limited (the Manager) is the Company's alternative investment fund manager (AIFM). It is responsible for the management of the Company's investment portfolio and also provides administration and company secretarial services to the Company.

Investment Management Agreement

The Manager's services are provided under the terms of an agreement dated 22 July 2014. The agreement may be terminated on six months' written notice. However, the notice period can be reduced to three months in certain circumstances or termination can be immediate in the event of a serious breach, insolvency or change of control of the Manager.

The management fee is based on market capitalisation, 0.60% per annum on the first £150 million and 0.50% per annum above that level.

The fee was allocated 50% to capital and 50% to revenue (2019: same) in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

The Manager's Responsibilities

The Manager is responsible for the day to day investment management activities of the Company, seeking and evaluating investment opportunities and analysing the results of investee companies. The Manager has full discretion to manage the assets of the Company in accordance with the Company's Investment Policy, as determined from time to time by the Board and approved by shareholders, with a view to achieving the Company's investment objective and meeting shareholder expectations. The Manager has discretion to make purchases and sales, make and withdraw cash deposits, enter into underwriting commitments and exercise all rights over the investment portfolio. The Manager also advises on borrowings.

The Manager also provides full company secretarial and administration services ensuring that the Company complies with all legal, regulatory and corporate governance requirements. Representatives attend and officiate at Board meetings and shareholder meetings. The Manager additionally maintains records of the Company's investment transactions, portfolio and all monetary transactions, from which the Manager prepares annual and half-yearly financial reports on behalf of the Company and various statistical reports and information throughout the year.

Assessment of the Manager

The performance of the Manager in the roles of investment manager, Company Secretary and administrator is subject to continual review by the Board and an annual review of the management contract is undertaken by the Management Engagement Committee.

The Board has formally reviewed the Manager's performance for the year ended 31 March 2020 and, taking into account the performance of the portfolio, the other services provided by the Manager and the risk and governance environment in which the Company operates, the Board considers that the continuation of the management contract is in the best interests of shareholders.

Company Secretary

Invesco Asset Management Limited is the Company Secretary, acting under delegated authority from Invesco Fund Managers Limited.

The Board has direct access to the advice and services of the Company Secretary, which is responsible for ensuring that the Board and Committee procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that the statutory obligations of the Company are met.

Additionally, the Company Secretary is responsible for advising the Board through the Chairman on governance matters.

Other Service Providers

In addition to the Manager, the main service providers contracted by the Company are as follows:

Registrar
The Company's share register is administered by Link Asset Services. Contact details for the registrar are set out on page 73.

Depositary, Custodian and Banker
The Bank of New York Mellon (International) Limited (BNYMIL) is the depositary and custodian for the Company. BNYMIL is also the Company's banker.

Corporate Governance

The Corporate Governance Statement set out on page 28 is included in this Directors' Report by reference.

Greenhouse Gas Emissions

The Company has no employees or property, and does not purchase electricity, heat, steam or cooling for its own use. Accordingly, the quantifiable amount of carbon dioxide equivalent produced by the Company annually is zero tonnes.

Disclosures Required by Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the annual financial report. None of the prescribed information is applicable to the Company in the year under review.

Capital Structure

At the year end the Company's share capital comprised 58,551,530 shares of 25p each. No shares were issued or repurchased during the year and no shares were held in treasury at the year end.

Rights Attaching to the Shares
At a general meeting of the Company every shareholder has one vote on a show of hands and on a poll one vote for each share held.

On a winding up or return of capital the assets of the Company shall be distributed rateably among shareholders according to the number of shares held.

Restrictions on Shares
The Directors may restrict voting powers and dividends where shareholders fail to provide information with respect to interests in voting rights when so requested, may refuse to register any transfer of a share in favour of more than four persons jointly and can require certain US holders of shares to transfer their shares compulsorily.

Save for the foregoing there are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that might affect its control following a successful takeover bid; and no restrictions on the distribution of dividends and the repayment of capital.

Substantial Holdings in the Company

The Company was aware of the following holdings of 3% and over of the Company's issued share capital:

	At 12 June 2020		At 31 March 2020		At 31 March 2019	
	Holdings	%	Holdings	%	Holdings	%
1607 Capital Partners	8,516,846	14.5	8,373,247	14.3	8,168,562	14.0
Charles Stanley	7,264,864	12.4	6,844,138	11.7	5,101,021	8.7
Hargreaves Lansdown	4,582,683	7.8	4,544,387	7.8	4,169,665	7.1
Interactive Investor	3,623,311	6.2	3,638,437	6.2	1,019,438	1.7
EFG Harris Allday	3,044,607	5.2	3,126,129	5.3	2,887,158	4.9
Investec Wealth & Investment	2,540,402	4.3	2,839,925	4.9	3,462,540	5.9
AJ Bell	1,803,626	3.1	1,788,864	3.1	1,365,528	2.3

Business of the Annual General Meeting (AGM)

The following summarises the business of the forthcoming AGM of the Company, which is to be held on 10th September 2020 at 11am. The Notice of the AGM and related notes can be found on pages 68 to 70.

Ordinary Business:

Resolution 1 is for members to receive this Annual Financial Report, including the financial statements and Auditor's Report.

Resolution 2 is to approve the Directors' Remuneration Policy. The Directors' Remuneration Policy is set out on page 42 of the Annual Financial Report.

Resolution 3 is to approve the Annual Statement and Report on Remuneration. It is mandatory for listed companies to put their Annual Statement and Report on Remuneration to an advisory shareholder vote. The Annual Statement and Report on Remuneration are set out on pages 42 and 43 of this Annual Financial Report.

Resolution 4 is for members to approve the Company's Dividend Payment Policy which is set out on page 14. This is an advisory vote.

Resolution 5 is to re-elect Hugh Twiss a Director of the Company. Mr Twiss brings long and wide ranging experience of the management and governance of investment trust companies that continues to benefit the activities of the Board and the Company.

Resolution 6 is to re-elect Jonathan Silver a Director of the Company. Mr Silver brings, particularly to the Audit Committee, extensive financial management experience which, enhanced through his length of service, includes a full understanding of the financial issues relating to the Company and that continues to benefit the activities of the Board and the Company.

Resolution 7 is to re-elect Roger Walsom a Director of the Company. Mr Walsom brings extensive legal experience which, particularly given the knowledge of the Company's affairs he has acquired during his length of service, has great value in dealing with the varied legal and regulatory issues facing the Company, and that continues to benefit the activities of the Board and the Company.

Resolution 8 is to re-elect Davina Curling a Director of the Company. Mrs Curling brings wide investment management experience and current involvement that broadens and complements the other Directors in their oversight of the investment

For the year ended
31 March 2020

activities of the Company and which continues to benefit the activities of the Board and the Company.

Resolution 9 is to re-elect Mark Dampier a Director of the Company. Mr Dampier brings unique experience of and current involvement in the investment and savings industry that broadens and complements the other Directors in their oversight of the investment and marketing activities of the Company and which continues to benefit the activities of the Board and the Company.

Resolution 10 is to re-elect Tim Woodhead a Director of the Company. Mr Woodhead brings very relevant experience of the management of private clients' portfolios that broadens and complements the other Directors in their oversight of the investment and marketing activities of the Company and which continues to benefit the activities of the Board and the Company.

Biographical details of all of the Directors are set out on page 26.

Resolution 11 is to re-appoint Ernst & Young LLP as the Company's auditor and to authorise the Audit Committee to determine the auditor's remuneration.

Special Business:
Resolution 12 is that the Company should continue as a closed-ended investment company, which gives the shareholders the opportunity to confirm their support for the Company's continuation. This will allow the Company to move forward with confidence in delivering the Company's investment objective for the benefit of all shareholders. This is further explained in the Chairman's Statement on page 9.

Resolution 13 is to renew the Directors' authority to allot shares. Your Directors are asking for authority to allot new ordinary shares up to an aggregate nominal value of £4,879,294 (one third of the Company's issued share capital at 1 July 2020). This will allow the Directors to issue shares within the prescribed limits should opportunities to do so arise that they consider would be in shareholders' interests. This authority will expire at the AGM in 2021.

Resolution 14 is to renew the authority to disapply pre-emption rights. Your Directors are asking for authority to issue new ordinary shares pursuant to a rights issue, or for cash up to an aggregate nominal value of £1,463,788 (10% of the Company's issued share capital at 1 July 2020), disapplying pre-emption rights. This will allow shares to be issued to new shareholders without them first having to be offered to existing shareholders, thus broadening the shareholder base of the Company. This authority will not be exercised at a price below NAV so the interests of existing shareholders are not diluted and will expire at the AGM in 2021.

Resolution 15 is to renew the authority for the Company to purchase its own shares. Your Directors are seeking authority for the purchase of up to 8,776,874 shares (14.99% of the Company's issued share capital at 1 July 2020), subject to the restrictions referred to in the notice of the AGM. This authority will expire at the AGM in 2021. Your Directors are proposing that shares bought back by the Company either be cancelled or, alternatively, be held as treasury shares with a view to their resale, if appropriate, or later cancellation. Any resale of treasury shares will only take place on terms that are in the best interests of shareholders.

Resolution 16 is to permit the Company to hold general meetings (other than annual general meetings) on 14 days notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met. The first condition is that the Company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is intended that this flexibility will be used only where the Board believes it is in the interests of shareholders as a whole.

By order of the Board

Invesco Asset Management Limited
Company Secretary

2 July 2020

Governance
Directors' Responsibilities Statement

in respect of the preparation of the Annual Financial Report

The Directors are responsible for ensuring that the annual financial report is prepared in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with UK Accounting Standards, including FRS 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*'.

Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, which includes a Corporate Governance Statement, and a Directors' Remuneration Report that comply with that law and those regulations.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors of the Company each confirm to the best of their knowledge that:

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

The Directors consider that this annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board of Directors

Hugh Twiss MBE
Chairman

2 July 2020

Directors' Remuneration Report

For the year ended 31 March 2020

The Board presents this Remuneration Report which has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Listing Rules of the Financial Conduct Authority. Resolutions for approval of the Directors' Remuneration Policy (binding) and the Annual Statement and Report on Remuneration (advisory) will be put to shareholders at the Annual General Meeting.

The Company's auditor is required to audit certain of the disclosures provided in this Report. Where disclosures have been audited, they are indicated in this Report. The independent auditor's report is included on pages 46 to 53.

Remuneration Responsibilities
The Board has resolved that a remuneration committee is not appropriate for a company of this nature with a board of this size. Remuneration is therefore regarded as part of the Board's responsibilities to be addressed regularly. All Directors are non-executive and all participate in meetings of the Board at which Directors' remuneration is considered.

Directors' Remuneration Policy
The Directors' Remuneration Policy was last approved by shareholders at the AGM on 15 September 2017 and became effective on that date. It is a requirement that the Policy be put to shareholders at least every three years and accordingly a resolution for the approval of the Directors' Remuneration Policy below is included in the Notice of the Annual General Meeting on page 68. The Policy that follows is the same in all material respects as that currently followed by the Board and summarised in the last Directors' Remuneration Report. This Policy is intended to take effect immediately upon its approval by shareholders.

The Policy is that the remuneration of non-executive Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors and having regard to remuneration paid by comparable companies. Fees for the Directors are determined by the Board within the limit stated in the Company's Articles of Association. The maximum currently dictated by the Company's Articles of Association is £225,000 in aggregate per annum. Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company and on the Company's section of the Manager's website: www.invesco.co.uk/incomegrowth. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at board and general meetings and committees. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors may, in the furtherance of their duties, take legal advice at the Company's expense up to an initial outlay of £10,000 per Director, having first consulted with the Chairman. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' fees are subject to regular review by the Board having regard to the above factors. The Company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the Board are outside the scope of the ordinary duties of a Director. Any such payment would reflect the Board's assessment of the value to the Company of such services. The same principles apply to any new appointments.

The Company has no employees and consequently has no policy on the remuneration of employees. The Board will consider, where raised, shareholders' views on Directors' remuneration.

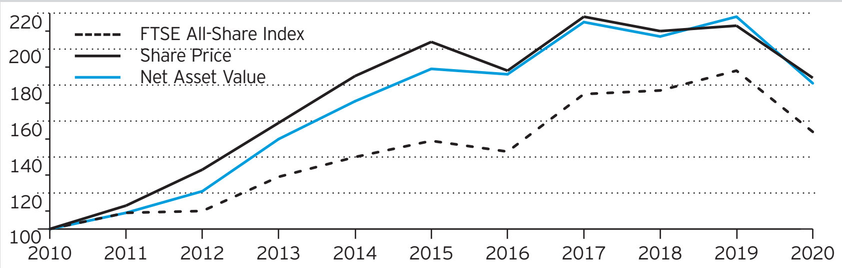
Annual Statement on Directors' Remuneration
For the year to 31 March 2020, the Directors were paid fees at the rates shown below. No additional discretionary payments were made. Shortly before the year end the Directors conducted their review of fee levels taking into account the increasing demands of regulatory compliance and the additional workload resulting. The Directors also referred to fees paid by other investment companies in the UK Equity Income Sector and to other relevant research. The Board did not use the services of an external remuneration consultant after weighing up the cost/benefit involved. The Directors concluded that the current level of remuneration continued to be appropriate.

	Fees from 1 April 2020	Fees from 1 April 2019
Chairman	£35,300	£35,300
Chairman of the Audit Committee	£28,100	£28,100
Other Directors	£24,500	£24,500

Report on Remuneration for the Year Ended 31 March 2020

The Company's Performance
The adjacent graph plots, in annual increments, the total return on the share price and net asset value attributable to ordinary shareholders compared to the total return of the FTSE All-Share Index over the ten years to 31 March 2020. This index is the benchmark adopted by the Company for performance measurement purposes.

Total Return Graph
All figures are rebased to 100 as at 31 March 2010



Single Total Figure of Remuneration for the year (Audited)
The single total figure of remuneration for each Director is detailed below, together with the prior comparative:

	2020 Fees £	2020 Taxable Benefits[1] £	2020 Total £	2019 Fees £	2019 Taxable Benefits[1] £	2019 Total £
Hugh Twiss (Chairman of the Company)	35,300	-	35,300	34,800	-	34,800
Jonathan Silver (Chairman of the Audit Committee)	28,100	-	28,100	27,600	-	27,600
Davina Curling	24,500	-	24,500	24,000	480	24,480
Roger Walsom	24,500	195	24,695	24,000	310	24,310
Mark Dampier	24,500	2,400	26,900	24,000	1,493	25,493
Tim Woodhead (appointed 3 April 2018)	24,500	-	24,500	23,868	-	23,868
Total	**161,400**	**2,595**	**163,995**	**158,268**	**2,283**	**160,551**

[1] Taxable benefits relate to the grossed up costs of travel.

Directors' Shareholdings and Share Interests (Audited)

Except for the holdings shown in the adjacent table, no Director had any interests, beneficial or otherwise, in the securities of the Company during the year.

Directors hold shares in the Company at their discretion. Share ownership is encouraged, but no guidelines have been set.

The beneficial interests of the Directors in the ordinary share capital of the Company are set out below:

	30 June 2020	31 March 2020	31 March 2019
Hugh Twiss	32,500	32,500	17,015
Davina Curling	3,000	3,000	3,000
Mark Dampier (including connected account)	26,724	26,724	26,724
Jonathan Silver	18,439	18,439	6,000
Roger Walsom	8,466	8,466	8,104
Tim Woodhead	24,000	24,000	6,000

Relative Importance of Spend on Pay
The following table compares the remuneration paid to the Directors with aggregate distributions to shareholders with respect to the year to 31 March 2020 and the prior year.

	2020 £'000	2019 £'000	Change £'000
Aggregate Directors' Emoluments	164	161	+3
Aggregate Shareholder Distributions	6,880	6,704	+176

Voting at Last Annual General Meeting
At the Annual General Meeting of the Company held on 11 September 2019 a resolution was put to shareholders to approve the Annual Statement and Report on Remuneration (advisory) in the last annual financial report. This was passed by show of hands. The proxy votes registered in respect of the resolution were as follows:

	Votes For	%	Votes Against	%	Votes Withheld
Annual Statement and Report on Remuneration	14,183,009	99.6	55,506	0.4	12,526

The Directors' Remuneration Policy was passed at the Annual General Meeting held on 15 September 2017. The proxy votes registered in respect of the resolution were as follows:

	Votes For	%	Votes Against	%	Votes Withheld
Directors' Remuneration Policy	10,608,571	99.4	68,450	0.6	34,300

Approval
This Directors' Remuneration Report was approved by the Board of Directors on 2 July 2020.

Hugh Twiss MBE
Chairman

Signed on behalf of the Board of Directors

Financial

Financial
Independent Auditor's Report

To the Members of Invesco Income Growth Trust plc

Opinion

We have audited the financial statements of Invesco Income Growth Trust plc for the year ended 31 March 2020 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to note 1(a) in the financial statements which indicates that the Company will hold a vote on continuance at the September 2020 AGM. As stated in note 1 (a) these events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We describe below how our audit responded to the risk relating to going concern:

- We reviewed the Directors' correspondence with certain shareholders about their current intentions in relation to the Continuation Vote and assessed the Directors' analysis of the responses they had received.
- We discussed with the Directors and considered whether any other events or conditions, apart from the continuation vote discussed in note 1(a), exist that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern and concluded that no such circumstances exist.
- We reviewed whether the Annual Financial Report transparently presented the associated risks of the upcoming continuation vote.

We draw attention to the Viability Statement in the Annual Report on pages 17 and 18 which indicates that an assumption to the statement of viability is in respect of going concern in light of the material uncertainty arising from the forthcoming continuation vote to be held at the September AGM.

Conclusions relating to principal risks, going concern and viability statement

Aside from the impact of the continuation vote disclosed in the material uncertainty related to going concern section, we have nothing to report in respect of the following information in the Annual Financial Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Financial Report set out on pages 15 to 17 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 15 in the Annual Financial Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 36 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on pages 17 and 18 in the Annual Financial Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital • Incorrect valuation and/or defective title of the investment portfolio • Impact of Covid-19 on the operations of the Company
Materiality	• Overall materiality of £1.45 million which represents 1% of net assets

Key audit matters

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

To the Members of Invesco Income Growth Trust plc

Risk	Our response to the risk
Incomplete and or inaccurate revenue recognition, including classification of special dividends as revenue or capital Income is received primarily in the form of dividends from the listed equity investments. In the year under review there were £0.26 million (2019: £0.43 million special dividends recorded as revenue and £0.08 million (2019: £0.43 million) recorded as capital. Income from investments for the year totalled £7.39 million (2019: £7.89 million). Of this, £0.03 million (2019: £0.17 million) was received as fixed interest income and £7.34 million (2019: £7.71 million) was received as dividend income. The investment income earned by the Company during the year directly affects the Company's ability to pay a dividend to shareholders. There is therefore a risk of incomplete and or inaccurate recognition of revenue. In accordance with the Association of Investment Companies Statement of Recommended Practice ('AIC SORP'), special dividends can be included within either the revenue or capital columns of the Income Statement, depending on the commercial circumstances behind the payments. As such, there is a manual and judgmental element in allocating special dividends between revenue and capital. There is a risk that this judgment is not reasonable. There is therefore also a risk that an incorrect allocation could potentially result in an incorrect distribution of revenue and put the Company's investment trust status at risk.	• We obtained an understanding of Invesco Fund Managers Limited's ('the Manager') and Bank of New York Mellon (International) Limited's ('the Administrator') process and controls surrounding revenue recognition by performing walkthrough procedures and reviewing their internal control reports to evaluate the design and implementation of controls. • We agreed a sample of dividends paid on investments held during the year per an independent source to the income report. • We agreed 100% of ordinary dividends received and receivable from investments per the income report to an independent source. For a sample of these items, we recalculated the total consideration and verified the cash receipts to bank statements. • Recognising that a number of companies have responded to the Covid-19 pandemic by cancelling their dividend payments, we traced 100% of the cash receipts of the accrued dividend income to post year end bank statements to ensure that the accrued dividends had subsequently been received. • We performed a review of the income and capital reports to identify special dividends above our testing threshold, that had been received or accrued during the period. Within the income report we checked for key items and representative sample whether they were identified as 'special' per a third party source and for the capital report we searched for disposals with a book cost of nil as a test of completeness. • For all five special dividends, we recalculated and assessed the appropriateness of management's classification between revenue and capital, reviewing the substance of the payment through analysing the facts and circumstances of the dividend distribution from the investee company. • We agreed the dividend rates for 100% of special dividends received as per the underlying financial records to an independent source and agreed the consideration to bank statements.

Key observations communicated to the Audit Committee
Based on the work performed, we had no matters to report to the Audit Committee.

Risk	Our response to the risk
Incorrect valuation and/or defective title of the investment portfolio The investment portfolio totalled £151.28 million (2019: £188.31 million) at the year end. At the year end, the Company's investment portfolio consisted of listed equity investments which are held at fair value in line with the Company's accounting policy. Quoted investments are valued at bid price at the close of business on the relevant date on the exchange on which they are listed. All investments are held independently by the Custodian and are reconciled by the Depositary (both 'The Bank of New York Mellon (International) Limited') to the Company's own records. The incorrect valuation of the investment portfolio, including incorrect application of exchange rates, and the risk of misappropriation of assets or the assessment of stock liquidity, could have a significant impact on the financial statements.	• We obtained an understanding of the Administrator's process surrounding the valuation and existence of quoted investments by reviewing their internal control reports and by performing our walkthrough procedures over these. • We agreed 100% of quoted investment valuations and exchange rates to a relevant independent pricing vendor. • We reviewed pricing exception and stale pricing reports to identify illiquid or non-priced securities to determine if their price represents fair value. We independently verified trading volumes to an external source to confirm that there were no stale priced securities. • We assessed the liquidity of the investment portfolio through analysing the monthly average trading volume of the investments. • We obtained confirmation from the Custodian and Depositary of all investments held at the year-end and agreed those to the Company's records.

Key observations communicated to the Audit Committee
Based on the work performed, we had no matters to report to the Audit Committee.

Risk	Our response to the risk
Impact of Covid-19 on the operations of the Company The recent outbreak of a novel and highly contagious form of coronavirus ("Covid-19"), which the World Health Organization has declared to constitute a pandemic, has adversely impacted global commercial activity and contributed to significant declines in global equity and debt markets. It is uncertain how long this volatility will continue. As Covid-19 continues to spread, the potential impact, including a global, regional or other economic recession, is increasingly uncertain and difficult to assess. The outbreak and the resulting financial and economic market uncertainty described above could have a significant adverse impact on the operations and financial outlook of the Company through an adverse impact on the service providers the company relies on for its operations, reduced liquidity in its investment portfolio, reduced headroom on its loan covenants and reduced or cancelled dividend payments.	• We discussed with the Directors whether they had assessed the impact caused by Covid-19, and reviewed the assessment that they had prepared challenging the assumptions and judgements that have been made. We reviewed that the assessment and outcome was disclosed in the financial statements of the Company. • As referred to in the valuation risk we have performed procedures over the liquidity risk of the investment portfolio. • We confirmed through discussion with the Company Secretary and the Directors that they are in close contact with key service providers and that Business Continuity Plans are in place with no significant deterioration of service being experienced. • We reviewed the Board's assessment of the risk of breaching the debt covenants including in stressed scenarios. We recalculated the debt covenants which are set out in the overdraft agreement and which do not involve any subjectivity, to confirm there were no covenant breaches as at the year end. • As referred to in the revenue recognition risk above we have performed additional procedures on outstanding dividends at 31 March 2020.

Key observations communicated to the Audit Committee
Based on the procedures performed, we are satisfied that the Directors have appropriately considered the impact of Covid-19 and that adequate disclosures have been presented in the financial statements of the Company.

The first two key audit matters are consistent with the prior year. The final key audit matter has been included during the current year audit.

An overview of the scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

As a result of Covid-19, the year-end audit fieldwork was executed remotely. All audit evidence was received electronically and there were no on-site visits. All meetings with the Manager and the Directors were conducted virtually and all audit queries were discussed over video conferencing. The audit team encountered no difficulties in connecting virtually with the Manager or the Directors and were able to execute the year-end audit fieldwork effectively.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.45 million, which is 1% of net assets. We believe that net assets is the most appropriate measure as it is the primary measure that investors use to assess the performance of the Company.

During the course of our audit, we reassessed initial materiality and made no changes to the basis of calculation from our original assessment at the planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% of our planning materiality, namely £1.09 million. We have set performance materiality at this percentage due to the absence significant errors noted in the current year audit and based on our assessment of the control framework at the Company.

Given the importance of the distinction between Revenue and Capital for the Company we also apply a separate, lower performance materiality of £0.33 million for the revenue column of the Income Statement being 5% of the Revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.07 million, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 77, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 41** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit Committee reporting set out on page 29** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 28** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

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

To the Members of Invesco Income Growth Trust plc

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 41, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the AIC SORP and Section 1158 of the Corporation Tax Act 2010.
- We understood how Invesco Income Growth Trust plc is complying with those frameworks through discussions with the Audit Committee and Company Secretary in combination with a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. Given the activities of the Company, we consider management override as being most likely to occur in the first key audit matter being the risk of incomplete and or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement. Our procedures stated above are designed to address this risk.
- Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed by the Company on 22 July 2015 to audit the financial statements for the year ending 31 March 2016 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 March 2016 to 31 March 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

Sarah Williams (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London, United Kingdom

2 July 2020

Notes:

1. The maintenance and integrity of the Invesco Income Growth Trust plc web page on the Invesco web site is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement

	Notes	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
(Losses)/gains on investments held at fair value	9	-	(36,091)	(36,091)	-	3,182	3,182
Income	2	7,394	75	7,469	7,885	428	8,313
Investment management fee	3	(471)	(471)	(942)	(490)	(490)	(980)
Other expenses	4	(375)	-	(375)	(378)	-	(378)
Net return before finance costs and taxation		6,548	(36,487)	(29,939)	7,017	3,120	10,137
Finance costs	5	(35)	(35)	(70)	(20)	(20)	(40)
Return on ordinary activities before and after taxation for the financial year		**6,513**	**(36,522)**	**(30,009)**	**6,997**	**3,100**	**10,097**
Return per ordinary share:							
Basic	7	11.12p	(62.37)p	(51.25)p	11.95p	5.29p	17.24p

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. The return on ordinary activities after taxation is the total comprehensive income and therefore no additional statement of other comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes 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 year.

Statement of Changes in Equity

	Notes	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 31 March 2018		14,638	40,021	2,310	114,721	7,016	178,706
Return on ordinary activities		-	-	-	3,100	6,997	10,097
Dividends paid	8	-	-	-	-	(6,575)	(6,575)
At 31 March 2019		**14,638**	**40,021**	**2,310**	**117,821**	**7,438**	**182,228**
Return on ordinary activities		-	-	-	(36,522)	6,513	(30,009)
Dividends paid	8	-	-	-	-	(6,880)	(6,880)
At 31 March 2020		**14,638**	**40,021**	**2,310**	**81,299**	**7,071**	**145,339**

The accompanying notes are an integral part of these financial statements.

As at 31 March

Balance Sheet

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	9	151,280	188,308
Current assets			
Debtors	10	493	1,166
Creditors: amounts falling due within one year			
Other payables	11	(158)	(179)
Bank overdraft	11	(6,276)	(7,067)
		(6,434)	(7,246)
Net current liabilities		(5,941)	(6,080)
Net assets		**145,339**	**182,228**
Capital and reserves			
Share capital	12	14,638	14,638
Share premium	13	40,021	40,021
Capital redemption reserve	13	2,310	2,310
Capital reserve	13	81,299	117,821
Revenue reserve	13	7,071	7,438
Shareholders' funds		**145,339**	**182,228**
Net asset value per ordinary share			
Basic	14	248.2p	311.2p

These financial statements were approved and authorised for issue by the Board of Directors on 2 July 2020.

Hugh Twiss MBE

Chairman

Signed on behalf of the Board of Directors

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1. Principal Accounting Policies

Accounting policies describe the Company's approach to recognising and measuring transactions during the year and the position of the Company at the year end.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the year and the preceding year.

A. Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued by the Association of Investment Companies in October 2019 (SORP).

The financial statements have been prepared on a going concern basis.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due on the basis that the Company's investment portfolio (including cash) is sufficiently liquid and significantly exceeds all balance sheet liabilities and there are no unrecorded commitments or contingencies and the Company has significant headroom on its loan covenants. As such, the Directors believe the Company has sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate.

However, as disclosed in the Notice of the AGM on pages 68 to 70, the Directors propose to bring forward a resolution at the next general meeting seeking confirmation from shareholders that they wish the Company to continue to operate as currently constituted. As at the date of this report, it is not possible to predict whether shareholders will vote for continuation of the Company at the AGM in September 2020. There is therefore a material uncertainty over the outcome of the continuation vote. The Directors recognise that this circumstance gives rise to an uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not reflect any adjustments that would be required to be made, if they were prepared on a basis other than the going concern basis.

Further information is given in the Viability Statement on pages 17 and 18 and the Going Concern Statement on page 36.

The revised SORP issued in October 2019 is applicable for accounting periods beginning on or after 1 January 2019. As a result, the presentation of gains and losses arising from disposals of investments and gains and losses on revaluation of investments have now been combined, as shown in note 9 with no impact to the net asset value or profit/(loss) reported for both the current or prior year. No other accounting policies or disclosures have changed as a result of the revised SORP.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all investments are highly liquid and are carried at market value, and where a statement of changes in equity is provided.

B. Foreign Currency

(i) Functional and presentational currency

The financial statements are presented in sterling, which is the Company's functional and presentation currency and the currency in which the Company's share capital and expenses, as well as the majority of its assets and liabilities, are denominated.

(ii) Transactions and balances

Transactions in foreign currencies, whether of a revenue or capital nature, are translated to sterling at the rates of exchange ruling on the dates of such transactions. Foreign currency assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date. Any gains or losses, whether realised or unrealised, are taken to the capital reserve or to the revenue account, depending on whether the gain or loss is of a capital or revenue nature. All gains and losses are recognised in the income statement.

C. Financial Instruments

The Company has chosen to apply the provisions of Section 11 and 12 of FRS 102 in full in respect of the financial instruments, which are explained below.

(i) Recognition of financial assets and financial liabilities

The Company recognises financial assets and financial liabilities when the Company becomes a party to the contractual provisions of the instrument. The Company will offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

(ii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Company is recognised as an asset.

(iii) Derecognition of financial liabilities

The Company derecognises financial liabilities when its obligations are discharged, cancelled or have expired.

(iv) Trade date accounting

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the assets.

(v) Classification and measurement of financial assets and financial liabilities

- Financial assets

  The Company's investments are classified as basic financial instruments and are measured at fair value through profit or loss as the investments are managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy, and this is also the basis on which investment information is provided internally to the Board.

  Financial assets measured at fair value through profit or loss are initially recognised at fair value, which is taken to be their cost, with transaction costs expensed as part of gains and losses on investments in the income statement, and are subsequently valued at fair value.

  Fair value for investments that are actively traded in organised financial markets is determined by reference to stock exchange quoted bid prices at the balance sheet date. For investments that are not actively traded or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques including broker quotes and price modelling.

- Financial liabilities

  Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

D. Cash and cash equivalents

Cash and cash equivalents may comprise cash (including short
amount of cash and are subject to an insignificant risk of change in value) as well as cash equivalents, including money market funds. Investments are regarded as cash equivalents if they meet all of the following criteria: highly liquid investments held in the Company's base currency that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond.

E. Income

Dividend income arises from equity investments held and is recognised on the date investments are marked 'ex-dividend'. Where the Company elects to receive dividends in the form of additional shares rather than cash, the equivalent to the cash dividend is recognised as income in the revenue account and any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserve.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as income or capital in the income statement.

Interest income arising from fixed income securities is recognised in the income statement based on the coupon payable adjusted to spread any premium or discount on purchase or redemption over the remaining life of the security.

Deposit interest and underwriting commission receivable are taken into account on an accruals basis.

F. Expenses and Finance Costs

Expenses are recognised on an accruals basis and finance costs are recognised using the effective interest method in the income statement.

Investment management fees and finance costs are recognised on an accruals basis and are charged 50% to capital and 50% to revenue. This is in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

All other expenses, except for custodian transaction charges, are allocated to revenue in the income statement.

G. Amounts recognised in Capital Reserves

The following are included in the income statement and recognised in capital: realised gains and losses on sales of investments; realised gains and losses on foreign currency and any forward currency contracts; management fees and finance costs allocated to capital; and other capital charges; and unrealised increases and decreases in the valuation of investments at the year end (including the related foreign exchange gains and losses).

H. Taxation

The liability to corporation tax is based on net revenue for the year excluding UK dividends. The tax charge is allocated between the revenue and capital accounts on the marginal basis whereby revenue expenses are matched first against taxable income in the revenue account.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised where, in the opinion of the Directors, it is more likely than not that these amounts will be realised in future periods.

A deferred tax asset has not been recognised in respect of surplus management expenses and losses on loan relationships, as the Company is unlikely to have sufficient future taxable revenue to offset against these.

I. Dividends

Dividends are not recognised in the financial statements unless there is an obligation to pay at the balance sheet date. Dividends are recognised in the year in which they are paid to shareholders and shown in the Statement of Changes in Equity.

2. Income

This note shows the income generated from the portfolio (investment assets) of the Company and income received from any other source.

	2020 £'000	2019 £'000
Income from investments:		
UK dividends	7,097	7,281
UK special dividends	259	433
UK unfranked investment income	36	169
Overseas dividends	–	1
	7,392	7,884
Other income:		
Deposit interest	2	1
Total income	**7,394**	**7,885**

Special dividends of £75,000 were recognised in capital during the year (2019: £428,000).

3. Investment Management Fee

This note shows the fees paid to the Manager, which were calculated monthly.

	Revenue £'000	2020 Capital £'000	Total £'000	Revenue £'000	2019 Capital £'000	Total £'000
Investment management fee	471	471	942	490	490	980

Details of the investment management agreement are given on page 37 in the Directors' Report.

At 31 March 2020, £63,000 (2019: £76,000) was accrued in respect of the investment management fee.

4. Other Expenses

The other expenses of the Company are presented below; those paid to the Directors and the auditor are separately identified.

	Revenue £'000	2020 Capital £'000	Total £'000	Revenue £'000	2019 Capital £'000	Total £'000
Directors' remuneration (i)	164	–	164	161	–	161
Auditors' fees (ii):						
– for audit of the Company's annual financial statements	32	–	32	25	–	25
Other expenses (iii)	179	–	179	192	–	192
	375	**–**	**375**	**378**	**–**	**378**

(i) The Director's Remuneration Report provides further information on Directors' fees.

(ii) Auditor's fees include expenses but excludes VAT. The VAT is included in other expenses.

(iii) Other expenses include:

- £15,000 (2019: £15,000) of employer's National Insurance payable on Directors' remuneration. As at 31 March 2020, the amounts outstanding on Directors' remuneration and employer's National Insurance was £17,000 (2019: £25,000).

5. Finance costs

Finance costs arise on any borrowing facilities the Company has used in the year.

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Overdraft facility fee	6	6	12	3	3	6
Interest on overdraft	29	29	58	17	17	34
	35	**35**	**70**	**20**	**20**	**40**

The rate of interest applicable to drawings is at a margin over the Bank of England's Base Rate, with a flat rate overdraft facility fee at a rate of 0.05% per annum on the full £25 million facility. Further details of the facility are given in note 11.

6. Taxation

As an investment trust the Company pays no tax on capital gains. The Company also pays no tax on income as most of its income is non-taxable UK dividend income and any taxable income was offset by expenses. This note also shows the basis of the Company having no deferred tax assets or liability.

The tax charge for the year is nil (2019: nil) as allowable expenses exceed taxable income.

	2020 £'000	2019 £'000
Return on ordinary activities before taxation	(30,009)	10,097
Theoretical tax at the current UK Corporation Tax rate of 19% (2019: 19%)	(5,702)	1,918
Effects of:		
- non-taxable UK dividends	(1,349)	(1,383)
- non-taxable UK special dividends	(63)	(164)
- Non-taxable losses/(gains) on investments	6,857	(605)
- Excess of allowable expenses over taxable income	257	234
Actual tax amount	**-**	**-**

Factors that may affect future tax charges
The Company has cumulative excess management expenses of £28,142,000 (2019: £26,792,000) that are available to offset future taxable revenue.

A deferred tax asset of £5,347,000 (2019: £4,555,000) at 19% (2019: 17%) has not been recognised in respect of these expenses since tax is recoverable only to the extent that the Company has sufficient future taxable revenue. On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

7. Return per Ordinary Share

Return per share is the return for the financial year divided by the weighted average number of ordinary shares in issue.

The basic revenue, capital and total return per ordinary share is based on each of the returns on ordinary activities after taxation and on 58,551,530 (2019: 58,551,530) ordinary shares, being the weighted average number of ordinary shares in issue throughout the year.

8. Dividends on Ordinary Shares

Dividends represent the distribution of income less expenses to shareholders. The Company pays four dividends a year.

	2020		2019	
Dividends paid and recognised in the year:	**pence**	**£'000**	**pence**	**£'000**
Fourth interim (in lieu of final)	4.20	2,460	4.10	2,401
First interim paid	2.50	1,464	2.40	1,405
Second interim paid	2.50	1,464	2.40	1,405
Third interim paid	2.55	1,492	2.45	1,434
Return of unclaimed dividends from previous years	-	-	-	(70)
	11.75	**6,880**	**11.35**	**6,575**

	2020		2019	
Dividends payable in respect of the year:	**pence**	**£'000**	**pence**	**£'000**
First interim paid	2.50	1,464	2.40	1,405
Second interim paid	2.50	1,464	2.40	1,405
Third interim paid	2.55	1,492	2.45	1,434
Fourth interim (in lieu of final)	4.20	2,460	4.20	2,460
	11.75	**6,880**	**11.45**	**6,704**

The fourth interim dividend for 2020 will be paid on 24 July 2020 to shareholders on the register as at 3 July 2020. Shares will be quoted ex-dividend on 2 July 2020.

9. Investments Held at Fair Value Through Profit and Loss

The portfolio is made up of investments which are listed, i.e. traded on a regulated stock exchange. Gains and losses are either:

- **realised, usually arising when investments are sold; or**
- **unrealised, being the difference from cost of those investments still held at the year end.**

	2020 £'000	2019 £'000
Investments listed on a recognised Stock Exchange	**151,280**	**188,308**
Opening valuation	188,308	179,558
Movements in year:		
Purchases at cost	13,682	11,485
Sales - proceeds	(14,619)	(5,917)
(Losses)/gains on investments in the year	(36,091)	3,182*
Closing valuation	**151,280**	**188,308**
Closing book cost	123,385	122,866
Closing investment holding gains	27,895	65,442
Closing valuation	**151,280**	**188,308**

The Company received £14,619,000 (2019: £5,917,000) from investments sold in the year. The book cost of these investments when they were purchased was £13,163,000 (2019: £5,182,000) realising a profit of £1,456,000 (2019: £735,000). These investments have been revalued over time and until they were sold any unrealised profits/losses were included in the fair value of the investments.

* Due to adoption of the revised SORP issued in October 2019 (see note 1A). The gain on investments figure of £3,182,000 for the year ended 31 March 2019 is as follows:

	2019 £'000
Net realised gain on sales	735
Investment holding gain in the year	2,447
Gains on investments	**3,182**

The transaction costs included in gains on investments amount to £74,000 (2019: £63,000) on purchases and £4,000 (2019: £3,000) for sales.

Significant holdings
The Company's only holding in investee companies in excess of 3% is its 3.3% holding of the issued non-voting ordinary 12.5p share capital of Young & Co. Brewery.

10. Debtors

Debtors are amounts due to the Company, such as income which has been earned (accrued) but not yet received and any monies due from brokers for investments sold.

	2020 £'000	2019 £'000
Prepayments and accrued income	493	1,166
	493	**1,166**

11. Creditors: amounts falling due within one year

Creditors are amounts the Company owes, and includes any overdraft and any amounts due to brokers for the purchase of investments or amounts owed to suppliers, such as the Manager and auditor.

	2020 £'000	2019 £'000
Bank overdraft	6,276	7,067
Accruals	158	179
	6,434	**7,246**

The Company has a one-year uncommitted overdraft facility with The Bank of New York Mellon of up to the lesser of £25 million and 25% of the adjusted net asset value of the Company. The facility is due for renewal on 12 September 2020 (2019: 14 September 2019). The rate of interest applicable to drawings is at a margin over the Bank of England's Base Rate. In addition, an overdraft facility fee of 0.05% per annum is also payable. The covenants on the overdraft facility are that total overdraft will not exceed £25 million, total assets will not fall below £75 million and total financial indebtedness will not exceed 25% of net assets.

12. Share Capital

Share capital represents the total number of shares in issue, on which dividends are paid.

	2020 number	2020 £'000	2019 number	2019 £'000
Allotted, called-up and fully paid:				
Ordinary shares of 25p each	58,551,530	14,638	58,551,530	14,638

No shares were issued, bought back or cancelled in the year.

The Directors' Report on page 38 sets out the rights and restrictions attaching to the shares.

13. Reserves

This note explains the different reserves attributable to shareholders. The aggregate of the reserves and share capital (see previous note) make up total shareholders' funds.

The share premium arose on the issue of new shares. The capital redemption reserve maintains the share capital of the Company and arose from the nominal value of shares bought back and cancelled. The share premium and capital redemption reserve are non-distributable.

The revenue and capital reserves are distributable by way of dividend. The revenue reserve shows the net revenue retained after payment of dividends. Reducing the balance sheet revenue reserve by the fourth interim (in lieu of final) dividend of £2,460,000 (see note 8) results in a revenue reserve available for future distributions of £4,611,000.

The capital reserve includes investment holding gains, being the difference between cost and market value which are shown in note 9.

14. Net Asset Value per Ordinary Share

The Company's net assets (total assets less total liabilities) are often termed shareholders' funds and are converted into net asset value per ordinary share by dividing by the number of shares in issue.

The net asset value per share and the net asset values attributable at the year end were as follows:

	Net Asset Value Per Ordinary Share		Net Assets Attributable	
	2020 Pence	2019 Pence	2020 £'000	2019 £'000
Ordinary shares	248.2	311.2	145,339	182,228

Net asset value per ordinary share is based on net assets at the year end and on 58,551,530 (2019: 58,551,530) ordinary shares, being the number of ordinary shares in issue (excluding treasury) at the year end.

15. Financial Instruments

Financial instruments comprise the Company's investment portfolio as well as its cash, borrowings, debtors and creditors. This note sets out the risks arising from the Company's financial instruments in terms of the Company's exposure and sensitivity, and any mitigation that the Manager or Board can take.

The Company's principal risks and uncertainties are outlined in the Strategic Report on pages 15 to 17. This note expands on risk areas in relation to the Company's financial instruments. The Company's portfolio is managed in accordance with its investment policy, which is set out on page 13. The internal control and risk management process is described on page 30. The overall disposition of the Company's assets is reviewed by the Board on a regular basis.

The accounting policies in note 1 include criteria for the recognition and the basis of measurement applied for financial instruments. Note 1 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

Risks that an investment company faces in its portfolio management activities include:

Market risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk:

- Currency risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates;
- Interest rate risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates; and
- Other price risk – arising from fluctuations in the fair value or future cash flows of a financial instrument for reasons other than changes in foreign exchange rates or market interest rates.

Liquidity risk – arising from any difficulty in meeting obligations associated with financial liabilities.

Credit risk – arising from financial loss for a company where the other party to a financial instrument fails to discharge an obligation.

Risk Management Policies and Procedures
The Directors have delegated to the Manager the responsibility for day-to-day investment activities and the management of borrowings of the Company as more fully described in the Directors' Report.

As an investment trust the Company invests in equities and other investments for the long-term according to its investment policy so as to fulfil its investment objective. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends.

The risks applicable to the Company and the policies the Company used to manage these risks follow.

15.1 Market Risk

The Manager assesses the Company's exposure when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. The Board meets at least quarterly to assess risk and review investment performance, as disclosed in the Board Responsibilities on pages 32 and 33. No derivative or hedging instruments are utilised to manage market risk. Gearing is used to enhance returns, but this also increases the Company's exposure to market risk and volatility.

15.1.1 Currency risk

The Company invests in UK equities that are traded on the London Stock Exchange. A number of the UK equities in the portfolio have elected to pay dividends in Euros and US dollars. During the year, the non-sterling dividends received were 14.8% (2019: 10.2%) of the total income received.

If sterling had strengthened by 10% against the Euro and the US dollar, the aggregated impact on revenue return would have been a loss of £111,000 (2019: £84,000). The aggregated impact on net assets would be a reduction of 0.1% (2019: reduction of 0.1%). If sterling had weakened by the same amounts, the effect would have been the converse.

15.1.2 Interest rate risk

Interest rate movements may affect the level of interest payable on variable rate borrowings and the income receivable on cash deposits. When the Company has cash balances, they are held in variable rate bank accounts yielding rates of interest dependent on the base rate of the custodian. The Company has an overdraft facility limited to a maximum of £25 million. Note 11 gives full details. The Company uses the facility when required at levels approved and monitored by the Board.

At the year end drawings on the Company's overdraft were £6,276,000 (2019: £7,067,000). At the maximum of £25 million, the effect of a movement of +/- 1% in the interest rate would result in a decrease/increase to the Company's income statement of £250,000 (2019: £250,000).

The Company can invest in fixed income securities and at the year end the level of exposure was £nil (2019: £1.3 million). The Directors estimate that a 1% change in interest rates applied to this balance would have no impact on reported revenue return and would increase or decrease reported capital return by £nil (2019: £2,000). The Company had no cash flow exposure to floating interest rate assets.

15.1.3 Other price risk

Other price risk (i.e. changes in market prices other than those arising directly from interest rate risk or currency risk) may affect the value of the equity investments, but it is the business of the Manager to manage the portfolio to achieve the best return possible.

The Directors manage the market price risks inherent in the investment portfolio by meeting regularly to monitor on a formal basis the Manager's compliance with the Company's stated Investment Policy and to review investment performance.

The Company's portfolio is the result of the Manager's investment process and as a result is not wholly correlated with the Company's benchmark or the market in which the Company invests. Therefore, the value of the portfolio will not move in line with the market but in accordance with the performance of the particular company's shares held within the portfolio.

If the value of the portfolio rose or fell by 10% at the balance sheet date, the profit after tax for the year would increase or decrease by £15.1 million (2019: £18.8 million) respectively.

15.2 **Liquidity risk** is minimised as the majority of the Company's investments constitute a diversified portfolio of readily realisable securities which can be sold to meet funding commitments as necessary. In addition, an overdraft provides short-term funding flexibility. The Board monitors the portfolio's liquidity.

Liquidity risk exposure: the financial liabilities are detailed in note 11. The contractual maturities of these are all three months or less, based on the earliest date on which payment can be required.

15.3 **Credit risk** comprises the potential failure by counterparties to deliver securities which the Company has paid for, or to pay for securities which the Company has delivered; it includes, but is not limited to: lost principal and interest, disruptions to cash flows or failure to pay interest.

Credit risk is minimised by using: (a) only approved counterparties, covering both brokers and deposit takers; and (b) a custodian that operates under BASEL III guidelines. The Board reviews the custodian's annual independent control assurance report and the Manager's management of the relationship with the custodian. Following the appointment of a depositary, assets and cash held at the custodian are covered by the depositary's restitution obligation, accordingly the risk of loss is remote. Cash balances are limited to a maximum of 2.5% of net assets with any one deposit taker. This limit is at the discretion of the Board and is reviewed on a regular basis.

The maximum exposure to credit risk arises from amounts due from brokers and cash held by the custodian. As at 31 March 2020, no amounts were due from brokers (2019: £nil) and no cash was held with the custodian (2019: £nil).

There are no financial assets that are past due or impaired during the year (2019: none).

16. Fair Value

Fair Values of Financial Assets and Financial Liabilities
The fair values of the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments), or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals, cash at bank and overdraft).

Fair Value – Hierarchy Disclosures
Nearly all of the Company's portfolio of investments are in the Level 1 category as defined in FRS 102 as amended for fair value hierarchy disclosures (March 2016). The three levels set out in this follow:

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 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset/liability.

The valuation techniques used by the Company are explained in the accounting policies note. The portfolio consists wholly of equity investments which are deemed to be Level 1 (2019: all equity investments Level 1 and one fixed income investment reported as Level 2 (0.7%), due to less visibility of prices for such investments). There were no transfers between any levels during the year and no investments were held in Level 3.

17. Capital Management

The Company's total capital employed at 31 March 2020 was £151,615,000 (2019: £189,295,000) comprising borrowings of £6,276,000 (2019: £7,067,000) and equity share capital and other reserves of £145,339,000 (2019: £182,228,000).

The Company's total capital employed is managed to achieve the Company's investment objective as set out on page 13, including that borrowings may be used to provide gearing of the equity portfolio up to a maximum of £25 million or 25% of net asset value. Borrowings comprise of a bank overdraft. Details are given in note 11 and net gearing was 4.3% (2019: 3.9%) at the balance sheet date. The Company's policies and processes for managing capital were unchanged throughout the year and the preceding year.

The main risks to the Company's investments are shown in the Strategic Report under the 'Principal Risks and Uncertainties' section on pages 15 to 17. These also explain that the Company is able to gear and that gearing will amplify the effect on equity of changes in the value of the portfolio.

The Board can also manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy back shares and it also determines dividend payments.

The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends under the Corporation Tax Act 2010 and under the Companies Act 2006, respectively, and with respect to the availability of the overdraft facility, by the terms imposed by the lender. The Board regularly monitors, and the Company has complied with, the externally imposed capital requirements. This is unchanged from the prior year.

18. Contingencies, Guarantees and Financial Commitments

Any liabilities the Company is committed to honour but which are dependent on a future circumstance or event occurring would be disclosed in this note if any existed.

There are no contingencies, guarantees or financial commitments of the Company at the year end.

19. Related Party Transactions and Transactions with the Manager

A related party is a company or individual who has direct or indirect control or who has significant influence over the Company and key management personnel (i.e. the Directors). Under accounting standards, the Manager is not a related party.

Under UK GAAP, the Company has identified the Directors as related parties. The Directors' remuneration and interests have been disclosed on pages 42 and 43 with additional disclosure in note 4. No other related parties have been identified.

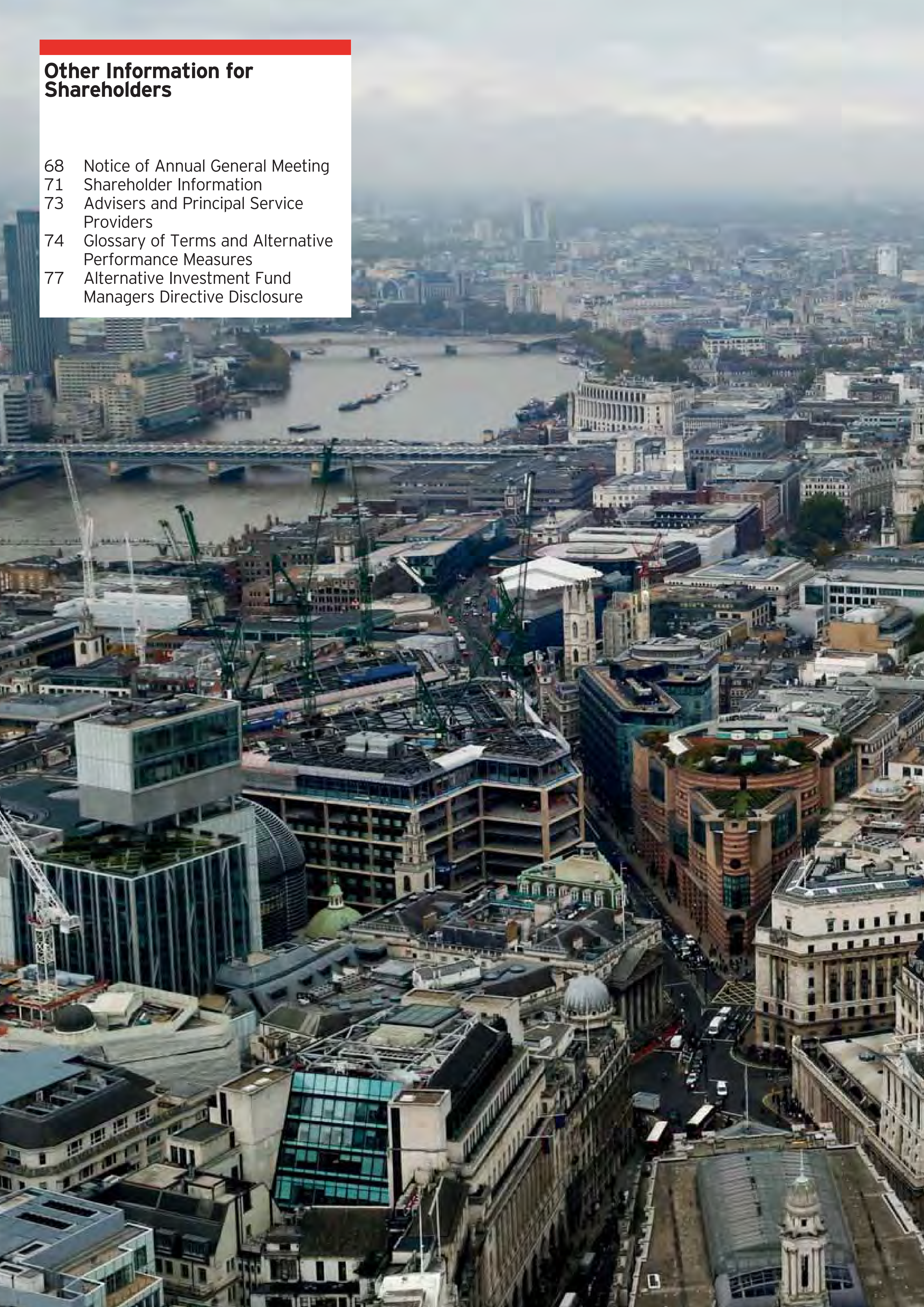
Details of the Manager's services and fees are disclosed in the Directors' Report on page 37, and in note 3.

20. Post Balance Sheet Events

Any significant events that occurred after the balance sheet date but before the signing of the balance sheet will be shown here.

The economic outlook following from Covid-19 and its impact on the Company's investment portfolio continues to be uncertain. As at close of business on 30 June 2020, the Company's NAV, share price and discount were 270.9p, 232.0p and 14.4% respectively. There are no other significant post balance sheet events requiring disclosure.

Other Information for Shareholders



Other Information for Shareholders
Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Invesco Income Growth Trust plc, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Notice Of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting (AGM) of Invesco Income Growth Trust plc will be held at 43-45 Portman Square, London W1H 6LY, on 10th September 2020 at 11am for the following purposes:

Please note access to this meeting will be restricted. Please refer to note 1 to this Notice of Annual General Meeting.

Ordinary Business

To consider and, if thought fit, to pass the following resolutions all of which will be proposed as ordinary resolutions:

1. To receive the Annual Financial Report for the year ended 31 March 2020.
2. To approve the Directors' Remuneration Policy.
3. To approve the Annual Statement and Report on Remuneration.
4. To approve the Company's Dividend Payment Policy to declare four dividends in respect of each accounting year, with one payment in respect of each calendar quarter.
5. To re-elect Hugh Twiss a Director of the Company.
6. To re-elect Jonathan Silver a Director of the Company.
7. To re-elect Roger Walsom a Director of the Company.
8. To re-elect Davina Curling a Director of the Company.
9. To re-elect Mark Dampier a Director of the Company.
10. To re-elect Tim Woodhead a Director of the Company.
11. To re-appoint Ernst & Young LLP as the Company's auditor and to authorise the Audit Committee to determine the auditor's remuneration.

Biographies of Directors seeking re-election are shown on page 26 of the annual financial report.

Special Business

To consider and, if thought fit, to pass the following resolutions of which resolutions 12 and 13 will be proposed as ordinary resolutions and resolutions 14, 15 and 16 will be proposed as special resolutions:

12. That:
the Company continue as a closed-ended investment company.

13. That:
the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this resolution ('the Act') to exercise all powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £4,879,294, such authority to expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired.

14. That:
the Directors be and they are hereby empowered, in accordance with sections 570 and 573 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this resolution ('the Act') to allot equity securities for cash, either pursuant to the authority given by the preceding resolution 13 or (if such allotment constitutes the sale of relevant shares which, immediately before the sale, were held by the Company as treasury shares) otherwise, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

(a) to the allotment of equity securities in connection with a rights issue in favour of all holders of a class of equity securities where the equity securities attributable respectively to the interests of all holders of securities of such class are either proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal, regulatory or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise); and

(b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £1,463,788.

and this power shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, unless the authority is renewed or revoked at any other general meeting prior to such time, but so that this power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry as if the power conferred by this resolution had not expired; and so that words and expressions defined in or for the purposes of Part 17 of the Act shall bear the same meanings in this resolution.

15. That:
the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases

(within the meaning of section 693(4) of the Act) of its issued ordinary shares of 25p each in the capital of the Company ('Shares').

Provided always that:
(i) the maximum number of Shares hereby authorised to be purchased shall be 8,776,874 shares;
(ii) the minimum price which may be paid for a Share shall be 25p;
(iii) the maximum price which may be paid for a Share must not be more than the higher of: (a) 5%. above the average of the mid-market values of the Shares for the five business days before the purchase is made; and (b) the higher of the price of the last independent trade in the Shares and the highest then current independent bid for the Shares on the London Stock Exchange;
(iv) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);
(v) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution unless the authority is renewed at any other general meeting prior to such time;
(vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and
(vii) any shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of Sections 724 to 731 of the Act and any applicable regulations of the United Kingdom Listing Authority, be held (or otherwise dealt with in accordance with Section 727 or 729 of the Act) as treasury shares.

16. That:
the period of notice required for general meetings of the Company (other than Annual General Meetings) shall be not less than 14 clear days.

The resolutions are explained further in the Directors' Report on pages 39 and 40.

By order of the Board

Invesco Asset Management Limited
Company Secretary

Dated this 2 July 2020

Notes

As mentioned in the Chairman's Statement, in view of the risks and restrictions on public gatherings in the light of the Covid-19 situation, it is expected that this AGM will be held in a restricted format and shareholders and their proxies are advised not to seek to attend.

Accordingly, it is recommended that shareholders exercise their votes by means of registering them with the Company's Registrars ahead of the meeting and appoint the Chairman of the meeting as their proxy.

The notes below should be read subject to this.

1. A form of appointment of proxy accompanies this annual financial report.
   A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares. A proxy need not be a shareholder of the Company. In order to be valid an appointment of proxy must be returned by one of the following methods:
   - via Link Asset Services' website www.signalshares.com; or
   - in hard copy form by post, by courier or by hand to the Company's Registrar, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   and in each case to be received by the Company not less than 48 hours before the time of the AGM.

   The appointment of a proxy (whether by completion of a form of appointment of proxy, or other instrument appointing a proxy or any CREST proxy instruction) does not prevent a shareholder from attending and voting at the AGM.

2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this

document. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3. A person entered on the Register of Shareholders at close of business on 8th September 2020 is entitled to attend and vote at the AGM pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the Register of Shareholders after such time and date shall be disregarded in determining the rights of any person to attend and/or vote at the AGM. If the AGM is adjourned, entitlement to attend and vote at the adjourned meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company's Register of Shareholders 48 hours before the time fixed for the adjourned meeting.

4. The Register of Directors' Interests, the schedule of matters reserved for the Board, the terms of reference for the Board Committees, and the letters of appointment for Directors will be available for inspection for at least 15 minutes prior to and during the Company's AGM.

5. The Company's Articles of Association are available for inspection at the Registered Office of the Company and at the Company's correspondence address (see page 73) during normal business hours. They will also be available at the AGM for at least 15 minutes prior to and during the meeting.

6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the shareholder as to the exercise of voting rights.

   The statement of the above rights of the shareholders in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.

7. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

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

9. You may not use any electronic address (any address or number used for the purposes of sending or receiving documents or information by electronic means) provided in this Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

10. As at 1 July 2020 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 58,551,530 ordinary shares of 25p each carrying one vote each. Therefore, the total voting rights in the Company as at that date are 58,551,530.

11. A copy of this notice (contained within the 2020 annual financial report) and other information required by section 311A of the Companies Act 2006, can be found at www.invesco.co.uk/incomegrowth.

12. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006 (the 'Act'), the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's annual financial report (including the Independent Auditor's Report and the conduct of the audit) that are to be laid before the AGM for the financial year beginning on 1 April 2019; or (ii) any circumstance connected with the auditor of the Company appointed for the financial year beginning on 1 April 2019 ceasing to hold office since the previous meeting at which annual financial reports were laid in accordance with section 437 of the Act (in each case) that the shareholders propose to raise at the relevant AGM. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Shareholder Information

The Company's History

Invesco Income Growth Trust plc was launched as GT Income Growth Trust plc in March 1996 as the successor investment trust to USDC Investment Trust plc. The name was subsequently changed to its current form on 3 July 2000, following Invesco taking over the management of the portfolio.

Share Price

The price of your ordinary shares can be found in the Financial Times, Daily Telegraph and The Times.

In addition, share price information can be found online using the IVI ticker.

NAV Publication

The net asset value (NAV) of the Company is calculated by the Manager on a daily basis and is notified to the Stock Exchange on the next business day. It is published daily in the newspapers detailed under Share Price. It can also be found on the Company's section of the Manager's website, www.invesco.co.uk/incomegrowth

Manager's Website

Information relating to the Company, including this annual financial report, can be found on the Company's page of the Manager's website, www.invesco.co.uk/incomegrowth

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

How to Invest in Invesco Income Growth Trust plc (the Company)

The Company's shares are quoted on the London Stock Exchange. There are a variety of ways by which investors can buy the shares. Shares may be purchased through a stockbroker, bank, financial adviser and via a large number of execution-only trading platforms. The Manager's website contains a list of some of the larger dealing platforms as well as a link to unbiased.co.uk, for those seeking financial advice, and to the AIC's website for detailed information on investment trusts.

The registrar also provides an on-line and telephone share dealing service to existing shareholders, as shown on the next page.

General Data Protection Regulation (GDPR)

One of the biggest changes to UK data privacy law came into effect on 25 May 2018. GDPR is a positive step towards individuals knowing how their personal data is used and also having more control over how it is used. The Company has a privacy notice which sets out what personal data is collected, and how and why it is used. The latest privacy notice can be found at www.invesco.co.uk/incomegrowth under the 'Literature' section, or a copy can be obtained from the Company Secretary whose correspondence address is shown on page 73.

Financial Calendar

Milestones in the Company's annual calendar are as follows:

Announcements	
Half-yearly results	November
Annual results	July
Ordinary Share Dividends	
1st Interim payable	October
2nd Interim payable	December
3rd Interim payable	March
4th Interim (in lieu of final)	July
AGM	**September**
Year End	**31 March**

Location of AGM

To be held at 11am on 10th September 2020 at the offices of Invesco on 43-45 Portman Square, London W1H 6LY.

As mentioned in the Chairman's Statement, in view of the risks and restrictions on public gatherings in the light of the Covid-19 situation, it is expected that this AGM will be held in a restricted format and shareholders and their proxies are advised not to seek to attend.

A video presentation from Ciaran Mallon will be made available on the Company's web page on the Invesco website in lieu of the usual Portfolio Manager presentation at the meeting. In the unlikely event of the situation changing, the Company will update shareholders through an announcement to the London Stock Exchange and on the Company's web page on the Invesco website. In any event, we also still wish to engage with shareholders so if you have questions, on the business of the meeting or otherwise, please address them to the Company Secretary at investmenttrusts@invesco.com or, in hard copy, to 43-45 Portman Square, London W1H 6LY. The Company Secretary will ensure that questions received will be replied to by the appropriate person after the AGM and made available on the Company's web page on the Invesco website.

Advisers and Principal Service Providers

Registered Office and Company Number
Perpetual Park,
Perpetual Park Drive
Henley-on-Thames
Oxfordshire
RG9 1HH

Company Number
Registered in England and Wales
Number: 3141073

Alternative Investment Fund Manager (Manager)
Invesco Fund Managers Limited

Company Secretary
Invesco Asset Management Limited
Company Secretarial contact:
Shilla Pindoria

Correspondence Address
43-45 Portman Square
London W1H 6LY
☎ 020 3753 1000
Email: investmenttrusts@invesco.com

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

Depositary, Custodian & Banker
The Bank of New York Mellon
(International) Limited
One Canada Square
London E14 5AL

Corporate Broker
J.P. Morgan Cazenove
25 Bank Street
London E14 5JP

The Association of Investment Companies
The Company is a member of the Association of Investment Companies.

Contact details are as follows:
☎ 020 7282 5555
Email: enquiries@theaic.co.uk
Website: www.theaic.co.uk

Registrar
Link Asset Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
☎ 0371 664 0300.

Shareholders holding shares directly and not through a savings scheme or ISA and have queries relating to their shareholding, should contact the registrar on the number above. Calls are charged at the standard geographic rate and will vary by provider.

Shareholders can also access their details via Link's website: www.signalshares.com.

The registrar provides an on-line and telephone share dealing service 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.

Lines are open from 9.00 am to 5.30 pm, Monday to Friday (excluding UK Bank Holidays).

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

Please note no investment advice can be given.
☎ 0800 085 8677
www.invesco.co.uk/investmenttrusts

Other Information for Shareholders
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 years ended 31 March 2019 and 2020. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability.

Benchmark (or Benchmark Index)
A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market. The benchmark used in these accounts is the FTSE All-Share Index.

Premium/(Discount) (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 annual 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.

	Page		2020	2019
Share price	4	a	217.0p	262.0p
Net asset value per share (note 14)	62	b	248.2p	311.2p
Discount		**c = (a-b)/b**	**(12.6)%**	**(15.8)%**

Gearing
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.

	Page		2020 £'000	2019 £'000
Bank overdraft (note 11)	61		6,276	7,067
Gross borrowings		a	6,276	7,067
Net asset value	55	b	145,339	182,228
Gross gearing		**c = a/b**	**4.3%**	**3.9%**

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.

	Page		2020 £'000	2019 £'000
Bank overdraft (note 11)	61		6,276	7,067
Less: cash and cash equivalents			–	-
Net borrowings		a	6,276	7,067
Net asset value	55	b	145,339	182,228
Net gearing		**c = a/b**	**4.3%**	**3.9%**

Leverage
Leverage, for the purposes of the Alternative Investment Fund Managers Directive (AIFMD), is not synonymous with gearing as defined above. In addition to borrowings, it encompasses anything that increases the Company's exposure, including foreign currency and exposure gained through derivatives. Leverage expresses the Company's exposure as a ratio of the Company's net asset value. Accordingly, if a Company's exposure was equal to its net assets it would have leverage of 100%. Two methods of calculating such exposure are set out in the AIFMD, gross and commitment. Under the gross method, exposure represents the aggregate of all the Company's exposures other than cash balances held in base currency and without any offsetting. The commitment method takes into account hedging and other netting arrangements designed to limit risk, offsetting them against the underlying exposure.

Market Capitalisation
Is calculated by multiplying the stock market price of an ordinary share by the number of ordinary shares in issue.

Net Asset Value (NAV)
Also described as shareholders' funds, the NAV is the value of total assets less liabilities. The NAV per share is calculated by dividing the net asset value by the number of ordinary shares in issue. NAV with debt at market value is the net asset value after taking account of any long-term borrowings at their market (fair) value. As the Company's borrowing is a bank overdraft, the NAV per the balance sheet is the same as the NAV with debt at market value.

Ongoing Charges Ratio (APM)
The ongoing administrative costs of operating the Company are encapsulated in the ongoing charges ratio, which is calculated in accordance with guidance issued by the AIC. The calculation incorporates charges allocated to capital in the financial statements as well as those allocated to revenue, but excludes non-recurring costs, transaction costs of investments, finance costs, taxation, and the costs of buying back or issuing shares. The ongoing charges ratio is the aggregate of these costs expressed as a percentage of the daily average net asset value reported in the year.

	Page		2020 £'000	2019 £'000
Investment management fee	54		942	980
Other expenses	54		375	378
Less: costs in relation to one off legal costs			–	(7)
Total recurring expenses		a	1,317	1,351
Average daily net assets		b	186,789	184,159
Ongoing charges ratio		**c = a/b**	**0.71%**	**0.73%**

Glossary of Terms And Alternative Performance Measures

Return
The return generated in a period from the investments.

Capital Return
Reflects the return on NAV, excluding any dividends reinvested.

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 annual 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.

2020	**Page**		**Net Asset Value**	**Share Price**
As at 31 March 2020	4 and 62		248.2p	217.0p
As at 31 March 2019	4 and 62		311.2p	262.0p
Change in year		a	-20.2%	-17.2%
Impact of dividend reinvestments	see (1) below	b	2.9%	3.6%
Total return for the year		**c = a+b**	**-17.3%**	**-13.6%**

2019	**Page**		**Net Asset Value per share**	**Share Price**
As at 31 March 2019	4 and 62		311.2p	262.0p
As at 31 March 2018			305.2p	270.0p
Change in year		a	2.0%	-3.0%
Impact of dividend reinvestments	see (1) below	b	3.7%	4.2%
Total return for the year		**c = a+b**	**5.7%**	**1.2%**

(1) Total dividends paid during the year of 11.75p (2019: 11.35p) 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.

Other Information for Shareholders

Alternative Investment Fund Managers Directive Disclosure

Alternative Investment Fund Manager (AIFM) and the Alternative Investment Fund Managers Directive (the 'AIFMD', the Directive)

The Company falls within the definition of an Alternative Investment Fund (AIF) under the Directive and, as such, is required to have (or be) an authorised AIFM. Invesco Fund Managers Limited (IFML) was authorised as an AIFM, and appointed by the Company as such, with effect from 22 July 2014.

Amongst other things, regulations implementing AIFMD require certain information to be provided to prospective investors. This information can be found in the Company's section of the Manager's website (www.invesco.co.uk/incomegrowth) in a downloadable document entitled 'AIFMD Investor Information'. There has been no material change to this document in the year. Any information requiring immediate disclosure pursuant to the Directive will be disclosed through a primary information provider.

In addition, the Directive requires information in relation to the Company's leverage (both 'gross' and 'commitment' – see the Glossary of Terms and Alternative Performance Measures on page 75) and the remuneration of the Company's AIFM (IFML) to be made available to investors.

Accordingly:

- the leverage calculated for the Company at its year end was 104% for both gross and commitment (2019: both 104%). The limits the AIFM has set for the Company remain unchanged at 250% and 200%, respectively;
- the AIFM summary remuneration policy is available from corporate policies section of the Manager's website (www.invesco.co.uk) and from the Company's Company Secretary, on request (see contact details on page 73); and
- the AIFM remuneration paid for the year to 31 December 2019 is set out below.

AIFM Remuneration

The AIFM remuneration paid is based on the financial year of the AIFM, which is 31 December 2019.

The aggregate total remuneration of Invesco staff involved in AIF related activities of the Manager in respect of performance year (1 January 2019 to 31 December 2019) is £7.73 million (2018: £6.54 million) of which £4.57 million (2018: £3.84 million) is fixed remuneration and £3.16 million (2018: £2.70 million) is variable remuneration. The number of beneficiaries is 36 (2018: 33).

The Manager has identified individuals considered to have a material impact on the risk profile of the Manager or the AIF it manages ('Identified Staff'), who include board members of the Manager, senior management, heads of control functions, other risk takers and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers. Identified Staff of the Manager are employed by Invesco.

The aggregate total remuneration paid to the Identified Staff of the Manager for AIF related activities for the performance year (1 January 2019 to 31 December 2019) is £0.97 million (2018: £1.34 million) of which £0.22 million (2018: £0.31 million) is paid to Senior Management and £0.75 million (2018: £1.03 million) is paid to other Identified Staff. Please note that remuneration for AIFMD Identified Staff includes remuneration for staff employed by delegates (all delegates are employed by various entities of the Invesco Ltd. Group).

Invesco's summary remuneration policy is available from the corporate policies section of its website (www.invesco.co.uk). Paper copies of the full remuneration policy can be obtained for free from the registered office of the Manager, Invesco Fund Managers Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK upon request.

The Manager of Invesco Income Growth Trust plc is Invesco Fund Managers Limited.

Invesco Fund Managers Limited is a wholly owned subsidiary of Invesco Limited and is authorised and regulated by the Financial Conduct Authority.

Invesco is one of the largest independent global investment management firms, with assets under management of $1,142.5 billion.*

Invesco aims to provide the highest returns available from markets, through active management, but in a controlled manner, conscious of the risks involved and within our clients' objectives.

* Assets under management as at 31 May 2020

Other Information for Shareholders
Investment Companies Managed by Invesco

Investing for Income, Income Growth and Capital Growth (from equities, fixed interest securities or property)

City Merchants High Yield Trust Limited
A Jersey incorporated closed-ended Company that aims to generate a high level of income from a variety of fixed income instruments. The Company may use repo financing to enhance returns.

Invesco Income Growth Trust plc
Aims to produce income and capital growth superior to that of the UK stock market and dividends paid quarterly that, over time, grow above the rate of inflation. The Company may use bank borrowings.

Invesco Enhanced Income Limited
A Jersey-incorporated closed-ended Company that aims to provide a high level of income, paid gross to UK investors, whilst seeking to maximise total return through investing, primarily in a diversified portfolio of high-yielding corporate and government bonds. The Company seeks to balance the attraction of high-yield securities with the need for protection of capital and to manage volatility. The Company uses repo financing to enhance returns.

Invesco Perpetual Select Trust plc – Managed Liquidity Portfolio
Aims to produce an appropriate level of income return combined with a high degree of security. The portfolio invests in a range of sterling based or related high quality debt securities and similar assets either directly or indirectly through authorised funds.

Invesco Perpetual Select Trust plc – UK Equity Portfolio
Aims to provide shareholders with an attractive real long-term total return by investing primarily in UK quoted equities. The portfolio may use bank borrowings.

Keystone Investment Trust plc
Aims to provide shareholders with long-term growth of capital mainly from UK investments. The Company may use bank borrowings.

Investing in Smaller Companies

Invesco Perpetual UK Smaller Companies Investment Trust plc
Aims to achieve long-term total returns for the Company's shareholders primarily by investment in a broad cross-section of small to medium size UK-quoted companies, including AIM Stocks. The Company may use bank borrowings.

Investing Internationally

Invesco Asia Trust plc
Aims to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian securities. The Company aims to achieve growth in its net asset value in excess of the MSCI AC Asia ex Japan Index, total return, in sterling terms. The Company may use bank borrowings.

Invesco Perpetual Select Trust plc – Global Equity Income Portfolio
Aims to provide an attractive and growing level of income return and capital appreciation over the long-term, predominantly through investment in a diversified portfolio of equities worldwide. The portfolio may use bank borrowings.

Investing for Total Returns

Invesco Perpetual Select Trust plc – Balanced Risk Allocation Portfolio
Aims to provide shareholders with an attractive total return in differing economic and inflationary environments and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

The portfolio is constructed so as to balance risk, is long-only, using mainly transparently-priced exchange-traded futures contracts and other derivative instruments to gain such exposure and to provide leverage.

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc
- UK Equity Portfolio
- Global Equity Income Portfolio
- Managed Liquidity Portfolio
- Balanced Risk Allocation Portfolio

A choice of four investment policies and objectives, each intended to generate attractive risk-adjusted returns from segregated portfolios, with the ability to switch between them, four times a year, free from capital gains tax liability. Dividends paid quarterly, apart from Balanced Risk Allocation which will not normally pay dividends.

For more information

Please contact the Invesco Client Services Team on 0800 085 8677 if you would like more information about the investment trusts or other specialist funds listed above. Further details are also available on the following website: www.invesco.co.uk/investmenttrusts.

www.invesco.co.uk/investmenttrusts

Invesco Client Services Team
Freephone 0800 085 8677
Telephone lines are open Monday to Friday 8.30 am - 6.30 pm.

Telephone calls may be recorded and monitored for security and training purposes.