

Registered number: 2422514

**Henderson High Income Trust plc**  
**Unaudited accounts**  
**For the period from 1 January to 30 November 2006**

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

S.272 INTERIM ACCOUNTS

ONLY



**Henderson High Income Trust plc**  
**Income Statement**  
For the period from 1 January to 30 November 2006

	Notes	Revenue £'000	Capital £'000	Total £'000
Gains from investments held at fair value through profit or loss		-	14,041	14,041
Investment income		6,746	-	6,746
Other interest receivable and similar income		63	-	63
<b>Gross revenue and capital gains</b>		<u>6,809</u>	<u>14,041</u>	<u>20,850</u>
<b>Administrative expenses</b>		(540)	(431)	(971)
<b>Net return on ordinary activities before finance costs and taxation</b>		<u>6,269</u>	<u>13,610</u>	<u>19,879</u>
Finance costs		(460)	(1,380)	(1,840)
<b>Net return on ordinary activities before taxation</b>		<u>5,809</u>	<u>12,230</u>	<u>18,039</u>
Taxation on net return on ordinary activities	2	(191)	134	(57)
<b>Net return on ordinary activities after taxation</b>		<u>5,618</u>	<u>12,364</u>	<u>17,982</u>
<b>Return per ordinary share</b>	3			26.52p

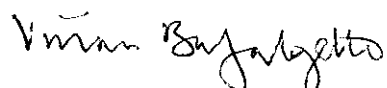
**Henderson High Income Trust plc**  
**Reconciliation of Movements in Shareholders' Funds**  
**For the period from 1 January to 30 November 2006**

	Notes	Ordinary Share Capital £'000	Capital Redemption Reserve £'000	Share Premium £'000	Other Capital Reserves £'000	Revenue Reserve £'000	Total £'000
Net assets at 31 December 2005		3,433	26,302	26,620	46,710	3,540	106,605
Net gain for the period		-	-	-	12,364	5,618	17,982
Issue of new shares		51	-	1,668	-	-	1,719
Dividends paid	8	-	-	-	-	(5,372)	(5,372)
Net assets at 30 November 2006		<u>3,484</u>	<u>26,302</u>	<u>28,288</u>	<u>59,074</u>	<u>3,786</u>	<u>120,934</u>

**Henderson High Income Trust plc**  
**Balance Sheet**  
**as at 30 November 2006**

	Notes	£,000
<b>Non-current assets</b>		
Investments held at fair value through profit or loss	4	154,089
<b>Current assets</b>		
Debtors	5	1,623
Cash and cash equivalents		943
		<u>2,566</u>
<b>Current liabilities</b>		
	6	<u>(35,721)</u>
		<u>(35,721)</u>
<b>Net current liabilities</b>		
		(33,155)
<b>Total net assets</b>		
		<u>120,934</u>
<b>Capital and reserves</b>		
Called up share capital	7	3,484
Share premium account	8	28,288
Capital reserve - realised	8	19,002
Capital redemption reserve	8	26,302
Capital reserve - unrealised	8	40,073
Revenue reserve	8	3,785
<b>Equity shareholders' funds</b>		
		<u>120,934</u>

The unaudited interim accounts were approved by the directors on 23 January 2007 and signed on their behalf by



V P Bazalgette  
 Director.

## NOTES TO THE ACCOUNTS

The accounts cover the period from 1 January to 30 November 2006

### 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. All of the Company's operations are of a continuing nature.

#### (b) Valuation of investments

Investments held at fair value are valued either at bid or last traded price, depending on the convention of the exchange on which the investment is quoted.

#### (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) to capital. All performance fees are charged 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

Overseas withholding tax	58
Tax on expenses charged to capital	134
	<u>192</u>

### 3. Return per ordinary share

The return per ordinary share is based on the net gain attributable to the ordinary shares of £17,982,000 and on the 67,817,057 weighted average number of ordinary shares in issue during the period.

### 4. Investments held at fair value through profit or loss

£'000

Valuation at 1 January 2006	141,845
Unrealised appreciation at 1 January 2006	<u>(32,295)</u>
Book cost at 1 January 2006	109,550
Acquisitions at cost	23,272
Disposals at cost	<u>(18,006)</u>
Book cost at 30 November 2006	114,016
Unrealised appreciation at 30 November 2006	<u>40,073</u>
Valuation at 30 November 2006	<u>154,089</u>

<b>5. Debtors</b>	<b>£'000</b>
Taxation recoverable	19
Prepayments and accrued income	<u>1,604</u>
	<u>1,623</u>
<b>6. Current liabilities</b>	<b>£'000</b>
Bank loans and overdraft	34,611
Other accruals	<u>1,110</u>
	<u>35,721</u>
<b>7. Share capital</b>	<b>£'000</b>
Authorised	
940,000,000 ordinary shares of 5p each	<u>47,000</u>
	<u>47,000</u>
<i>Allotted, called up and fully paid :</i>	
69,687,798 ordinary shares 5p each	<u>3,472</u>
	<u>3,472</u>

**8. Dividends**

\* Dividends paid comprise the third and fourth interim payments for the year ended 31 December 2005 totalling £2,672,000, but not accrued in the financial statements at that date. First and second interim dividends of 1.9375p per share have also been paid, amounting to £2,700,000. A third interim dividend of 2.015p per share is proposed for payment on 31 January 2007, amounting to £1,404,000.