Annual Financial Report
Year Ended 31 December 2023

Invesco Bond Income Plus Limited

Uncovering income opportunities in the high yield bond market

Investment Objective

The Company's investment objective is to seek to obtain capital growth and high income from investment, predominantly in high-yielding fixed-interest securities.

Investment Policy

The Company seeks to provide a high level of dividend income relative to prevailing interest rates mainly through investment in bonds and other fixed-interest securities. The Company also invests in equities and other equity-like instruments consistent with the overall objective.

Contents

1

Strategy

2

Governance

3

Financial

4

Shareholder

1

Strategy

Overview:

Strategic Report:

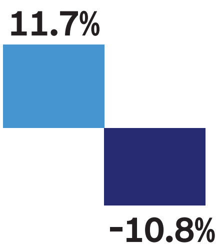
Investments:

Financial Information and Performance Statistics

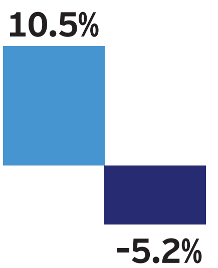
Total Return Statistics[1][2]
with dividends reinvested

Change for the year (%)
2023
2022

Net asset value – total return
with dividends reinvested



Share price – total return
with dividends reinvested



Capital Statistics

At 31 December	2023	2022	change %
Net assets (£'000)	304,629	281,089	+8.4
Net asset value per ordinary share[2]	168.58p	162.20p	+3.9
Share price[1]	171.00p	166.00p	+3.0
Premium[2]	1.4%	2.3%	
Gearing[2]:			
– gross gearing	15.8%	19.1%	
– net gearing	12.4%	15.7%	

Performance Statistics

Year Ended 31 December	2023	2022	
Revenue return per ordinary share	12.23p	12.47p	
Capital return per ordinary share	5.71p	(32.98)p	
Total return	17.94p	(20.51)p	
Dividend per ordinary share for the year	11.50p	11.25p	+2.2%
Ongoing Charges Ratio[2]	0.91%	0.86%	

(1) Source: LSEG Data & Analytics.
(2) Alternative Performance Measure (APM). See Glossary of Terms and Alternative Performance Measures on pages 76 to 78 of the financial report for details of the explanation and reconciliations of APMs.

Ten Year Record

Year to 31 December	Dividends on ordinary shares Amount £'000	Dividends on ordinary shares Rate p	Ongoing charges %	Net asset value per ordinary share p	Share price p
2014	7,872	10.00	1.02	183.40	189.25
2015	8,454	10.00	1.01	178.34	180.75
2016	8,995	10.00	1.01	189.32	191.00
2017	9,429	10.00	0.98	195.40	199.50
2018	9,648	10.00	0.98	178.69	175.00
2019	9,870	10.00	1.02	192.11	197.00
2020	10,173	10.00	0.99	194.29	189.75
2021[1][2]	16,452	10.75	0.87	193.82	187.25
2022	19,127	11.25	0.86	162.20	166.00
2023	**20,556**	**11.50**	**0.91**	**168.58**	**171.00**

(1) On 19 May 2021 and following a contractual scheme of reconstruction, after which 66,836,392 new ordinary shares were issued for net proceeds of £130,092,000 to the shareholders of Invesco Enhanced Income Limited, in lieu of their investment in that Company.

(2) Following the merger and with effect from 19 May 2021 the management fee was reduced from an annual fee of 0.75% to 0.65% of total assets less current liabilities.

Chairman's Statement

Highlights

- Share price increased by 10.5% and NAV increased by 11.7%, both on a total return basis with dividends reinvested(1).
- Dividend of 11.50 pence per share for the 2023 financial year, an increase of 2.2% on the dividend paid for the 2022 financial year.
- Share price traded at an average premium of 1.6% throughout the year and 7.4m shares were issued at an average premium of 1.5%.
- During 2023 7.4m shares were issued and subsequent to the year end up to the date of this report a further 10.1m shares have been issued.

(1) Alternative Performance Measure ('APM'). See Glossary of Terms and Alternative Performance Measures on pages 76 to 78 of the financial report for details of the explanation and reconciliations of APMs.

Inflation prospects continued to dominate financial markets in 2023 and monetary conditions tightened further as central banks fought to drive inflation back to within target ranges. In the UK Consumer Price Inflation (CPI) remained stubbornly high for much of the year, prompting the Bank of England to increase the Bank Rate by a further 1.75 percentage points.

Early in the year market confidence was further tested by signs that weaker financial companies were struggling to adjust to the impact of higher interest rates. The most notable casualty was Credit Suisse which was eventually acquired by UBS in a controversial rescue brokered by Swiss financial authorities. This unfortunate episode unsettled confidence in Additional Tier 1 (AT1) bank capital although calm was restored once European financial authorities distanced themselves from the approach taken by the Swiss.

Toward the latter part of the year signs that inflation may have peaked finally started to emerge. Sentiment was helped by the fact that economic activity proved surprisingly resilient despite the tightening in monetary policy which began in late 2021 and the high yield market ended the year on an upbeat note.

Performance

The Company's NAV and share price total returns for the year were 11.7% and 10.5% respectively, the difference between the NAV and share price return the result of the modest contraction in the share price premium over the course of the year. The 11.7% NAV return was slightly below the 13.8% achieved by the ICE Bank of America Merrill Lynch European High Yield Index ('the Index') but above the average return of 8.0% for funds in the Investment Association Sterling Strategic Bond Sector. The underperformance against the Index was primarily the result of a number of challenges concerning specific investments which are discussed in the Portfolio Managers' Report which follows.

The Company's investment performance continues to compare satisfactorily with the Index over the longer term. For the three and five years to the end of 2023 the Company's NAV total return was 5.0% and 27.3% respectively compared to total returns of 5.9% and 23.1% for the Index.

Income Account

Our investment policy is to provide a high level of dividend income relative to prevailing interest rates and we were able to meet this objective despite the elevated returns available from bank and building society savings accounts. Furthermore, we were able to increase the dividend payable to shareholders for a third successive year. We announced a dividend for 2023 of 11.5 pence per share, a 2.2% increase on the 11.25 pence per share for 2022. The dividend was 1.06x covered by earnings and was paid in four instalments, with the fourth dividend payment on the 20 February in the form of an interim dividend. Paying the final instalment in the form of an interim dividend means that it can be made earlier than would be the case had we declared a final dividend since this would require approval at the Annual General Meeting later in the year.

May of 2024 will see the third anniversary of the merger of City Merchants High Yield Trust Limited and Invesco Enhanced Income Limited (IPE). The three years following the merger have certainly been a period of dramatic economic upheaval with challenges including the effects of the Covid-19 pandemic, Russia's invasion of Ukraine and the global surge in inflation. It is therefore pleasing to note that the Company has generated a consistently high and indeed rising level of income during these challenging times.

In my opinion this reflects a number of compelling features. First, we are the largest company in our AIC Sector and our size means that we are in a relatively strong position to spread the fixed costs of running the Company. Secondly, we are able to use a number of discretionary actions available to us as an Investment

Trust to enhance investment performance; these actions include the opportunity to increase returns by borrowing as well as the ability to use reserves to smooth returns. Lastly, our Manager has a successful investment record based on a rigorous, longer term approach to the analysis of investment risk and opportunity.

Discount/Premium

The vast majority of investment trusts traded at wide discounts to their NAV's throughout 2023, in my view largely a reflection of the rapid rise in inflation and consequent tightening in monetary policy. It is therefore pleasing to report that BIPS was one of a small proportion of investment trust companies whose share price consistently traded at a premium to NAV during 2023.

We closed the year at a premium of 1.4% having started 2023 at a 2.3% premium and we were able to issue a total of 7,400,000 shares during the year to meet demand. Shares were issued at an average premium to NAV of 1.5%. Demand for shares continued to be strong into the start of 2024 and this allowed us to undertake a successful placing and retail offer in February which raised gross proceeds of £13.35 million. All told, since the start of the year we have issued a further 10,101,727 shares.

Gearing

The Company's policy on borrowing is set by the Board and remains unchanged. The maximum amount of borrowing is 30% of total assets. The decision to gear the portfolio within this framework rests with the Manager and is determined by the Manager's assessment of risk and return within the high yield market. The Company maintained a geared portfolio throughout 2023 and as at 31 December 2023 gross gearing was 15.8% (19.1% as at the 31 December 2022). Net gearing was 12.4% at year-end compared to 15.7% at the start of the year. Our preferred method of gearing the portfolio is by the use of repurchase agreements ('repo agreements'), which are described in more detail on pages 12 and 13.

Ongoing Charges

Our preferred cost measure is the Company's ongoing charges ratio ('OCR') details of which can be found on page 13. The OCR for the year was 0.91% compared to 0.86% in the previous year. The Board remains focussed on ensuring that the costs incurred in managing your company are competitive and it is therefore pleasing to note that your Company had the lowest OCR within its AIC sector at the time of writing this report.

The Board

In June 2023 Kate Bolsover retired from the Board. As Chair of Invesco Enhanced Income Limited, Kate played a key role in the successful merger of IPE and City Merchants High Yield Trust in 2021. I would like to thank Kate on behalf of shareholders and the Board for her significant contribution to the Company. Heather MacCallum took over from Kate as our Senior Independent Director.

This is the second year in which the Company is reporting on board diversity targets announced by the FCA in 2022. Details can be found in the Business Review section on page 18. I am pleased to report that the Board comfortably meets targets for gender diversity, indeed the Board has a majority of female members. However I note that the Board does not currently meet the target for ethnic diversity. The Board believes that our diversity targets are best addressed by means of our succession planning to replace board members who retire on completion of their nine year tenure.

2023 saw our first participation in the Board Apprentice programme. This is a scheme which allows individuals to gain first-hand experience of the functioning and dynamics of boards and is dedicated to increasing diversity and equality. After a successful first year with the scheme the Board has decided that it will continue to participate in the programme.

AGM

The AGM will be held on 19 June 2024 at 9.00am at the Jersey offices of our Company Secretary. Further details of the AGM arrangements can be found on page 36.

Outlook

I have little doubt that inflation statistics will remain a key focus of attention over the next six months or so. Optimists will hope that inflation is on track to meet central bank targets and hence that the upward march of interest rates is reversed. An outcome where inflation is tamed without a substantial contraction in economic activity would provide a favourable backdrop for high yield markets in 2024.

The potential for a 'soft landing' to be derailed cannot be dismissed. Military conflict now seems to be the norm with fighting in the Middle East escalating and no resolution in sight to the war between Ukraine and Russia; the humanitarian cost of conflict is appalling. The economic impact includes a threat to global supply chains and hence the danger of fresh inflation setbacks. Elections in the US and probably the UK add to the uncertainty clouding the outlook for high yield markets in 2024.

Economists have long argued that the full impact of changes in interest rates might only become apparent after the elapse of 'long and variable lags'. This notion may well go someway to explain why the UK has thus far avoided a sharper slowdown despite the jump in interest rates over the past 18 months. Consumer confidence remains fragile and there are signs that the labour market is softening. We expect corporate failures to increase over the next 12 months and global economic growth to be modest at best. Having flatlined for much of 2023 the UK economy is vulnerable to further setbacks.

These then are the main risks as I see them to a soft landing over the next year or so. Nevertheless in the event that the macroeconomic environment turns out to be tougher than expected I remain very confident that the Company will extend its long track record of providing a high level of income relative to prevailing interest rates in 2024.

Tim Scholefield
Chairman

3 April 2024

Portfolio Managers' Report

Q&A

Portfolio Manager

Rhys Davies, CFA, Fund Manager

Rhys is a fund manager for the Invesco Fixed Interest Europe team, based in our Henley office.

He began his investment career with Invesco in 2002, moving to the Henley Fixed Interest team in 2003. He became a fund manager in 2014. He manages high yield credit portfolios.

He holds a BSc (Honours) in Management Science from the University of Manchester Management School. He is a CFA charterholder.

Deputy Portfolio Manager

Edward Craven, FCA, Fund Manager

Edward is a fund manager for the Invesco Fixed Interest Europe team, based in our Henley office.

He began his career with KPMG in 2003. In 2008 he moved to The Royal Bank of Scotland, where he worked in structured finance. He joined the team at Invesco in 2011 as a credit analyst and became a fund manager in 2020, managing multi-asset and high yield funds.

He holds a Master's degree in Physics from the University of Bath. He is an FCA qualified chartered accountant.

Q How would you summarise the year for bond investors?

A 2023 was an eventful year for the bond markets but it delivered positive returns for investors. After very rapid interest rate rises and widening credit spreads in 2022, the starting yield for corporate bonds in 2023 was good – a yield to maturity of 5.8% for sterling investment grade and 8.0% for European high yield. Both markets began the year positively. However, optimism faded after a couple of months, as inflation proved more persistent than anticipated.

Weakness in the fixed interest rate markets continued for most of the year. UK gilt yields rose to their highest level since 2008 and the Bank Rate was raised from 3.5% in January to 5.25% in August. The yield on the 10 year US Treasury Note touched 5% in October, marking an extraordinary rise over three years.

On the credit side, problems in the banking sector pushed spreads wider in the first quarter. The initial focus was on a number of regional US banks. However, investor concern spread, culminating in a crisis of confidence in Credit Suisse. The bank, which had recorded losses and been associated with several high-profile scandals in recent years, was acquired by UBS in March 2023. Its AT1 bonds were written down – a controversial move which temporarily undermined confidence in the wider AT1 asset class. The sector has recovered steadily since.

Over the summer, the prospect of rates staying higher for longer grabbed investors' attention, pushing up government bond yields. But this trend proved short-lived. Rate expectations changed sharply as we entered the final quarter, on signs of weaker inflation and more accommodative rhetoric from central bankers. The bond market rallied strongly to the end of the year.

High yield bonds delivered positive returns in every quarter. They were the strongest part of the market.

Reflective of this 'risk-on' stance, in Europe, the single B-rated part of the market provided the best returns, whereas in the US it was CCC-rated bonds. This was a reflection of attractive yields at the start of the year and a more benign economic environment than many had feared. Growth data, particularly in the US, was stronger than anticipated.

For the year as a whole, the ICE BofA European Currency High Yield Index returned 13.8% (on a sterling-hedged basis). The rally in November and December alone saw a return of more than 6%. The yield dropped from 8.0% in January to 6.8% and the spread over government bonds narrowed from 515bps to 411bps.

Q How did the Company perform?

A Over the 12 months to 31 December 2023 the share price rose from 166.00p to 171.00p. With dividends reinvested, the Company delivered a share price total return of 10.5%. The net asset value per share total return was 11.7%.

Q What factors contributed and detracted from these returns?

A This year we started with a higher level of income which provided a firm base for returns. This was contrary to 2022 when returns were dominated by the impact of interest rates. Rate hikes pushed down prices across the bond market and the lower levels of income then prevailing offered little protection, resulting in losses.

Both interest rate exposure and credit risk were positive factors. As would be expected from a portfolio focussed on higher-yielding bonds, credit risk was a large contributor, with returns from exposure to investment grade corporates and hybrid capital as well as corporate high yield. Notwithstanding the weakness in March, subordinated financial capital instruments were also a positive factor for the full year.

A number of banks were among the top 10 returning holdings, including subordinated bank capital instruments issued by Lloyds Banking Group, Barclays and Deutsche Bank. Corporate bonds from Aggreko (equipment rentals shown as Albion Finance in the Investments in

Order of Valuation on page 26), Vodafone Group and Stonegate Pub Company also made the list.

Our portfolio had exposure to Credit Suisse AT1 bonds when they were written down, which detracted from returns. This was partially offset by gains from our holdings in Credit Suisse senior bonds, which rallied strongly after the write down.

The biggest detractors from returns also included Codere New Topco and Thames Water Finance. Codere New Topco is a multinational gaming company. While we have confidence in the underlying business, the company has been struggling to stabilise its balance sheet since the disruptions of the pandemic. We will continue to watch this process closely to assess the longer-term outlook. Thames Water Finance is relatively highly indebted for a UK utility and also suffers from the negative newsflow surrounding the water sector. However, it is a regulated company with stable revenue. Negotiations between the company and its major shareholders continue and our expectation is that fresh equity will be raised, relieving some pressure on the company's bonds.

Q How did supply and demand affect the market?

A For the second year in a row, net supply to the high yield bond market was very low. While more bonds were issued than in 2022, redemptions also increased. According to data from JP Morgan, this meant that net issuance in the European market was just €2.7 billion. This dearth of supply was an important technical support for the market.

Corporates reacted to the very low interest rate environment of 2020 and 2021 by raising large amounts of debt, which has strengthened their positions and reduced the need to raise finance in the far less supportive markets since. This should continue to support the sector for some time. Further out, re-financing is a key risk for the market.

The bonds that were issued came predominantly from stronger companies and offered higher coupons than for several years. Demand for them was strong.

Q How has the portfolio changed?

A We continue to feel that this is a positive environment for bond investment. Yields are higher, providing a good entry level and a valuable income cushion. Interest rates are relatively high and it looks likely that they have peaked and will fall over time. This provides a supportive backdrop.

We have added bonds with what we see as attractive levels of coupon or yield, which will help us to provide income for the trust in the years to come. In many cases we have done this through investment in relatively high quality bonds and companies. We are pleased that we can do this as we are wary of the risks that exist in the lower quality parts of our universe.

Over the year, the credit quality profile of the portfolio has been improved. More than a quarter is now allocated to investment grade-rated bonds, a relatively high level in the history of this portfolio. Exposure to high yield-rated bonds has fallen overall. Within this, the BB rating has been increased while B and CCC have been reduced.

While we have reduced exposure to high yield companies, we have been happy to take some more exposure to subordinate debt in stronger companies, through corporate hybrid bonds. These are junior bonds, but the issuing companies are typically large, investment grade-rated names. We have also added to subordinated financials, including banks. Following the sell-off in March, both banks and regulators have taken steps to ensure the continuing health of the AT1 market and it has performed well. AT1 bonds continue to form a reasonably significant part of the overall portfolio.

We have been able to add bonds throughout the year that we are very comfortable holding and which echo the much more creditor-friendly market in which we are now operating. BT issued a GBP BB+ 8.375% hybrid bond (2028 call). Allwyn Entertainment, Europe's largest lottery operator, issued a EUR BB 7.25% 2030 bond. Dana Financing Luxembourg, one of the world's largest auto parts suppliers, with a strong position in both legacy and electric vehicle markets, issued a EUR BB- 2031 bond in May with a coupon of 8.5%. In 2021 they issued a similar bond with a coupon of 3.0%.

Net gearing on the portfolio was reduced slightly over the course of the year, from 15.7% to 12.4%. This reflects both a more cautious outlook and the greater availability of income in the market as yields remain relatively high and more high-coupon bonds are issued. While the cost of borrowing through the use of repo financing has risen significantly during the year, there remains a net benefit to shareholders in terms of yield in utilising this form of financing.

Q How is Environmental, Social and Governance ('ESG') integrated in the investment process?

A ESG factors are important elements in our analysis of bonds and bond issuers and play a significant role not just in our research but in our decisions on the opportunity that securities represent. However, we are not bound by any specific ESG criteria in managing the portfolio.

We incorporate ESG issues in our process as we evaluate new ideas, in our engagement with companies and as an element of ongoing portfolio monitoring. ESG ratings and ESG metrics are a starting point for further analysis and engagement. Where ESG issues are flagged, we, in partnership with Invesco's specialist ESG team, target ESG research and dialogue towards those companies.

In 2023, our Henley-based team within Invesco's Fixed Income group had 128 ESG engagements – either meetings dedicated to ESG or ESG discussions within a wider meeting.

Engagements with individual companies covered normal ESG topics such as carbon emissions, commitments to temperature pathway targets and net zero targets, diversity in boards and management and corporate governance. In several cases they also focused on Sustainability-Linked Bonds, where, for example, the coupon of bonds being issued by the company were tied to ESG-related targets.

Engagements also covered broader themes that relate to industries. For example, our ESG analyst attended an event on the Home of the Future, covering a range of topics relating to decarbonisation of buildings. This theme has implications for several areas of the portfolio, including not just house builders but materials suppliers and banks (mortgages).

The ESG team provides formalised ESG portfolio monitoring. This is a rigorous process and includes a meeting to go through the portfolio from an ESG perspective. It is important to note that ESG ratings can be useful as a tool or a flag. Our approach to ESG means that investment teams make their own subjective conclusions about the ESG characteristics of each investment held and about the overall ESG characteristics of the portfolio.

Q What is your outlook for 2024?

A Inflation will likely be less of a concern for markets from here. Bond markets are now pricing in significantly more interest rate cuts than just a couple of months ago. While we expect that interest rates will be cut over time, we think it is important for bond investors not to become complacent about the potential for inflation to re-accelerate. To guard against this, the exposure to interest rate risk has been increased only modestly.

The credit rating profile of the portfolio has shifted over the course of the last two years to a more cautious stance. This reflects our view that many high yield borrowers will face challenges in an environment of higher borrowing costs. It also protects against the risk of an economic slowdown.

The debate on recession risk will continue. It is uncertain whether an economic slowdown will happen, but we have far more certainty about the risks that higher borrowing costs pose to the high yield bond market. We are wary of those borrowers with higher leverage, whose balance sheets were put together in a very different borrowing environment. Even factoring in further declines in interest rates and yields, these companies may not be able to refinance at an affordable level.

Overall, we remain positive on the asset class. Yields continue to look attractive, and we have a strong preference for higher coupon bonds as they are issued, especially after the strong capital gains in the final two months of 2023. Given the uncertainties around the economic outlook and the focus on upcoming economic data we think there is a strong chance that this year will be another volatile one for our markets.

Rhys Davies **Edward Craven**
Portfolio Managers

3 April 2024

Business Review

Purpose, Business Model and Strategy

Invesco Bond Income Plus Limited is a Jersey domiciled investment company which is listed on the London Stock Exchange

The Company's purpose is to generate returns over the long-term for its shareholders by investing their pooled capital to achieve the Company's investment objective through the application of its investment policy (set out below) and with the aim of spreading investment risk.

The strategy the Board follows to achieve the objective is to set investment policy and risk guidelines, together with investment limits, and to monitor how they are applied.

The business model the Company has adopted to achieve its objective is to contract investment management and administration to appropriate external service providers, who are subject to oversight by the Board. The principal service providers are:

- Invesco Fund Managers Limited (the 'Manager') to manage the portfolio in accordance with the Board's strategy; and
- JTC Fund Solutions (Jersey) Limited (the 'Company Secretary') to provide company secretarial, compliance and general administration services.

In addition to the management and administrative functions of the Manager and the Company Secretary, the Company has contractual arrangements with Computershare Investor Services (Jersey) Limited to act as registrar and the Bank of New York Mellon (International) Limited ('BNYMIL') as depository and custodian.

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 portfolio managers responsible for the day-to-day management of the portfolio are Rhys Davies, Portfolio Manager and Edward Craven, Deputy Portfolio Manager, supported by the wider fixed interest team.

The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive.

Investment Objective and Policy

Investment Objective

The Company's investment objective is to seek to obtain capital growth and high income from investment, predominantly in high-yielding fixed-interest securities.

Investment Policy

The Company seeks to provide a high level of dividend income relative to prevailing interest rates mainly through investment in bonds and other fixed-interest securities. The Company also invests in equities and other equity-like instruments consistent with the Investment Objective.

This Investment Policy should be read in conjunction with the descriptions of Investment Style, Investment Limits, Derivatives and Currency Hedging, and Borrowings set out below.

Investment Style

The Manager seeks to ensure that the portfolio is diversified, having regard to the nature and type of securities (including duration, credit rating, performance and risk measures and liquidity) and the geographic and industry sector composition of the portfolio. The Company may hold both illiquid securities (for example, securities where trading volumes are relatively low and unlisted securities) and concentrated positions (for example, where a high proportion of the Company's total assets are comprised of a relatively small number of investments).

Investment Limits

- the Company may invest in fixed-interest securities, including but not restricted to preference shares, loan stocks (convertible and redeemable), corporate bonds and government stocks, up to 100% of total assets;
- investments in equities may be made up to an aggregate limit of 20% of total assets;
- the aggregate value of holdings of shares and securities in a single issuer or company, including a listed investment company or trust, will not exceed 15% of the value of the Company's investments; and
- investments in unlisted investments will not exceed 10% of the Company's total assets for individual holdings and 25% in aggregate.

All the above limits are measured at the time a new investment is made.

Derivatives and Currency Hedging

The Company may enter into derivative transactions (including options, futures, contracts for difference, credit derivatives and interest rate swaps) for the purposes of efficient portfolio management. The Company will not enter into derivative transactions for speculative purposes.

Efficient portfolio management may include reduction of risk, reduction of cost and enhancement of capital or income through transactions designed to hedge all or part of the portfolio, to replicate or gain synthetic exposure to a particular investment position where this can be done more effectively or efficiently through the use of derivatives than through investment in securities or to transfer risk or obtain protection from a particular type of risk which might attach to portfolio investments.

The Company may hedge against exposure to changes in currency rates to the full extent of any such exposure.

Borrowings

The Company's borrowing policy is determined by the Board, which has set a maximum of 30% of the Company's total assets. This limit may be varied from time to time in the light of prevailing circumstances, but has not been changed since the Company's incorporation in its current form. The Manager has discretion to borrow within the limit set by the Board. Any borrowings are covered by investments in matching currencies to manage exposure to exchange rate fluctuations.

The Board has reviewed the methods of financing available to the Company including repo financing whereby a company participates in sale and repurchase arrangements in connection with its portfolio. Under these arrangements, a company sells fixed interest securities and is contractually obliged to repurchase them at a fixed price on a fixed date, whilst retaining economic exposure to the securities sold. The difference between the (lower) sale price and the later purchase price is the cost (effectively interest) of the repo financing. Repo financing agreements are in place and may be used subject to the aggregate 30% ceiling. At the year end, the sum borrowed using this method was £48.1 million (2022: £53.8 million). This represents gross gearing of 15.8% with cash and cash equivalents including margin of 3.4% giving net gearing of 12.4% (2022: gross gearing of 19.1% with cash and cash equivalents including margin of 3.4% giving net gearing of 15.7%)[1].

Key Performance Indicators

The Board reviews performance by reference to a number of Key Performance Indicators which include the following:

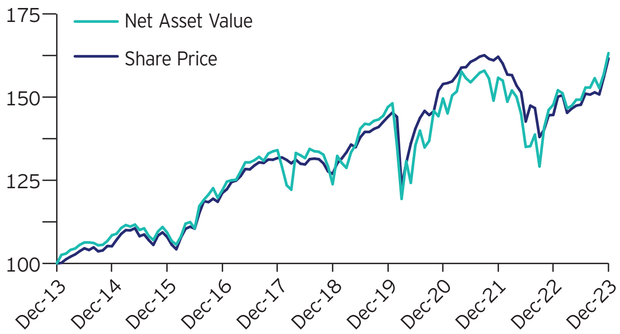
- Performance
- Dividends
- Premium/Discount
- Ongoing Charges Ratio

Performance

As the Company's objective is to seek to obtain capital growth and high income, the performance is best measured in terms of total return. There is no single index against which the Company's performance may be meaningfully assessed. Therefore, the Board refers to a variety of relevant data and this is reflected in both the Chairman's Statement and the Portfolio Managers' Report on pages 6 to 11. The Manager has a long-term horizon and consequently the Board pays close attention to returns over three and five years in its assessment of investment performance. As explained in the Chairman's Statement, the Board has noted the performance in the year and is satisfied with the longer term performance of the portfolio.

Ten Year Total Return Graph

All figures rebased to 100 at 31 December 2013.



Source: LSEG Data & Analytics.

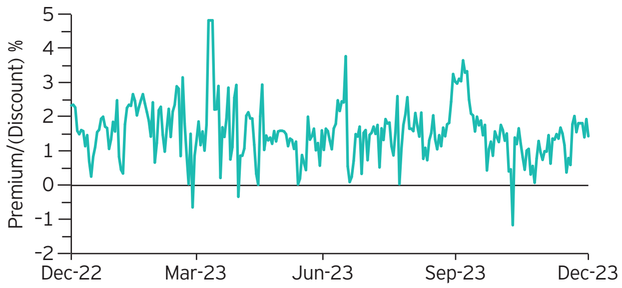
Dividends and Dividend Payment Policy

Dividends form a key component of the total return to shareholders and after its merger with Invesco Enhanced Income Limited in May 2021 the Company has adopted a dividend policy to target an annualised dividend of 11.00p per share over a three year period. In the year under review, the Board agreed to pay an increased dividend of 11.50p per share, comprising first, second, third and fourth interim dividends of 2.875p, to shareholders. Dividends paid over the last ten years are shown in the table on page 4.

The Board's Dividend Payment Policy is to pay dividends on a quarterly basis in May, August, November and February in respect of each accounting year. The timing of these regular three-monthly payments means that shareholders do not have an opportunity to vote on a final dividend. Recognising the importance of shareholder engagement, and although not required by any regulation, shareholders are given an opportunity to vote on this policy at the forthcoming AGM.

Premium/Discount

The Board monitors the price of the Company's shares in relation to their net asset value and the premium/discount at which the shares trade. Powers are taken each year to issue and buy back shares, which can assist short term management, however the level of discount or premium is mostly a function of investor sentiment and demand for the shares, over which the Board may have limited influence. The ideal would be for the shares to trade close to their net asset value. The following graph shows the premium/discount through the year, ending with a premium of 1.4%.



Source: LSEG Data & Analytics.

Ongoing Charges Ratio

The expenses of managing the Company are carefully monitored by the Board. The standard measure of these is the ongoing charges ratio (OCR), which is calculated by dividing the sum of such expenses over the course of the year, including those charged to capital, by the average net asset value. This ongoing charges ratio provides a guide to the effect on performance of annual operating costs. The Company's ongoing charges ratio for the current year was 0.91%, compared to 0.86% for the previous year which reflects the general increase in inflation during the year and a higher marketing spend aimed at capitalising on current opportunities for the Company. Your Board continues to believe that costs remain competitive compared to those of similar products.

Investment Process

At the core of the portfolio managers' philosophy is a belief in active investment management. They seek to invest where they see the potential for attractive returns and to avoid risks that they do not think are well rewarded. Fundamental principles drive a genuinely active investment approach, with a strong emphasis on value.

The investment process comprises four key elements to deliver the information the portfolio managers use to make their decisions:

- top down, macroeconomic analysis – examining the factors that shape the economy;
- credit analysis using internal and external research with a view to maximising returns from acceptable and understood credit risk exposure;
- value assessment, considering the risk/return profile of any bond in relation to cash, core government bonds and the rest of the fixed interest universe; and
- risk considerations, analysing all holdings to allow for a comprehensive understanding of risks involved to ensure diversification of the portfolio.

(1) Alternative Performance Measure (APM). See Glossary of Terms and Alternative Performance Measures on pages 76 to 78 of the financial report for details of the explanation and reconciliations of APMs.

The portfolio managers enter into the majority of positions with a view to holding them until their call or maturity date and their investment process is based on making investments where the yield to maturity or call appears to them to be at least an adequate reward for the risk. The nature of the high yield market and the Company's mandate mean that there will be occasions when the value the portfolio managers assessed in an investment is fully realised by the market. On these occasions, they may exit the position before maturity.

The portfolio managers believe that it is good investment practice to try and keep the level of turnover low, whilst at the same time recognising that this should not at any time act as a deterrent to effective portfolio management. Turnover will generally be very low due to the long term nature of many of the holdings, and given the closed end nature of the Company, the portfolio managers are not presented with regular daily inflows and outflows which require managing.

The portfolio managers also consider the aspects of environmental, social and governance ('ESG') details of which are given on pages 18 to 21.

Internal Control and Risk Management

The Directors have overall responsibility for the Company's system of internal controls and are responsible for reviewing the effectiveness of these controls. This includes safeguarding of the Company's assets. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

The Audit & Risk Committee (the 'Committee'), on behalf of the Board, has established an ongoing process for identifying and assessing the risks to which the Company is exposed by reference to a risk control summary, which maps the risks, mitigating controls in place, and monitoring and reporting of relevant information to it. The review of the risk control summary also incorporated a robust assessment of new and emerging risks for monitoring purposes.

As part of the process, the Committee has identified five risk categories: strategic; investment management; third party service providers; regulation and corporate governance; and operational. An explanation of these categories follows.

Strategic Risk

The Board sets the Company's strategy, including setting its objective and how this should be achieved. The Board assesses the performance of the Company in the context of the market and macro conditions and gives direction to, and monitors, the Manager's actions, and those of other third parties, on behalf of the Company.

Investment Management Risk

Investment management covers management of the portfolio together with cash management, gearing and hedging, all being areas the portfolio managers can control, and which generate the Company's investment performance.

Third Party Service Providers Risk

The Company has no employees and its Directors are appointed on a non-executive basis. The Company is reliant on Third Party Service Providers ('TPPs') for its executive functions. The Company's most significant TPPs are the Manager, to which portfolio management is delegated, Fund Accounting and the Company Secretary. Other significant TPPs are the corporate broker, depositary, custodian, registrar and auditor.

Regulation and Corporate Governance Risk

The Company is required to comply with many regulations. For the year under review these included but were not limited to, the provisions of the Companies (Jersey) Law 1991, the UK Listing Rules, the Alternative Investment Fund Managers Directive, the Market Abuse Regulation, the FCA's Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

Operational Risk

Operational risk covers the day to day operational matters mainly at the Manager, but also at other TPPs.

A matrix of the risks, set out according to their assessed risk levels after mitigation, enables the Directors to concentrate on those risks that are most significant, and also forms the basis of the list of principal risks and uncertainties on pages 15 and 16. The ratings take into account the Board's risk appetite and the ongoing monitoring by the Manager.

Oversight of the control environment is based on the Company's relationship with its TPPs, all of which have clearly defined lines of responsibility, delegated authority, and control procedures and systems. The Company's main TPPs, the Manager, Fund Accounting and the Company Secretary, all have, a 'Three Lines of Defence Model', which is embedded into their risk management systems.

The effectiveness of the Company's internal control and risk management system is reviewed at least twice a year by the Committee. The Committee received and considered, together with representatives of the Manager, reports in relation to operations and systems of internal controls of the Manager, Company Secretary, accounting administrator, custodian and registrar. The Committee also receives regular reports from the Company Secretary's compliance officer and the Manager's internal audit and compliance departments. The Committee also received a comprehensive and satisfactory report from the depositary at the year end Committee meeting. The Company's risk management policies and procedures for financial instruments are set out in note 19 on pages 63 to 69.

Due diligence is undertaken before any contracts are entered into with any third party service provider. The Manager regularly reviews, against agreed service standards, the performance of TPPs through formal and informal meetings, and by reference to third party independently audited control reports. The results of the Manager's reviews are reported to and reviewed by the Committee. These various reports and reviews did not identify any significant failings or weaknesses which were relevant to the Company during the year and up to the date of this Annual Financial Report. If any had been identified, the required remedial action would have been taken.

Reporting to the Board at each board meeting comprises, but is not limited to: financial reports, including any hedging and gearing; performance against relevant indices and the Company's peers; the portfolio managers' review, including of the market, the portfolio, transactions and prospects; revenue forecasts; and investment monitoring against investment guidelines. The portfolio managers are permitted discretion within these investment guidelines, which are set by the Board. Compliance with the guidelines is monitored daily by the Manager. Any proposed variation to these guidelines is referred to the Board for consideration and approval.

The Board, through the Management Engagement Committee, formally reviews the performance of the Manager, the Company Secretary and the other key TPPs annually. The Board has reviewed and accepted both the Manager's and Company Secretary's whistleblowing policy under which staff of both Invesco Fund Managers Limited and JTC Fund Solutions (Jersey) Limited can, in confidence, raise concerns about possible improprieties or irregularities in matters affecting the Company.

Principal and Emerging Risks and Uncertainties

The Board has carried out a robust assessment of the risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. As part of this process, the Board conducted a full review of the Company's risk control summary and considered new and emerging risks. These are not necessarily principal risks for the Company, but may have the potential to be in the future. In carrying out this assessment, the Board considered the emerging risks facing the Company including geopolitical risks such as the ongoing conflicts in Ukraine and the Middle East, evolving cyber threats (including risks associated with artificial intelligence) and ESG, including climate risk. The principal risks that follow are those identified by the Board as the most significant after consideration of mitigating factors and not intended to cover all the risk categories as shown in the Internal Control and Risk Management section on page 14.

Category and Principal Risk Description	Mitigating Procedures and Ongoing Controls
Strategic Risk	
Market and Political Risk The Company invests primarily in fixed interest securities, the majority of which are traded on global security markets. The principal risk for investors in the Company is a significant fall and/or a prolonged period of decline in these markets. This could be triggered by unfavourable developments globally and/or in one or more regions, such as the current conflicts in Ukraine and the Middle East and other geopolitical tensions and uncertainties and their impact on the global economy. The Board cannot control the effect of such external influences on the portfolio. Market risk also arises from movements in foreign currency exchange rates and interest rates.	An explanation of market risk and how this is addressed is given in note 19.1 to the financial statements. The Portfolio Managers' Report summarises particular macro economic factors affecting performance during the year and the portfolio managers' views on those most relevant to the outlook for the portfolio.
Regulatory or Fiscal Changes The Company is incorporated in Jersey which is a low tax jurisdiction subject to global scrutiny. Any adverse global regulatory or fiscal measures taken against such low tax jurisdictions, could negatively impact the Company.	The Board receives regular reports from the Manager and Company Secretary which highlight any proposed changes to the regulatory/fiscal regimes which might impact the Company.
Wide Discount leading to Shareholder Dissatisfaction The Company's shares are subject to market movements and can trade at a premium or discount to NAV. Should the Company's shares trade at a significant discount compared to its peers, then shareholder dissatisfaction may result if shareholders cannot realise the value of their investment close to NAV, with the ultimate risk that arbitragers join the share register.	The Board receives regular reports from both the Manager and the Company's broker on the Company's share price performance and level of discount (or premium), together with regular reports on marketing and meetings with shareholders and prospective investors. The Board recognises the importance of the Company's scale in terms of the aggregate value of its shares in the market ('market cap') in creating liquidity and the benefit of a wide shareholder base, and seeks authority to both issue and buy back shares to assist with market volatility. The foundation to this lies in solid investment performance and an attractive level of dividend.
Third Party Service Providers Risk	
Lack of Control over, or Unsatisfactory Performance of Third Party Service Providers ('TPPs') 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 operations of the Company and affect its ability to pursue successfully its investment policy and expose it to reputational risk. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.	Details of how the Board monitors the services provided by the Manager and the other TPPs, and the key elements designed to provide effective internal control, are included in the internal control and risk management section on page 14.

Category and Principal Risk Description	Mitigating Procedures and Ongoing Controls
Cyber Risk The Company's operational structure means that cyber risk (information technology and physical security) predominantly arises at its TPPs. This cyber risk includes fraud, sabotage or crime perpetrated against the Company or any of its TPPs.	The Audit & Risk Committee on behalf of the Board periodically reviews TPPs' service organisation control reports and meets with representatives of the Manager's Investment Management, Compliance, Internal Audit and Investment Trust teams as well as the Company Secretary's senior staff and Compliance team. The Board receives periodic updates on the Manager's and the Company Secretary's information security arrangements. The Board monitors TPPs' business continuity plans and testing – including their regular 'live' testing of workplace recovery arrangements.
Business Continuity Risk Impact of a major event, such as Covid-19, on the operations of the service providers, including any prolonged disruption.	The Manager's business continuity plans are reviewed on a regular 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 Board receives periodic reports from the Manager and third-party service providers on business continuity processes and has been provided with assurance from them all insofar as possible that measures are in place for them to continue to provide contracted services to the Company.

Viability Statement

This Company is an investment company whose business consists of investing the pooled funds of its shareholders to provide them with capital growth and a high income over the long term, predominantly from a portfolio of high yielding fixed income securities. Long term for this purpose is considered to be at least five years and the Directors have assessed the Company's viability over that period. However, the life of the Company is not intended to be limited to that or any other period.

The main risk to the Company's continuation is a significant fall in markets or a prolonged period of decline due to political uncertainty or other macro factors outside the Company's control. This could lead to shareholder dissatisfaction through failure to meet the Company's investment objective, through poor investment performance or the investment policy not being appropriate in prevailing market conditions, any of which could affect the demand for and liquidity of the Company's shares. Accordingly, market and political/fiscal risks, are deemed by the Board to be the key principal risks of the Company and are given particular consideration in the continuing assessment of its long term viability.

The Company's investment objective and policy are kept under review. The continued relevance of the investment objective and policy are underlined by the Company's annual continuation vote. Last year nearly 100% of the votes registered were in favour of continuation and the Board has no reason to believe that the continuation resolution will not be passed at the forthcoming and subsequent AGMs.

Performance derives from returns for risk taken. The Portfolio Managers' Report on pages 9 to 11 sets out the current investment strategy of the portfolio managers. Whilst there has been an increase in the credit quality of the portfolio during the year, it remains the case that the portfolio continues to contain a high level of relatively high-yielding non-investment grade bonds and these carry a higher risk of default than investment grade paper. This is discussed further in note 19 to the financial statements. The Board has adopted investment limits within which the portfolio managers operate. The Directors and the portfolio managers constantly monitor the portfolio, its ratings and default risk. A bond rating analysis of the portfolio at the year end is shown on page 24. Exposure is weighted towards higher quality issuers where the risk of default is considered to be more remote.

Performance has been strong for many years through different, and difficult, market cycles – as shown by the ten year total return performance graph on page 13. The investment policy has been stress tested by market events in recent times by both global and domestic events such as Covid-19 and the conflict in Ukraine. These events affected performance, but at no time did they threaten the viability of the Company. Whilst past performance may not be indicative of performance in the future, the investment policy has been consistent throughout those past periods.

Performance and demand for the Company's shares are not things that can be forecast. Indeed, whilst recent geopolitical and macroeconomic events may impact the Company, there are no current indications that performance or demand for the Company's shares may be permanently affected by such events over the next five years so as to affect the Company's viability.

As described in note 19.2 to the financial statements on page 67 liquidity risk is not viewed by the Directors as a significant risk. The majority of the Company's assets are readily realisable and amount to many times the value of its short term liabilities and annual operating costs. The Company is permitted to borrow up to a maximum of 30% of the Company's total assets and currently has no long-term debt obligations.

Based on the above analysis, 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 over the five year period of their assessment and the Directors consider that the Company's investment strategy will continue to serve shareholders well over the longer term.

Investment Management

As noted earlier, the Manager provides investment management and certain administrative services to the Company. The agreement is terminable by either party giving no less than three months' prior written notice and subject to earlier termination without compensation in the event of a material breach of the agreement or the insolvency of either party. The management fee is payable quarterly in arrears and is equal to 0.1625% of the value of the Company's total assets under management less current liabilities at the end of the relevant quarter. In addition, the Manager was paid a fee of £133,000 during the year for marketing services.

The portfolio managers responsible for the day-to-day management of the portfolio are Rhys Davies, Portfolio Manager, and Edward Craven, Deputy Portfolio Manager.

The Manager's Responsibilities

The Directors have delegated to the Manager the responsibility for the investment management activities of the Company, for seeking and evaluating investment opportunities and for analysing the accounts of investee companies. The Manager has full discretion to manage the assets of the Company in accordance with the Company's stated objectives and policies as determined from time to time by the Board and approved by shareholders. Within the guidelines specified by the Board, 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 currency exposures and borrowings.

Assessment of the Manager

The performance of the Manager is reviewed continuously by the Board and the ongoing requirements of the Company and services received are assessed annually with reference to key performance indicators as set out on page 13.

The Management Engagement Committee is responsible for reviewing the Manager. Based on its recent review of activities, the Board believes that the continuing appointment of Invesco Fund Managers Limited remains in the best interests of the Company and its shareholders.

Financial Position

The Company's balance sheet on page 55 shows the assets and liabilities at the year end. The Company has repo financing agreements in place, with an amount of £48.1 million (2022: £53.8 million) borrowed at year end, representing gross gearing of 15.8% (2022: 19.1%) and net gearing of 12.4% (2022: 15.7%), after taking cash and cash equivalents including margin into account, as at 31 December 2023.

Performance and Future Development

The performance and future development of the Company depend on the success of the Company's investment strategy. A review of the Company's performance, market background, investment activity and strategy during the year, together with the investment outlook are provided in the Chairman's Statement and Portfolio Managers' Report on pages 6 to 11.

Annual Continuation Vote

The Articles of Association of the Company require that unless an ordinary resolution is passed at or before the Annual General Meeting ('AGM') each year releasing the Directors from the obligation to do so, the Directors shall convene a general meeting within six months of the AGM at which a special resolution would be proposed to wind up the Company. Having reviewed the performance of the Company, the Directors have no reason to believe that a resolution to release them from that obligation will not be passed at the AGM to be held later in the year. Further details can be found in note 2 (a) (ii) on page 57.

Substantial Holdings in the Company

The Company has been notified of the following holdings of 3% and over of the Company's ordinary share capital carrying unrestricted voting rights:

Fund Manager/Registered Holder	As at 29 February 2024 Holding	%	As at 31 December 2023 Holding	%	As at 31 December 2022 Holding	%
Hargreaves Lansdown, stockbrokers (EO)	32,254,848	16.99	29,303,533	16.23	26,574,014	15.3
Interactive Investor (EO)	22,799,521	12.01	20,922,574	11.58	19,654,448	11.4
Invesco*	17,540,155	9.24	17,540,155	9.71	17,825,962	10.3
AJ Bell, stockbrokers (EO)	13,060,999	6.88	11,582,380	6.41	9,145,250	5.3
Redmayne Bentley, stockbrokers	9,766,654	5.15	9,152,417	5.07	8,166,730	4.7
Charles Stanley	9,666,630	5.09	9,597,611	5.31	10,136,841	5.9
HSDL, stockbrokers (EO)	6,411,333	3.38	6,237,521	3.45	5,966,781	3.5
EFG Harris Allday, stockbrokers	under 3%		under 3%		5,469,738	3.2

EO: Execution only.
* Held across a number of Invesco Funds. Invesco is not considered a related party. For further information see Related Party Transactions and Transactions with Manager note 23 on page 70.

Board's Duty to Promote the Success of the Company

The Directors have a fiduciary duty to act, in good faith, for the benefit of shareholders taken as a whole. In the UK, section 172 of the Companies Act 2006 seeks to codify this duty and to widen the responsibility to incorporate the consideration of wider relationships that are necessary for the Company's sustainability. As a UK listed Company it is necessary for the Company to report against this UK statutory duty, being that 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, service providers, customers and others, and to have regard to their interests. This is reflected in the summary of the Board's responsibilities on pages 39 and 40.

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 and Company Secretary at every Board meeting and the Management Engagement Committee also reviews the Company's relationships with these and other service providers, such as the registrar, broker, depositary and custodian, at least annually. The assessment of the Manager consequent to these reviews is set out above.

The Company communicates with its shareholders at least three times a year providing information about shareholder meetings, dividend payments and half-yearly and annual financial results. In addition, the annual general meeting of the Company provides shareholders with the opportunity to attend and meet with the Directors and the Manager. The Company's AGM will be held on 19 June 2024 at 9.00am at the offices of JTC Fund Solutions (Jersey) Limited. Shareholders are welcome to attend the AGM in person. Shareholders who cannot attend in person are encouraged to submit their votes by proxy.

Board Diversity

The Company's policy on diversity is set out on page 40, under the section 'Nomination and Remuneration Committee'. The Board considers diversity, including the balance of skills, knowledge, experience, gender and ethnicity amongst other factors when reviewing its composition and appointing new directors. The Board continues to recognise the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations.

In view of its relatively small size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. In doing so, the Board will seek to meet the targets set out in the FCA's Listing Rule 9.8.6R (9)(a), which are summarised below. In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has provided the following information in relation to its diversity as at 31 December 2023, being the financial year-end of the Company. The information included in the tables below has been obtained following confirmation from the individual Directors. As shown in the tables, the Company did not meet the FCA ethnic diversity target as at 31 December 2023, however the Board expects to use the anticipated recruitment opportunities that will result from the application of its principles in respect of director tenure to address its diversity targets (see page 40). We continue to monitor diversity expectations.

Board Gender as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management[A]	Percentage of executive management[A]
Men	2	40%	1	n/a	n/a
Women	3	60%[B]	1[C,D]	n/a	n/a

[A] the Company does not disclose the number of directors in executive management as this is not applicable for an investment trust.
[B] meets the target of 40% as set out in LR 9.8.6R (9)(a)(i).
[C] the positions of Senior Independent Director and Chair of the Audit & Risk Committee are held by the same woman (Heather MacCallum). The latter position is not currently defined as a senior position under LR 9.8.6R (9)(a)(ii).
[D] meets the target of 1 as set out in LR 9.8.6R (9)(a)(ii).

Board Ethnic Background as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management[A]	Percentage of executive management[A]
White British or other White (including minority-white groups)	5	100%	2	n/a	n/a
Minority ethnic	0[B]	0%	0	n/a	n/a

[A] the Company does not disclose the number of directors in executive management as this is not applicable for an investment trust.
[B] is less than the target of 1 as set out in LR 9.8.6R (9)(a)(iii).

There have been no changes since the year end that have affected the Company's ability to meet the targets set in LR 9.8.6R (9)(a).

Modern Slavery Act 2015

The Company is an investment vehicle and does not provide goods or services in the normal course of 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.

Environmental, Social and Governance ('ESG') Matters

In relation to the portfolio, the Company has delegated the management of the Company's investments to the Manager, who has an ESG Philosophy and Approach 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. A greenhouse gas emissions statement is included in the Directors' Report on page 35.

The Manager forms part of the Invesco Ltd group. Invesco Ltd ('Invesco') is committed to being a responsible investor and applies, and is a signatory to, the United Nations Principles for Responsible Investment ('PRI'), which demonstrates its extensive efforts in terms of ESG integration, active ownership, investor collaboration and transparency. Invesco scored four stars for its Investment & Stewardship Policy under new scoring methodology produced by PRI. This followed five consecutive years of achieving an A+ rating for responsible investment (Strategy & Governance) under the previous methodology. In addition, Invesco is an active member of the UK Sustainable Investment and Finance Association as well as a supporter of the Task Force on Climate Related Financial Disclosure ('TCFD') since 2019 and published its fourth iteration of its Global TCFD Report in 2023.

The Manager is complying with the spirit of the Sustainable Finance Disclosure Regulation ('SFDR') which came into effect within the EU on 10 March 2021 and is disclosing in its AIFM document as well as its webpage how sustainability risks are integrated.

The Manager's investment team incorporates ESG considerations in its investment process as part of the evaluation of new opportunities. The Portfolio Managers make their own 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 ESG monitoring.

Regarding stewardship, the Board considers that the Company has a responsibility as an investor towards ensuring that appropriate 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 Company's stewardship functions have been delegated to the Manager. The Manager has adopted a clear and considered policy towards its responsibility as an investor 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. Copies of Invesco's Policy Statement on Global Corporate Governance and Proxy Voting and UK Stewardship Code Report, which are updated annually, can be found at https://www.invesco.com/uk/en/about-us/esg-and-responsible-investing.html.

Insight into Invesco's ESG Framework

The Henley based Invesco Fixed Income team, of which the portfolio managers are a part, incorporates ESG considerations in its investment process as part of the evaluation of new primary and secondary market opportunities, with identified ESG concerns feeding into the final investment decision and assessment of relative value.

Investment teams at Invesco are supported on many ESG engagement activities by a centralised team of ESG professionals. Invesco's ESG approach is led globally by their Global Head of ESG and the Global ESG team. This team reports into the Head of Investments Engagement. This team is further supported by their global proxy function.

At a local level, The Co-Head of Investments, Invesco Fixed Income has ultimate oversight of, agrees with and sponsors Invesco's ESG approach. The Invesco Fixed Income Europe ESG investor group is chaired by a member of the global ESG team and is made up of champions from each investment team. Each ESG champion is a representative of the individual investment teams that has responsibility for feeding into the overall ESG approach and areas of interest for further analysis. The role of this group is to help facilitate dialogue and share insights from across asset classes and regions. The group meets quarterly.

Training is an essential part of Invesco's commitment to ESG integration, and keeping abreast of the rapidly evolving landscape for responsible investment. Their continuing personal development ('CPD') training programme includes ESG modules. This is augmented by other programmes such as global sector meetings and CIO insight meetings.

ESG overview

Although ESG integration forms part of the investment process, the Company is not managed to sustainable ESG objectives, constraints or outcomes.

The portfolio managers' approach is centred on macroeconomic and corporate credit research and focuses on fundamental valuation to support the active management of portfolios. The Manager has always incorporated ESG analysis into its investment research because it believes that non-financial risks can have a material impact on credit risk and by identifying those risks, it can improve its credit risk assessment and produce better risk-adjusted returns in portfolios.

The core objective of the Manager's ESG approach is to assess issuers' performance across environmental, social and governance factors and to determine where those risks are potentially material or mispriced.

The fixed income universe is broad and varied. Geographical, structural and regulatory differences mean that data availability, ESG awareness and management engagement levels can vary greatly. As a result, while the investment team's commitment to ESG risk assessment is constant, the path to arriving at an ESG-based assessment necessarily differs to account for the constraints and challenges of different circumstances.

Common Principles for ESG Research

The Invesco team's approach to ESG is based on a belief that incorporating material environmental, social and governance risks into a broader risk assessment, leads to better long-term risk-adjusted returns. In order to do this, the team considers materiality and momentum.

- Issuers may have a myriad of ESG considerations, but materiality means focussing on those particular ESG risk factors that have the potential to impact an issuer's credit risk profile.
- Momentum means understanding the evolution of ESG risks. As with all risk, Invesco look to identify positive and negative momentum in ESG risks and assess the potential for those trends to affect creditworthiness. As a firm Invesco encourage positive momentum by engaging with companies. Invesco's Global ESG team engages with the management of companies and provide views on matters such as corporate strategy, transparency, capital allocation and ESG concerns.

ESG analysis for corporate bonds

The Manager's credit analysts are responsible for understanding and assessing ESG risks for the companies under their coverage alongside financial credit risk. Corporate credit research is organised around global industrial sectors, allowing the analysts to develop a comprehensive understanding of not only the ESG risks pertinent to each issuer under their coverage but also those risks prevalent in a sector.

This approach of incorporating ESG risk into the broader assessment is undertaken for all issuers of corporate bonds, for both developed or emerging market countries.

External ESG resources

Invesco has a range of third-party research and data available as an input to support the analysts in their ESG risk assessment.

Examples:

- MSCI ESG Scores, industry percentiles and weights
- CDP carbon and scoring data
- Sustainalytics Risk scores and category summary data
- Global Compact compliance or violation fields (MSCI and Sustainalytics)
- ISS Climate Solutions – Scope 1 to 3 emissions and science-based emission targets
- Controversies – MSCI & Sustainalytics data feeds

Invesco's ESG resources

Invesco's Global ESG team has resources in research, portfolio analytics and management engagement.

Furthermore, Invesco's own proprietary developed ESG tool (ESGIntel) provides ESG insights, metrics, data points and momentum scores from over 50 data points and metrics. Sector differences are accommodated with each having its own tailor-made framework.

The tool provides a holistic view on how a company's value chain is impacted in different ways by various ESG metrics, and ratings are produced both at the overall company and indicator levels to facilitate a focus on higher risk company-specific issues. In addition, momentum indicators highlight a company's trajectory using five years of data history.

While disclosure levels vary greatly by the company due to sector, size and regional factors, these data dashboards can provide a comprehensive picture of each issuer's performance.

The importance of fundamental ESG analysis

At the issuer level, data availability, disclosure rules and management engagement levels can vary across each global sector. Raw ESG data can sometimes present a partial or even misleading picture. When placed alongside the fact that issuers themselves have unique features in terms of business models, the weighting of ESG factors in each issuer assessment must be interpreted and understood in a broader context.

In our research process, the qualitative judgement of the credit analyst is therefore central to determining whether an ESG factor is evolving in a manner that may compromise an issuer's financial indicators and ultimately, its creditworthiness.

ESG in credit selection

Once a credit analyst has undertaken their credit assessment, including that of the materiality and momentum of ESG risks, then credit research is presented to portfolio managers.

The portfolio managers need to assess the type and materiality of any ESG risk and set that against the potential investment return in the context of the Company's objectives.

Other than the exclusions related to certain types of munitions, there are no pre-determined rules on how securities are selected in light of any ESG risks. Each investment case is likely to have its own unique set of risks. The investment team's credit selection emphasises fund manager judgement and each case is considered on its own merits.

Engagement with issuers

Invesco engages directly with companies to better understand their positions and their future intentions and lobby for change where Invesco believe it is necessary. Although engagement as pure debt investors can be challenging, Invesco's ownership of both equity and debt can often be used to increase our voice as a stakeholder. Engagement is carried out on a case by case basis by relevant analysts and strategically with co-ordination through Invesco's Global ESG team.

Invesco's Global ESG team is led by the Global Head of ESG. Reporting to the Global Head of ESG is the Director of ESG Research, who leads the ESG analyst team who focus on this ESG company engagement activity. Invesco has established a global process to ensure that its ESG-targeted engagements are a collaboration between its ESG team and the investment teams across Invesco who may have interest in the issuer:

i. Internal assessment and coordination: the ESG team consults with the investment teams and reviews the ESG Engagement focus list and decides whether to: (a) gather feedback on a topic and provide that feedback to an issuer; (b) schedule a call with the issuer if it is deemed to be necessary; or (c) engage directly with the issuer and serve as a liaison. Invesco's ESG team will arrange contact between the relevant investment teams and issuers when and if it is deemed necessary. Any ESG engagement meeting is added to a centralised calendar that investment teams can access.

ii. Research and follow up: the ESG research team conducts in-depth ESG research in preparation for these meetings and discusses with the relevant investment teams across Invesco to ensure that companies are questioned on the key ESG topics. The ESG team produces an Engagement Report for these meetings which is shared via the Bloomberg platform for all relevant investment teams to access. Invesco is also a member of several organisations that facilitate collective dialogue with companies and continues to assess other collective engagements that we would like to work more closely with in the future:

    - Invesco is a signatory to Climate Action 100+ and is taking a leading investor role on one company and a participative role on at least six other companies.
    - Invesco joined the Investor Tailings Initiative when it was first launched in 2019. Invesco signed letters that were sent to over 600 companies and actively participated in meetings with companies and governments to ensure the development of higher standards and to evolve the tools to assess companies.
    - Invesco signed the Investor statement on Covid-19, to encourage the business community to take what steps they can to mitigate the social impacts caused by the pandemic. Some of these steps include providing paid leave, prioritising health and safety, maintaining employment and maintaining supplier relationships. Invesco has engaged with companies on these topics as part of its ongoing one-to-one ESG engagements.

ESG portfolio monitoring

Dedicated ESG-focused portfolio reviews are in place to complement the existing risk-return portfolio review process. Invesco's Global ESG team leads each review meeting which is attended by fund managers and credit research analysts. Portfolios are reviewed on the basis of a wide range of ESG metrics on an absolute basis and also relative to benchmarks where appropriate.

ESG portfolio monitoring includes measurement, based on Sustainalytics ESG research data, of total portfolio ESG risk and identification of holdings with the highest and lowest ESG risk. As of the end of 2023, holdings with the highest ESG risk were concentrated in the energy sector. The holdings with the lowest ESG risk were spread across several sectors.

Invesco also carry out Carbon Footprint Analysis of the portfolio, in absolute terms and compared to the wider high yield market, using data from ISS Climate Solutions.

Task Force on Climate-related Financial Disclosures ('TCFD')

Whilst TCFD is currently not applicable to the Company, the Manager has produced a product level report on the Company in accordance with the Financial Conduct Authority's ('FCA') rules and guidance regarding the disclosure of climate-related financial information consistent with TCFD Recommendations and Recommended Disclosures. These disclosures are intended to help meet the information needs of market participants, including institutional clients and consumers of financial products, in relation to the climate-related impact and risks of the Manager's TCFD in-scope business. The product level report on the Company is available on the Company's website at https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html. Key elements of the product level report include a scenario analysis of how climate change is likely to impact the portfolio valuation under net zero 2050, delayed transition and hothouse scenarios, and a discussion of the most significant drivers of performance under those scenarios.

Invesco's Group Level Task Force on Climate-Related Financial Disclosures ('TCFD') is available on the Managers' Website at https://www.invesco.com/uk/en/about-us/esg-and-responsible-investing.html

Both reports noted above are in the process of being updated for the period to 31 December 2023 and will be made available via the respective websites by 30 June 2024.

Classification of Investments

by Geographical Location

	United Kingdom %	North America %	Europe %	Other areas %	Total %
	At 31 December 2023				
Fixed interest securities[1]	33.9	9.0	41.9	0.9	85.7
Convertibles	9.8	-	3.6	-	13.4
Preference	0.9	-	-	-	0.9
Total	44.6	9.0	45.5	0.9	100.0

	United Kingdom %	North America %	Europe %	Other areas %	Total %
	At 31 December 2022				
Fixed interest securities[1]	33.7	6.6	51.3	1.5	93.1
Convertibles	4.8	-	1.0	-	5.8
Preference	0.8	-	-	-	0.8
Equities	-	0.3	-	-	0.3
Total	39.3	6.9	52.3	1.5	100.0

(1) Fixed interest securities include both fixed and floating rate securities.

Industry Analysis of Investments

by Geographical Location

	At 31 December 2023			At 31 December 2022		
	United Kingdom %	Non-UK %	Total %	United Kingdom %	Non-UK %	Total %
Financials	24.9	17.2	42.1	21.7	18.4	40.1
Consumer Services	6.5	10.7	17.2	6.5	14.5	21.0
Consumer Goods	2.1	7.4	9.5	2.4	7.9	10.3
Telecommunications	2.0	5.6	7.6	2.7	5.8	8.5
Industrials	3.4	2.5	5.9	1.7	1.8	3.5
Basic Materials	1.6	3.0	4.6	1.3	2.4	3.7
Utilities	1.6	2.9	4.5	1.9	2.5	4.4
Health Care	0.2	3.9	4.1	0.2	4.4	4.6
Oil and Gas	0.5	1.7	2.2	0.9	2.3	3.2
Government Bonds	1.8	0.2	2.0	-	0.1	0.1
Technology	-	0.3	0.3	-	0.3	0.3
Consumer Discretionary	-	-	-	-	0.3	0.3
Portfolio Total	44.6	55.4	100.0	39.3	60.7	100.0

The percentages shown in the above tables are related to the value of investments of £335.5 million (2022: £317.9 million).

Currency Exposure

Investments and net cash, including and excluding currency hedging

	At 31 December 2023 Including Currency Hedging			At 31 December 2023 Excluding Hedging	At 31 December 2022 Including Currency Hedging			At 31 December 2022 Excluding Hedging
	Sterling %	Other %	Total %	%	Sterling %	Other %	Total %	%
Fixed interest(1)(2)	37.0	46.3	83.3	83.6	34.7	55.4	90.1	90.5
Convertibles(2)	11.1	1.9	13.0	13.1	4.8	0.8	5.6	5.6
Preference	0.9	-	0.9	0.9	0.8	-	0.8	0.8
Equities	-	-	-	-	0.3	-	0.3	0.3
Portfolio Total	49.0	48.2	97.2	97.6	40.6	56.2	96.8	97.2
Net cash(3)	0.9	1.5	2.4	2.4	2.5	0.3	2.8	2.8
Portfolio and Cash Total	49.9	49.7	99.6	100.0	43.1	56.5	99.6	100.0
Currency Hedging								
Forward currency sales	26.6	(26.2)	0.4		27.4	(27.0)	0.4	
Net Currency Exposure	76.5	23.5	100.0		70.5	29.5	100.0	

(1) Fixed interest securities include both fixed and floating rate securities.
(2) Fixed interest (83.3%) includes 8.9% attributable to Additional Tier 1 bonds and Convertibles (13.0%) includes 7.1% attributable to Additional Tier 1 bonds at 31 December 2023.
(3) Includes borrowings from securities sold under agreements to repurchase (repo financing).

Bond Rating Analysis

Standard & Poor's ('S&P') ratings. Where a S&P rating is not available, an equivalent average rating has been used. Investment grade is BBB- and above.

For the definitions of these ratings see the Glossary of Terms and Alternative Performance Measures on page 79.

Rating	2023 % of Portfolio	2023 Cumulative Total %	2022 % of Portfolio	2022 Cumulative Total %
Investment Grade:				
AA+	0.2	0.2	-	-
AA	1.8	2.0	-	-
A+	0.7	2.7	0.2	0.2
A-	0.8	3.5	0.8	1.0
BBB+	1.8	5.3	2.0	3.0
BBB	14.7	20.0	10.1	13.1
BBB-	5.4	25.4	4.5	17.6
Non-investment Grade:				
BB+	8.1	33.5	6.2	23.8
BB	13.1	46.6	9.8	33.6
BB-	17.0	63.6	14.5	48.1
B+	8.5	72.1	10.7	58.8
B	12.1	84.2	21.0	79.8
B-	6.7	90.9	5.6	85.4
CCC+	2.1	93.0	5.5	90.9
CCC	1.7	94.7	2.8	93.7
CCC-	-	94.7	0.6	94.3
CC	-	94.7	0.6	94.9
D	1.1	95.8	-	94.9
NR (including equity)	4.2	100.0	5.1	100.0
	100.0		100.0	
Summary of Analysis				
Investment Grade	25.4		17.6	
Non-investment Grade	70.4		77.3	
NR (including equity)	4.2		5.1	
Total	100.0		100.0	

Investments in Order of Valuation

AT 31 DECEMBER 2023

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Lloyds Banking Group		Financials	UK		
7.875% FRN Perpetual (AT1)	Baa3/BB-/BBB			6,658	2.0
8.5% Cnv FRN Perpetual (AT1)	Baa3/BB-/BBB			3,178	1.0
8.5% Cnv FRN 27 March 2071 (AT1)	Baa3/BB-/BBB			1,411	0.4
6.375% FRN Perpetual (AT1)	Baa3/BB-/BBB			136	0.0
				11,383	**3.4**
Barclays		Financials	UK		
9.25% Cnv FRN Perpetual (AT1)	Ba1/BB-/BB			6,716	2.0
FRN 14 Nov 2032	Baa1/BBB-/BBB			1,672	0.5
8.875% Cnv FRN Perpetual (AT1)	Ba1/BB-/BB			728	0.2
3.25% Cnv 17 Jan 2033 (SNR)	Baa1/BBB+/BBB			724	0.2
FRN Perpetual (AT1)	Ba1/BB-/BB			282	0.1
4.375% FRN Perpetual (AT1)	Ba1/BB-/BB			122	0.1
				10,244	**3.1**
Co-Operative Bank		Financials	UK		
11.75% 22 May 2034	Ba3/NR/BB			3,904	1.1
9.5% Cnv FRN 24 May 2028 (SNR)	Ba3/NR/BB			1,628	0.5
6% FRN 06 Apr 2027 (SNR)	Ca/NR/NR			1,369	0.4
7.5% FRN 08 Jul 2026	Ca/NR/NR			982	0.3
				7,883	**2.3**
Virgin Money		Financials	UK		
8.25% Cnv Perpetual (AT1)	Ba1/NR/BB			3,681	1.1
11% Cnv FRN Perpetual (AT1)	Ba1/NR/BB			2,355	0.7
Cnv FRN 23 Aug 2029 (SNR)	Baa1/BBB-/BBB			1,308	0.4
				7,344	**2.2**
BNP Paribas		Financials	UK		
7.375% FRN Perpetual (AT1)	Ba1/BBB-/BBB			3,321	1.0
FRN Perpetual (AT1)	Ba1/BBB-/BBB			1,386	0.4
9.25% FRN Perpetual (AT1)	Ba1/BBB-/BBB			1,205	0.4
1.25% Cnv 13 Jul 2031 (SNR)	Baa1/A-/A			775	0.2
				6,687	**2.0**
Aviva		Financials	UK		
6.875% Cnv FRN Perpetual	Baa2/NR/BBB			5,130	1.5
8.875% Preference	NR/NR/NR			1,489	0.5
				6,619	**2.0**
UK Treasury Bill		Government Bonds	UK		
3.75% 22 Oct 2053	Aa3u/AA/AA			3,733	1.1
4% 22 Oct 2063	Aa3u/AA/AA			948	0.3
1.25% 31 Jul 2051 (SNR)	Aa3u/AA/AA			798	0.2
0.5% 22 Oct 2061	Aa3u/AA/AA			676	0.2
				6,155	**1.8**
Teva Pharmaceutical Finance		Health Care	Netherlands		
6.75% 01 Mar 2028 (SNR)	Ba2/BB-/BB			2,399	0.7
7.875% 15 Sep 2031 (SNR)	Ba2/BB-/BB			1,334	0.4
7.375% 15 Sep 2029 (SNR)	Ba2/BB-/BB			952	0.3
4.375% 09 May 2030 (SNR)	Ba2/BB-/BB			814	0.2
5.125% 09 May 2029 (SNR)	Ba2/BB-/BB			588	0.2
				6,087	**1.8**
Ziggo Bond Finance		Telecommunications	Netherlands		
6% 15 Jan 2027 (SNR)	B3/B-/B			3,842	1.2
3.375% 28 Feb 2030 (SNR)	B3/B-/B			1,280	0.4
4.875% 15 Jan 2030 (SNR)	B1/B+/B			459	0.1
				5,581	**1.7**

Investments in Order of Valuation continued

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Virgin Media O2		Telecommunications	UK		
4% 31 Jan 2029 (SNR)	Ba3/BB-/BB			2,480	0.7
4.25% 15 Jan 2030 (SNR)	Ba3/BB-/BB			1,660	0.5
4.875% 15 Jul 2028 (SNR)	B2/B/B			1,380	0.4
				5,520	**1.6**
Albion Finance		Consumer Services	Luxembourg		
8.75% 15 Apr 2027 (SNR)	B3/B/B			3,126	0.9
6.125% 15 Oct 2026 (SNR)	B1/BB-/BB			2,333	0.7
				5,459	**1.6**
Vodafone Group		Basic Materials	UK		
8% FRN Perpetual (SUB)	Ba1/BB+/BB			**5,331**	**1.6**
Eléctricité De France		Utilities	France		
6% Perpetual	Ba2/B+/BB			2,520	0.7
5.875% Perpetual	Ba2/B+/BB			1,637	0.5
7.5% FRN Perpetual	Ba2/B+/BB			946	0.3
				5,103	**1.5**
Codere New Topco		Consumer Services	Luxembourg		
11% PIK 30 Sep 2026	Ca/D/D			3,463	1.0
13% 30 Sep 2024	B3/NR/B			941	0.4
11% PIK 30 Sep 2026	Ca/D/D			155	0.0
12.75% PIK 30 Nov 2027	C/D/D			55	0.0
13.625% PIK 30 Nov 2027	NR/NR/NR			34	0.0
Common Stock	NR/NR/NR			-	0.0
				4,648	**1.4**
Clarios		Basic Materials	USA		
8.5% 15 May 2027 (SNR)	B3/B-/B			**4,415**	**1.3**
Telecom Italia		Telecommunications	Italy		
7.875% 31 Jul 2028 (SNR)	B1/B+/B			2,552	0.7
7.721% 04 Jun 2038	B1/B+/B			1,614	0.5
				4,166	**1.2**
Rothschilds Continuation Finance		Financials	Guernsey		
9% FRN Perpetual (SUB)	NR/NR/NR			2,802	0.8
FRN Perpetual	NR/NR/NR			1,335	0.4
				4,137	**1.2**
Deutsche Bank		Financials	Germany		
FRN Perpetual (AT1)	Ba2/BB/BB			3,403	1.0
6% FRN Perpetual (AT1)	Ba2/BB/BB			710	0.2
				4,113	**1.2**
Sainsbury's Bank		Financials	UK		
10.5% FRN 12 Mar 2033	Baa2/NR/BBB			**3,887**	**1.2**
Legal & General		Financials	UK		
5.625% FRN Perpetual	Baa2/BBB/BBB			**3,865**	**1.2**
Bellis		Consumer Goods	UK		
4.5% 16 Feb 2026 (SNR)	B2/NR/B			2,187	0.6
4% 16 Feb 2027 (SNR)	Caa1/NR/CCC			1,661	0.5
				3,848	**1.1**
BCP V Modular Services		Consumer Services	UK		
6.125% 30 Nov 2028	B2/B/B			2,582	0.8
6.75% 30 Nov 2029 (SNR)	Caa1/CCC+/CCC			1,064	0.3
				3,646	**1.1**
Ford Motor Credit		Consumer Goods	USA		
6.86% 05 Jun 2026	Ba1/BBB-/BBB			**3,635**	**1.1**
ING		Financials	Netherlands		
6.25% Cnv FRN 20 May 2033	Baa2/BBB/BBB			**3,522**	**1.1**
Parts Europe		Consumer Goods	France		
6.5% 16 Jul 2025	B2/BB-/B			**3,513**	**1.1**

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Petra Diamonds		Basic Materials	Bermuda		
10.5% PIK 08 Mar 2026	B3/B/B			3,246	1.0
Common Stock	NR/NR/NR			142	0.0
				3,388	**1.0**
RL Finance		Financials	UK		
10.125% Cnv FRN Perpetual	Baa3/BBB/BBB			**3,367**	**1.0**
Thames Water Finance		Utilities	UK		
4% 19 Jun 2025 (SNR)	Baa1/BBB/BBB			1,907	0.6
4.625% 19 May 2026 (SNR)	B3/NR/CCC			1,000	0.3
8.25% 25 Apr 2040 (SNR)	Baa1/BBB/BBB			348	0.1
				3,255	**1.0**
Maison		Industrials	UK		
6% 31 Oct 2027 (SNR)	NR/B+/B			**3,230**	**1.0**
Stonegate Pub Company		Consumer Services	UK		
8.25% 31 Jul 2025	B3/NR/B			**3,220**	**1.0**
Frigoglass Finance		Industrials	Netherlands		
11% 20 Apr 2028	NR/NR/NR			1,216	0.4
11% 20 Apr 2026	NR/NR/NR			1,990	0.6
				3,206	**1.0**
Commerzbank		Financials	Germany		
6.125% FRN Perpetual (AT1)	Ba2/BB-/BB			2,174	0.6
FRN 06 Dec 2032	Baa3/BB+/BB			1,005	0.3
				3,179	**0.9**
Telefonica		Telecommunications	Netherlands		
FRN Perpetual	Ba2/BB/BB			2,154	0.6
6.75% FRN Perpetual (SUB)	Ba2/BB/BB			833	0.3
				2,987	**0.9**
Pension Insurance		Financials	UK		
7.375% FRN Perpetual	NR/NR/BBB			**2,965**	**0.9**
Banco BVA		Financials	Spain		
6% FRN Perpetual (AT1)	Ba2/NR/BB			**2,928**	**0.9**
Allwyn Entertainment		Consumer Services	UK		
7.875% 30 Apr 2029 (SNR)	NR/BB/BB			1,992	0.6
7.25% 30 Apr 2030	NR/BB/BB			825	0.2
				2,817	**0.8**
IM Group		Consumer Services	France		
8% 01 Mar 2028 (SNR)	B3/B/B			**2,732**	**0.8**
Bank Of Ireland		Financials	Ireland		
7.5% FRN Perpetual (AT1)	Ba1/BB-/BB			1,665	0.5
7.594% FRN 06 Dec 2032	Baa2/BB+/BBB			1,042	0.3
				2,707	**0.8**
CPUK Finance		Financials	Jersey		
6.5% 28 Aug 2050 (SNR)	NR/B/B			1,634	0.5
4.5% 28 Aug 2027	NR/B/B			1,050	0.3
				2,684	**0.8**
Gatwick Airport Finance		Financials	UK		
4.375% 07 Apr 2026 (SNR)	Ba3/NR/BB			**2,679**	**0.8**
BT		Telecommunications	UK		
8.375% FRN Perpetual	Ba1/BB+/BB			**2,625**	**0.8**
Volkswagen Financial Services		Consumer Goods	Netherlands		
6.5% 18 Sep 2027 (SNR)	A3/BBB+/BBB			1,462	0.4
7.875% FRN Perpetual	Baa2/BBB-/BBB			585	0.2
4.375% FRN Perpetual	Baa2/BBB-/BBB			550	0.2
				2,597	**0.8**
OSB		Financials	UK		
Cnv FRN 27 Jul 2033	Baa3/NR/BBB			1,469	0.5
6% FRN Perpetual (SUB) (AT1)	NR/NR/BB			1,125	0.3
				2,594	**0.8**
Intesa		Financials	Italy		
6.375% Cnv FRN Perpetual (AT1)	Ba3/BB-/BB			1,492	0.5
5.148% 10 Jun 2030	Baa3/BB+/BB			1,092	0.3
				2,584	**0.8**
Dana Financing Luxembourg		Consumer Goods	Luxembourg		
8.5% 15 Jul 2031 (SNR)	B1/BB-/BB			**2,550**	**0.8**
Morrisons					
4.75% 04 Nov 2027 (SNR)	B2/B+/B	Industrials	UK	1,165	0.3
5.5% 04 Nov 2027 (SNR)	B2/B+/B			1,321	0.4
				2,486	**0.7**

Investments in Order of Valuation continued

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Inspired Entertainment		Consumer Services	UK		
7.875% 01 Jun 2026 (SNR)	B2/NR/B			**2,479**	**0.7**
Lottomatica		Consumer Services	Italy		
7.13 % 01 Jun 2028 (SNR)	Ba3/BB-/BB			1,416	0.4
FRN 15 Dec 2030 (SNR)	Ba3/BB-/BB			1,020	0.3
				2,436	**0.7**
Marcolin		Health Care	Italy		
6.125% 15 Nov 2026 (SNR)	B3/B-/B			**2,426**	**0.7**
Saga		Consumer Services	UK		
5.5% 15 Jul 2026 (SNR)	B2/B-/B			**2,400**	**0.7**
BP Capital		Financials	UK		
4.25% FRN Perpetual	Baa1/BBB/BBB			**2,395**	**0.7**
Prestige Bidco		Consumer Services	Germany		
FRN 15 Jul 2027 (SNR)	B1/B+/B			**2,391**	**0.7**
HSBC		Financials	UK		
FRN 13 Nov 2034 (SUB)	Baa1/BBB/BBB			1,912	0.6
5.25% 14 Mar 2044	Baa1/BBB/BBB			473	0.1
				2,385	**0.7**
CaixaBank		Financials	Spain		
8.25% Cnv FRN Perpetual (AT1)	NR/BB/BB			**2,385**	**0.7**
Societe Generale		Financials	France		
7.875% Cnv FRN Perpetual (AT1)	Ba2/BB/BB			1,430	0.4
FRN Perpetual (AT1)	Ba2/BB/BB			920	0.3
				2,350	**0.7**
888.com		Consumer Services	Gibraltar		
7.558% 15 Jul 2027	B1/B/B			**2,342**	**0.7**
Cidron Aida Finco		Health Care	Luxembourg		
6.25% 01 Apr 2028 (SNR)	B3/B-/B			**2,194**	**0.7**
Beazley		Financials	Ireland		
5.875% 04 Nov 2026	NR/NR/BBB			**2,161**	**0.6**
Benteler International		Consumer Services	Austria		
9.375% 15 May 2028	Ba3/BB-/BB			1,549	0.5
10.5% 15 May 2028	Ba3/BB-/BB			526	0.1
				2,075	**0.6**
Enel		Utilities	Italy		
7.75% 14 Oct 2052 (SNR)	Baa1/BBB/BBB			1,836	0.5
6.625% FRN Perpetual	Baa3/BB+/BBB			215	0.1
				2,051	**0.6**
Ineos Quattro		Industrials	UK		
9.625% 15 Mar 29 (SNR)	Ba3/BB/BB			1,143	0.3
8.5% 15 Mar 29 (SNR)	Ba3/BB/BB			900	0.3
				2,043	**0.6**
Fiber Bidco		Industrials	Italy		
FRN 25 Oct 2027 (SNR)	B2/B/B			1,322	0.4
11% 25 Oct 2027 (SNR)	B2/B/B			706	0.2
				2,028	**0.6**
IHO Verwaltungs		Consumer Goods	Germany		
6% 15 May 2027 (SNR)	Ba2/BB-/BB			**2,000**	**0.6**
General Motors Financial		Financials	USA		
2.35% 03 Sep 2025 (SNR)	Baa2/BBB/BBB			**1,906**	**0.6**
Lancashire		Financials	Bermuda		
5.625% 18 Sep 2041 (FRN)	Baa3/BB+/BB			**1,903**	**0.6**
Tereos Finance		Consumer Goods	France		
7.5% 30 Oct 2025 (SNR)	NR/BB-/BB			**1,885**	**0.6**

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
NatWest		Financials	UK		
8% FRN Perpetual (AT1)	Baa3/BB-/BBB			943	0.3
Cnv FRN 06 Jun 2033	Baa1/BBB-/BBB			938	0.3
				1,881	**0.6**
Tullow Oil		Oil and Gas	UK		
10.25% 15 May 2026 (SNR)	Caa1/B-/CCC			**1,841**	**0.5**
True Potential		Financials	Jersey		
6.5% 15 Feb 2027 (SNR)	B1/B+/B			**1,801**	**0.5**
Zenith		Consumer Services	UK		
6.5% 30 Jun 2027 (SNR)	B1/B+/B			**1,800**	**0.5**
Bayer AG		Health Care	Germany		
7% FRN Perpetual (SUB)	Ba1/BB+/BB			**1,791**	**0.5**
Mobico Group		Consumer Services	UK		
FRN Perpetual	Ba1/BB+/BB			**1,748**	**0.5**
Banco Sabadell		Financials	Spain		
5.75% FRN Perpetual (AT1)	NR/B+/B			1,149	0.3
5% FRN Perpetual (AT1)	NR/B+/B			597	0.2
				1,746	**0.5**
Ocado		Consumer Goods	UK		
3.875% 08 Oct 2026 (SNR)	B3/NR/B			**1,728**	**0.5**
Marb Bondco		Consumer Services	UK		
3.95% 29 Jan 2031 (SNR)	NR/BB+/BB			**1,711**	**0.5**
Stora Enso		Industrials	Finland		
7.25% 15 Apr 2036	Baa3/NR/BBB			**1,675**	**0.5**
Preem		Oil and Gas	Sweden		
12% 30 Jun 2027 (SNR)	B3/BB-/B			**1,670**	**0.5**
Jerrold Finco		Financials	UK		
5.25% 15 Jan 2027 (SNR)	NR/BB/BB			**1,656**	**0.5**
AA Bond Co		Consumer Services	Jersey		
7.375% 31 Jul 2050 (SNR)	NR/BBB-/BBB			1,272	0.4
8.45% 31 Jul 2050 (SNR)	NR/BBB-/BBB			360	0.1
				1,632	**0.5**
Petroleos Mexicanos		Oil and Gas	Mexico		
9.5% 15 Sep 2027 (SNR)	B1/BBB/B			784	0.2
6.95% 28 Jan 2060 (SNR)	B1/BBB/B			466	0.2
6.75% 21 Sep 2047 (SNR)	B1/BBB/B			365	0.1
				1,615	**0.5**
Motion Finco		Consumer Services	Luxembourg		
7.375% 15 Jun 2030	B2/B+/B			**1,611**	**0.5**
Sasol Financing USA		Financials	USA		
8.75% 03 May 2029 (SNR)	Ba1/BB+/BB			**1,593**	**0.5**
Sigma Holdco		Consumer Goods	Netherlands		
7.875% 15 May 2026 (SNR)	Caa1/CCC+/CCC			**1,551**	**0.5**
Equitable Life		Financials	USA		
6.375% 02 Jun 2028 (SNR)	A1/A+/A			**1,550**	**0.5**
Premier Entertainment		Consumer Services	USA		
5.625% 01 Sep 2029 (SNR)	B3/CCC+/B			935	0.3
5.875% 01 Sep 2031 (SNR)	B3/CCC+/B			611	0.2
				1,546	**0.5**
Boparan Finance		Consumer Services	UK		
7.625% 30 Nov 2025 (SNR)	Caa1/B-/B			**1,470**	**0.4**
Verisure		Industrials	Sweden		
9.25% 15 Oct 2027 (SNR)	B1/B+/B			**1,450**	**0.4**
EDP – Energias de Portugal		Utilities	Portugal		
5.943% FRN 23 Apr 2083	Ba1/BB+/BB			**1,438**	**0.4**
GTCR		Financials	Netherlands		
8.5% 15 Jan 2031 (SNR)	Ba3/BB/BB			**1,379**	**0.4**
Vattenfall		Utilities	Sweden		
6.875% FRN Perpetual (SUB)	Baa2/BB+/BB			**1,348**	**0.4**
Food Service Project		Consumer Goods	Spain		
5.5% 21 Jan 2027 (SNR)	Ba3/NR/BB			**1,347**	**0.4**
Banco BPM		Financials	Italy		
9.5% FRN Perpetual (AT1)	NR/NR/B			**1,341**	**0.4**
AXA		Financials	France		
6.379% FRN Perpetual	A3/BBB+/BBB			848	0.3
5.453% FRN Perpetual	A3/A-/A			493	0.1
				1,341	**0.4**

Investments in Order of Valuation continued

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Italmatch Chemicals		Basic Materials	Italy		
10% 06 Feb 2028	B3/B/B			**1,339**	**0.4**
Nationwide		Financials	UK		
FRN 07 Dec 2027	A3/BBB+/A			693	0.2
10.25% Perpetual (CCDS)	NR/NR/NR			643	0.2
				1,336	**0.4**
Rolls Royce		Industrials	UK		
5.75% 15 Oct 2027 (SNR)	Ba2/BB+/BB			**1,319**	**0.4**
Ecclesiastical Insurance Office		Financials	UK		
8.625% Preference	NR/NR/NR			**1,280**	**0.4**
CIRSA Finance		Financials	Luxembourg		
7.875% 31 Jul 2028 (SNR)	B2/B/B			**1,271**	**0.4**
La Financière ATALIAN		Consumer Services	France		
6.625% 15 May 2025 (SNR)	Caa2/CCC/CCC			1,088	0.3
5.125% Cnv 15 May 2025 (SNR)	Caa2/CCC/CCC			168	0.1
				1,256	**0.4**
Burger King France		Consumer Goods	France		
7.75% 01 Nov 2027	NR/CCC/CCC			**1,252**	**0.4**
Alain Afflelou		Consumer Services	France		
FRN 19 May 2027	Caa1/CCC+/CCC			**1,243**	**0.4**
Loxam SAS		Consumer Services	France		
5.75% 15 Jul 2027	NR/B/B			**1,230**	**0.4**
Castle UK (Miller Homes)		Industrials	UK		
FRN 15 May 2028	B1/B+/B			801	0.3
7% 15 May 2029 (SNR)	B1/B+/B			423	0.1
				1,224	**0.4**
National Bank Of Greece		Financials	Greece		
8.25% FRN 18 Jul 2029	Ba3/B/B			**1,214**	**0.4**
Altice		Telecommunications	France		
4.25% 15 Oct 2029 (SNR)	B2/B-/B			828	0.3
5.875% 01 Feb 2027 (SNR)	B2/B-/B			385	0.1
				1,213	**0.4**
SSE		Utilities	UK		
8.375% FRN 20 Nov 2028	Baa1/BBB+/BBB			**1,171**	**0.3**
Centrica		Utilities	UK		
7% 19 Sep 2033 (SNR)	Baa2/BBB/BBB			**1,148**	**0.3**
Aegon		Financials	Netherlands		
5.625% FRN Perpetual	Baa3/BB+/BB			**1,129**	**0.3**
Travis Perkins		Industrials	UK		
3.75% 17 Feb 2026 (SNR)	NR/NR/BBB			**1,126**	**0.3**
John Lewis		Consumer Services	UK		
4.25% 18 Dec 2034 (SNR)	NR/NR/NR			**1,082**	**0.3**
Quilter		Financials	UK		
8.625% FRN 18 Apr 2033	NR/NR/BBB			**1,059**	**0.3**
Match Group		Technology	USA		
3.625% 01 Oct 2031 (SNR)	Ba3/BB/BB			**1,049**	**0.3**
TI Automotive Finance		Consumer Goods	UK		
3.75% 15 Apr 2029 (SNR)	B3/BB/B			**1,024**	**0.3**
CCO Holdings		Telecommunications	USA		
5.125% 01 May 2027 (SNR)	B1/BB-/BB			**953**	**0.3**
Alpha Services & Holdings		Consumer Goods	Greece		
11.875% Cnv FRN Perpetual (AT1)	B3/NR/B			**906**	**0.3**
Cornwall (Jersey)		Consumer Services	Jersey		
0.75% Cnv 16 Apr 2026 (SNR)	NR/NR/NR			**889**	**0.3**
Koninklijke		Telecommunications	Netherlands		
6% FRN Perpetual	NR/BB+/BB			**874**	**0.3**
Heathrow		Financials	UK		
4.125% 01 Sep 2029 (SNR)	B1/NR/B			**861**	**0.3**

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Jupiter Fund Management		Financials	UK		
8.875% 27 Jul 2030	NR/NR/BBB			**854**	**0.3**
CGG		Oil and Gas	France		
7.75% 01 Apr 2027 (SNR)	B3/CCC+/B			**831**	**0.2**
Goodyear Tire & Rubber		Consumer Goods	USA		
9.5% 31 May 2025 (SNR)	B2/B+/B			**821**	**0.2**
B&M		Consumer Services	Luxembourg		
4% 15 Nov 2028 (SNR)	Ba1/BB+/BB			**805**	**0.2**
US Treasury Note		Government Bonds	USA		
3.875% 15 Aug 2033	Aaa/AA+/AA			**786**	**0.2**
FAGE International		Consumer Goods	Luxembourg		
5.625% 15 Aug 2026 (SNR)	Ba3/BB-/BB			**779**	**0.2**
Motion Bondco		Financials	Ireland		
4.5% 15 Nov 2027 (SNR)	Caa2/CCC+/CCC			**748**	**0.2**
HP		Consumer Services	USA		
5.5% 15 Jan 2033 (SNR)	Baa2/BBB/BBB			**719**	**0.2**
TotalEnergies		Oil and Gas	France		
3.25% FRN Perpetual (SUB)	A3/A-/A			**716**	**0.2**
MPT Operating Partnership		Health Care	USA		
2.5% 24 Mar 2026 (SNR)	Ba2/BB-/BB			414	0.1
3.375% 24 Apr 2030 (SNR)	Ba2/BB-/BB			300	0.1
				714	**0.2**
Dell International		Consumer Services	USA		
6.2% 15 Jul 2030 (SNR)	Baa2/BBB/BBB			**712**	**0.2**
Bupa Finance		Health Care	UK		
5% 08 Dec 2026	Baa1/NR/BBB			**698**	**0.2**
Zurich Finance		Financials	Ireland		
5.125% FRN 23 Nov 2052	A2/A+/A			**690**	**0.2**
Goldman Sachs		Financials	USA		
3.625% FRN 29 Oct 2029 (SNR)	A2/BBB+/A			**644**	**0.2**
PGH Capital		Financials	UK		
5.375% 06 Jul 2027	NR/NR/BBB			**621**	**0.2**
Phoenix		Financials	UK		
FRN Perpetual	NR/NR/BBB			**617**	**0.2**
CNP Assurances		Financials	France		
4.875% FRN Perpetual	Baa2/BBB+/BBB			**615**	**0.2**
Cerved		Consumer Services	Italy		
6% 15 Feb 2029 (SNR)	B3/B-/B			278	0.1
FRN 15 Feb 2029 (SNR)	B3/B-/B			335	0.1
				613	**0.2**
Spectrum Management		Telecommunications	USA		
4.5% 15 Sep 2042 (SNR)	Ba1/BBB-/BBB			**560**	**0.2**
Heimstaden		Consumer Goods	Sweden		
1.625% 13 Oct 2031 (SNR)	NR/BBB-/BBB			**545**	**0.2**
British Airways		Consumer Services	USA		
8.375% 15 Nov 2028	NR/A-/BBB			**545**	**0.2**
DNO ASA		Oil and Gas	Norway		
7.875% 09 Sep 2026 (SNR)	NR/NR/NR			**519**	**0.2**
Rothesay Life		Financials	UK		
8% 30 Oct 2025	NR/NR/BBB			**514**	**0.2**
Tendam Brands		Consumer Services	Spain		
FRN 31 Mar 2028	B2/B+/B			**496**	**0.1**
Peel Land & Property Investments		Financials	UK		
8.375% Var 30 Apr 2040	NR/BBB/BBB			**493**	**0.1**
Via Celere Desarro		Consumer Goods	Spain		
5.25% 01 Apr 2026 (SNR)	NR/B+/B			**490**	**0.1**
Odyssey Europe		Consumer Services	Luxembourg		
9% PIK 31 Dec 2025	B3/B-/B			**478**	**0.1**
Morgan Stanley		Financials	USA		
FRN 18 Nov 2033 (SNR)	A1/A-/A			**469**	**0.1**
Millicom International Cellular		Telecommunications	Luxembourg		
5.125% 15 Jan 2028	Ba2/NR/BB			**443**	**0.1**
RAC Bond Co		Consumer Goods	UK		
FRN 04 Nov 2046 (SNR)	NR/B+/B			**436**	**0.1**
Nyrstar		Basic Materials	Malta		
0% 31 Jul 2026 (SNR)	NR/NR/NR			**408**	**0.1**
Monitchem		Basic Materials	Luxembourg		
8.75% 01 May 2028 (SNR)	B3/B/B			**397**	**0.1**

Investments in Order of Valuation continued

Issuer/issue	Rating[1]	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Herens		Basic Materials	Luxembourg		
4.75% 15 May 2028 (SNR)	B2/B-/B			**381**	**0.1**
Kosmos Energy		Oil and Gas	USA		
7.75% 01 May 2027 (SNR)	B3u/B/B			**365**	**0.1**
VTR Finance		Telecommunications	Chile		
5.125% 15 Jan 2028 (SNR)	Caa1/CCC/CCC			240	0.1
4.375% 15 Apr 2029 (SNR)	Caa1/CCC/CCC			74	0.0
				314	**0.1**
Permanent TSB		Financials	Ireland		
13.25% 26 Apr 2071 (AT1)	Ba3/NR/BB			**285**	**0.1**
Abrdn		Financials	UK		
FRN Perpetual (AT1)	Baa2/BB+/BB			**218**	**0.1**
Signa		Consumer Goods	Luxembourg		
5.5% 23 Jul 2026 (SNR)	NR/D/D			**208**	**0.1**
Unique Pub Finance		Consumer Goods	UK		
7.395% 30 Mar 2024	NR/B/B			**183**	**0.1**
Total Play Telecomunicaciones		Telecommunications	Mexico		
6.375% 20 Sep 2028 (SNR)	Caa2/NR/CCC			**160**	**0.0**
Banco Santander		Financials	Spain		
3.625% FRN Perpetual (AT1)	Ba1/NR/BB			**129**	**0.0**
Total investments				**335,533**	**100.0**

(1) Moody's/Standard & Poor's (S&P)/Equivalent average rating.

Abbreviations used in the above valuation:
FRN: Floating Rate Note
SNR: Senior
SUB: Subordinated Notes
PIK: Payment in Kind
Cnv: Convertible
Var: Variable
CCDS: Core Capital Deferred Shares
AT1: Additional Tier 1 bond

2

Governance

Directors

Tim Scholefield (Chairman)

Tim Scholefield, a Director of the Company, joined the Board on 15 June 2017, and became Chairman on the same date. He was Head of Equities at Baring Asset Management until 2014. He now holds a portfolio of non-executive directorships including abrdn UK Smaller Companies Growth Trust Plc and Allianz Technology Trust plc.

Tim contributes to the Company's long-term sustainable success by drawing on his considerable experience of the investment management industry and asset markets. He has extensive experience of the management and operation of investment trusts, and his independence from the Manager means that he is able to act as Chairman to lead the Board effectively.

Tom Quigley

Tom Quigley, a Director of the Company, joined the Board on 15 December 2020. He was formerly Chief Financial Officer of ETF Securities, the largest fund management Group in the Channel Islands. He was a Managing Director at ING Barings Investment Banking and, prior to that, at Close Brothers Corporate Finance in the City of London. He has principal investing experience in prior roles as a Director of Terra Firma Capital Partners, and as Managing Director and head of the London office of W.P. Carey Inc. He is Managing Director of an independent corporate advisory business, Cloudberry Corporate Advisers based in Jersey. He is a member of the UBS Jersey advisory Board and is a non-executive Director of Barchester Healthcare and EQTEC plc.

He is a Chartered Accountant and a member of the ICAEW. Mr Quigley brings to the Board his extensive experience in investment banking and finance. He is also able to draw on his Chartered Accountancy qualification.

Heather MacCallum

Heather MacCallum, a Director of the Company, joined the Board on 25 June 2019 and became Chair of the Audit & Risk Committee in September 2019 and Senior Independent Director in June 2023. She is a Chartered Accountant and was a partner with KPMG Channel Islands for 15 years before retiring from the partnership in 2016. She now holds a portfolio of non-executive directorships and is the Chair of Jersey Water.

Heather contributes to the Company's long term sustainable success by drawing on her qualification as a Chartered Accountant and significant relevant experience as partner at KPMG Channel Islands. This allows her to effectively contribute and Chair the Company's Audit & Risk Committee.

Christine Johnson

Christine Johnson, a Director of the Company, joined the Board on 19 May 2021 following the merger with IPE, and became Chair of the Management Engagement Committee on the same day. She was formerly Head of Fixed Income at Old Mutual Global Investors, Senior Fund Manager at HSBC Group (Halbis Capital Management) and Fund Manager at Investec Asset Management. She is currently non-executive director of CCLA Investment Management, Golden Charter Trust, First Sentier Investors and Mainsheet Ventures UK.

Christine's executive career provides her with an in depth knowledge of investment management and in particular of the Fixed Income sector. Her other non-executive positions provide experience in a range of sectors and asset classes.

Caroline Dutot

Caroline Dutot, a Director of the Company, joined the Board on 15 December 2020. She is a founder of and Advocate at Ardent Chambers, a legal chambers based in Jersey. She has a specialist knowledge of compliance, governance and risk matters and provides advice and litigation services to individuals, boards, businesses, governments and regulators. She has long-standing experience of working with and for regulatory and public authorities, including the Attorney General in Jersey and the Jersey Financial Services Commission.

Caroline brings to the Company her legal knowledge and specialism in compliance, governance and risk. She also brings her experience of working with regulatory and public authorities.

All Directors are non-executive and, in the opinion of the Board, are independent of the Manager.

Directors' Report

Business and Status

The Company is a closed-end public investment company limited by shares incorporated in Jersey, Channel Islands on 19 December 2011, registered under the Companies (Jersey) Law 1991 (registered number 109714) and established as a Listed fund. It commenced trading on 2 April 2012 following the scheme of reconstruction and voluntary winding up of CMHYT PLC on 30 March 2012, as detailed in the prospectus dated 23 February 2012. On 19 May 2021 the Company merged with Invesco Enhanced Income Limited ('IPE'), effected by way of a shareholder approved contractual scheme of reconstruction by IPE and a transfer of assets. The Company is a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 and is registered as an International Services Entity under the Goods and Services Tax (Jersey) Law 2007.

Corporate Governance

The Corporate Governance Statement set out on pages 39 to 41 is included in this Directors' Report by reference.

Directors' Remuneration and Interests

Details of the Directors' remuneration and interests in the Company are set out on pages 44 and 45 and are included in this Directors' Report by reference.

Greenhouse Gas Emissions

The Company has no employees or property, it does not combust any fuel or operate any facility. The Company does not purchase electricity, heat, steam or cooling for its own use. All services are outsourced on a fee basis that is independent of any energy expended on its behalf and it is not practical for the Company to attempt to quantify emissions in respect of such proxy energy use. Where possible, the Directors offset their carbon usage for travel to board meetings by the purchase of carbon credits from the Durrell Rewild Carbon scheme.

Stated Capital and Rights Attaching to the Company's Ordinary Shares

At the beginning of the year, the Company's stated capital consisted of 173,302,596 ordinary shares of no par value, allotted and fully paid. During the year, 7,400,000 ordinary shares of no par value (representing 4.3% of the number of shares in issue at the beginning of the year) were issued to Winterflood Securities Limited at a price range of 159.14p to 171.15p for total proceeds (net of commission) of £12,072,000. No shares were bought back during the year.

As at 31 December 2023, the number of ordinary shares in issue (with voting rights) was 180,702,596. There are no shares in treasury.

A further 10,101,727 shares have been issued since 31 December 2023 and up to 28 March 2024, being the last practicable date prior to publication of the Annual Financial Report. There shares were issued at a price range of 167.92p to 172.66p for total proceeds (net of commission) of £16,980,000. This includes 7,926,727 shares issued as a result of a Placing and Retail Offer at a price of 168.40p for total proceeds (net of commission) of £13,282,000. No shares have been bought back since the year end.

At a general meeting of the Company every member has one vote on a show of hands and on a poll one vote for each share held. The notice of general meeting will specify deadlines for exercising voting rights either by proxy or in person in relation to resolutions to be passed at the meeting.

The Directors may restrict voting powers 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; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

Disclosures Required by Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain applicable information in a single identifiable section of the Annual Financial Report. For this year, only one item of this information applies – disclosure around the issue of shares – and this is covered by note 16 on page 63 (stated capital).

Relations with Shareholders and other Stakeholders

Some examples of the Company's engagement with shareholders and other stakeholders are:

Shareholders: The Board endeavours to provide shareholders with a full understanding of the Company's activities and reports formally to shareholders each year by way of the Half-Yearly and Annual Financial Reports. This is supplemented by the daily publication of the net asset value of the Company's ordinary shares and monthly fact sheets. Shareholders who attend the AGM can meet the Board and the Manager and have the opportunity to hear directly from the Manager and ask questions. Shareholders can also visit the Company's section of the Manager's investment trust website, https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html to access copies of Half-Yearly and Annual Financial Reports, shareholder circulars, factsheets and Stock Exchange Announcements.

There is a regular dialogue between the Board, the Manager and institutional shareholders to discuss aspects of investment performance, governance and strategy and to listen to shareholders views in order to help to develop an understanding of their issues. Meetings between the Manager and institutional shareholders are reported to the Board, which monitors and reviews shareholder communications on a regular basis.

Portfolio companies: The Manager engages with investee companies, particularly in relation to ESG matters and has also engaged with some investee companies in relation to restructuring.

Broker: The Board and the Manager regularly engage with the Broker in relation to the sales strategy and marketing of the Company, in order to provide liquidity for investors. The Broker also arranges webinars, roadshows, conferences and meetings to introduce the Manager to potential investors.

Media: The Manager's Investor Relations team work with the mainstream press and social media platforms such as LinkedIn, to raise the Company's profile and that of Rhys Davies, the Fund Manager. The success of this activity is measured by monitoring direct website hits, click-throughs from third party websites, as well as new investment in the Company via retail platforms.

AIC: the Company is a member of the AIC, which looks after the interests of investment trusts and provides information to the market. Comprehensive information relating to the Company can be found on the AIC website.

The Administrator, the Company Secretary, the Registrar, the Depositary/Custodian: In order to function as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a diverse range of reputable advisers for support in meeting all relevant obligations. The Board maintains regular contact with its key external service providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views are routinely taken into account. The Board (through the Management Engagement Committee) formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the required level of service. The Audit & Risk Committee reviews and evaluates the financial reporting control environments in place at each service provider.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this to be appropriate as the Company has adequate resources to continue in operational existence for a period of at least 12 months after approval of the financial statements. In reaching this conclusion, the Directors took into account the value of net assets; the Company's Investment Policy; its risk management policies; the diversified portfolio of readily realisable securities which can be used to meet funding commitments; its revenue; the uncertain economic and geopolitical outlook, the conflicts in Ukraine and the Middle East; and the ability of the Company in the light of these factors to meet all its liabilities and ongoing expenses.

Individual Savings Account ('ISA')

The ordinary shares of the Company are qualifying investments under applicable ISA regulations.

Business of the Annual General Meeting ('AGM')

The following summarises the business of the forthcoming AGM of the Company, which is to be held at the offices of JTC Fund Solutions (Jersey) Limited at PO Box 1075, 28 Esplanade, St Helier, Jersey JE4 2QP on 19 June 2024 at 9.00am. The Notice of the AGM and related notes can be found on pages 72 and 73. Shareholders are welcome to attend the AGM in person.

If you cannot attend in person please lodge your vote either electronically via the registrar's online portal or using the Form(s) of Proxy to appoint the Chairman of the General Meeting as your proxy to vote on your behalf.

Ordinary Business:

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

Resolution 2 is for members to approve the Directors' Remuneration Report. This is an advisory vote.

Resolution 3 is for members to approve the Company's dividend payment policy which is set out on page 13. This is also an advisory vote.

Resolution 4 is to re-appoint PricewaterhouseCoopers CI LLP as the Company's auditor.

Resolution 5 is to authorise the Audit & Risk Committee to determine the auditor's remuneration.

Resolution 6 is to re-elect Tim Scholefield a Director of the Company.

Resolution 7 is to re-elect Heather MacCallum a Director of the Company.

Resolution 8 is to re-elect Tom Quigley a Director of the Company.

Resolution 9 is to re-elect Caroline Dutot a Director of the Company.

Resolution 10 is to re-elect Christine Johnson a Director of the Company.

Resolution 11 is to approve the continuation of the Company. The Company does not have a fixed life, but the Company's Articles of Association require that, unless an ordinary resolution to approve continuation of the Company is passed at or before the AGM each year, the Directors must convene a general meeting, to be held within six months of the AGM, at which a special resolution to wind up the Company would be proposed.

Resolution 12 is to renew the Directors' authority to issue shares, up to 10% of the existing shares in issue at the time of the AGM, without pre-emption. 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 2025. There are no provisions of Jersey law which confer rights of pre-emption in respect of the allotment of shares, or require shareholder approval for issues of shares. The Articles, however, contain pre-emption rights in relation to allotments of shares for cash and the Directors expressed an intention in the Company's 2012 prospectus to request that the authority to allot shares for cash on a non-pre-emptive basis is renewed at each AGM.

Resolution 13 seeks an additional authority to that in Resolution 12 for the Directors to issue shares up to a further 10% of the existing shares in issue at the time of the AGM. As noted above for Resolution 12, any shares issued in accordance with this additional authority would not be at a price below NAV and will expire at the AGM in 2025. This additional share issuance authority is aimed at ensuring that the Company is positioned to issue into market demand on a timely basis at minimal cost to shareholders (in view of the high level of demand for the Company's shares over the year under review, with 7,400,000 ordinary shares issued over the period and a further 7,926,727 ordinary shares issued as noted above under the Placing and Retail Offer). The Board believes that such issuance is beneficial for shareholders as it increases the capital base over which the Company's fixed costs are spread, reducing the Company's ongoing charges ratio and further minimising costs for shareholders.

Resolution 14 is to renew the authority for the Company to purchase up to 14.99% of its own ordinary shares subject to the restrictions referred to in the notice of the AGM. This authority will expire at the AGM in 2025. These powers, if approved, will allow the Company to buy back shares at a discount to NAV. 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 15 is to permit the Company to hold general meetings (other than annual general meetings) on 14 days' notice. The EU Shareholder Rights Directive increased the minimum notice period to 21 days unless certain 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 the flexibility will be used only where the Board believe it is in the interests of shareholders as a whole.

JTC Fund Solutions (Jersey) Limited
Company Secretary

3 April 2024

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 as an investment company it has no employees and outsources investment management to the Manager, administration to JTC Fund Solutions (Jersey) Limited and other external service providers.

The Board

Five non-executive directors ('NEDs')

Chairman: Tim Scholefield

Key objectives:

- 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 constructively challenge and scrutinise performance of all outsourced activities.

Audit & Risk Committee

All NEDs

Chair: Heather MacCallum

Key objectives:

- to oversee financial reporting and the control environment; and
- to review the effectiveness of the audit process and the independence and objectiveness of the auditor.

Nomination and Remuneration Committee

All NEDs

Chair: Caroline Dutot

Key objectives:

- to review regularly the Board's structure and composition and carry out an annual performance evaluation of the Chairman, the Board and committees;
- to make recommendations for any new appointments and plan for the Board's succession; and
- to set the remuneration policy of the Company.

Management Engagement Committee

All NEDs

Chair: Christine Johnson

Key objectives:

- to review the performance of the Manager; and
- to review other service providers.

Corporate Governance Statement

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2019 AIC Code of Corporate Governance ('AIC Code'). The AIC Code sets out a framework of best practice in respect of the governance of investment companies and has been endorsed by the Financial Reporting Council ('FRC') and is supported by the Jersey Financial Services Commission. The AIC Code closely reflects the principles and provisions of the FRC UK Corporate Governance Code ('UK Code').

The AIC Code is available from the Association of Investment Companies (www.theaic.co.uk).

The Company has complied with the recommendations of the AIC Code. It has also complied with the provisions of the UK Code, except its provisions relating to:

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

For the reasons explained in the AIC Code, the Board considers these provisions are not relevant to the position of Invesco Bond Income Plus Limited, 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. All Directors are available to shareholders if they have concerns that cannot be resolved through contact with the Chairman, the Senior Independent Director or the Manager or for which such contact is inappropriate. The Board considers all Directors to be independent and thus all Directors are members of the respective Committees of the Board.

Information on how the Company has applied the principles of the AIC Code and the UK Code follows:

The composition and operation of the Board and its committee functions are summarised below and on page 40, and on pages 42 and 43 in respect of the Audit & Risk Committee.

The Company's policy on diversity is set out on page 40.

The Company's approach to internal control and risk management is summarised on page 14.

The contractual arrangements with, and assessment of, the Manager are summarised on pages 16 and 17.

The Company's capital structure and voting rights are summarised on page 35.

The most substantial shareholders in the Company are listed on page 17.

The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association and are discussed on page 40. There are no agreements between the Company and its directors concerning compensation for loss of office.

Powers to issue or buy back the Company's shares, which are sought annually, and any amendments to the Company's Articles of Association require a special resolution to be passed by shareholders.

The Board

At the end of the financial year the Board comprised five Directors, all of whom were non-executive. Kate Bolsover retired as a Director on 27 June 2023. The Board considers all of the Directors to be independent of the Company's Manager. The Directors have a range of financial, business and asset management skills as well as recent and relevant experience pertinent to the direction and control of the Company. Brief biographical details of the members of the Board are shown on page 34.

Chairman of the Board

The Chair of the Board is Tim Scholefield, an independent non-executive Director, who has no conflicting relationships.

Senior Independent Director

The Senior Independent Director is Heather MacCallum.

Board Responsibilities

The Directors have a duty to promote the success of the Company, taking into consideration the likely long-term consequences of any decisions; the need to foster the Company's business relationships with its Manager, other service providers 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 treat shareholders fairly. This is reported on in the Business Review on page 17.

The Directors are equally responsible for the proper conduct of the Company's affairs and for promoting the success of the Company by directing and supervising its affairs within a framework of effective controls which enable risk to be assessed and managed. In addition, the Directors are responsible for ensuring that the Company's policies and operations are in the best interests of all its shareholders and that the interests of other stakeholders such as creditors and suppliers to the Company are also properly considered.

Board meetings follow a formal agenda, which includes a review of the investment portfolio with a report from the portfolio managers on the current investment position and outlook, performance against appropriate indices and the Company's peer group, asset allocation, gearing, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance, compliance, regulatory changes and industry and other issues.

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 the Board considers adequate to prevent persons associated with it from engaging in bribery for and on behalf of the Company. The Board has a zero tolerance approach towards the facilitation of tax evasion.

A formal schedule of matters reserved for decision by the Board has been established and is available at the Registered Office of the Company and on the Company's section of the Manager's website at https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html. The main responsibilities of the Board include: setting the Company's objectives, strategy and standards; ensuring that the Company's obligations to shareholders and others are understood and complied with; approving accounting policies and dividend policy; managing the capital structure; assessing risk and overseeing its mitigation; reviewing investment performance; approving loans and borrowing; and approving recommendations by the Audit & Risk Committee, the Nomination and Remuneration Committee and the Management Engagement Committee.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense up to an initial cost of £10,000, having first consulted the Chairman.

Management Engagement Committee

The Management Engagement Committee is chaired by Christine Johnson. The Committee comprises the full Board. The main responsibilities are to review the Company's Investment Management and Company Secretarial and Administration Agreements. The performance of the Manager in respect of investment performance and administration is reviewed formally against agreed standards and reported on page 17 under 'Assessment of the Manager'. The Committee is also responsible for the review of arrangements with other TPPs. The Committee has adopted appropriate terms of reference in respect of its responsibilities which are available at the registered office of the Company and on the Company's section of the Manager's website at https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html.

Nomination and Remuneration Committee

The fact that the Board is small in size and comprised entirely of independent non-executive Directors means that all Directors are members of the Nomination and Remuneration Committee. The Committee is chaired by Caroline Dutot, who succeeded Kate Bolsover following her retirement in June 2023. The main responsibilities of the Committee are to review the size, structure and skills of the Board, to make recommendations with regard to any changes considered necessary or new appointments, and to plan for the Board's succession. The Committee is also responsible for determining the Company's remuneration policy, taking into account all factors which are deemed necessary in order to ensure that members of the Board are provided with appropriate compensation. The Committee has written terms of reference which are reviewed regularly and clearly define its responsibilities and duties. The terms of reference will be available for inspection at the AGM and can be inspected at the registered office of the Company as well as on the Company's section of the Manager's website at https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html.

The Board's policy on diversity is to seek to ensure that the Board's structure, size and composition, including the skills, knowledge, gender, ethnicity and experience of the Directors, are sufficient for the effective direction and control of the Company. This policy, which covers the Board and the Committees, together with the tenure principles set out in the next section, guides the Committee.

Appointment, Re-election and Tenure of Directors

New Directors are appointed by the Board, following recommendation by the Nomination and Remuneration Committee. An independent external search consultancy may be used to assist in the selection of Directors. Care is taken to ensure that when a new Director is appointed there is a balance of skills and experience appropriate for the requirements of the Company and that new Directors have enough time available to devote to the affairs of the Company. The Board has formulated a programme of induction training for newly-appointed Directors. There are ongoing arrangements in place to ensure that Directors can keep up-to-date with new legislation, industry and regulatory matters and changing risks, including briefings from the Manager and the Company Secretary.

No Director has a contract of employment with the Company. Directors' terms and conditions of appointment are set out in letters of appointment which are available for inspection at the registered office of the Company and on the Company's section of the Manager's website at www.invesco.co.uk/bips.

The Articles of Association require that a Director shall retire and be subject to re-election at the first AGM after appointment and at least every three years thereafter. Thus, no Director serves a term of more than three years before re-election. A Director's tenure will normally be a maximum of three terms of three years, except that the Board may determine otherwise if it is considered that the continued service on the Board of an individual Director is in the best interests of the Company and its shareholders. The Board has resolved that in compliance with the 2019 AIC Code all Directors shall stand for annual re-election. An outline of the reasons why their contributions and skills continue to be important to the Company's long term sustainable success are included on page 34. The Chairman's tenure of office will also normally be for up to nine years, except that the Board may determine otherwise if it is considered that the continued service on the Board of a Chairman, who has in addition served a period of time as a Director, is in the best interest of the Company and its shareholders.

The Articles of Association provide that the Directors may, by notice in writing, remove any Director from the Board.

The Audit & Risk Committee

The composition and activities of the Audit & Risk Committee are summarised in the Audit & Risk Committee Report on pages 42 and 43.

Board, Committee and Directors' Performance Appraisal

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board as a whole, its Committees and individual Directors. The performance of the Board, Committees and Directors is assessed in the following terms:

- attendance at Board and Committee meetings;
- independence of Directors;
- the ability of Directors to make an effective contribution to the Board and Committees through the diversity of skills and experience each Director brings to their role; and
- the Board's ability to challenge the Manager's recommendations, suggest areas of debate and set the future strategy of the Company.

The composition of the Board is reviewed annually as part of the appraisal of the Board, the Committees and the individual Directors. The Board has determined that every three years this review will be facilitated by an external agency.

Heather MacCallum, as Senior Independent Director, was responsible for the performance evaluation of the Chairman, taking into account the views of the other Directors.

The Board conducted its performance evaluation through questionnaires and discussion between the Directors and the Chairman. The results of this review confirmed that the Board and committees of the Board are effective, as are the individual Directors, and that the current directors provide a good range of experience and backgrounds and are independent of the Manager and Company Secretary. Accordingly, the Board recommends to shareholders the approval of AGM resolutions 6 to 10 relating to the re-election of the Directors.

The Board has determined that the evaluation process will be facilitated by an external agency every three years, with the next such review due in 2025.

Attendance at Board and Committee Meetings

The Board meets on a regular basis at least four times a year. The following table sets out the number of scheduled meetings of the Board and Committees held during the year and the number attended by each Director:

	Scheduled Board Meeting	Audit & Risk Committee Meeting	Nomination and Remuneration Committee Meeting	Management Engagement Committee Meeting
Number of Meetings Held:	4	2	1	1
Meetings Attended:				
Tim Scholefield (Chairman of the Board)	4	2	1	1
Caroline Dutot (Chair of the Nomination & Remuneration Committee)(1)	4	2	1	1
Christine Johnson (Chair of the Management Engagement Committee)	4	2	1	1
Heather MacCallum (Senior Independent Director & Chair of the Audit Committee)(1)	4	2	1	1
Tom Quigley	4	2	1	1
Kate Bolsover(1)	2	1	0	0

(1) Kate Bolsover retired from the Board on 27 June 2023. At this point, Heather MacCallum was appointed the Senior Independent Director and Caroline Dutot was appointed the Chair of the Nomination and Remuneration Committee.

Regular contact is maintained between the Manager, including the portfolio managers, the Company Secretary and the Board between formal meetings.

Conflicts of Interest

A Director must avoid a situation where he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.

The Articles of Association of the Company give the Directors authority to approve conflicts and potential conflicts. The Directors are able to impose limits or conditions when giving authorisation if they think it is appropriate. Only Directors who have no conflict of interest in the matter being considered are able to take the relevant decision. Also, in taking the decision the Directors must act in a way they consider, in good faith, is most likely to promote the Company's success.

The Directors have declared any potential conflicts of interest to the Company. Any potential conflicts of interest are entered onto the Company's Register of Potential Conflicts, which is kept at the Company's registered office and is reviewed regularly by the Board. The Directors must advise the Company Secretary as soon as they become aware of any potential conflicts of interest.

The Company Secretary

JTC Fund Solutions (Jersey) Limited was appointed with effect from 10 December 2019 as corporate Company Secretary and Administrator.

The Board has direct access to the advice and services of the Company Secretary, JTC Fund Solutions (Jersey) Limited, which is responsible for ensuring that 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. In addition, the Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

Stewardship

The Company's portfolio predominantly comprises bonds, which rarely carry voting rights except in specific limited circumstances. The Company's stewardship functions have been delegated to the Manager which exercises the Company's voting rights on an informed and independent basis. To the extent that voting rights are exercisable, the Board considers that the Company has responsibility as an investor towards ensuring that votes are cast with a view to supporting high standards of corporate governance. A copy of the Manager's Stewardship Code can be found at www.invesco.co.uk.

By order of the Board

JTC Fund Solutions (Jersey) Limited
Company Secretary

3 April 2024

Audit & Risk Committee Report

FOR THE YEAR ENDED 31 DECEMBER 2023

The Audit & Risk Committee, chaired by Heather MacCallum, comprises all of the Directors on the Board including the Chairman of the Board. The Board consider the Chairman of the Board to be independent and therefore Tim Scholefield has been appointed as a member of the Audit & Risk Committee. The Committee has written terms of reference that clearly define its responsibilities and duties. These can be inspected at the registered office of the Company and on the Company's section of the Manager's website at www.invesco.co.uk/bips. The Committee members consider that collectively they have substantial recent and relevant financial experience and competence relevant to the sector.

Audit & Risk Committee Responsibilities

The responsibilities of the Audit & Risk Committee include:

- evaluation of the effectiveness of the internal controls and risk management systems, including reports received on the operational controls of the Company's service providers and the Manager's and the Company Secretary's whistleblowing arrangements;
- reviewing the Company's annual and half-yearly financial reports and announcements and ensuring compliance with relevant statutory and listing requirements and the appropriateness of accounting policies applied;
- management of the relationship with the external auditor, including their appointment, remuneration, and the scope, effectiveness, independence and objectivity of their audit; and
- ensuring, at the request of the Board, that the Company's 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.

Audit & Risk Committee Activities

The Committee met twice during the year. The Committee undertook a review of the Company's internal controls and risk management including the risk control summary used to identify the Company's top risks. The review process included consideration of emerging risks and procedures for their identification. The result of this work is reflected in the Internal Controls and Risk Management and Principal Risks and Uncertainties sections on pages 15 and 16. Particular attention was also given to reviewing controls and policies with respect to cyber security, ESG, the continuing impact of geopolitical and macroeconomic events on the Company and the investment portfolio. The business continuity practices of the Company's TPPs were also reviewed.

Other activities undertaken by the Committee follow:

The audit programme and timetable were drawn up and agreed with the auditor in advance of the financial year end. 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 the audit report to the Committee. The report was considered by the Committee and discussed with the auditor and the Manager prior to approval and signature of the Company's Annual Financial Report. The Committee considered the content of the Company's Annual Financial Report, including the accounting policies applied, and recommended it to the Board.

The Committee reviewed the auditor's independence, objectivity and effectiveness, the quality of the services provided to the Company 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 both meetings and would have met privately with the Committee if it was considered necessary. The depositary also provided a satisfactory report to the Committee on their monitoring of the activities of the Company throughout the year. Representatives of the auditor, PricewaterhouseCoopers CI LLP, attended the Committee meeting at which the Company's 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 Committee is satisfied that PricewaterhouseCoopers CI LLP has fulfilled its obligations to shareholders as independent auditor to the Company.

The allocation of management fees and finance costs between revenue and capital is considered annually by the Committee which takes account of the long-term split of returns from the portfolio, yields, the objective of the Company and current market practice.

The Audit & Risk Committee has also reviewed its own competence and effectiveness in the year and has assessed both to be satisfactory.

Accounting Matters and Significant Areas

The Committee's review of the audit plan included identifying accounting matters that were expected to require focus in relation to the Company's Annual Financial Report.

The accounting matters that were subject to specific consideration by the Committee follow:

Significant Area	How Addressed
Accuracy of the portfolio valuation	Actively traded listed investments are valued using exchange prices provided by third party pricing vendors. Any non-actively traded investments are reviewed to appropriate supporting evidence. The Board reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company.
Income recognition	Accrued income is calculated by the Manager and each stock line is reviewed to ensure that capital appreciation is not inappropriately attributed to revenue. The Board reviews revenue estimates and receives explanations from the Manager for any significant movements from previous estimates and, if applicable, prior year figures. The audit includes checks on completeness and accuracy of income.

The Committee was satisfied that these matters have been satisfactorily addressed through consideration of reports provided by, and discussed with, the Manager and the auditor. Following a thorough review process, the Audit & Risk Committee advised the Board that the Company's 2023 Annual Financial Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance and position, business model and strategy.

Auditor

PricewaterhouseCoopers CI LLP ('PwC') was selected to be the Company's external auditor following a competitive tender exercise in 2016. Lisa McClure acts as engagement partner and has led the audit engagement since the conclusion of the 2020 audit. The Committee assessed the effectiveness of the external audit process through discussions with the Manager and the auditor. A resolution to re-appoint PwC and for the Audit & Risk Committee to determine their remuneration will be put to shareholders at the forthcoming AGM to be held on 19 June 2024.

It is the Company's policy normally not to seek substantial non-audit services from its auditor and no such services were supplied in 2023. Prior to any engagement for non-audit services, the Audit & Risk Committee considers whether the skills and experience of the auditor make them a suitable supplier of such services and to ensure that there is no threat to objectivity and independence in the conduct of the audit as a result.

Internal Audit

Due to the nature of the Company, being an externally managed investment company with no executive employees, and in view of the Manager having an internal audit function, which the Committee regularly meets with and receives reports from, the Company does not have its own internal audit function.

Yours faithfully,

Heather MacCallum
Audit & Risk Committee Chair

3 April 2024

Directors' Remuneration Report

FOR THE YEAR ENDED 31 DECEMBER 2023

Remuneration Responsibilities

All Directors are members of the Nomination and Remuneration Committee which is chaired by Caroline Dutot who succeeded Ms Bolsover as Chair on 27 June 2023. Details of the Committee's responsibilities can be found on page 40.

Directors' Remuneration Policy

The Board's policy is that Directors' remuneration should be fair and reasonable by comparison with fees paid by other investment companies of similar size and complexity. The remuneration of the Chairman, Senior Independent Director and the Audit & Risk Committee Chair is set to reflect the extra responsibilities and time spent on their respective roles. The policy, which is approved annually by shareholders, was last approved at the Company's 2023 Annual General Meeting.

Fees for Directors are determined by the Board within the aggregate limit stated in the Company's Articles of Association of £250,000 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 Manager's website. The same fees will apply to both current and new Directors. 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. There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Company's Articles also provide that additional discretionary payments can be made for services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director.

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.

Directors' Fee Rates

As reported in last year's Directors' Remuneration Report directors' fees were increased during the year to 31 December 2023 so that from 1 July 2023 the following rates applied: Chairman £41,500; Chair of the Audit & Risk Committee £34,500; and other Directors £28,500. The Senior Independent Director received a fee of £1,000 in addition to their base fee.

The Nomination and Remuneration Committee further reviewed the level of fees at the end of the financial year to ensure that they were fair and reasonable compared to those of similar investment companies. As a result of this review, and in accordance with the Directors' Remuneration Policy, the Nomination and Remuneration Committee determined that directors' fees will be increased with effect from 1 January 2024 by an average of circa 9%.

From 1 January 2024 Directors' fees will be paid at the following rates: Chairman £45,000; Chair of the Audit & Risk Committee £38,000; and other Directors £31,000. As noted above the Senior Independent Director will receive a fee of £1,000 in addition to their base fee. The total fees to be paid to the Directors during 2024 will remain within the current limit prescribed by the Company's Articles of Association.

Chairman's Annual Statement on Directors' Remuneration

For the year to 31 December 2023, the Directors were paid the fee rates in the table below. No additional discretionary payments were made in the current year (2022: nil).

Annual Report on Directors' Remuneration

Directors' Remuneration for the Year

The Directors who served during the year received the following emoluments, all of which were in the form of fees:

	2023 £	2022 £
Tim Scholefield – Chairman	40,750	40,000
Heather MacCallum – Senior Independent Director & Chair of the Audit & Risk Committee	34,250	33,000
Caroline Dutot – Chair of the Nomination & Remuneration Committee	28,000	27,500
Tom Quigley	28,000	27,500
Christine Johnson – Chair of the Management Engagement Committee	28,000	27,500
Kate Bolsover(1)	14,015	28,500
Total	173,015	184,000

(1) Retired as a Director on 27 June 2023.

Directors' Interests

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

	31 December 2023 Shares Held	31 December 2022 Shares Held
Tim Scholefield (Chairman)	32,000	32,000
Heather MacCallum	-	-
Caroline Dutot	-	-
Tom Quigley	15,000	15,000
Christine Johnson	2,545	2,545
Kate Bolsover[(1)]	-	5,022

(1) Retired as a Director on 27 June 2023.

Save as aforesaid, no Director had any other interests, beneficial or otherwise, in the shares of the Company during the year. No further changes to these holdings have been notified up to the date of this report.

No connected person interests have been notified.

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

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the period 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.

The Company has entered into a Deed of Indemnity with each of the Directors by which, to the extent permitted by law and the Company's Articles of Association, the Company will indemnify them 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 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.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Company's Annual Financial Report in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards') as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

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

- properly select and apply accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis. When considering this, the Directors took into account the annual shareholders' continuation vote (as explained in detail on page 17) and the following: the Company's investment objective and risk management policies, the nature of the portfolio and expenditure and cash flow projections. As a result, they determined that the Company has adequate resources, an appropriate financial structure, readily realisable fixed assets to repay current liabilities and suitable management arrangements in place to continue in operational existence for the foreseeable future.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors of the Company, who are listed on page 34, each confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- 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;
- 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; and
- there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed on behalf of the Board of Directors

Heather MacCallum
Audit & Risk Committee Chair

3 April 2024

a. The directors have delegated responsibility for the maintenance and integrity of the Invesco Bond Income Plus Limited website to the Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

3

Financial

Independent Auditor's Report To the Members of Invesco Bond Income Plus Limited

Report on the Audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Invesco Bond Income Plus Limited (the "company") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The company's financial statements comprise:

- the balance sheet as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the company, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our Audit Approach

Overview

Audit scope

- The company is a closed-end investment company, incorporated and based in Jersey, with ordinary shares listed on the Main Market of the London Stock Exchange.
- We conducted our audit of the financial statements using information provided by JTC Fund Solutions (Jersey) Limited (the "administrator") and Invesco Fund Managers Limited (the "manager").
- Our audit work was performed in Jersey. We tailored the scope of our risk-based audit considering the types of investments held by the company, the accounting processes and controls, and the industry in which the company operates.

Key audit matters

- Valuation and ownership of investments
- Income recognition

Materiality

- Overall materiality: £3,046,200 (2022: £2,810,000) based on 1% of net assets.
- Performance materiality: £2,284,600 (2022: £2,107,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the 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) identified by the auditor, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and ownership of Investments	
Refer to note 2 (Principal Accounting Policies), note 11 (Investments Held at Fair Value Through Profit and Loss), and note 20 (Classification Under Fair Value Hierarchy) to the financial statements. We focused on the valuation and ownership of investments because investments represent the principal element of the net asset value as disclosed on the balance sheet in the financial statements. The valuation of investments drives several key performance indicators, such as net asset value, which is of significant interest to investors. 100% of the bond and equity portfolio by value are classified as being level 1 or level 2 in the fair value hierarchy. The nature of level 1 and level 2 investment valuations is not complex as they are based primarily on quoted prices from independent pricing sources. However, the magnitude of the amounts involved means that there is potential for material misstatement. If the investments recorded were found not to represent what was owned by the company, this would have a significant impact on the financial statements.	We used independent third-party pricing sources to recalculate the valuation of all level 1 and level 2 positions within the bond and equity portfolio and compared it to the valuation performed by management. For 100% of the bond and equity portfolio, we obtained an independent third-party confirmation from the company's custodian and compared it to the company's records of investment ownership. We have no material matters to report.
Income recognition	
Refer to note 2 (Principal Accounting Policies) and note 4 (Income) to the financial statements. Income is earned primarily through bond interest income, with an immaterial amount of dividend income recognised in the year. The calculation and recognition of income receipts and accrued income is not considered to be complex. We identified the accuracy, occurrence and completeness of bond interest income to be an area of focus, because the incomplete or inaccurate recognition of income could have a material impact on the company's financial performance for the year.	We assessed the accounting policy for income recognition for compliance with applicable accounting standards and assessed whether income had been accounted for in accordance with the stated accounting policy. For a sample of bonds, we traced the rates of interest to independent sources and recalculated the income recognised by the company. We traced a sample to bank statements for interest received, and the accrued income listing for items accrued at the year-end. To address the risk of incomplete income recognition, our sample included interest received and accrued from bonds held at 31 December 2023, as well as bonds that had been purchased and sold during the year. We have no material matters to report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, the industry in which the company operates, and we considered the risk of climate change and the potential impact thereof on our audit approach.

Materiality

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

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

Overall materiality	£3,046,200 (2022: £2,810,00).
How we determined it	1% of net assets
Rationale for benchmark applied	We believe that net assets is the most appropriate benchmark because this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £2,284,600 (2022: £2,107,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £152,300 (2022: £140,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Financial Report (the "Annual Report") but does not include 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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of Jersey law 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Business Review and Directors' Responsibilities Statement, is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement 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 company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit & Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Lisa McClure
For and on behalf of PricewaterhouseCoopers CI LLP

Chartered Accountants and
Recognised Auditor
Jersey, Channel Islands

3 April 2024

Statement of Comprehensive Income

	Notes	Year ended 31 December 2023 Revenue £'000	Capital £'000	Total £'000	Year ended 31 December 2022 Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on investments held at fair value	11	-	6,856	6,856	-	(37,322)	(37,322)
Profit/(loss) on derivative instruments – currency hedges and CDS		-	3,197	3,197	-	(13,752)	(13,752)
Exchange differences		-	1,998	1,998	-	(3,555)	(3,555)
Income	4	24,424	-	24,424	22,881	-	22,881
Investment management fee	5	(941)	(941)	(1,882)	(924)	(924)	(1,848)
Other expenses	6	(802)	(3)	(805)	(762)	(4)	(766)
Profit/(loss) before finance costs and taxation		22,681	11,107	33,788	21,195	(55,557)	(34,362)
Finance costs	7	(984)	(984)	(1,968)	(115)	(115)	(230)
Profit/(loss) before taxation		21,697	10,123	31,820	21,080	(55,672)	(34,592)
Tax on ordinary activities	8	-	-	-	(30)	-	(30)
Profit/(loss) after taxation		21,697	10,123	31,820	21,050	(55,672)	(34,622)
Return per ordinary share	9	12.23p	5.71p	17.94p	12.47p	(32.98)p	(20.51)p

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

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

Statement of Changes in Equity

	Notes	Stated Capital £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 31 December 2021		297,326	23,531	5,873	326,730
(Loss)/profit after taxation		-	(55,672)	21,050	(34,622)
Dividends paid	10	-	-	(18,755)	(18,755)
Net proceeds from issue of new shares	16	7,736	-	-	7,736
At 31 December 2022		305,062	(32,141)	8,168	281,089
Profit after taxation		-	10,123	21,697	31,820
Dividends paid	10	(341)	-	(20,011)	(20,352)
Net proceeds from issue of new shares	16	12,072	-	-	12,072
At 31 December 2023		316,793	(22,018)	9,854	304,629

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

Balance Sheet

	Notes	At 31 December 2023 £'000	At 31 December 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	11	335,533	317,870
Current assets			
Other receivables	12	8,552	7,194
Derivative financial instruments – receivable	13	1,589	106,588
Cash and cash equivalents		8,138	9,082
		18,279	122,864
Current liabilities			
Other payables	14	(916)	(746)
Derivative financial instruments – payable	13	(199)	(105,148)
Securities sold under agreements to repurchase	15	(48,068)	(53,751)
		(49,183)	(159,645)
Net current liabilities		(30,904)	(36,781)
Net assets		304,629	281,089
Capital and reserves			
Stated capital	16	316,793	305,062
Capital reserve	17	(22,018)	(32,141)
Revenue reserve	17	9,854	8,168
Shareholders' funds		304,629	281,089
Net asset value per ordinary share	18	168.58p	162.20p

The financial statements were approved and authorised for issue by the Board of Directors on 3 April 2024.

Signed on behalf of the Board of Directors

Heather MacCallum
Audit & Risk Committee Chair

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

Statement of Cash Flows

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flow from operating activities		
Profit/(loss) before finance costs and taxation	33,788	(34,362)
Adjustment for:		
Purchases of investments	(126,310)	(109,181)
Sales of investments	115,465	105,523
	(10,845)	(3,658)
(Decrease)/increase from securities sold under agreements to repurchase	(5,683)	14,656
(Profit)/loss on investments held at fair value	(6,856)	37,322
Net movement from derivative instruments – currency hedges	50	(253)
Increase in receivables	(1,355)	(1,409)
Increase/(decrease) in payables	67	(76)
Increase in tax recoverable	-	(3)
Exchange differences on cash and cash equivalents	(937)	593
Net cash inflow from operating activities before taxation	8,229	12,810
Taxation paid	-	(30)
Net cash inflow from operating activities	8,229	12,780
Cash flow from financing activities		
Finance cost paid	(1,865)	(49)
Net proceeds from issue of new shares – note 16	12,199	7,531
Dividends paid – note 10	(20,352)	(18,755)
Cost of shares issued – note 16	(92)	-
Net cash outflow from financing activities	(10,110)	(11,273)
Net (decrease)/increase in cash and cash equivalents	(1,881)	1,507
Cash and cash equivalents at start of the year	9,082	8,168
Exchange differences	937	(593)
Cash and cash equivalents at the end of the year	8,138	9,082
Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:		
Cash held at custodian	6,038	1,672
Invesco Liquidity Funds plc – Sterling	2,100	7,410
Cash and cash equivalents	8,138	9,082
Cash flow from operating activities includes:		
Dividends received	283	176
Interest received	24,341	21,849

Reconciliation of net debt

	At 1 January 2023 £'000	Cash flows £'000	Non-cash movement £'000	At 31 December 2023 £'000
Cash and cash equivalents	9,082	(1,881)	937	8,138
Securities sold under agreements to repurchase	(53,751)	5,683	-	(48,068)
Total	(44,669)	3,802	937	(39,930)

Notes to the Financial Statements

1. Principal Activity

The Company is a closed-end investment company incorporated in Jersey and operates under the Companies (Jersey) Law 1991. The principal activity of the Company is investment in a diversified portfolio of high-yielding fixed-interest securities as set out in the Company's Investment Objective and Policy.

2. Principal Accounting Policies

The principal 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 current year and preceding year, unless otherwise stated. The financial statements have been prepared on a going concern basis as noted below.

(a) Basis of Preparation

(i) Accounting Standards Applied

The financial statements have been prepared on a historical cost basis, except for the measurement at fair value of investments and derivatives, and in accordance with the applicable International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee as adopted by the European Union. The standards are those endorsed by the European Union and effective at the date the financial statements were approved by the Board.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', updated by the Association of Investment Companies in July 2022, is consistent with the requirements of IFRS, the Directors have prepared the financial statements on a basis compliant with the recommendations of the SORP. The supplementary information which analyses the statement of comprehensive income between items of a revenue and a capital nature is presented in accordance with the SORP.

(ii) Going Concern

As explained on page 17, the Company has an Annual Continuation Vote and the Directors believe shareholders will vote for the Company to continue. Accordingly, the Directors have determined that the financial statements should and have been prepared on a going concern basis, which does not include any adjustments that might arise from cessation of the Company. The Articles of Association of the Company require that unless an ordinary resolution is passed at or before the Annual General Meeting ('AGM') each year releasing the Directors from the obligation to do so, the Directors shall convene a general meeting within six months of the AGM at which a special resolution would be proposed to wind up the Company. The directors plan on presenting an ordinary resolution at the forthcoming AGM for which a 50% majority is needed for a special resolution regarding continuance not to be held.

If a special resolution was held regarding a continuation vote a 75% majority of the shareholders need to vote for the Company not to continue.

Last year nearly 100% of the votes registered at the AGM were in favour of releasing the obligation to hold a continuation vote.

Based upon the current financial performance and financial position of the Company, along with the AGM vote outcome last year and ongoing dialogue with investors, the Directors do not have any concerns regarding the outcome of the forthcoming ordinary resolution and hence do not consider there to be a material uncertainty over going concern.

If a continuation vote was held and was unsuccessful, the basis of preparation would be switched at that date to a basis other than going concern and the NAV impacting adjustments would not be material as the majority of investments are Level 2, based on observable market prices.

(iii) Adoption of New and Revised Standards

There were no new nor revised standards and interpretations that became effective during the year having a significant impact on the amounts reported in these financial statements.

(iv) Critical Accounting Estimates and Judgements

The preparation of the financial statements may require the Directors to make estimations where uncertainty exists. It also requires the Directors to exercise judgement in the process of applying the accounting policies. The Directors, having taken into account the factors in note 2a(ii), judge it appropriate to continue to use the going concern basis to prepare the financial statements given the Annual Continuation Vote. In the prior year judgement was exercised over the valuation at initial transaction price of one security held at the balance sheet date and to thereby classify this security at Level 3. Further details are provided in note 20 on page 69.

2. Principal Accounting Policies (continued)

(b) Foreign Currency

(i) Functional and Presentation 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 stated capital and expenses are denominated, as well as a certain proportion of its income, assets and liabilities.

(ii) Transactions and Balances

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

(c) Financial Instruments

(i) Recognition of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. These are offset 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

Financial assets are derecognised 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

Financial liabilities are derecognised when the Company's obligations are discharged, cancelled or 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 of Financial Assets and Financial Liabilities

Financial assets

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

Financial assets held at fair value through profit or loss are initially recognised at fair value, which is taken to be their cost, with transaction costs expensed in the statement of comprehensive income, and are subsequently valued at fair value. Changes in fair value are recognised in the statement of comprehensive income.

For investments that are actively traded in organised financial markets, fair value 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) Derivatives and Hedging

Derivative instruments are valued at fair value in the balance sheet. Hedge accounting has not been adopted.

Forward currency contracts entered into for hedging purposes are valued at the appropriate forward exchange rate ruling at the balance sheet date and any profits and losses are recognised in the statement of comprehensive income and taken to capital.

(e) Cash and Cash Equivalents

Cash and cash equivalents may comprise cash (including short term deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value) as well as cash equivalents, including money market funds.

(f) Securities Sold Under Agreements to Repurchase ('repo financing')

The Company participates in repo financing arrangements in connection with its investment portfolio. Under these arrangements, the Company sells fixed interest securities but is contractually obliged to repurchase them at a fixed price on a fixed date. Securities which are the subject of repo financing arrangements are included in investments in the balance sheet at their fair value and the associated liability is recognised at amortised cost, being the capital amounts owing under the repo financing arrangements. The difference between sale and repurchase prices for such transactions is reflected in the statement of comprehensive income over the lives of the transactions, within finance costs which is allocated 50% to capital and 50% to revenue (2022: 50% capital; 50% revenue). This accounting has been adopted because the repurchase price results in a lender's return for the transferee as the Company has retained substantially all the risks and rewards of ownership of the asset.

(g) **Income Recognition**

All income is recognised in the statement of comprehensive income. Interest income arising from fixed income securities is recognised using the effective interest method. Dividend income arises from equity investments held and is recognised on the date investments are marked 'ex-dividend'. Deposit interest is taken into account on an accruals basis.

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

(h) **Expenses and Finance Costs**

All expenses are accounted for on an accruals basis and are recognised in the statement of comprehensive income. Investment management fees and finance costs are allocated 50% to capital and 50% to revenue (2022: 50% capital; 50% revenue) 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. Except for custodian dealing costs, all other expenses are charged through revenue.

(i) **Taxation**

Overseas interest and dividends are shown gross of withholding tax and the corresponding irrecoverable tax is shown as a charge in the statement of comprehensive income.

(j) **Dividends payable to shareholders**

Interim dividends are recognised in the period in which they are paid and are dealt with in the statement of changes in equity.

3. Segmental Reporting

No segmental reporting is provided as the Directors are of the opinion that the Company is engaged in a single segment of business of investing in debt and, to a significantly lesser extent, equity securities.

4. Income

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

	2023 £'000	2022 £'000
Income from investments		
UK investment income – interest	9,259	8,065
UK dividends	189	207
Overseas investment income – interest	14,700	14,554
Overseas dividends	94	13
	24,242	22,839
Other income		
Deposit interest	112	23
Other income	70	19
	182	42
Total income	24,424	22,881

5. Investment Management Fee

This note shows the fees paid to the Manager, which are calculated quarterly on the basis of the value of the assets being managed.

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Investment management fee	941	941	1,882	924	924	1,848

At 31 December 2023, £495,000 (2022: £457,000) was accrued in respect of the investment management fee.

The investment management fees and finance costs are allocated 50% to capital and 50% to revenue (2022: 50% to capital and 50% to revenue).

Details of the investment management agreement are provided in the Business Review on pages 16 and 17.

6. Other Expenses

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

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Directors' fees[i]	173	–	173	184	–	184
Auditors' fees[ii]:						
– for audit of the Company's annual financial statements	54	–	54	53	–	53
Other expenses[iii]	575	3	578	525	4	529
	802	3	805	762	4	766

(i) The maximum Directors' fees authorised by the Articles of Association are £250,000 (2022: £185,000) per annum. The Directors' Remuneration Report on page 44, provides further information on Directors' fees.

(ii) Auditor's fees include out of pocket expenses.

(iii) Other expenses include:

- custodian transaction charges of £2,700 (2022: £3,700). These are charged to capital.
- amounts due to JTC Fund Solutions (Jersey) Limited who acted as Administrator and Company Secretary to the Company under an agreement starting from 10 December 2019. The fee paid for company secretarial and administration services in the current year was £128,000 (2022: £115,000).
- A fee of £133,000 was paid to the Manager for marketing services on behalf of the Company (2022: £45,000).
- No premium was paid during the year on credit default swaps (2022: £71,000).

7. Finance Costs

Finance costs arise on any borrowing facilities the Company has and comprise commitment fees on any unused facility as well as interest when the facility is used.

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Interest due under repo financing	980	980	1,960	111	111	222
Overdraft interest	4	4	8	4	4	8
	984	984	1,968	115	115	230

The Company has repo financing arrangements in place which were used during the year. For repos that are denominated in currencies where the interest rate is negative, the interest is receivable and has been netted against repo interest payable within finance costs, as they relate to borrowing costs.

8 Taxation

As a Jersey investment company no tax is payable on capital gains and, as the Company principally invests in assets which do not result in a revenue tax, the only overseas tax arises on assets domiciled in countries with which Jersey has no double-taxation treaty.

	2023 £'000	2022 £'000
Overseas taxation	–	30

The Company is subject to Jersey income tax at the rate of 0% (2022: 0%). The overseas tax charge in the prior year consisted of irrecoverable withholding tax suffered.

9. Return per Ordinary Share

Return per ordinary share is the amount of gain generated 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 177,389,718 (2022: 168,797,526) ordinary shares, being the weighted average number of ordinary shares in issue throughout the year.

10. Dividends on Ordinary Shares

Dividends are usually paid from the income less expenses. Dividends are paid as an amount per ordinary share held.

The final dividend shown below is based on shares in issue at the record date or, if the record date has not been reached, on shares in issue on the date the balance sheet is signed. The third interim and final dividends are paid after the balance sheet date.

	2023		2022	
	Pence	£'000	Pence	£'000
Dividends paid and recognised in the year:				
Fourth interim	2.875	5,008	2.750	4,636
First interim	2.875	5,087	2.750	4,636
Second interim	2.875	5,112	2.750	4,636
Third interim	2.875	5,145	2.875	4,847
	11.500	20,352	11.125	18,755

Dividends paid in the year have been charged to revenue except for £341,000 (2022: nil) which was charged to stated capital. This amount is equivalent to the income accrued on the new shares issued in the year (see note 16).

Set out below are the dividends that have been declared in respect of the financial years ended 31 December:

	2023		2022	
	Pence	£'000	Pence	£'000
Dividends payable in respect of the year:				
First interim	2.875	5,087	2.750	4,636
Second interim	2.875	5,112	2.750	4,636
Third interim	2.875	5,145	2.875	4,847
Fourth interim	2.875	5,212	2.875	5,008
	11.500	20,556	11.250	19,127

The fourth interim dividend for 2023 was paid on 20 February 2024 to shareholders on the register on 19 January 2024.

11. Investments Held at Fair Value Through Profit and Loss

The portfolio is principally made up of investments which are listed and traded on regulated stock exchanges. Profits 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.**

(a) Analysis of investment profits in the year

	2023 £'000	2022 £'000
Opening book cost	349,196	343,054
Opening investment unrealised (loss)/gain	(31,326)	8,480
Opening valuation	317,870	351,534
Movements in year:		
Purchases at cost	126,310	109,181
Sales - proceeds	(115,503)	(105,523)
Profit/(loss) on investments in the year	6,856	(37,322)
Closing valuation	335,533	317,870
Closing book cost	352,292	349,196
Closing investment unrealised loss	(16,759)	(31,326)
Closing valuation	335,533	317,870

The Company received £115,503,000 (2022: £105,523,000) from investments sold in the year. The book cost of these investments when they were purchased was £123,927,000 (2022: £102,982,000) realising a loss of £8,424,000 (2022: profit of £2,541,000). 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.

(b) Registration of investments

The investments of the Company are registered in the name of the Company or in the name of nominees and held to the order of the Company.

(c) Securities sold under agreements to repurchase

Included in the valuation above are securities under agreements to repurchase which had a market value at 31 December 2023 of £56,297,000 (31 December 2022: £67,843,000).

12. Other Receivables

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

	2023 £'000	2022 £'000
Amounts due from brokers	38	-
Margin held at brokers	2,129	582
Proceeds due from issue of new shares	171	206
Income tax recoverable	3	3
Prepayments and accrued income	6,211	6,403
	8,552	7,194

13. Derivative Financial Instruments

Derivative financial instruments are financial instruments that derive their value from the performance of another item, such as an asset or exchange rates. They are used to manage the risk associated with fluctuations in the value of certain assets and liabilities. The Company can use derivatives to manage its exposure to fluctuations in foreign exchange rates.

Derivative financial instruments comprise forward currency contracts.

	2023 £'000	2022 £'000
Gross derivative financial instruments		
Forward currency contracts – receivable	95,843	106,588
Forward currency contracts – payable	(94,453)	(105,148)
	1,390	1,440

The following table has been added to enhance the disclosures already made in the financial statements:

	2023 £'000	2022 £'000
Net derivative financial instruments		
Forward currency contracts – receivable	1,589	2,344
Forward currency contracts – payable	(199)	(904)
	1,390	1,440

For the year ended 31 December 2022 derivative financial instruments were disclosed gross on the balance sheet. Under IFRS-EU derivative financial instruments should be disclosed net.

This presentation had no impact on the net current liability or the net current asset position as previously reported. The presentation has no impact on any other primary financial statement.

The directors have considered IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and have concluded that this presentation was qualitatively immaterial to users of the financial statements and in line with IAS 8 no restatement is required.

14. Other Payables

Other payables are amounts which must be paid by the Company, and include amounts owed to suppliers, such as the Manager and auditor, and any amounts due to brokers for the purchase of investments.

	2023 £'000	2022 £'000
Amounts payable relating to issue of new shares	1	1
Accruals	915	745
	916	746

15. Securities sold under agreements to repurchase

	2023 £'000	2022 £'000
Securities sold under agreements to repurchase	48,068	53,751

During the year, the Company entered into repo financing arrangements whereby securities are sold under agreements to repurchase. Further details are shown in note 2(f) and note 19.3.

16. Stated Capital

The stated capital represents the total number of shares in issue. Stated capital can be used for distributions under Jersey Law.

	2023		2022	
	Number	£'000	Number	£'000
Allotted ordinary shares of no par value:				
Brought forward	173,302,596	305,062	168,577,596	297,326
Net issue proceeds	7,400,000	12,072	4,725,000	7,736
Dividends paid from stated capital	-	(341)	-	-
	180,702,596	316,793	173,302,596	305,062

At 31 December 2023, the Company's stated capital consisted of 180,702,596 ordinary shares of no par value, allotted and fully paid.

At a general meeting of the Company every member has one vote on a show of hands and on a poll one vote for each share held. The notice of general meeting will specify deadlines for exercising voting rights either by proxy or in person in relation to resolutions to be passed at the meeting.

The Directors may restrict voting powers 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; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

For the year to 31 December 2023 7,400,000 (2022: 4,725,000) new ordinary shares were issued to the Company's corporate broker, Winterflood Securities Limited, for onward transmission to their clients. These shares were issued in tranches of various quantities throughout the year to satisfy secondary market demand. The gross issue proceeds were £12,225,000 (2022: £7,775,000), at an average price of 165.21p (2022: 164.54p), and the net proceeds after issue costs were £12,072,000 (2022: £7,736,000). The net proceeds includes an aggregate amount of £92,000 (2022: £nil) which arose from the income accrued component of the net asset value at the date of issue of the new shares.

Subsequent to the year end 10,101,727 ordinary shares were issued at an average price of 168.94p. The gross proceeds of these issuances were £17,066,000 and the net proceeds after issue costs were £16,980,000. No shares were bought back during the year or since the year end.

Because the criteria in paragraphs 16C and 16D of IAS 32 Financial Instruments: Presentation, have been met, the stated capital of the Company is classified as equity even though there is a continuation vote.

17. Reserves

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

The capital reserve includes unrealised investment holding profits and losses, being the difference between cost and market value at the balance sheet date, as well as realised profits and losses on disposal of investments. In addition, costs allocated to capital are recognised in the capital reserve. The revenue reserve shows the net revenue after payment of any dividend from the reserve. Both the capital and revenue reserves are distributable.

18. Net Asset Value per Ordinary Share

The Company's total 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	
	2023 Pence	2022 Pence	2023 £'000	2022 £'000
Ordinary shares	168.58	162.20	304,629	281,089

Net asset value per ordinary share is based on net assets at the year end and on 180,702,596 (2022: 173,302,596) ordinary shares, being the number of ordinary shares in issue (excluding treasury) at the year end.

19. Risk Management: Financial Assets and Liabilities

Financial instruments comprise the Company's investment portfolio and derivative financial instruments (for the latter see note 13) as well as any cash, borrowings (i.e. securities sold under agreements to repurchase otherwise known as 'repo financing'), other receivables and other payables. The following note explains the risks that affect the Company's financial instruments and looks at the Company's exposure to these various risks.

Risk Management Policies and Procedures

The Business Review details the Company's approach to investment management risks on page 14 and the accounting policies in note 2 explain the Company's valuation basis for investments and currency.

19. Risk Management: Financial Assets and Liabilities (Continued)

Risk Management Policies and Procedures (continued)

As an investment company, the Company invests in loan stocks, corporate bonds, government stocks, preference shares and equities which are held for the long-term in order to achieve the Company's Investment Objective in accordance with its Investment Policy. In pursuing these, 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 in the profits available for payment as dividends.

The Company's principal financial instruments at risk comprise its investment portfolio. Other financial instruments at risk include cash and cash equivalents, borrowings (including repo financing), other receivables and other payables that arise directly from the Company's operations.

The Company may enter into derivative transactions, including credit default swaps, for efficient portfolio management. Derivative instruments can be highly volatile and expose investors to a high risk of loss. Where used to hedge risk there is a risk that the return on a derivative does not exactly correlate to the returns on the underlying investment, obligation or market sector being hedged against. If there is an imperfect correlation, the Company may be exposed to greater loss than if the derivative had not been entered into. During the year the only derivatives entered into were forward currency contracts.

These risks and the Directors' approach to managing them are set out below, and have not changed from those applied in the comparative year.

Risk management is an integral part of the investment management process. The Manager controls risk by ensuring that the Company's portfolio is appropriately diversified and the portfolio managers actively monitor both the ratings and liquidity of the fixed-interest securities taking into account the Company's financing requirements. In-depth and continual analysis of market and security fundamentals give the portfolio managers the best possible understanding of the risks associated with a particular security. The portfolio managers assess the exposure to market risk when making each investment decision, and monitor the overall level of market risk on the whole of the portfolio on an ongoing basis.

High-yield fixed-interest securities are subject to a variety of risks, including credit risk (note 19.3).

The day to day management of the investment activities, borrowings and hedging of the Company has been delegated to the Manager, and is the responsibility of the portfolio managers to whom the Board has given discretion to operate within set guidelines. Any proposed variation outside those guidelines is referred to the Board and the guidelines themselves are reviewed at every board meeting.

19.1 Market Risk

Market risk arises from changes in the fair value or future cash flows of a financial instrument. Market risk comprises three types of risk: currency risk (note 19.1.1), interest rate risk (note 19.1.2) and other price risk (note 19.1.3).

19.1.1 Currency Risk

The Company has assets, liabilities and income which are denominated in currencies other than sterling and movements in exchange rates will affect the sterling value of those items.

Management of the Currency Risk

The Board meets at least quarterly to assess risk and review investment performance. The portfolio managers monitor the Company's exposure to foreign currencies on a daily basis and is reviewed by Directors at each Board meeting. The Company may use forward currency contracts to mitigate currency risk. Repo financing is matched to the currency of the underlying assets, which minimises currency risk on the movement of exchange rates affecting the underlying investments. Non-sterling investments that are not pledged under repo financing can be hedged using forward currency contracts. All borrowings and derivative contracts are limited to currencies and amounts commensurate with asset exposure to those currencies.

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

Currency Exposure

The following table shows the fair values of the Company's monetary items that have foreign currency exposure at 31 December. Where the Company's investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis to show the overall level of exposure.

	Euro £'000	US Dollar £'000
31 December 2023		
Investments at fair value through profit or loss that are monetary items (fixed and floating interest)	99,776	66,032
Forward currency contracts	(38,317)	(52,111)
Other receivables (due from brokers and dividends)	2,291	1,035
Cash and cash equivalents	2,882	2,360
Other payables (due to brokers and accruals)	(284)	-
Securities sold under agreement to repurchase	(48,068)	-
Foreign currency exposure on net monetary items	18,280	17,316
Total net foreign currency	18,280	17,316

31 December 2022	Euro £'000	US Dollar £'000
Investments at fair value through profit or loss that are monetary items (fixed and floating interest)	99,494	83,922
Forward currency contracts	(38,338)	(50,184)
Other receivables (due from brokers and dividends)	2,240	1,337
Cash and cash equivalents	542	359
Other payables (due to brokers and accruals)	(147)	(16)
Securities sold under agreement to repurchase	(45,770)	(2,789)
Foreign currency exposure on net monetary items	18,021	32,629
Total net foreign currency	18,021	32,629

The above may not be representative of the exposure to risk during the year reported because the levels of monetary foreign currency exposure may change significantly throughout the year.

Currency Sensitivity

The effect on the Statement of Comprehensive Income and the net asset value that changes in exchange rates have on the Company's financial assets and liabilities is based on the following currencies. These changes have been calculated by reference to the volatility of exchange rates during the period using the standard deviation of currency fluctuations against the mean.

	2023	2022
£/Euro	±1.2%	±1.9%
£/US Dollar	±2.2%	±6.2%

The following sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at the balance sheet date, taking account of any forward foreign exchange contracts that offset the effects of changes in currency exchange rates, and the income receivable in foreign currency in the year.

If sterling had strengthened by the changes in exchange rates shown above, this would have had the following effect:

2023	Euro £'000	US Dollar £'000
Effect on Statement of Comprehensive Income – profit/(loss) after taxation		
Revenue loss	(87)	(118)
Capital loss	(195)	(359)
Total loss after taxation for the year	(282)	(477)
Effect on net asset value	-0.1%	-0.2%

2022	Euro £'000	US Dollar £'000
Effect on Statement of Comprehensive Income – profit/(loss) after taxation		
Revenue loss	(117)	(458)
Capital loss	(303)	(1,941)
Total loss after taxation for the year	(420)	(2,399)
Effect on net asset value	-0.1%	-0.9%

If sterling had weakened by the same amounts, the effect would have been the converse.

In the opinion of the Directors, the above sensitivity analysis is not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process of the Company.

19.1.2 Interest Rate Risk

The Company is exposed to interest rate risk in a number of ways. Movements in interest rates may affect the fair value of fixed-interest rate securities, income receivable on cash deposits and floating rate securities, and interest payable on variable rate borrowings, including repo financing. Interest rate risk is related above all to long-term financial instruments.

Management of Interest Rate Risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account as part of the portfolio management and borrowings processes of the Manager. The Board reviews on a regular basis the investment portfolio and borrowings. This encompasses the valuation of fixed-interest and floating rate securities.

When the Company has cash balances, they are held in variable rate bank accounts yielding rates of interest dependant on the base rate of the Custodian, the Bank of New York Mellon (International) Limited. Holdings in Invesco Liquidity Funds plc – Sterling are subject to interest rate changes.

The Company has available repo financing arrangements it can use to finance investment activity, details of which are shown in note 7 and 15. The Company uses these at levels approved and monitored by the Board.

19. Risk Management: Financial Assets and Liabilities (continued)

19.1 Market Risk (continued)

19.1.2 Interest Rate Risk (continued)

Interest Rate Exposure

The following table shows the Company's exposure to interest rate risk at the balance sheet date arising from its monetary financial assets and liabilities.

	Within one year £'000	More than one year £'000	Total £'000
2023			
Exposure to floating interest rates:			
Investments held at fair value through profit or loss	-	130,215	130,215
Cash and cash equivalents[i]	8,138	-	8,138
Margin held at brokers (aka collateral pledged on futures contracts)	2,129	-	2,129
	10,267	130,215	140,482
Exposure to fixed interest rates:			
Investments held at fair value through profit or loss	1,124	201,283	202,407
Securities sold under agreements to repurchase	(48,068)	-	(48,068)
	(46,944)	201,283	154,339
Net exposure to interest rates	(36,677)	331,498	294,821

	Within one year £'000	More than one year £'000	Total £'000
2022			
Exposure to floating interest rates:			
Investments held at fair value through profit or loss	-	108,008	108,008
Cash and cash equivalents[i]	9,082	-	9,082
Margin held at brokers (aka collateral pledged on futures contracts)	582	-	582
	9,664	108,008	117,672
Exposure to fixed interest rates:			
Investments held at fair value through profit or loss	3,581	202,559	206,140
Securities sold under agreements to repurchase	(53,751)	-	(53,751)
	(50,170)	202,559	152,389
Net exposure to interest rates	(40,506)	310,567	270,061

(i) Includes £2,100,000 (2022: £7,410,000) held in Invesco Liquidity Fund plc – Sterling.

The nominal interest rates on the investments at fair value through profit or loss are shown in the portfolio list on pages 25 to 32. The weighted average effective interest rate on these investments is 7.0% (2022: 6.6%). The weighted average effective interest rate on cash and cash equivalents is 4.08% (2022: 0.61%).

Interest Rate Sensitivity

The following table illustrates the sensitivity of the profit or loss after taxation for the year to a 3.25% (2022: 3.25%) increase in interest rates in regard to the Company's financial assets and financial liabilities. As future changes cannot be estimated with any degree of certainty, the sensitivity analysis is based on the Company's financial instruments held at the balance sheet date, with all other variables held constant.

	2023 £'000	2022 £'000
Effect on Statement of Comprehensive Income – profit after taxation		
Revenue profit	334	314
Capital loss	(41,080)	(35,549)
Total loss after taxation for the year	(40,746)	(35,235)
Effect on NAV per ordinary share	(22.5p)	(20.3)p

If interest rates had decreased by 3.25% (2022: 3.25%), this would have had an equal and opposite effect.

The above exposure and sensitivity analysis are not representative of the year as a whole, since the level of exposure changes frequently as borrowings, which are predominantly from repo financing arrangements, can vary throughout the year.

19.1.3 Other Price Risk

Other price risk includes changes in market prices, other than those arising from currency risk or interest rate risk, which may affect the value of the investment portfolio, whether by factors specific to an individual investment or its issuer, or by factors affecting the wider market.

Management of Other Price Risk

It is the portfolio managers' responsibility to manage the portfolio and borrowings in accordance with the investment objective and policy, and in accordance with the investment policy guidelines set by the Board. The Board manages the market price risks inherent in the investment portfolio by meeting regularly to monitor on a formal basis compliance with these. The Board also reviews investment performance. Because the Company's portfolio is the result of the portfolio managers' investment process, performance may not closely correlate with the markets in which the Company invests.

The Company's exposure to other changes in market prices at 31 December on its investments is shown in the fair value hierarchy table on pages 69 and 70.

Concentration of Exposure to Other Price Risks

The Company's investment portfolio is not concentrated in any single country of domicile, however, it is recognised that an investment's country of domicile or listing does not necessarily equate to its exposure to the economic conditions in that country.

Other Price Risk Sensitivity

Excluding fixed interest securities and convertibles, at the year end the Company held other investments of £2,912,000 (2022: £3,721,000). The effect of a 10% increase or decrease in the fair values of these investments (including any exposure through derivatives) on the profit after taxation for the year is £291,000 (2022: £372,000). This level of change is considered to be reasonably possible based on the observation of market conditions during the financial year.

19.2 Liquidity Risk

This is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities i.e. when realising assets or raising/replacing repo financing to meet financial commitments. A lack of liquidity in the portfolio may make it difficult for the Company to realise assets at or near their purported value in the event of a forced sale.

Management of Liquidity Risk

Liquidity risk is not viewed by the Directors as a significant risk because the majority of the Company's assets comprise readily realisable securities, although a lack of liquidity in non-investment grade securities may make it difficult to rebalance the Company's investment portfolio as and when the portfolio managers believe it would be advantageous to do so. On a daily basis the portfolio managers ascertain the Company's cash and borrowing requirements by reviewing future cash flows arising from purchases and sales of investments, interest and dividend receipts, expenses and dividend payments, and available financing (including repo financing).

Liquidity Risk Exposure

The contractual maturities of the financial liabilities at 31 December, based on the earliest date on which payment can be required, was as follows:

	2023			2022		
	Less than three months £'000	More than one year £'000	Total £'000	Less than three months £'000	More than one year £'000	Total £'000
Other payables (note 14)						
Accruals	916	-	916	746	-	746
Derivative financial instruments – payable (note 13)	199	-	199	105,148	-	105,148
Securities sold under agreements to repurchase (note 15)	48,068	-	48,068	53,751	-	53,751
	49,183	-	49,183	159,645	-	159,645

19.3 Credit Risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligation under that transaction could result in a loss to the Company. The Company's principal credit risk is the risk of default on the non-investment grade debt. The Company's other main credit risk arises from the repo financing arrangements whereby, if a counterparty failed to sell the required assets to the Company on the repurchase date, the Company would be left with the claim against the defaulting counterparty for the stock and, if applicable, any margin held by the counterparty and not returned.

At the year end 70.4% (2022: 77.3%) of the Company's portfolio consisted of non-investment grade securities. To the extent that the Company invests in non-investment grade securities, the Company may realise a higher current yield than the yield offered by investment grade securities. On the other hand, investments in such securities involve a greater volatility of price and a greater risk of default by the issuers of such securities, with consequent loss of interest payments and principal. Non-investment grade securities are likely to be subject to greater uncertainties from exposure to adverse conditions and will be speculative with respect to an issuer's capacity to meet interest payments and repay principal in accordance with its obligations.

Investment grade and non-investment grade securities totalled 95.8% (2022: 94.9%) of the portfolio at the year end. Adverse changes in the financial position of an issuer of such high-yield fixed-interest securities or in general economic conditions may impair the ability of the issuer to make payments of principal and/or interest or may cause the liquidation or insolvency of an issuer.

19. Risk Management: Financial Assets and Liabilities (continued)

19.3 Credit Risk (continued)

The portfolio may be adversely affected if the Company's custodian suffers insolvency or other financial difficulties. The appointment of a depositary has substantially lessened this risk. The Board reviews the custodian's annual controls report and the Manager's management of the relationship with the custodian.

Management of and Exposure to Credit Risk

Almost all of the Company's assets are subject to credit risk. Where the portfolio managers make an investment in a bond, corporate or otherwise, the credit rating of the issuer is also considered when assessing the risk of defaults. Investments in bonds are across a variety of industrial sectors and geographical markets to avoid concentration of credit risk. Counterparties for derivative transactions are also a source of credit risk. Transactions involving derivatives are entered into only with banks whose credit ratings are taken into account to minimise default risk. The credit ratings of the derivatives counterparties range from Aa3 through to Baa1. In addition, the Company may use credit default swaps to offset the credit risk of the portfolio. At the year end, no credit default swaps were held by the Company (2022: none).

Details of the Company's investments, including their credit ratings, are shown below. Credit risk for transactions involving derivatives and equity investments is minimised as the Company only uses approved counterparties.

Rating	2023 % of Portfolio	2023 Cumulative Total %	2022 % of Portfolio	2022 Cumulative Total %
Investment Grade:				
AA+	0.2	0.2	-	-
AA	1.8	2.0	-	-
A+	0.7	2.7	0.2	0.2
A-	0.8	3.5	0.8	1.0
BBB+	1.8	5.3	2.0	3.0
BBB	14.7	20.0	10.1	13.1
BBB-	5.4	25.4	4.5	17.6
Non-investment Grade:				
BB+	8.1	33.5	6.2	23.8
BB	13.1	46.6	9.8	33.6
BB-	17.0	63.6	14.5	48.1
B+	8.5	72.1	10.7	58.8
B	12.1	84.2	21.0	79.8
B-	6.7	90.9	5.6	85.4
CCC+	2.1	93.0	5.5	90.9
CCC	1.7	94.7	2.8	93.7
CCC-	-	94.7	0.6	94.3
CC	-	94.7	0.6	94.9
D	1.1	95.8	-	94.9
NR (including equity)	4.2	100.0	5.1	100.0
	100.0		100.0	
Summary of Analysis				
Investment Grade	25.4		17.6	
Non-investment Grade	70.4		77.3	
NR (including equity)	4.2		5.1	
Total	100.0		100.0	

The Company manages the credit risk inherent in repo financing by only dealing with good quality counterparties whose credit-standing is reviewed periodically by the Manager. There is a maximum limit allowed with any one counterparty, and the repo entered into must have a maturity tenor of three months or less. The Company has exposure to credit risk on securities pledged under repo financing held, with 3 counterparties, as follows (2022: 3 counterparties):

Counterparty	Rating	Location	2023 Amounts borrowed under repo financing £'000	2023 Market value of securities pledged under repo financing £'000	2023 Net credit exposure to counter party £'000	2022 Amounts borrowed under repo financing £'000	2022 Market value of securities pledged under repo financing £'000	2022 Net credit exposure to counter party £'000
Barclays	A1/A+	UK	-	-	-	38,298	49,169	10,871
BNP UK	Aa3/A+	UK	28,891	32,773	3,882	7,644	9,112	1,468
Morgan Stanley	A3/A+	UK	13,369	16,263	2,894	-	-	-
HSBC	A1/A+	UK	5,808	7,261	1,453	7,809	9,562	1,753
			48,068	56,297	8,229	53,751	67,843	14,092
Net credit exposure as % of net assets					2.7			5.0

Cash balances are held with approved deposit takers only and are limited to a maximum of 4% of the Company's net asset value with any one deposit taker. Balances held with Invesco Liquidity Funds plc, a triple-A rated money market fund, are limited to a maximum of 10% of the Company's net asset value. At the balance sheet date the Company had £6.04 million (2022: £1.67 million) held at the custodian and £2.10 million held in Invesco Liquidity Funds plc – Sterling (2022: £7.41 million).

There are no financial assets that are past due or impaired at the year end (2022: none).

Fair Values of Financial Assets and Financial Liabilities

Financial assets are either carried in the balance sheet at their fair value (investments and derivatives), or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals and cash).

Financial liabilities are carried at amortised cost except for derivatives, which as stated above are carried at fair value.

20. Classification Under Fair Value Hierarchy

The valuation techniques used by the Company are explained in the accounting policies note 2(c). The table that follows sets out the fair value of the financial instruments. The three levels set out in IFRS 7 hierarchy 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.

There were no transfers in the year between any of the levels.

Normally investments would be valued using stock market active prices, with investments disclosed as Level 1 and this is the case for the quoted equity investments that the Company holds. However, the majority of the Company's investments are non-equity investments. Evaluated prices from a third party pricing vendor are used to price these securities, together with a price comparison made to secondary and tertiary evaluated third party sources. Evaluated prices are in turn based on a variety of sources including broker quotes and benchmarks. As a result, the Company's non-equity investments have been shown as Level 2 – recognising that the fair values of these investments are not as visible as quoted equity investments and their higher inherent pricing risk. However, this does not mean that the fair values shown in the portfolio valuation are not achievable at point of sale.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
2023				
Financial assets designated at fair value through profit or loss:				
Quoted Investments:				
– Fixed interest securities[1]	–	281,481	–	281,481
– Convertibles	–	44,200	–	44,200
– Government	–	6,941	–	6,941
– Preference	2,769	–	–	2,769
– Equities	142	–	–	142
Derivative financial instruments:				
– Currency hedges	–	1,390	–	1,390
Total for financial assets	2,911	334,012	–	336,923

A reconciliation of the fair value of Level 3 is set out below.

	2023 £'000
Opening fair value	1,165
Sales – proceeds	(1,159)
– net realised gains	19
Unrealised loss (due to foreign exchange movement)	(25)
Closing fair value of Level 3	–

Frigoglass 13% 28 Feb 2023 was classified as fair value Level 3 in the prior year, due to an initial recognition price of €0.95 being used as the fair valuation. No market price was available for this security which was taken on as part of a restructuring where the Portfolio Manager agreed to participate in short-term financing. The initial transaction price was judged to be an appropriate reflection of fair value in this instance due to an absence of market conditions allowing another price to be used, the very short-dated nature of the security at the prior year balance sheet date and the uncertainty existing at this date as to the actual maturity date given the agreement allowing for maturity at any date between 11 January and 28 February 2023.

20. Classification Under Fair Value Hierarchy (continued)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
2022				
Financial assets designated at fair value through profit or loss:				
Quoted Investments:				
- Fixed interest securities[1]	-	294,154	1,165	295,319
- Convertibles	-	18,614	-	18,614
- Government	-	216	-	216
- Preference	2,641	-	-	2,641
- Equities	1,080	-	-	1,080
Derivative financial instruments:				
- Forward currency contract	-	1,440	-	1,440
Total for financial assets	3,721	314,424	1,165	319,310

A reconciliation of the fair value of Level 3 is set out below.

	2022 £'000
Opening fair value	-
Purchases at cost	1,143
Unrealised gain (due to foreign exchange movement)	22
Closing fair value of Level 3	1,165

(1) Fixed interest securities include both fixed and floating rate securities.

21. Capital Management

The Company's capital, or equity, is represented by its net assets which are managed to achieve the Company's investment objective set out on page 12.

The main risks to the Company's investments are shown in the Business Review under the 'Principal Risks and Uncertainties' section on pages 15 and 16. 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 Board regularly monitors the level of borrowing used by the Company and has imposed limits within which borrowings should be managed.

Total equity at 31 December 2023, the composition of which is shown on the balance sheet on page 55, was £304,629,000 (2022: £281,089,000).

22. Contingencies, Guarantees and Financial Commitments

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 were no contingencies, guarantees or other financial commitments of the Company as at 31 December 2023 (2022: nil).

23. Related Party Transactions and Transactions with Manager

A related party is a company or individual who has direct or indirect control or who has significant influence over the Company.

Under International Financial Reporting Standards as adopted by the EU ('IFRS'), the Company has identified the Directors and their dependents as related parties. Directors fees paid have been disclosed in the Directors' Remuneration Report on pages 44 and 45 with additional disclosure in note 6. Full details of Directors' interests are set out in the Directors' Remuneration Report on page 45. No other related parties have been identified.

Invesco Fund Managers Limited and Invesco Asset Management Limited, both of which are wholly owned subsidiaries of Invesco Limited, provided investment management and administration services to the Company. Invesco Limited or its subsidiaries are not considered related parties as they do not have direct or indirect control nor significant influence over the Company. Details of the services and fees are disclosed in the Business Review and management fees payable are shown in note 5.

24. Post Balance Sheet Events

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

There was a successful placing and Winterflood Retail Access Platform ('WRAP') retail offer, announced on 24 January 2024 raising total proceeds (net of commission) of £13.28 million.

The Company has issued a total of 7,926,727 new ordinary shares of no par value in the capital of the Company at a price of 168.40 pence per New Share, representing a 0.75% premium to the cum-income NAV per Share as at 5 February 2024, being the last published NAV per Share prior to the close of the Placing and the WRAP Retail Offer.

5,179,465 New Shares were issued pursuant to the Placing and 2,747,262 New Shares were issued pursuant to the WRAP Retail Offer.

4

Shareholder

Notice of Annual General Meeting

THIS NOTICE OF ANNUAL GENERAL MEETING 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 Bond Income Plus Limited, please forward this document and 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

The Board are pleased to welcome shareholders to attend the AGM in person. If you cannot attend in person please lodge your vote either electronically via the registrar's online portal or using the Form(s) of Proxy to appoint the Chairman of the General Meeting as your proxy to vote on your behalf.

NOTICE IS GIVEN that the Annual General Meeting ('AGM') of Invesco Bond Income Plus Limited ('the Company') will be held at 9.00am on 19 June 2024 at the offices of JTC Fund Solutions (Jersey) Limited, PO Box 1075. 28 Esplanade, St Helier, Jersey JE4 2QP for the following purposes:

Ordinary Business

1. To receive the Annual Financial Report for the year ended 31 December 2023.
2. To approve the Directors' Remuneration Report.
3. To approve the Company's Dividend Payment Policy to pay four quarterly dividends to shareholders in May, August, November and February in respect of each accounting year.
4. To re-appoint PricewaterhouseCoopers CI LLP as the Company's auditor.
5. To authorise the Audit & Risk Committee to determine the remuneration of the auditor.
6. To re-elect Tim Scholefield a Director of the Company.
7. To re-elect Heather MacCallum a Director of the Company.
8. To re-elect Tom Quigley a Director of the Company.
9. To re-elect Caroline Dutot a Director of the Company.
10. To re-elect Christine Johnson a Director of the Company.

Special Business

To consider and if thought fit, to pass the following resolutions, of which resolution 11 will be proposed as an ordinary resolution and resolutions 12 to 15 will be proposed as special resolutions:

11. THAT, in accordance with Article 158 of the Company's Articles of Association, the Directors of the Company be and are hereby released from their obligation pursuant to such Article to convene a general meeting of the Company within six months of the AGM at which a special resolution would be proposed to wind up the Company.
12. THAT, pursuant to Article 14.1 of the Company's Articles of Association, the Directors be and are hereby empowered to issue shares, up to 10% of the existing shares in issue at the time of the AGM, without pre-emption.
13. THAT, pursuant to Article 14.1 of the Company's Articles of Association and in addition to any authority granted under Resolution 12 above, the Directors be and are hereby empowered to issue shares up to 10% of the existing shares in issue at the time of the AGM, without pre-emption.
14. THAT, pursuant to Article 8.2 of the Company's Articles of Association and Article 57 of the Companies (Jersey) Law 1991 as amended (the Law), the Company be generally and unconditionally authorised:
    (a) to make purchases of its issued ordinary shares of no par value (Shares) to be cancelled or held as treasury shares provided that:
        (i) the maximum number of Shares hereby authorised to be purchased shall be 14.99% of the Company's issued ordinary shares, this being 28,601,568 on the date of this notice;
        (ii) the minimum price which may be paid for a Share is 1p;
        (iii) the maximum price which may be paid for a share must not be more than the higher of:
            (i) 5% above the average of the mid-market values of the Shares for the five business days before the purchase is made; and
            (ii) 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 prices below the prevailing net asset value per share (as determined by the Directors);
        (v) the authority hereby conferred shall expire on the earlier of the conclusion of the next AGM of the Company held after passing of this resolution or 15 months from the date of the passing of this resolution, whichever is the earlier
15. THAT, the period of notice required for general meetings of the Company (other than AGMs) shall be not less than 14 days.

Dated this 3 April 2024
By order of the Board

JTC Fund Solutions (Jersey) Limited
Company Secretary

Notes:

1. A form of appointment of proxy accompanies this Annual Financial Report.

   A member 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 member of the Company.

   In order to be valid an appointment of proxy must be returned, duly executed and completed, by one of the following methods:

   - via Computershare's website http://www.eproxyappointment.com; or
   - in hard copy form by post, by courier or by hand to the Company's registrars, Computershare Investor Services (Jersey) Limited, C/O The Pavilions, Bridgwater Road, Bristol BS99 6ZY; 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 meeting.

   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 member 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 Euroclear UK & Ireland Limited'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 3RA50 (Computershare) by the latest time 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. After this time any change of instructions to proxies through CREST should be communicated to the appointee through other means. 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 providers should note that Euroclear UK & Ireland Limited 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 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 the practical limitations of the CREST system and timings.

3. A person entered on the Register of Members at close of business 48 hours before the time of the AGM (a member) 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 Members 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 Members 48 hours before the time fixed for the adjourned meeting.

4. The schedule of matters for the Board and the terms of reference of the Audit & Risk Committee will be available at the AGM for at least 15 minutes prior to and during the AGM.

5. A copy of the Articles of Association is available for inspection at the Registered Office of the Company during normal business hours on any business day (excluding public holidays) and will also be available at the AGM for at least 15 minutes prior to and during the AGM.

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

7. Any member attending 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 of 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.

8. 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.

9. As at 28 March 2024 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 190,804,323 ordinary shares of no par value each carrying one vote.

10. A copy of the Notice as well as various other documents relating to the Company can be found at www.invesco.co.uk/bips.

Shareholder Information

The shares of Invesco Bond Income Plus Limited are quoted on the London Stock Exchange.

Manager's Website

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

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated in, nor do they form part of this Annual Financial Report.

Net Asset Value ('NAV') Publication

The Company's NAV is calculated on a daily basis and notified to the London Stock Exchange on the next business day. Estimated NAVs are published daily in the national newspapers as detailed under Share Price Listings.

Share Price Listings

The price of the Company's shares can be found in the Financial Times, The Daily Telegraph and The Times.

In addition, share price information can be found using the BIPS ticker code.

Internet addresses

Invesco	www.invesco.co.uk/investmenttrusts
The Association of Investment Companies	www.theaic.co.uk

Financial Calendar

In addition, the Company publishes information according to the following calendar:

Announcements	
Annual financial reports	April
Half-yearly unaudited financial report	August
Ordinary Share Dividends	
Interim dividends payable	May, August November, February
Year End	31 December

Dividend Re-Investment Plan

The Registrar also manages a Dividend Re-Investment Plan for the Company. Shareholders wishing to re-invest their dividends should contact the Registrar as detailed on page 75.

Annual General Meeting

The Annual General Meeting will be held at 9.00am on 19 June 2024 at the offices of JTC Fund Solutions (Jersey) Limited, PO Box 1075, 28 Esplanade, St Helier, Jersey JE4 2QP. The Board are pleased to welcome shareholders to attend the AGM in person. If you cannot attend in person lodge your vote either electronically via the registrar's online portal or using the Form(s) of Proxy to appoint the Chairman of the General Meeting as your proxy to vote on your behalf.

General Data Protection Regulation ('GDPR')

The Company has a privacy notice which sets out what personal data is collected and how and why it is used. The privacy notice can be found at www.invesco.co.uk/investmenttrusts under the 'Literature' section, or a copy can be obtained from the Company Secretary whose correspondence address is found on the next page.

Advisers and Principal Service Providers

Alternative Investment Fund Manager (Manager)

Invesco Fund Managers Limited
Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire RG9 1HH
☎ 01491 417 000
www.invesco.co.uk/investmenttrusts

Manager's Website

Information relating to the Company can be found on the Manager's website, at www.invesco.co.uk/bips

The contents 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 interim report.

Company Secretary, Administrator and Registered Office

JTC Fund Solutions (Jersey) Limited
PO Box 1075
28 Esplanade
St Helier
Jersey JE4 2QP

Company Secretarial Contact: Hilary Jones
☎ 01534 700000
invesco@jtcgroup.com

General Data Protection Regulation

The Company's privacy notice can be found at:
www.invesco.co.uk/bips

Corporate Broker

Winterflood Investment Trusts
Riverbank House
2 Swan Lane
London
EC4R 3GA

Independent Auditor

PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier
Jersey JE1 4XA

Depositary, Custodian & Banker

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

Invesco Client Services

Invesco has a Client Services Team available from 8.30am to 6.00pm every working day. Please feel free to take advantage of their expertise by ringing:
☎ 0800 085 8677
www.invesco.co.uk/investmenttrusts

Registrar

Computershare Investor Services (Jersey) Limited
13 Castle Street
St Helier
Jersey JE1 1ES
☎ +44 (0370) 707 4040

Shareholders who hold shares directly and not through a Savings Scheme or ISA and have queries relating to their shareholding should contact the Registrar's call centre on the above number.

Calls are charged at the standard geographic rate and will vary by provider.

Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm Monday to Friday (excluding UK public holidays).

Shareholders holding shares directly can also access their holding details via Computershare's website:

http://www.investorcentre.co.uk/je

The Registrar provides an on-line share dealing service to existing shareholders who are not seeking advice on buying or selling via Computershare's website http://www.investorcentre.co.uk/je

For queries relating to shareholder dealing contact

☎ +44 (0) 370 703 0084

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm Monday to Friday (excluding UK public holidays).

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 years ended 31 December 2023 and 2022. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability, providing useful additional information.

(Discount)/Premium ('APM')

Discount is a measure of the amount by which the mid-market price of an investment company share is lower than the underlying net asset value ('NAV') of that share. Conversely, Premium is a measure of the amount by which the mid-market price of an investment company share is higher than the underlying net asset value of that share. In this Annual Financial Report the (discount)/premium 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		2023	2022
Share price	3	a	171.00p	166.00p
Net asset value per share	55	b	168.58p	162.20p
Premium		c = (a-b)/b	1.4%	2.3%

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		2023 £'000	2022 £'000
Securities sold under agreements to repurchase (repo financing)	62		48,068	53,751
Gross borrowings		a	48,068	53,751
Net asset value	55	b	304,629	281,089
Gross gearing		c = a/b	15.8%	19.1%

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		2023 £'000	2022 £'000
Securities sold under agreements to repurchase (repo financing)	62		48,068	53,751
Less: cash and cash equivalents including margin	55		(10,267)	(9,664)
Net borrowings		a	37,801	44,087
Net asset value	55	b	304,629	281,089
Net gearing		c = a/b	12.4%	15.7%

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.

Modified Duration

Modified Duration is regarded as a measure of the volatility of a portfolio, as, with all other risk factors being equal, bonds with higher durations have greater price volatility than bonds with lower durations. Modified duration measures the change in the value of a bond (or portfolio) in response to a change in 100 basis-point (1%) change in interest rates. Therefore a 1% rise in interest rates leads to a 1% fall in the value of the bond or portfolio.

Net Asset Value ('NAV')

Also described as shareholder's funds the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per ordinary share is calculated by dividing the net assets by the number of ordinary shares in issue (see note 18 on page 63). For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at par (their repayment – often nominal – 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		2023 £'000	2022 £'000
Investment management fee	59		1,882	1,848
Other expenses	60		805	766
Less: costs in relation to custody dealing charges, premium on credit default swaps and one off legal costs			(71)	(125)
Total recurring expenses		a	2,616	2,489
Average daily net asset value		b	286,682	290,704
Ongoing charges ratio %		c = a/b	0.91%	0.86%

Return

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

Total Return

Total return is the theoretical return to shareholders that measures the combined effect of any dividends paid together with the rise or fall in the share price or NAV. In this annual financial report these return figures have been sourced from LSEG Data & Analytics who calculate returns on an industry comparative basis. The figures calculated below are one year total returns, however the same calculation would be used for three and five year total returns where quoted in this report, taking the respective Net Asset Values and Share Prices period for the opening and closing periods and adding the impact of dividend reinvestments for the relevant periods.

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. Refer to the table below for the reconciliation to the NAV on pages 3 and 4.

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. Refer to the table below for the reconciliation to the share price on page 3.

2023	Page		Net Asset Value	Share Price
As at 31 December 2023	3		168.58p	171.00p
As at 31 December 2022	3		162.20p	166.00p
Change in year		a	3.9%	3.0%
Impact of dividend reinvestments[1]		b	7.8%	7.5%
Total return for the year		c = a+b	11.7%	10.5%

2022	Page		Net Asset Value	Share Price
As at 31 December 2022	3		162.20p	166.00p
As at 31 December 2021	4		193.82p	187.25p
Change in year		a	-16.3%	-11.3%
Impact of dividend reinvestments[1]		b	5.5%	6.1%
Total return for the year		c = a+b	-10.8%	-5.2%

(1) Total dividends paid during the year of 11.50p (2022: 11.25p) 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.

Credit Ratings Definitions

The definitions for the credit ratings shown in the financial statements are as follows:

Moody's Ratings
Investment Grade

Aaa: judged to be of the highest quality, with minimal credit risk.

Aa1, Aa2, Aa3: judged to be of high quality and are subject to very low credit risk.

A1, A2, A3: considered upper-medium grade and are subject to low credit risk.

Baa1, Baa2, Baa3: subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Speculative Grade (non-investment grade)

Ba1, Ba2, Ba3: judged to have speculative elements and are subject to substantial credit risk.

B1, B2, B3: considered speculative and are subject to high credit risk.

Caa1, Caa2, Caa3: judged to be of poor standing and are subject to very high credit risk.

Ca: highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C: lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

WR: withdrawn rating.

P: provisional.

Standard & Poor's Ratings
Investment Grade

AAA: the best quality borrowers, reliable and stable (many of them governments).

AA: quality borrowers, a bit higher risk than AAA.

A: economic situation can affect finance.

BBB: medium class borrowers, which are satisfactory at the moment.

Non-investment Grade

BB: more prone to changes in the economy.

B: financial situation varies noticeably.

CCC: currently vulnerable and dependent on favourable economic conditions to meet commitments.

CC: highly vulnerable, very speculative.

C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations.

CI: past due on interest.

R: under regulatory supervision due to the company's financial situation.

SD: has selectively defaulted on some obligations.

D: has defaulted on obligations and S&P believes that the company will generally default on most or all obligations.

NR: not rated.

Equivalent average rating is based on the following methodology of rating (using Moody's, Fitch and Standard & Poor's Ratings where applicable for each holding):

- if one rating available, use that rating;
- if two ratings, use the lower rating;
- if three ratings, use the middle rating;

Alternative Investment Fund Managers Directive Disclosures

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

Invesco Fund Managers Limited ('IFML') was authorised as an AIFM, and appointed by the Company as such, with effect from 22 July 2014. IFML is an associated company of Invesco Asset Management Limited ('IAML'), the previous Manager, and IAML continues to manage the Company's investments under delegated authority from IFML. In accordance with the Directive, the Company qualifies as an Alternative Investment Fund ('AIF').

Amongst other things, the AIFMD requires certain information to be provided to prospective investors. This information can be found in the Company's section of the Manager's website (https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html) in a downloadable document entitled 'AIFMD Investor Information'. There have been no material changes to this information in the year to 31 December 2023 or up to the date of this report. 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 Glossary on page 76) and the remuneration of the Company's AIFM (IFML) to be made available to investors.

Accordingly:

- the leverage calculated for the Company at the year end was 159% for gross and 128% for commitment (2022: 172% and 135% respectively). The limits the AIFM has set for the Company remain unchanged at 300% and 250%, respectively;
- the AIFM summary remuneration policy is available from the corporate policies section of the Manager's website (www.invesco.com/uk) and from the Company's Company Secretary, on request (see contact details on page 75); and
- the AIFM remuneration paid for the year to 31 December 2023 is set out below.

AIFM Remuneration

Remuneration policy

On 18 March 2016, Invesco Fund Managers Limited ('the Manager') adopted a remuneration policy consistent with the principles outlined in the European Securities and Markets Authority ('ESMA') Guidelines, on sound remuneration policies under the AIFM Directive.

The policy was revised in 2023, to include specificities for some Invesco EU regulated Management Companies. The Manager was not impacted by the changes.

The purpose of the remuneration policy is to ensure the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Manager and of the AIF it manages and does not impair the Manager's compliance with its duty to act in the best interests of the AIF it manages. The Manager's summary remuneration policy is available from the corporate policies section of our website (www.invesco.com/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 remuneration policy is reviewed annually by the Compliance, Human Resources and Risk Management functions, who recommend any adjustments to ensure continued alignment of the policy with sound risk management. The board of directors of the Manager are responsible for the oversight of remuneration and for ensuring adherence to this policy through the Human Resources function.

The Internal Audit function conducts regular testing of administration of the remuneration policy to assess its ongoing compliance with the Invesco Group's remuneration policies and procedures.

The Manager does not employ any direct staff. All staff involved in the AIF related activities of IFML are employed and paid by various entities of the Invesco Ltd. Group.

The aggregate total remuneration of Invesco staff involved in AIF related activities of the Manager in respect of performance year 2023 (1 January 2023 to 31 December 2023) is £1.60 million of which £1.04 million is fixed remuneration and £0.56 million is variable remuneration. The number of beneficiaries apportioned to AIFMD activities is 8.

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.

The aggregate total remuneration paid to the Identified Staff of the Manager for AIF related activities for the performance year 2023 (1 January 2023 to 31 December 2023) is £0.54 million of which £0.26 million is paid to Senior Management and £0.28 million is paid to other Identified Staff. Please note that remuneration for AIFMD Identified Staff includes remuneration for staff employed by delegates.

The Manager of Invesco Bond Income Plus Limited 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 firms, with funds under management of $1,630.9 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.

* As at 29 February 2024.

Invesco Bond Income Plus Limited

Annual Financial Report 2023