Registered number: 2422514

Henderson High Income Trust plc
Unaudited accounts
For the 6 months ended 30 June 2003

(prepared for the purposes of Section 272 of the Companies Act 1985)

HENDERSON HIGH INCOME TRUST PLC

BALANCE SHEET

AS AT 30 JUNE 2003

	Notes	£,000
Fixed assets		
Investments	4	108,008
Current assets		
Debtors	5	3,270
Cash at bank		1,247
		4,517
Current liabilities		
Creditors: amounts falling due within one year	6	(17,787)
		(17,787)
Net current liabilities		(13,270)
Total assets less current liabilities		94,738
Creditors: amounts falling due after more than one year	7	(37,974)
Total net assets		56,764
Capital and reserves		
Called up share capital	8	2,771
Share premium account	9	8,398
Capital reserve - realised	9	16,623
Capital redemption reserve	9	26,302
Capital reserve - unrealised	9	1,763
Revenue reserve	10	907
Total shareholders' funds		56,764

The unaudited interim accounts were approved by the directors on 30 July 2003 and signed on their behalf by

W. D. R. G. WILLIAM DUNCAN EASON

Director.

HENDERSON HIGH INCOME TRUST PLC
REVENUE ACCOUNT
FOR THE SIX MONTHS TO 30 JUNE 2003

	Notes	£'000
Income from investments		
Franked investment income		2,217
Unfranked investment income		835
		3,052
Other income		
Bank interest		7
Underwriting commission		0
		3,059
Administrative expenses		(252)
Revenue before interest payable and taxation		2,807
Interest payable and similar charges		(93)
Revenue from ordinary activities before taxation		2,714
Taxation	2	(158)
Revenue from ordinary activities after taxation		2,556
Ordinary Dividends		
First Interim - 2.475p per share		(1,372)
Second Interim - 2.475p per share		(1,372)
		(2,744)
Retained loss for the period		(188)
Retained revenue b/fwd		1,095
Retained revenue c/fwd	10	907
Earnings per ordinary share	3	4.61 p

NOTES TO THE ACCOUNTS

The accounts cover the period from 1 January 2003 to 30 June 2003

1. **Accounting policies**

(a) **Basis of accounting**

The accounts have been prepared under the historical cost convention as modified to include the revaluation of fixed asset investments and in accordance with applicable Accounting Standards.

(b) **Valuation of investments**

UK listed investments are valued according to the prices issued by the London Stock Exchange being the closing mid-market prices for all investments other than FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices are used. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve - realised, and unrealised surpluses and deficits on the valuation of investments are taken to capital reserve- unrealised as explained in note 1 (f).

(c) **Income**

Dividends receivable on equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportioned basis so as to reflect the effective yield on the debt security.

(d) **Expenses and interest payable**

All expenses are accounted for on an accruals basis. The Board's expectation is that over the long term three quarters of the Group's investment returns will be in the form of capital gains. The Group charges 75% of its finance costs and management fees (to the extent that the management fees relate to the maintenance or enhancement of the valuation of investments), and 100% of the performance fee to capital.

(e) **Taxation**

The charge for taxation is based on the net revenue for the period. Provision is made for deferred taxation, using the liability method on all material timing differences, to the extent that it is probable that a liability will crystallise. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period.

(f) **Capital reserve**

Capital reserve - realised

The following are accounted for in this reserve :

- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- expenses and finance costs, together with the related taxation effect, charged to this reserve in accordance with the above policies;
- realised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

Capital reserve - unrealised

The following are accounted for in this reserve :

- increases and decreases in the valuation of investments held at the period end;
- unrealised exchange differences of a capital nature;
- unrealised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

2. **Taxation**	**£'000**
Withholding tax	7
Tax on expenses charged to capital	151
	158

3. **Earnings per share**

Earnings per Ordinary share is based on earnings of £2,556,000 and on the 55,428,865 Ordinary Shares in issue throughout the period.

4. **Fixed asset investments**	**£'000**
Valuation at 1 January 2003	104,902
Unrealised depreciation at 1 January 2003	4,642
Book cost at 1 January 2003	109,544
Acquisitions at cost	18,264
Disposals at cost	(21,563)
Book cost at 30 June 2003	*106,245*
Unrealised depreciation at 30 June 2003	1,763
Valuation at 30 June 2003	108,008

5. **Debtors**

	£'000
Prepayments and accrued income	3,270

6. **Creditors:** amounts falling due within one year

	£'000
Dividends proposed & payable	2,744
Bank loans and overdraft	10,511
Other accruals	4,532
	17,787

7. **Creditors:** amounts falling due after more than one year

	£'000
Bank Loans	5,000
Loan from Henderson High Income Trust Securities plc	26,302
Provision for redemption of the zero dividend preference shares in Henderson High Income Trust Securities plc	6,672
	37,974

8. **Share capital**

	£'000
Authorised	
940,000,000 (31 December 2001: 940,000,000) ordinary shares of 5p each	47,000
	47,000
Allotted, called up and fully paid :	
55,428,865 ordinary shares 5p each	2,771
	2,771

9. **Reserves**

	Share premium reserve reserve	Capital redemption reserve £'000	Capital reserve - unrealised £'000	Capital reserve - realised £'000	Total £'000
At 1 January 2003	8,398	26,302	(4,642)	18,556	48,614
Gains/(losses) on fixed asset investments	-	-	6,405	(262)	6,143
Expenses and interest allocated to capital	-	-	-	(489)	(489)
Corporation tax relief on expenses and interest allocated to capital	-	-	-	151	151
Exchange loss			-	(69)	(69)
Increase in provision for redemption premium payable to subsidiary	-	-	-	(1,264)	(1,264)
At 30 June 2003	8,398	26,302	1,763	16,623	53,086

10. **Revenue reserve**

	£'000
At 1 January 2003	1,095
Retained loss for the period	(188)
At 30 June 2003	907