

Registered number: 2422514

**Henderson High Income Trust plc**  
**Unaudited accounts**  
**For the 9 months ended 30 September 2003**

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



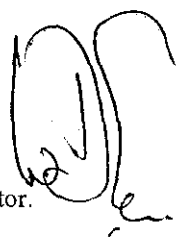
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**HENDERSON HIGH INCOME TRUST PLC**  
**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2003**

	Notes	£,000
<b>Fixed assets</b>		
Investments	4	113,026
<b>Current assets</b>		
Debtors	5	1,975
Cash at bank		589
		<u>2,564</u>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	6	(19,923)
		<u>(19,923)</u>
<b>Net current liabilities</b>		(17,359)
<b>Total assets less current liabilities</b>		<u>95,667</u>
<b>Creditors: amounts falling due after more than one year</b>	7	(38,635)
<b>Total net assets</b>		<u>57,032</u>
<b>Capital and reserves</b>		
Called up share capital	8	2,789
Share premium account	9	8,769
Capital reserve - realised	9	15,458
Capital redemption reserve	9	26,302
Capital reserve - unrealised	9	2,627
Revenue reserve	10	1,087
<b>Total shareholders' funds</b>		<u>57,032</u>

The unaudited interim accounts were approved by the directors on 19/11/2003 and signed on their behalf by

Director.



**HENDERSON HIGH INCOME TRUST PLC**  
**REVENUE ACCOUNT**  
**FOR THE NINE MONTHS TO 30 SEPTEMBER 2003**

	Notes	£'000
<b>Income from investments</b>		
Franked investment income		3,622
Unfranked investment income		1,222
		<u>4,844</u>
<b>Other income</b>		
Bank interest		19
Underwriting commission		4
		<u>4,867</u>
<b>Administrative expenses</b>		(378)
<b>Revenue before interest payable and taxation</b>		<u>4,489</u>
Interest payable and similar charges		(135)
<b>Revenue from ordinary activities before taxation</b>		<u>4,354</u>
Taxation	2	(231)
<b>Revenue from ordinary activities after taxation</b>		<u>4,123</u>
<b>Ordinary Dividends</b>		
First Interim - 2.475p per share		(1,372)
Second Interim - 2.475p per share		(1,372)
Third Interim - 2.475p per share		(1,387)
		<u>(4,131)</u>
<b>Accumulated loss for the period</b>		(8)
<b>Retained revenue b/fwd</b>		1,095
<b>Retained revenue c/fwd</b>	10	<u>1,087</u>
<b>Earnings per ordinary share</b>	3	<u>7.44 p</u>

**NOTES TO THE ACCOUNTS**

The accounts cover the period from 1 January 2003 to 30 September 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	224
	<u>231</u>

**3. Earnings per share**

Earnings per Ordinary share is based on earnings of £4,123,000 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	27,752
Disposals at cost	(26,897)
Book cost at 30 June 2003	<u>110,399</u>
Unrealised depreciation at 30 June 2003	2,627
Valuation at 30 June 2003	<u>113,026</u>

<b>5. Debtors</b>	<b>£'000</b>
Prepayments and accrued income	<u>1,975</u>
<b>6. Creditors: amounts falling due within one year</b>	<b>£'000</b>
Dividends proposed & payable	2,759
Bank loans and overdraft	16,493
Other accruals	671
	<u>19,923</u>
<b>7. Creditors: amounts falling due after more than one year</b>	<b>£'000</b>
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	7,333
	<u>38,635</u>
<b>8. Share capital</b>	<b>£'000</b>
Authorised 940,000,000 (31 December 2002: 940,000,000 ) ordinary shares of 5p each	<u>47,000</u>
	<u>47,000</u>
Allotted, called up and fully paid : 55,778,865 ordinary shares 5p each	<u>2,789</u>
	<u>2,789</u>

**9. Reserves**

	Share premium account £'000	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	-	-	7,269	(285)	6,984
Expenses and interest allocated to capital	-	-	-	(1,028)	(1,028)
Corporation tax relief on expenses and interest allocated to capital	-	-	-	224	224
Exchange loss	-	-	-	(84)	(84)
Issue of shares	371	-	-	-	371
Increase in provision for redemption premium payable to subsidiary	-	-	-	(1,925)	(1,925)
At 30 September 2003	<u>8,769</u>	<u>26,302</u>	<u>2,627</u>	<u>15,458</u>	<u>53,156</u>

**10. Revenue reserve**

	<b>£'000</b>
At 1 January 2003	1,095
Accumulated loss for the period	(8)
At 30 September 2003	<u>1,087</u>