

Registered number: 2422514

Henderson High Income Trust plc

Unaudited interim accounts

For the period from 1 January 2014 to 31 May 2014

*(prepared for the purposes of Section 838 of the
Companies Act 2006)*

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Henderson High Income Trust plc
Income Statement
For the period from 1 January 2014 to 31 May 2014

	Notes	Revenue return £'000	Capital return £'000	Total £'000
Gains from investments held at fair value through profit or loss		-	4,806	4,806
Income from investments held at fair value through profit or loss		4,662	-	4,662
Other interest receivable and similar income		100	-	100
Gross revenue and capital gains		4,762	4,806	9,568
Management and performance fees		(159)	(652)	(811)
Other administrative expenses		(151)	-	(151)
Net return on ordinary activities before finance costs and taxation		4,452	4,154	8,606
Finance costs		(65)	(195)	(260)
Net return on ordinary activities before taxation		4,387	3,959	8,346
Taxation on net return on ordinary activities	2	(97)	82	(15)
Net return on ordinary activities after taxation		4,290	4,041	8,331
Return per ordinary share	3	4.11p	3.87p	7.98p

The total columns of this statement represent the Income Statement of the Company. All capital and revenue items derive from continuing operations. No operations were acquired or discontinued during the period. The Company has no recognised gains or losses other than those recognised in the Income Statement.

Henderson High Income Trust plc
Reconciliation of Movements in Shareholders' Funds
For the period from 1 January 2014 to 31 May 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2013	5,166	80,754	26,302	58,594	4,532	175,348
Net return on ordinary activities after taxation	-	-	-	4,041	4,290	8,331
Issue of new shares	126	4,269	-	-	-	4,395
Dividends paid (note 7)	-	-	-	-	(4,412)	(4,412)
At 31 May 2014	<u>5,292</u>	<u>85,023</u>	<u>26,302</u>	<u>62,635</u>	<u>4,410</u>	<u>183,662</u>

Henderson High Income Trust plc
Balance Sheet
at 31 May 2014

	Notes	£'000
Investments held at fair value through profit or loss	4	<u>223,657</u>
Current assets		
Debtors	5	5,764
Cash at bank		<u>627</u>
		6,391
Creditors: amounts falling due within one year	6	<u>(46,386)</u>
Net current liabilities		(39,995)
Total assets less current liabilities		<u><u>183,662</u></u>
Capital and reserves		
Share capital		5,292
Share premium account		85,023
Capital redemption reserve		26,302
Other capital reserves		62,635
Revenue reserve		4,410
Equity shareholders' funds		<u><u>183,662</u></u>

The unaudited interim accounts were approved by the directors on 29 July 2014 and signed on their behalf by:


 Director
 Hugh Twiss

NOTES TO THE ACCOUNTS

The accounts cover the period from 1 January 2014 to 31 May 2014

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis except for the measurement at fair value of investments and in accordance with applicable UK accounting standards and with the Statement of Recommended Practice Financial Statements of Investment Trust Companies ("the SORP") dated January 2009. All of the Company's operations are of a continuing nature.

(b) Going concern

The Company's Articles of Association require that at the annual general meeting of the Company held in 2010, and at every fifth year thereafter, an ordinary resolution be put to shareholders to approve the continuation of the Company. The resolution put to the annual general meeting in 2010 was duly passed.

The assets of the Company consist of securities that are readily realisable and, accordingly, the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

(c) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of directors and other key management personnel. Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost. Subsequently, the investments are valued at fair value, which is measured as follows:

- UK listed investments are valued at quoted bid prices.
- Investments listed overseas are valued at bid prices (where a bid price is available) or otherwise at fair value based on published price quotations.

All fair value movements in investments are taken to the income statement. In accordance with the SORP, the Company's profit and loss account is split between revenue and capital elements as can be seen in the income statement. Fair value movements on investments are taken to the capital column in the income statement.

(d) Capital gains and losses

Profits less losses on disposal of investments and investment holding gains and losses are taken to the capital column in the income statement and transferred to other capital reserves.

(e) Income

Dividends receivable from equity shares are taken to the income statement on an ex-dividend basis. Income from fixed interest debt securities and preference shares with no fixed maturity date is recognised on a time apportionment basis. Income from other fixed interest securities is recognised so as to reflect the effective interest rate on these securities. In accordance with FRS 16 – Current Taxation, franked investment income is shown net of the related tax credits.

(f) Expenses

All expenses are accounted for on an accruals basis. The Board's expectation is that over the long term three-quarters of the Company's investment returns will be in the form of capital gains. The directors have determined that the proportion of the annual management fees that relates to the maintenance or enhancement of the valuation of investments is 80%. On this basis, the Company charges to capital 75% of that proportion (i.e. 60% of total annual management fees) and 75% of its finance costs. The balance of the management fees are charged to revenue. All performance fees are charged to capital. Expenses which are incidental to the acquisition of an investment are charged to the income statement and included within gains/losses on investments. Expenses which are incidental to the disposal of an investment are deducted from sale proceeds and go to the income statement indirectly.

(g) Taxation

The tax effect of different items of expenditure is allocated between the capital return and revenue return using the Company's effective rate of tax for the year. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the income statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the income statement, then no tax relief is transferred to the capital return column.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the balance sheet date, other than those differences regarded as permanent. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(h) Foreign currency

Transactions denominated in overseas currencies during the year are translated into sterling at the appropriate daily exchange rate. Assets and liabilities denominated in overseas currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date. Differences arising from translation at this rate of exchange are dealt with in the income statement as a capital item and then transferred to capital reserves.

(i) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded as proceeds received, net of direct issue costs. Finance costs, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement, using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

	Revenue return £'000	Capital return £'000	Total £'000
2. Taxation			
Irrecoverable withholding tax	15	-	15
Tax on expenses charged to capital	82	(82)	-
	<u>97</u>	<u>(82)</u>	<u>15</u>

3. Return per share

The return per share is based on the net gain attributable to the shares of £8,331,000 and on the 104,442,626 weighted average number of shares in issue during the period.

The revenue return per share is based on the net revenue attributable to the shares of £4,290,000 and on the 104,442,626 weighted average number of shares in issue during the period.

The capital return per share is based on the net capital gain attributable to the shares of £4,041,000 and on the 104,442,626 weighted average number of shares in issue during this period.

4. Investments held at fair value through profit or loss	£'000
Valuation at 1 January 2014	215,334
Unrealised appreciation at 1 January 2014	<u>(54,314)</u>
Book cost at 1 January 2014	161,020
Acquisitions at cost	21,322
Disposals at cost	<u>(13,615)</u>
Book cost at 31 May 2014	<u>168,727</u>
Unrealised appreciation at 31 May 2014	54,930
Valuation at 31 May 2014	<u><u>223,657</u></u>
5. Debtors	£'000
Sales for future settlement	4,271
Taxation recoverable	25
Prepayments and accrued income	<u>1,468</u>
	<u><u>5,764</u></u>
6. Creditors: amounts falling due within one year	£'000
Purchases for future settlement	4,212
Bank loans	39,014
Other accruals	<u>3,160</u>
	<u><u>46,386</u></u>

7 Dividends

Dividends paid comprise the 4th interim payment for the year ended 31 December 2013 totalling £2,186,000 and a 1st interim payment for the year ending 31 December 2014 totalling £2,226,000.