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CT UK High Income Trust PLC
30 May 2025

To:	RNS
From:	CT UK High Income Trust PLC
Date:	30 May 2025
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Statement of Audited Results for the year ended 31 March 2025

Financial Highlights

- Net asset value total return[1] per share for the financial year was +13.5%, compared to the total return of the Benchmark[2] of +10.5%.
- Ordinary share price total return[1] per share for the financial year was +25.0%, compared to the total return of the Benchmark[2] of +10.5%.
- B share price total return[1] per share for the financial year was +24.0% compared to the total return of the Benchmark[2] of +10.5%.
- Net asset value total return per share for the three year performance measurement period ended 31 March 2025 was +26.6%, compared to the total return of the Benchmark[2] of +23.3%.
- Distribution yield of 5.8% on Ordinary shares at 31 March 2025, compared to the yield on the FTSE All-Share Index of 3.5%. Total dividends increased by 3.0% to 5.79p per Ordinary share compared to the prior year.
- Distribution yield of 6.0% on B shares at 31 March 2025, compared to the yield on the FTSE All-Share Index of 3.5%. Total capital repayments increased by 3.0% to 5.79p per B share compared to the prior year.

(1) Yield and total return - See Alternative Performance Measures
(2) Benchmark - FTSE All-Share Index.

Chairman's Statement

"+25.0% and +24.0% share price total return for the financial year for the Ordinary shares and B shares respectively and outstanding three year NAV total return performance."

I am pleased to present the annual results of CT UK High Income Trust PLC for the financial year ended 31 March 2025. Whilst I am frustrated and saddened to note that the geopolitical situation has not improved, I am delighted to be able to report on another successful year for shareholders under the expert stewardship of Portfolio Manager David Moss who has generated index-beating returns, an increase in dividends and capital repayments and is rebuilding the revenue reserve.

Under continued tension between Israel and Palestine and the senseless and seemingly endless war in Ukraine, it is remarkable that stock markets, in general, have performed as well as they have but, as I have inferred before, maintaining composure and staying alert to the two imposters of triumph and disaster - perhaps more commonly known as opportunities and risks in the investment world - calls for a high degree of competence and professionalism.

David has managed, once again, to maintain his focus and concentrate on producing growth in capital and dividends for shareholders. Over the last few years, the Board has employed the Company's revenue reserve to maintain and grow distributions, but this year, a transfer to the revenue reserve of £635,000 has been possible. After payment of the fourth interim dividend on 2 May 2025, the reserve stands at a healthy £2.9 million, representing 60% of the current annual dividend payout. Your Board has made the rebuilding of the revenue reserve a high priority and is delighted that this objective is being achieved whilst also increasing dividend payments to shareholders, now for the twelfth year in a row.

Performance

In the financial year to 31 March 2025 your Company produced a Net Asset Value (NAV) total return of +13.5% against a total return of +10.5% from the FTSE All-Share Index, the benchmark index. This is a very welcome and highly commendable outperformance of +3.0 percentage points against an index which can be hard to beat and performance is considered further in the Manager's Review. Gearing was maintained throughout the year and this was the correct call for most of the time. David has full discretion over levels of gearing and, as he explains in the Manager's Report that follows, gearing was reduced in the period after Christmas when disquiet over the potential damage to world trade by the Trump Tariff Tantrum and concerns over "what Donald might do next" unsettled stock markets. This proved a prudent decision.

Continuation Vote

Shareholders may recall that, at the 2022 Annual General Meeting, approval was granted of the Board's proposal to reduce the performance-measurement period from five years to three years. Consequently, if the Company's NAV total return performance is below the benchmark index over any such three-year period, shareholders will be offered a vote as to whether or not the Company continues. As a result, the latest performance measurement period was from 1 April 2022 to 31 March 2025.

I have already commended David for his management and performance over the last financial year but, even more impressively, he has produced an NAV total return over the three-year period ended 31 March 2025 of +26.6% against +23.3% from the benchmark index, an outperformance of +3.3 percentage points. The Board is delighted with this outperformance and, particularly so for the positive outcome it has generated for shareholders. As a result, there will be no requirement to offer a continuation vote at the 2025 AGM.

The present performance measurement period is 1 April 2025 to 31 March 2028.

Share Price Performance and Discount to NAV

At the financial year end, the Company's Ordinary share and B share prices stood at discounts to the net asset value of just -2.1% and -4.1% respectively, a welcome tightening since this time last year reflecting consistently improving performance and increased demand for the Company's shares. In response to this demand, 1,000,000 Ordinary shares were resold out of treasury, at a small premium to NAV to ensure no dilution for existing shareholders, making this Company one of only a handful that issued shares during the year. During the year 250,000 B shares were bought back for treasury at a discount to NAV of approximately 12%, which was also helpful for the ratio of Ordinary shares to B shares.

The average discount levels at which the Company's Ordinary shares and B shares traded relative to net asset value in the financial year were 5.5% and 9.6% respectively and it remains the Board's preference for the discounts to be in single figures whilst maintaining the balance of supply and demand in the market for both share classes on a daily basis. Consequently, the share price total return for the Ordinary shares and B shares was +25.0% and +24.0% respectively.

Dividends and Capital Repayments

As already mentioned, your Board recognises the importance of dividends to shareholders and has utilised the Company's revenue reserve to increase dividend payments to Ordinary shareholders in recent years although a significant transfer to reserves occurred this year. Total distributions to shareholders this year increased by 3.0% to 5.79p per share compared to the previous year. In the year to 31 March 2025, the revenue earnings per share increased by 19.7%. After payment of the fourth interim dividend on 2 May 2025, the revenue reserve is £2.9 million, representing 3.49p per Ordinary share.

Your Company has now increased its distributions to shareholders in each financial year since 2013. The total dividend/capital repayment for the year to 31 March 2025 represented a yield on the Ordinary shares and B shares of 5.8% and 6.0% respectively based on the Ordinary share price and B share price of 99.0p and 97.0p respectively at 31 March 2025.

B Shares

Holders of B shares will be aware that they have a right to receive capital repayments at the same time as, and in an amount equal to, each dividend paid in respect of Ordinary shares. These capital repayments are paid out of the special capital reserve for as long as this reserve remains sufficient. If and when this reserve is exhausted, the Company's Articles of Association provide that all Ordinary shares and all B shares automatically convert into Ordinary shares with identical rights, including the receipt of dividends, taxable as income, in place of previous capital repayments. The current estimate of the remaining life of this capital reserve is approximately three years.

Your Board is keeping this eventuality under review and will update all shareholders as appropriate. A fuller explanation of the Company's structure can be found in the Company's Annual Report and Financial Statements.

Gearing

As at the end of the year under review, the Company had a total borrowing facility of £15 million through an unsecured Revolving Credit Facility with The Royal Bank of Scotland International Limited. Your Board believes that an investment company should use gearing to enhance returns to shareholders whenever possible and encourages the Portfolio Manager to use his discretion accordingly. As at the year end, this facility had been fully drawn down, of which £9.5m was held in cash.

Annual General Meeting (AGM)

The AGM will be held at 11am on 28 July 2025 at Columbia Threadneedle Investments, Cannon Place, 78 Cannon

Street, London EC4N 6AG. It is an opportunity for shareholders to engage with the Board and Manager and I hope you will be able to attend.

Outlook

I see from my comments last year that my optimism about inflation and interest rates was misplaced. Global tensions have continued and there's no doubt that more recent concerns over the tariff wars disrupting trade have contributed to the tricky economic situation in which the new Labour Government now finds itself. One must concede that the Government has a lot on its plate at the moment but some of the domestic issues it now faces are partly due to the Chancellor's decisions in the autumn budget and the largesse she immediately bestowed upon the striking train drivers and doctors. Don't for one minute think this has settled the problem permanently as this is likely to have merely strengthened their resolve to come back for more this year, and for other unions to follow suit. Additionally, there is already evidence that increasing the National Insurance contribution paid by employers is likely to dampen hiring over the medium term, reduce profits and stunt economic growth.

Similarly, I think the Bank of England has been extremely slow in recognising the cost difficulties faced in the "real world" by businesses and households, focusing almost solely on the 2% inflation target rather than easing the burden with lower interest rates. The Bank of England did reduce the key interest rate by 0.25% at its May meeting but, barring an annus horribilis, rates must come down further and faster this year, regardless of the predictable and almost inevitable variations in the monthly inflation numbers.

So, I've painted a very merry and upbeat picture, haven't I? In fact, I am far more optimistic than this suggests but stating a few simple facts does highlight the constant hurdles that need to be addressed and overcome by investment managers when constructing portfolios with the specific intent of producing positive capital returns and growing dividends for shareholders. It is no easy task to remain consistently focused when so much is going on but your Board has great faith in Portfolio Manager David Moss and confidence that his good work will continue.

The Company's portfolio is in good shape, given all the variables. Gearing has been deployed successfully and sensibly over several years and having at the Portfolio Manager's disposal a wholly flexible borrowing facility means that an optimum level can be maintained and quickly finessed as required. Your Board encourages David to use his discretion accordingly in this respect and firmly believes that such a benefit of the closed-end structure of an investment company offers significant advantages to shareholders.

As ever, thank you for being a shareholder in CT UK High Income Trust PLC. Your support is very much appreciated and I look forward to the year ahead.

Andrew Watkins
Chairman
29 May 2025

Manager's Review

In last year's review we discussed how equity markets had been driven by the consequences of the Covid response i.e. a spike in inflation and a corresponding sharp rise in interest rates. We had hoped that this year the main topic would be the subsequent reversal of these trends - a backdrop that would have been a positive one from an economic perspective. Unfortunately, while the Bank of England and other central banks have cut rates, stickier than hoped inflation together with other issues has meant that the cuts have been less than anticipated and certainly for the UK, longer term rates have stayed at high levels.

When we refer to other issues, we primarily mean politics which has probably been the biggest driver of markets with elections in the last year in the UK but also France, the US and latterly in Germany. For most of 2024, the biggest influence on the performance of UK equities was July's UK election and the subsequent actions of the newly elected Labour government. After the continual volatility and uncertainty of the last Conservative government it is, perhaps in hindsight, not surprising that the British people gave the Labour party such a resounding majority. Hopes were high that a new government could be a force for growth. Unfortunately, the positivity didn't last long with the Labour party embarking on a summer campaign of continually reminding us of the challenges facing the country. While this did little to help investor or business confidence, the new government's first budget drew significant criticism. Having made clear commitments around not raising income or National Insurance contributions for individuals, the new Chancellor argued that public finances were in such a state that a rise in employer National Insurance contributions was required. This combined with reduced thresholds elsewhere proved unpopular.

If the impact of the UK election wasn't enough, we had the US election in November 2024 with President Trump returning for a second term in the White House. We were somewhat surprised to see the strong positive market reaction to the result given that some of the pre-election rhetoric was decidedly market unfriendly in our view. We have seen tangible evidence of this with the new Administration's actions on tariffs since our year end in March. Much has been made of 'US exceptionalism' which appeared to be an attempt to justify lofty valuations in the US market. The announcement by Chinese AI company DeepSeek that they could get similar results to ChatGPT at a fraction of the cost hurt companies associated with data centres and AI. Sharp share price falls were witnessed. It is arguable that President Trump's actions of late have further hurt the attractiveness of the US to investors - both in terms of tariff announcements but also by the shifting attitudes towards NATO partners and the big change in approach to negotiations around ending the war in Ukraine. This can only help the UK as an investment destination and investors in Europe were positively surprised by the speed of actions of German politicians when they acted to change their fiscal rules before the new government assumed control. The UK is, of course, not in the European Union but remains a key partner of Europe and with German spending likely to be several hundreds of billions of euros over several years we believe all European countries can benefit.

Performance

Despite all of the turmoil, UK equities delivered positive performance in the year to 31 March 2025, with the FTSE All-Share delivering a total return of +10.5%. We are pleased to say that the Company also had another positive year and strongly outperformed the benchmark with an NAV total return of +13.5%.

While sector allocation was positive (principally by not owning anything in the beverages sector) the dominant contributor to the outperformance was strong stock selection. Pleasingly our stock choices were positive across several sectors for example emphasising Imperial Brands over BAT in tobacco, favouring Shell over BP in oil & gas and Rolls-Royce in aerospace & defence. Rolls-Royce also helped income generation after it returned to the dividend paying list for the first time in many years. Another notable positive was our biggest single contributor NatWest which produced consistently strong results during the year despite the lacklustre economic backdrop. Specialist buy to let lender OSB Group was also notable after it overcame issues that plagued it in the previous year together with Irish housebuilder Cairn Homes which had another strong year as it benefited from being the biggest player in a strong housing market, desperately short of new quality stock. The other positive worth mentioning was Hargreaves Lansdown which after a period of poor performance was taken over by private equity firm CVC. The acquisition was another example that highlighted how corporate investors recognised the low valuation of UK shares.

Portfolio Activity

While activity was substantially lower than the previous year, we still exited several positions and added new ones. While we - like Warren Buffet - believe that 'the best holding period is forever' we will trade when believing it is advantageous for our shareholders. This could be because we see limited further upside in a held name but will most often be because we find another opportunity that is more compelling. It may be that a new holding offers greater scope for upside, or it pays a higher dividend yield or even serves to enhance diversification of income streams within the portfolio. While we remain a holder in Cairn Homes for example, we have a smaller position than we did a year ago as a very strong share price enabled us to lock-in gains and re-invest elsewhere in opportunities offering a higher level of income. One of our biggest additions was to buy HSBC at a valuation we deemed attractive and with a dividend yield (at purchase) around double the market. The business has made significant progress on simplifying operations by selling the French and Canadian retail businesses, returning this capital to shareholders and re-investing in the long-term growth area of Asian Wealth Management. The addition was part funded by reducing positions in other banks where performance had been strong and the yields lower. In the UK we sold our position in housebuilder Vistry after they decided to move to returning the majority of cash to shareholders via share buyback rather than dividend. Correspondingly, we switched into fellow housebuilder Taylor Wimpey given the attraction of its dividends. While we do expect share buybacks to form an increasing part of shareholder returns, we do not anticipate the Vistry action to be widespread as this reflects their more unique US shareholder base. One other notable switch was selling Irish building materials company CRH and then the subsequent purchase of smaller UK listed peer Breedon Group. CRH had performed very strongly for us since purchase and Breedon was significantly cheaper and with a higher dividend yield. In many ways Breedon reminds us of CRH 30 years ago - they have a strong position in Ireland, a good position in the UK (albeit in a weak market) and have a nascent position in the US - a market we expect to grow strongly in the coming years. Hence Breedon is a great example of a smaller UK business where we can receive good levels of income now, due to the attractive entry price and believe we can look forward to many years of growth.

We aim to offer shareholders the prospect of capital growth as well as a high level of income and lower yielding stocks that we have added to the portfolio include defence company BAE Systems and financial data business Experian. One positive impact of the new US President is to make Europe realise they need to spend more on their own defence, a fact also true of the UK. As a global leading provider of defence equipment BAE Systems is well placed, in our view, to benefit from what is likely to be a multi-decade increase in defence spending and Experian as a leading financial data platform in the Americas will see an accelerating growth profile, rising margins and free cashflow as proprietary data becomes ever more valuable. We sold out of equally low dividend stocks such as accountancy software companies Sage Group and French electrical equipment company Schneider Electric after very strong performance left valuations looking demanding.

The changing nature of electricity generation is putting tremendous pressure on the grid and National Grid, the listed company which manages the UK's electricity grid, has to invest enormously in the coming years to be able to deal with these changes. Importantly as a highly regulated entity the return that National Grid earns on these investments is decided by the regulator and is therefore highly visible. When National Grid then raised equity to help it fund future investment we took advantage of a weaker share price to start a position. National Grid pays an attractive dividend now but importantly the visibility it has on its allowed returns means we can be confident in this dividend growing well into the future.

Our view has consistently been that the ability to utilise leverage is a key positive of Investment Trusts and that we will look to be structurally leveraged, rather than utilising the borrowing facility to take tactical views on the market. That said as the famous quote goes "when the facts change, I change my mind" and after a strong 2024 and a good start to the year we did reduce our leverage in the first quarter of 2025. We were hesitant to believe the widely accepted view that President Trump's new administration would again be positive for markets, as many of the comments and potential policies seemed to us negative, with the US in a very different debt position this time, in an economy that was already slowing. At the very least we expected volatility to increase which of course has come to pass. This was a temporary reduction in leverage and we have used our borrowing facility to re-invest as markets have come down but our net borrowing remains below our maximum at this point, alive to the opportunities we expect to see in the weeks and months ahead.

Outlook

High interest rates together with persisting concerns on the UK economy and the government's borrowing requirements will likely be key determinants of UK equity performance in the year ahead. In the near term however, it is likely that the single biggest driver of all markets will be US tariffs and the impact of these on businesses across the globe. As always what is most important for us is the quality of companies we invest in and the price we pay rather than any economic outcome. That said, few of our investee companies operate in isolation and must be able to function efficiently in an uncertain environment. We do though, still expect inflation and interest rates to fall albeit at a slower pace and this should still be helpful for equities. We remain positive on domestically focused businesses with the UK consumer in better shape than many believe and many of these companies more resilient to tariffs. Helpfully, a slowing US economy, doubts as to whether the huge spending on AI will ever deliver a significant return, together with uncertainty provided by the Trump presidency, have caused more investors to question valuations in the US. We (and others) have written extensively about the low relative valuation of the UK market but thus far this view appears to have gone broadly unnoticed.

While not an investment rationale in itself, there would only need to be a modest increase in UK equity allocations by global investors for positive impetus to be generated. In the meantime, we can invest in companies that have the levels of dividends we need to meet our shareholder requirements not because they are weak or low returning businesses, but because they are in an out of favour market - the UK - and typically in out of favour sectors. The result is that these companies can pay high dividends now but also appear well placed to grow income payments in the future. Dividends grew 4% last year in the UK, and we would expect more growth this coming 12 months. It is likely though that share buybacks will again grow more than dividends as companies recognise that buying their own shares at low valuations represents a very attractive way to generate shareholder returns. Lastly, as we have increasingly seen, if investors don't recognise the low valuations of UK companies, acquirors will, whether corporate or private equity.

David Moss
Portfolio Manager
Columbia Threadneedle Investment Business Limited
29 May 2025

Statement of Comprehensive Income

	Note	Year to 31 March 2025 Revenue £'000	Capital £'000	Total £'000
Capital gains on investments				
Gains on investments held at fair value through profit or loss		-	9,678	9,678
Exchange (losses)/gains		(3)	2	(1)
Revenue				
Income		6,487	-	6,487
Total income		**6,484**	**9,680**	**16,164**
Expenditure				
Investment management fee		(201)	(469)	(670)
Other expenses		(488)	-	(488)
Total expenditure		**(689)**	**(469)**	**(1,158)**
Profit before finance costs and tax		5,795	9,211	15,006
Finance costs				
Interest on bank loans		(279)	(652)	(931)
Total finance costs		**(279)**	**(652)**	**(931)**
Profit before tax		5,516	8,559	14,075
Taxation		(32)	-	(32)
Profit and total comprehensive income for the year		**5,484**	**8,559**	**14,043**
Earnings per share	2	**4.80p**	**7.50p**	**12.30p**

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards.

The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

Statement of Comprehensive Income

	Note	Revenue £'000	Year to 31 March 2024 Capital £'000	Total £'000
Capital gains on investments				
Gains on investments held at fair value through profit or loss		-	7,674	7,674
Exchange gains		1	9	10
Revenue				
Income		5,603	-	5,603
Total income		**5,604**	**7,683**	**13,287**
Expenditure				
Investment management fee		(186)	(435)	(621)
Other expenses		(518)	-	(518)
Total expenditure		**(704)**	**(435)**	**(1,139)**
Profit before finance costs and tax		4,900	7,248	12,148
Finance costs				
Interest on bank loans		(269)	(627)	(896)
Total finance costs		**(269)**	**(627)**	**(896)**
Profit before tax		4,631	6,621	11,252
Taxation		(30)	-	(30)
Profit and total comprehensive income for the year		**4,601**	**6,621**	**11,222**
Earnings per share	2	**4.01p**	**5.77p**	**9.78p**

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards.

The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

Statement of Financial Position

as at 31 March

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Investments held at fair value through			

profit or loss		122,140	121,267
Current assets			
Receivables		1,287	1,203
Cash and cash equivalents		9,514	1,086
		10,801	2,289
Total assets		**132,941**	**123,556**
Current liabilities			
Payables		(1,875)	(790)
Bank loan		(15,000)	(15,000)
		(16,875)	(15,790)
Total liabilities		**(16,875)**	**(15,790)**
Net assets		**116,066**	**107,766**
Equity attributable to equity shareholders			
Share capital		134	134
Share premium		262	153
Capital redemption reserve		5	5
Buy-back reserve		79,682	79,022
Special capital reserve		6,573	8,320
Capital reserves		25,003	16,444
Revenue reserve		4,407	3,688
Equity shareholders' funds		**116,066**	**107,766**
Net asset value per Ordinary share	6	101.12p	94.51p
Net asset value per B share	6	101.12p	94.51p

Cash Flow Statement

for the year to 31 March

	Year to 31 March 2025 £'000	**Year to 31 March 2024 £'000**
Cash flows from operating activities		
Profit before taxation	14,075	11,252
Adjustments for:		
Gains on investments held at fair value through profit or loss	(9,678)	(7,674)
Exchange losses/(gains)	1	(10)
Interest income	(146)	(84)
Interest received	146	84
Dividend income	(6,335)	(5,519)
Dividend income received	6,133	5,727
(Increase)/Decrease in receivables	(4)	1
(Decrease)/Increase in payables	(14)	45
Finance costs	931	896
Overseas tax recovered/(suffered)	69	(69)
Cash flows from operating activities	**5,178**	**4,649**
Cash flows from investing activities		
Purchases of investments	(52,967)	(62,065)
Sales of investments	62,879	61,699
Cash flows from investing activities	**9,912**	**(366)**
Cash flows before financing activities	**15,090**	**4,283**
Cash flows from financing activities		
Dividends paid on Ordinary shares	(4,765)	(4,642)
Capital returns paid on B shares	(1,747)	(1,692)
Shares purchased for treasury	(216)	(1,293)
Shares sold from treasury	985	-
Interest on bank loans	(918)	(868)
Drawdown of bank loans	-	3,000
Cash flows from financing activities	**(6,661)**	**(5,495)**
Net increase/(decrease) in cash and cash equivalents	**8,429**	**(1,212)**
Cash and cash equivalents at the beginning of the year	1,086	2,288
Effect of movement in foreign exchange	(1)	10
Cash and cash equivalents at the end of the year	**9,514**	**1,086**
Represented by:		
Cash at bank	154	176
Short term deposits	9,360	910

	9,514	1,086

Statement of Changes in Equity

for the year to 31 March 2025

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Buy-back Reserve £'000	Special Capital Reserve £'000	Capital Reserve - Investments sold £'000	F Inv
Balance as at 31 March 2024	**134**	**153**	**5**	**79,022**	**8,320**	**1,249**	
Movement during the year ended 31 March 2025							
Profit/(loss) for the year	-	-	-	-	-	9,165	
Total comprehensive income/ (expense) for the year	-	-	-	-	-	9,165	
Transactions with owners of the Company recognised directly in equity							
Shares bought back for treasury	-	-	-	(216)	-	-	
Shares sold from treasury		109		876			
Dividends paid on Ordinary shares	-	-	-	-	-	-	
Capital returns paid on B shares	-	-	-	-	(1,747)	-	
Balance as at 31 March 2025	**134**	**262**	**5**	**79,682**	**6,573**	**10,414**	

Statement of Changes in Equity

for the year to 31 March 2024

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Buy-back Reserve £'000	Special Capital Reserve £'000	Capital Reserve - Investments sold £'000	F Inv
Balance as at 31 March 2023	**134**	**153**	**5**	**80,315**	**10,012**	**7,965**	
Movement during the year ended 31 March 2024							
(Loss)/profit for the year	-	-	-	-	-	(6,716)	
Total comprehensive income/ (expense) for the year	-	-	-	-	-	(6,716)	
Transactions with owners of the Company recognised directly in equity							
Shares bought back for treasury	-	-	-	(1,293)	-	-	
Dividends paid on Ordinary shares	-	-	-	-	-	-	
Capital returns paid on B shares	-	-	-	-	(1,692)	-	
Balance as at 31 March 2024	**134**	**153**	**5**	**79,022**	**8,320**	**1,249**	

CT UK High Income Trust PLC

Principal Risks and Uncertainties and Viability Statement

As an investment company, investing primarily in listed securities, most of the Company's principal risks and uncertainties that could threaten the achievement of its objective, strategy, future performance, liquidity and solvency are market-related.

A summary of the Company's risk management and internal controls arrangements is included within the Report of the Audit Committee in the Annual Report and Financial Statements. By means of the procedures set out in that summary, the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The Board also considers emerging risks which might affect the Company and related updates from the Manager on such risks are also considered. During the year significant and emerging risks included the outlook for inflation, ongoing macroeconomic and geopolitical concerns, and the impact on financial markets of US trade tariffs. Any emerging risks that are identified and that are considered to be of significance would be included on the Company's risk register with any mitigations. These significant risks, emerging risks and other risks are regularly reviewed by the Audit Committee and the Board. The Audit Committee and the Board have also regularly reviewed the effectiveness of the Company's risk management and internal control systems for the period.

The principal risks and uncertainties faced by the Company, and the Board's mitigation approach, are described below.

Investment performance risk
Inappropriate strategy, asset allocation, stock selection, (in the context of the market, economic or geopolitical backdrop) and the use of gearing could all lead to poor returns for shareholders including impacting the capacity to pay dividends.

Increase in overall risk given macroeconomic and geopolitical concerns and market uncertainty.

Mitigation:
The Company's objective and investment policy and performance against peers and the benchmark are considered by the Board at each meeting and strategic issues are considered regularly.

The Board regularly considers the composition and diversification of the Investment Portfolio (which comprises listed securities) and considers individual stock performance together with purchases and sales of investments. Investments and markets are discussed in detail with the Manager on a regular basis.

The Manager' approach to Responsible Investment is explained in the Annual Report and Financial Statements.

As a closed-end investment company, it is not constrained by asset sales to meet redemptions so can remain invested through volatile market conditions and is well suited to investors seeking longer term returns.

The Board regularly considers ongoing charges combined with underlying dividend income from portfolio companies and the consequent dividend paying capacity of the Company.

Legal and regulatory risk
Breach of regulatory rules could lead to the suspension of the Company's stock exchange listing, financial penalties, or a qualified audit report. Breach of section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains.

No change in overall risk.

Mitigation:
The Board liaises with advisors to ensure compliance with laws or regulations.

The Manager and its Operational Risk team provide regular reports to the Board and Audit Committee on their monitoring and oversight of such rules and are reviewed by the Board. This includes the conditions to maintain investment trust status including the income distribution requirement.

The Board has access to the Manager's Head of Operational Risk and requires any significant issues directly relevant to the Company to be reported immediately.

Third party service delivery and Cyber risks
Failure of the Manager as the Company's main service provider or disruption to its business, or that of an outsourced or third party service provider, could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets leading to a potential breach of the Company's investment mandate or loss of shareholders' confidence.

The risk includes failure or disruption as a consequence of external events such as the COVID-19 pandemic.

External cyber attacks could cause such failure or could lead to the loss or sabotage of data.

No change in overall risk during the year.

Mitigation:
The Board meets regularly with the management of the Manager and its Operational Risk team to review internal control and risk reports which includes oversight of its own third party service providers. The Manager's appointment is reviewed annually and the contract can be terminated with six months' notice. The Manager has a business continuity plan in place to ensure that it is able to respond quickly and effectively to an unplanned event that could affect the continuity of its business.

The Manager has outsourced certain functions to State Street Bank and Trust Company ('State Street') and supervision of such third party service providers, including the administrator of the Manager's savings plans, has been maintained by the Manager. This includes the review of IT security and heightened cyber threats.

The Manager also closely monitors the performance of its technology platform to ensure it is functioning within acceptable service levels.

The Board receives quarterly reports from the Depositary confirming safe custody of the Company's assets and cash and holdings are reconciled to the Custodian's records. The Custodian's internal controls reports are also reviewed by the Manager and key points reported to the Audit Committee. The Board also receives periodic updates from the custodian on its own cyber-security controls.

The Depositary is specifically liable for loss of any of the Company's assets that constitute financial instruments under the AIFMD.

Viability assessment and statement

In accordance with the UK Corporate Governance Code, the Board is required to assess the future prospects for the Company and has considered that a number of characteristics of its business model and strategy were relevant to this assessment:

- The Board looks to long-term outperformance rather than short-term opportunities.

- The Company's investment objective, strategy and policy, which are subject to regular Board monitoring, mean that the Company is invested predominantly in liquid listed equity securities and that the level of borrowing is restricted.

- The Company is a listed closed-end investment trust, whose shares are not subject to redemptions by shareholders

- Subject to shareholder continuation votes, in the event that the net asset value total return performance of the Company is less than that of the FTSE All-Share Index over the relevant period, the Company's business model and strategy is not time limited. The latest performance measurement period for this purpose was the three years to 31 March 2025 and as the Company's net asset value total return outperformed the total return of the FTSE All-Share Index over this period, an ordinary resolution, that the Company continues in existence, will not be required at the forthcoming 2025 Annual General Meeting. The next such performance measurement period will run for the three years to 31 March 2028.
  Also relevant were a number of aspects of the Company's operational arrangements:

- The Company retains title to all assets held by the Custodian under the terms of the formal agreement with the Custodian and Depositary.

- The borrowing facility, which remains available until September 2025, is also subject to a formal agreement, including financial covenants with which the Company complied in full during the year.

- Revenue and expenditure forecasts are reviewed by the Directors at each Board Meeting.

- Cash is held with banks approved and regularly reviewed by the Manager

- The operational robustness of key service providers and the effectiveness of alternative working arrangements.

- Alternative service providers could be engaged at relatively short notice if necessary.

In considering the viability of the Company, the Directors carried out a robust assessment of the principal risks and uncertainties which could threaten the Company's objective and strategy, future performance and solvency. This included the impact of market volatility and a significant fall in equity markets on the Company's investment portfolio. These risks, their mitigations and the processes for monitoring them are set out above within Principal Risks and Uncertainties and in the Report of the Audit Committee and in the notes of the financial statements within the Annual Report.

The Directors have also considered:

- The level of ongoing charges incurred by the Company which are modest and predictable and total 1.04% of average net assets (at 31 March 2025).

- Future revenue and expenditure projections.

- The Company's ability to meet liquidity requirements given its investment portfolio is invested predominantly in readily realisable listed equity securities which can be realised if required.

- The ability to undertake share buy-backs if required.

- Whether the Company's objective and investment policy continue to be relevant to investors.

- The effect of significant future falls in investment values and the ability to maintain dividends and capital repayments, particularly given the uncertainty in markets and macroeconomic and geopolitical concerns.

  These matters were assessed over a three year period to May 2028, and the Board will continue to assess viability over three year rolling periods.

As part of this assessment the Board considered stress tests and scenarios which considered the impact of severe stock market volatility on shareholders' funds and declines in income over a three year period. The results demonstrated the impact on the Company's net assets and its expenses and its ability to meet its liabilities over that period and adhere to its financial covenants.

A rolling three year period represents the horizon over which the Directors believe they can form a reasonable expectation of the Company's prospects, balancing the Company's financial flexibility and scope with the current outlook for longer-term economic conditions affecting the Company and its shareholders.

Based on their assessment, and in the context of the Company's business model, strategy and operational arrangements set out above, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to May 2028.

Statement of Directors' Responsibilities in Relation to the Annual Report and Financial Statements

In accordance with Chapter 4.1.12 of the Disclosure Guidance and Transparency Rules, the Directors confirm, in respect of the Annual Report and Financial Statements for the year ended 31 March 2025 of which this statement of results is an extract, that to the best of their knowledge:

- the financial statements contained within the Annual Report prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and return of the Company;

- the Strategic Report and the Report of the Directors include a fair review of the development and performance of the business and the position of the Company together with a description of the performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face; and

- taken as a whole, the Annual Report and Financial Statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the performance, strategy and business model of the Company.

On behalf of the Board

Andrew Watkins
Chairman
29 May 2025

Notes

1. The financial statements of the Company which are the responsibility of, and were approved by, the Board on 29 May 2025, have been prepared on a going concern basis and in accordance with the Companies Act 2006 and UK-adopted International Accounting Standards.

   The Company's subsidiary undertaking Investors Securities Company Limited has not been consolidated in the financial statements as it is exempt in accordance with Section 405(2) of the Companies Act 2006 on grounds of materiality. Investors Securities Company Limited has been classified at fair value through profit or loss in the Statement of Financial Position.

   Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") is consistent with the requirements of UK-adopted International Accounting Standards, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

2. The Company's earnings per share are based on the profit for the year of £14,043,000 (year to 31 March 2024: profit of £11,222,000) and on 83,585,667 Ordinary shares (2024: 84,025,522) and 30,571,079 B shares (2024: 30,708,750), being the weighted average number of shares in issue of each share class during the year.

   The Company's revenue earnings per share are based on the revenue profit for the year of £5,484,000 (year to 31 March 2024: £4,601,000) and on the weighted average number of shares in issue as above.

   The Company's capital earnings per share are based on the capital profit for the year of £8,559,000 (year to 31 March 2024: £6,621,000) and on the weighted average number of shares in issue as above.

3. A fourth interim dividend in respect of the year ended 31 March 2025 of 1.74p per Ordinary share was paid on 2 May 2025 to Ordinary shareholders on the register on 4 April 2025. A fourth capital repayment in respect of the year ended 31 March 2025 of 1.74p per B share was paid on 2 May 2025 to B shareholders on the register on 4 April 2025.

4. The Company has an unsecured revolving credit facility ("RCF") with The Royal Bank of Scotland International Limited for £15 million which is available until 28 September 2025. At 31 March 2025, £15 million was drawn down for a period of one month to 30 April 2025 (31 March 2024: £15 million).

   The loan agreement contains certain financial covenants with which the Company must comply. These include a financial covenant with respect to the ratio of the Adjusted Portfolio Value (as defined in the loan agreement) to the level of debt and also that the Adjusted Portfolio Value does not fall below £50 million. The Company complied with the required financial covenants throughout the period since drawdown.

5. During the year the Company bought back nil Ordinary shares (2024: 1,750,000 Ordinary shares) to hold in treasury at a cost of £nil (2024: £1,293,000). During the year the Company bought back 250,000 B shares (2024: nil B shares).at a cost of £216,000 (2024: £nil)

During the year the Company sold 1,000,000 Ordinary Shares (2024: nil Ordinary shares) from treasury realising net proceeds of £985,000 (2024: £nil).

At 31 March 2025 the Company held 17,744,491 Ordinary shares (2024: 18,744,491 Ordinary shares) and 1,617,953 B shares (2024: 1,367,953 B shares) in treasury.

Since the year end, the Company has sold a further 1,150,000 Ordinary shares from treasury realising net proceeds of £1,170,000.

6. The Company's basic net asset value per share of 101.12p (2024: 94.51p) is based on the equity shareholders' funds of £116,066,000 (2024: £107,766,000) and on 114,781,403 equity shares, consisting of 84,322,653 Ordinary shares and 30,458,750 B shares (2024: 114,031,403 equity shares, consisting of 83,322,653 Ordinary shares and 30,708,750 B shares), being the number of shares in issue at the year end.

The Company's treasury net asset value per share, incorporating the 17,744,491 Ordinary shares and 1,617,953 B shares held in treasury at the year end (2024: 18,744,491 Ordinary shares and 1,367,953 B shares), was 101.12p (2024: 94.51p). The Company's current policy is to only re sell shares held in treasury at a price not less than the net asset value per share.

7. Financial Instruments

The Company's financial instruments comprise equity investments, cash balances, receivables and payables that arise directly from its operations and borrowings. As an investment trust the Company holds a portfolio of financial assets in pursuit of its investment objective. The Company makes use of borrowings to achieve enhanced returns. The downside risk of borrowings can be mitigated by raising the level of cash balances held.

The Company may use derivatives for efficient portfolio management from time to time. No derivative financial instruments were used during the current year or prior year. The Company may also write call options over some investments held in the investment portfolio. There were no call options written during the current year or prior year.

The fair value of the financial assets and liabilities of the Company at 31 March 2025 is not materially different from their carrying value in the financial statements.

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, market price risk, liquidity risk, interest rate risk and foreign currency risk.

The Board reviews and agrees policies for managing its risk exposure. These policies are summarised below and have remained unchanged for the year under review.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company.

The Company's principal financial assets are bank balances and cash and other receivables, whose carrying amounts in the Statement of Financial Position represent the Company's maximum exposure to credit risk in relation to financial assets. The Company did not have any exposure to any financial assets which were past due or impaired at the current or prior year end.

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. A list of pre-approved counterparties used in such transactions is maintained and regularly reviewed by the Manager, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the acceptable quality of the brokers used. The rate of default in the past has been insignificant.

All of the investments of the Company are held by JPMorgan Chase Bank, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to the securities held by the custodian to be delayed or limited. The Board monitors the Company's risk by reviewing the custodian's internal control reports.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, normally rated A or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

The Company has no significant concentration of credit risk with exposure spread over a number of counterparties and financial institutions.

Market price risk

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. Other external events such as protectionism, inflation or deflation, economic recessions, geopolitical backdrop and terrorism could also affect share prices in particular markets. The Company's strategy for the management of market price risk is driven by the Company's investment policy. The Board sets policies for managing this risk and meets regularly to review full, timely and relevant information on investment performance and financial results. The management of market price risk is part of the fund management process and is typical of equity investment. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Investment performance is discussed in more detail in the Manager's Review in the Annual Report and Financial Statements.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given the liquid nature of the portfolio of investments and the level of cash and cash equivalents ordinarily held. Cash balances are held with a spread of reputable banks with a credit rating of normally A or higher, usually on overnight deposit. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

In certain circumstances, the terms of the Company's bank facility entitle the lender to demand early repayment and, in such circumstances, the Company's ability to maintain dividend levels and the net asset value attributable to equity shareholders could be adversely affected. Such early repayment may be required on the occurrence of certain events of default which are customary for facilities of this type. These include events of non payment, breach of other obligations, misrepresentations, insolvency and insolvency proceedings, illegality and a material adverse change in the financial condition of the Company.

Interest rate risk

Some of the Company's financial instruments are interest bearing. They can be a mix of both fixed and variable rate instruments with differing maturities. As a consequence, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rate. The Company's exposure to floating interest rates gives cashflow interest rate risk and its exposure to fixed interest rates gives fair value interest rate risk.

Floating rate

When the Company retains cash balances the majority of the cash is held in deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which was 4.50 per cent at 31 March 2025 (2024: 5.25 per cent).

When the Company draws down amounts under its revolving credit facility, interest is payable based on SONIA (which can vary on a daily basis) plus a margin.

Fixed rate

At 31 March 2025 and 31 March 2024, the Company's investment portfolio did not contain any fixed interest or floating rate interest assets. At 31 March 2025 the Company had no fixed interest liabilities.

Foreign currency risk

It is not the Company's policy to hedge any overseas currency exposure on equity investments.

8. Going Concern

The Company's investment objective and investment policy, which is subject to regular Board monitoring processes, is designed to ensure that the Company is invested predominantly in liquid, listed securities. The value of these investments exceeds the Company's liabilities by a significant margin. The Company retains title to all assets held by its custodian and has an agreement relating to its borrowing facility with which it has complied during the year. Cash is only held with banks approved and regularly reviewed by the Manager.

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

9. The Directors of the Company are considered a related party. Under the FCA UK Listing Rules, the Manager is also defined as a related party. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore under the AIC SORP, the Manager is not considered a related party for accounting purposes.

There are no transactions with the Board other than aggregated remuneration for services as Directors as disclosed in the Directors' Remuneration Report within the Annual Report and Financial Statements. There are no outstanding balances with the Board at year end.

Angus Pottinger, a non-executive director of the Company, is also a director and shareholder of Boardforms Limited. As disclosed in the Corporate Governance Statement in the Annual Report and Financial Statements, the Company engaged Boardforms Limited to carry out a board evaluation for the year under review at a cost of £4,200 (including VAT). Angus Pottinger recused himself from all discussions regarding the engagement of Boardforms.

The beneficial interests of the Directors in the Ordinary shares and B shares of the Company are disclosed in the Annual Report and Financial Statements.

Transactions between the Company and Columbia Threadneedle Investment Business Limited are detailed in the notes to the financial statements.

10. This statement was approved by the Board on 29 May 2025. It is not the Company's full statutory financial statements in terms of Section 434 of the Companies Act 2006. The statutory Annual Report and Financial Statements for the year ended 31 March 2025 has been approved and audited and received an unqualified audit report and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report. This will be sent to shareholders during June 2025 and will be available for inspection at 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG the registered office of the Company.

The statutory Annual Report and Financial Statements for the year ended 31 March 2024 also received an unqualified audit report and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report.

The full Annual Report and Financial Statements are available on the website maintained on behalf of the Company at www.ctukhighincome.co.uk

The Annual General Meeting of CT UK High Income Trust PLC will be held at 11 am on 28 July 2025 at Columbia Threadneedle Investments, Cannon Place, 78 Cannon Street, London EC4N 6AG.

The audited financial statements for the year to 31 March 2024 have been lodged with the Registrar of Companies and the audited financial statements for the year to 31 March 2025 will be lodged with the Registrar of Companies following the Annual General Meeting.

Alternative Performance Measures ("APMs")

The Company uses the following APMs:

Discount/Premium - the share price of an Investment Trust is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the net asset value (NAV) per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. Shares trading at a price above NAV per share are deemed to be at a premium.

		At 31 March 2025	
		Ordinary shares	**B shares**
Net asset value per share	(a)	**101.12p**	**101.12p**
Share price	(b)	**99.00p**	**97.00p**
Discount (c=(b-a)/(a))	(c)	**-2.1%**	**-4.1%**

Ongoing Charges - all operating costs expected to be incurred in future and that are payable by the Company, expressed as a proportion of the average net assets of the Company over the reporting year. The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non recurring costs and the costs of buying back or issuing shares.

Ongoing charges calculation

		31 March 2025 £'000
Total expenditure		**1,158**
Less revolving credit facility commitment fee		**-**
Less non-recurring expenses		**(2)**
Total	(a)	**1,156**
Average daily net assets	(b)	**111,347**
Ongoing charges (c = a/b)	(c)	**1.04%**

Gearing - represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders funds. If the amount calculated is negative, this is a 'net cash' position and no gearing.

		31 March 2025 £'000
Investments held at fair value through profit or loss	(a)	**122,140**
Net assets	(b)	**116,066**
Gearing (c = (a/b)-1)%	(c)	**5.2%**

Total return - the theoretical return to shareholders calculated on a per share basis by adding dividends/capital repayments paid in the period to the increase or decrease in the Share Price or NAV in the period. The dividends/capital repayments are assumed to have been re invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex dividend.

The effect of reinvesting these dividends/capital repayments on the respective ex dividend dates and the share price total returns and NAV total returns are shown below.

	31 March 2025
	Ordinary shares/ B shares
NAV per share at start of financial year	94.51p
NAV per share at end of financial year	101.12p
Change in the year	+7.0%
Impact of dividend/capital repayment reinvestment†	+6.5%
NAV total return for the year	+13.5%

†During the year to 31 March 2025 dividends/capital repayments totalling 5.71p (Ordinary shares/B shares) went ex-dividend.

	31 March 2025	
	Ordinary shares	B shares
Share price per share at start of financial year	84.5p	83.5p
Share price per share at end of financial year	99.0p	97.0p
Change in the year	+17.2%	+16.2%
Impact of dividend/capital repayment reinvestment†	+7.8%	+7.8%
Share price total return for the year	+25.0%	+24.0%

†During the year to 31 March 2025 dividends/capital repayments totalling 5.71p (Ordinary shares/B shares) went ex-dividend.

	31 March 2025
	Ordinary shares/ B shares
NAV per share at 31 March 2022	95.97p
NAV per share at 31 March 2025	101.12p
Change in the period	+5.4%
Impact of dividend/capital repayment reinvestment†	+21.2%
NAV total return for the 3 years to 31 March 2025	+26.6%

†During the 3 years to 31 March 2025 dividends/capital repayments totalling 16.73p (Ordinary shares/B shares) went ex-dividend.

Yield - The total annual dividend/capital repayment expressed as a percentage of the year end share price.

		31 March 2025	
		Ordinary shares	B shares
Annual dividend/capital repayment	(a)	5.79p	5.79p
Share price	(b)	99.00p	97.00p
Yield = (c=a/b)	(c)	5.8%	6.0%

For further information, please contact:

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Company Secretary to CT UK High Income Trust PLC Tel: 0131 573 8300

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