

Company Number: 2422514

HENDERSON HIGH INCOME TRUST PLC

REPORT for the six months ended 30 June 2015 (unaudited)

HENDERSON HIGH INCOME TRUST PLC
Unaudited results for the half year ended 30 June 2015

30 July 2015

This announcement contains regulated information.

Investment objective

The Company invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

Performance highlights for the six months ended 30 June 2015

- Net asset value ('NAV') total return¹ of 5.5% compared to a total return from the benchmark² of 2.3%.
- The mid-market share price total return (including dividends reinvested) of 3.9%.

**Total return performance for the six months ended 30 June 2015
(including dividends reinvested and excluding transaction costs)**

	6 months	1 year	3 years	5 years	10 years
	%	%	%	%	%
NAV	5.5	9.5	64.9	116.7	133.4
Share price	3.9	8.0	63.6	122.7	153.9
Benchmark ²	2.3	3.5	33.9	60.0	96.6
FTSE All-Share Index	3.0	2.6	36.9	66.6	97.7
Merrill Lynch Sterling Non-Gilts Index	(0.8)	6.5	21.3	39.5	68.5

¹ Net asset value total return including dividends reinvested and excluding transaction costs

² A composite of 80% of the FTSE All-Share Index (total return) and 20% of the Merrill Lynch Sterling Non-Gilts Index (total return)

Sources: Morningstar Funddata, Henderson and Datastream

Chairman's Statement

Performance

I cautioned in my recent annual statement that I expected 2015 to be challenging and that it would be harder to produce the same sort of performance that we have seen in recent years and, as the first six months of this year have shown, this has proved to be the case. However, the Company has had a positive performance with a net asset value total return of 5.5% outstripping the benchmark's return of 2.3%. Indeed, despite the UK equity market going effectively sideways for the last twelve months, the Company's net asset value has had a total return of 9.5% over this period, compared to the benchmark's 3.5% total return. As always the credit for this goes to our Fund Managers who will expand in their report on how they have achieved it.

Gearing

As I indicated in my recent annual statement, we considered that with interest rates at historic lows, there are strong benefits to the Company in securing a certain amount of borrowings on a longer term basis. As previously announced on 29 June 2015, the Company has issued a £20m fixed rate 19 year unsecured private placement note at a rate of 3.67%. The resultant blend of long and short-term borrowings with fixed and floating rates will provide an important element of security and flexibility for the Company in the future. At the same time we have agreed an extension of our existing loan facility, but for a reduced amount to reflect our new fixed rate borrowings. The Company's policy on gearing, as set out on page 4 of the Annual Report for the year ended 31 December 2014, remains unchanged.

Dividends

Shareholders will well know from my previous comments that it is the Board's aspiration to grow the dividend, as long as we have sufficient confidence that any increase should be sustainable going forward. We have seen further growth in our dividend income, somewhat boosted by a number of one-off special dividends. However, we do have sufficient confidence to be able to make a further increase in our quarterly dividend payments and consequently we have declared a third interim dividend of 2.275p per share which will be paid on 30 October 2015. This equates to a 3.5% increase in the annual dividend which is well ahead of the current RPI inflation rate of 0.4%. Whilst we intend to pay this level in subsequent quarterly payments, we will continue to keep the level of our dividend under review as the year unfurls and in light of our actual experience and the investment conditions at the time.

Fund Manager

Our portfolio is currently managed by Alex Crooke and David Smith as Co-Fund Managers. When this arrangement was introduced it was always seen as the first step towards the eventual handing of the role to David. I am delighted to announce that on Alex's recommendation, the Board has now approved the appointment of David as the Company's Fund Manager, a role which we believe he will fulfil with distinction. I am also delighted to be able to report that Alex, to whom we Shareholders owe a huge debt of gratitude for his skilful and successful management of our portfolio over the last often turbulent 18 years, will remain involved with the Company as David's Deputy.

Outlook

As I write this report we have watched the latest act of the ongoing Greek tragedy. Whatever the final outcome, it and other events around the world - such as the recent sharp falls in the stock market in China, the anticipated rise in US interest rates or the ongoing scourge of Islamic terrorism - are going to continue to challenge our Fund Manager. Notwithstanding all these, there are still positives such as continued low interest rates, improving consumer confidence in the UK and the economic benefits of a lower oil price. So there will be attractive opportunities and with little prospect that interest rates are going to rise to more normal levels soon, I remain confident that our Fund Manager will continue to find rewarding investments for the portfolio and meet any challenges faced. Positive returns, at the levels we have enjoyed in recent years, are likely to be much harder to achieve, but there are still no reasons at present to believe that the important income part of the return will not be maintained.

Hugh Twiss, MBE
Chairman
30 July 2015

Fund Managers' report

Markets

Equity markets rose during the first half of the year as the ECB's announcement to initiate Quantitative Easing in the Eurozone improved investors' sentiment. Although UK inflation turned negative in April, for the first time since 1960, this was explained by temporary factors, such as the low oil price, but meant the prospect of an imminent increase in interest rates was unlikely. Indeed the Bank of England held interest rates at their historical level of 0.5% for the 75th consecutive month in June. In May, the surprise outright majority victory by the Conservative Party at the UK General Election drove equity markets higher, however, fears over a possible debt default by Greece and the potential exit from the Eurozone, saw a sharp sell-off towards the end of the period. Despite the falls in June, the FTSE All-Share Index returned 3.0% during the first half of 2015.

The election result was seen as positive for the UK economy, hence the more domestically orientated FTSE 250 Index performed strongly, materially outperforming the larger cap, more globally exposed FTSE 100 Index in the period. Sectors including house builders and general retailers outperformed, while the commodity linked sectors, such as oil & gas and mining, lagged. Merger & Acquisition ('M&A') activity continued apace with Royal Dutch Shell bidding £47bn for BG Group and BT Group agreeing to acquire mobile operator EE for £12.5bn. Bond yields initially fell at the beginning of the year but rebounded strongly to finish the period higher, on increased inflation expectations and better UK economic growth.

Portfolio activity

Within the equity portfolio a number of new positions were added, including Barclays, and wealth manager, Brewin Dolphin. Barclays has strong franchises in its UK retail business and Barclaycard, which are demonstrating good growth and returns. Despite this the company trades at a significant discount to both net asset value and its peer group due to the investment bank. We believe this is unjustified given the turnaround plan implemented. Brewin Dolphin is one of the largest independent private client wealth managers in the UK with good long-term structural growth prospects and supportive regulatory dynamics. The strong cash generative nature of the business, should lead to good dividend growth from an already attractive level. Elsewhere we initiated positions in Lloyds insurer Amlin and pub operator Greene King. Amlin offers an attractive dividend yield while Greene King should be able to deliver significant returns from its recent acquisition of Spirit Pub Company. Within the bond portfolio we participated in a new issue from the AA; the stable and strong cash flows of the business support an attractive yield.

Performance

The Company has had a good start to the year both in absolute returns and relative to its benchmark. Stock selection within the equity and fixed interest portions of the portfolio have both contributed to performance. Post the election result, holdings in house builders Galliford Try and Persimmon aided performance. The housing market should remain supported by the continuation of the Help to Buy scheme while the prospect of a mansion tax has receded. Elsewhere, the Company benefited from positions in financials, Jupiter Fund Management and Intermediate Capital Group. Both companies announced strong results and their intentions to pay a special dividend. The Company's overweight position in equities relative to bonds was also positive for returns.

Alex Crooke and David Smith
Co-Fund Managers
30 July 2015

Investment portfolio
Classification of investments by sector

	Total 30 June 2015 %	Total 30 June 2014 %
FIXED INTEREST		
Preference shares	1.7	1.2
Other fixed interest	8.9	10.4
	-----	-----
Total Fixed Interest	10.6	11.6
	-----	-----
EQUITIES		
Oil & Gas		
Oil & gas producers	5.0	5.8
	-----	-----
Total Oil & Gas	5.0	5.8
	-----	-----
Basic Materials		
Mining	3.0	3.2
	-----	-----
Total Basic Materials	3.0	3.2
	-----	-----
Industrials		
Construction & materials	1.0	3.1
Aerospace & defence	1.3	1.3
General industrials	0.8	-
Industrial engineering	0.5	0.7
Industrial transportation	0.6	0.7
Support services	0.9	1.7
	-----	-----
Total Industrials	5.1	7.5
	-----	-----
Consumer Goods		
Beverages	0.8	0.8
Food producers	2.9	3.1
Household goods & home construction	4.0	1.1
Tobacco	5.6	5.8
	-----	-----
Total Consumer Goods	13.3	10.8
	-----	-----
Health Care		
Pharmaceuticals & biotechnology	4.9	6.1
	-----	-----
Total Health Care	4.9	6.1
	-----	-----

Consumer Services		
Food & drug retailers	0.3	0.4
General retailers	1.8	1.7
Media	8.1	6.5
Travel & leisure	4.4	2.6
	-----	-----
Total Consumer Services	14.6	11.2
	-----	-----
Telecommunications		
Fixed line telecommunications	5.1	5.3
Mobile telecommunications	4.4	4.2
	-----	-----
Total Telecommunications	9.5	9.5
	-----	-----
Utilities		
Electricity	1.7	1.9
Gas, water & multi-utilities	6.2	7.1
	-----	-----
Total Utilities	7.9	9.0
	-----	-----
Financials		
Banks	5.2	3.4
Non-life insurance	1.8	4.8
Life insurance	7.2	7.2
Real estate investment trusts	1.7	0.8
Financial services	4.9	3.5
Equity investment instruments	4.2	4.7
	-----	-----
Total Financials	25.0	24.4
	-----	-----
Technology		
Software & computer services	1.1	0.9
	-----	-----
Total Technology	1.1	0.9
	-----	-----
TOTAL INVESTMENTS	100.0	100.0
	=====	=====

Twenty largest investments at 30 June

Company	Sector	Fair value 2015 £'000	% of portfolio 2015	Fair value 2014 £'000	% of portfolio 2014
British American Tobacco	Consumer Goods	8,630	3.6	8,789	4.0
AstraZeneca	Health Care	7,928	3.3	6,183	2.8
BT	Telecommunications	7,158	3.0	6,120	2.8
Galliford Try	Consumer Goods	6,674	2.8	5,327	2.4
Legal & General*	Financials	6,576	2.8	6,112	2.8
National Grid	Utilities	6,251	2.6	6,425	2.9
Vodafone	Telecommunications	6,220	2.6	5,277	2.4
BP	Oil & Gas	6,165	2.6	6,951	3.1
Royal Dutch Shell B	Oil & Gas	5,648	2.4	3,718	1.7
HSBC	Financials	5,490	2.3	5,710	2.6
Standard Life*	Financials	4,780	2.0	5,526	2.5
Imperial Tobacco	Consumer Goods	4,695	1.9	4,026	1.8
RELX	Consumer Services	3,981	1.7	3,542	1.6
Sky	Consumer Services	3,773	1.6	3,147	1.4
GlaxoSmithKline	Health Care	3,739	1.6	7,308	3.3
Severn Trent	Utilities	3,736	1.6	4,037	1.8
Lloyds Banking Group	Financials	3,728	1.6	1,823	0.8
Rio Tinto	Basic Materials	3,582	1.5	2,784	1.3
Intermediate Capital	Financials	3,563	1.5	2,698	1.2
Inmarsat	Telecommunications	3,439	1.4	3,257	1.5

These investments total £105,756,000 or 44.4% of the portfolio.

* includes fixed interest

Top ten holdings by contribution to income¹

Position	Holding	Sector	£'000
1	British American Tobacco	Consumer Goods	254
2	AstraZeneca	Health Care	224
3	National Grid	Utilities	215
4	Legal & General ²	Financials	210
5	Friends Life	Financials	207
6	Vodafone	Telecommunications	206
7	BP	Oil & Gas	194
8	Royal Dutch Shell B	Oil & Gas	194
9	HSBC	Financials	190
10	Persimmon	Consumer Goods	174
	Total		2,068

These constitute 31.3% of the total income from investments during the period.

¹ during the six month period ended 30 June 2015

² includes fixed interest income

Principal risks and uncertainties

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Investment activity and performance
- Financial
- Regulatory
- Operational

Information on these risks and how they are managed is given in the Company's 2014 Annual Report. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

Related party transactions

Other than the relationship between the Company and its Directors, the provision of services by Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business there have been no material transactions with the Company's related parties affecting the financial position or performance of the Company during the half year.

Statement of Director's Responsibilities

The Directors confirm that, to the best of their knowledge:

- a) the condensed set of financial statements has been prepared in accordance with FRS 104 "Interim Financial Reporting" issued by the Financial Reporting Council.
- b) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) this report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Hugh Twiss, MBE
Chairman
30 July 2015

Income Statement

	(Unaudited) Half year ended 30 June 2015			(Unaudited) Half year ended 30 June 2014			(Audited) Year ended 31 December 2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value through profit or loss	-	5,709	5,709	-	1,728	1,728	-	5,549	5,549
Income from investments held at fair value through profit or loss	6,610	-	6,610	5,841	-	5,841	10,758	-	10,758
Other interest receivable and similar income	9	-	9	105	-	105	126	-	126
Gross revenue and capital gains	6,619	5,709	12,328	5,946	1,728	7,674	10,884	5,549	16,433
Management and performance fees (note 2)	(237)	(1,320)	(1,557)	(198)	(891)	(1,089)	(387)	(2,139)	(2,526)
Other administrative expenses	(198)	-	(198)	(171)	-	(171)	(353)	-	(353)
Net return before finance costs and taxation	6,184	4,389	10,573	5,577	837	6,414	10,144	3,410	13,554
Finance costs	(71)	(214)	(285)	(78)	(234)	(312)	(150)	(449)	(599)
Net return on ordinary activities before taxation	6,113	4,175	10,288	5,499	603	6,102	9,994	2,961	12,955
Taxation on net return on ordinary activities	(30)	12	(18)	(127)	115	(12)	(177)	148	(29)
Net return on ordinary activities after taxation	6,083	4,187	10,270	5,372	718	6,090	9,817	3,109	12,926
Return per ordinary share (note 3)	5.57p	3.83p	9.40p	5.13p	0.69p	5.82p	9.24p	2.93p	12.17p

The columns of this statement headed "Total" represent the Company's Income Statement, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of the condensed financial statements.

Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half year ended 30 June 2015 (unaudited)						
At 31 December 2014	5,444	90,198	26,302	61,703	5,340	188,987
Net return on ordinary activities after taxation	-	-	-	4,187	6,083	10,270
Issue of new shares	33	1,151	-	-	-	1,184
Fourth interim dividend (2.175p per share) for the year ended 31 December 2014, paid 30 January 2015	-	-	-	-	(2,368)	(2,368)
First interim dividend (2.175p per share) for the year ending 31 December 2015, paid 30 April 2015	-	-	-	-	(2,378)	(2,378)
	-----	-----	-----	-----	-----	-----
At 30 June 2015	5,477	91,349	26,302	65,890	6,677	195,695
	=====	=====	=====	=====	=====	=====
Half year ended 30 June 2014 (unaudited)						
At 31 December 2013	5,166	80,754	26,302	58,594	4,532	175,348
Net return on ordinary activities after taxation	-	-	-	718	5,372	6,090
Issue of new shares	145	4,919	-	-	-	5,064
Fourth interim dividend (2.125p per share) for the year ended 31 December 2013, paid 31 January 2014	-	-	-	-	(2,186)	(2,186)
First interim dividend (2.125p per share) for the year ended 31 December 2014, paid 30 April 2014	-	-	-	-	(2,226)	(2,226)
	-----	-----	-----	-----	-----	-----
At 30 June 2014	5,311	85,673	26,302	59,312	5,492	182,090
	=====	=====	=====	=====	=====	=====
Year ended 31 December 2014 (audited)						
At 31 December 2013	5,166	80,754	26,302	58,594	4,532	175,348
Net return on ordinary activities after taxation	-	-	-	3,109	9,817	12,926
Issue of new shares	278	9,444	-	-	-	9,722
Fourth interim dividend (2.125p per share) for the year ended 31 December 2013, paid 31 January 2014	-	-	-	-	(2,186)	(2,186)
First interim dividend (2.125p per share) for the year ended 31 December 2014, paid 30 April 2014	-	-	-	-	(2,226)	(2,226)
Second interim dividend (2.125p per share) for the year ended 31 December 2014, paid 31 July 2014	-	-	-	-	(2,257)	(2,257)
Third interim dividend (2.175p per share) for the year ended 31 December 2014, paid 31 October 2014	-	-	-	-	(2,340)	(2,340)
	-----	-----	-----	-----	-----	-----
At 31 December 2014	5,444	90,198	26,302	61,703	5,340	188,987
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the condensed financial statements.

Statement of Financial Position

	(Unaudited) 30 June 2015 £'000	(Unaudited) 30 June 2014 £'000	(Audited) 31 December 2014 £'000
Investments held at fair value through profit or loss (note 6)	238,078	221,229	231,802
Current assets			
Debtors	1,626	1,768	1,362
Cash at bank	2,194	361	1,860
	3,820	2,129	3,222
Creditors: amounts falling due within one year	(46,203)	(41,268)	(46,037)
Net current liabilities	(42,383)	(39,139)	(42,815)
Net assets	195,695	182,090	188,987
Capital and reserves			
Share capital (note 5)	5,477	5,311	5,444
Share premium account	91,349	85,673	90,198
Capital redemption reserve	26,302	26,302	26,302
Other capital reserves	65,890	59,312	61,703
Revenue reserve	6,677	5,492	5,340
Equity shareholders' funds	195,695	182,090	188,987
Net asset value per ordinary share (note 4)	178.66p	171.44p	173.57p

The accompanying notes are an integral part of the condensed financial statements.

Cash Flow Statement

	(Unaudited) Half year ended 30 June 2015 £'000	(Unaudited and restated*) Half year ended 30 June 2014 £'000	(Unaudited and restated*) Year ended 31 December 2014 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation	10,288	6,102	12,955
Add back: finance costs	285	312	599
Less gains on investments held at fair value through profit or loss	(5,709)	(1,728)	(5,549)
Sales of investments held at fair value through profit or loss	22,383	17,869	35,622
Purchases of investments held at fair value through profit or loss	(23,277)	(22,284)	(46,511)
Withholding tax on dividends deducted at source	(22)	(32)	(29)
(Increase) / decrease in prepayments and accrued income	(263)	(304)	98
Decrease in accruals and deferred income	(494)	(1,492)	(458)
Increase in amounts due to brokers	230	-	-
Cash from operations	3,421	(1,557)	(3,273)
Interest paid	(319)	(312)	(590)
Taxation recovered	-	30	15
Net cash inflow / (outflow) from operating activities	3,102	(1,839)	(3,848)
Cash flows from financing activities			
Issue of ordinary share capital	1,184	5,064	9,722
Equity dividends paid (net of refund of unclaimed dividends)	(4,746)	(4,412)	(9,009)
Drawdown of loans	773	1,341	4,799
Net cash used in financing activities	(2,789)	1,993	5,512
Net increase in cash and cash equivalents	313	154	1,664
Cash and cash equivalents at beginning of period	1,860	184	184
Exchange movements	21	23	12
Cash and cash equivalents at end of period	2,194	361	1,860
Comprising:			
Cash at bank	2,194	361	1,860

* There has been no impact on the Company's Income Statement, Statement of Financial Position (previously called the Balance Sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds) for periods previously reported. The Cash Flow Statements previously reported have been restated to comply with the new disclosure requirements.

The accompanying notes are an integral part of the condensed financial statements.

Notes

1. Accounting policies – basis of accounting

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, issued in March 2015, the revised reporting standard for half year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts”, in accordance with which the Company’s financial statements are also prepared, was reissued by the Association of Investment Companies in November 2014 to comply with the revised reporting standards.

Following the application of the revised reporting standards, there have been no changes to the accounting policies set out in the Company’s Annual Report for the year ended 31 December 2014.

The condensed financial statements for the year ended 31 December 2014 and the six months ended 30 June 2014 have been restated where necessary to comply with the new standards and disclosure requirements.

There has been no impact on the Company’s Income Statement, Statement of Financial Position (previously called the Balance Sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders’ Funds) for periods previously reported. The Cash Flow Statements previously reported have been restated to comply with the new disclosure requirements. The condensed set of financial statements has been neither audited nor reviewed by the Company’s auditors.

2. Management and performance fees – performance fee provision

With effect from 1 January 2015 the following changes were made to the management and performance fee arrangements:

- the base management fee is charged against gross assets less current liabilities other than loans or other debt for investment purposes treated as current liabilities;
- performance is measured using the net asset value total return per ordinary share relative to the benchmark equivalent;
- 1.0% is deducted from any relative outperformance before any performance fee can be paid;
- the cap on total fees in any one financial year (base management fee and performance fee) is reduced from 1.5% to 1.0% of gross assets less current liabilities other than loans or other debt for investment purposes treated as current liabilities; and
- any unrewarded outperformance above the cap may be carried forward for a maximum of three years but may only be used to offset any underperformance. It cannot in itself earn a performance fee.

For the half year ended 30 June 2015 a provision of £965,000 (30 June 2014: £593,000 and 31 December 2014: actual £1,559,000) has been made for a performance fee based on the Company’s outperformance against the benchmark achieved in the first six months of the financial year. The actual performance fee, if any, payable to Henderson for the year to 31 December 2015 will depend on outperformance over the full financial year, subject to a cap on the total fees paid to Henderson of 1.0% of the average of gross assets less current liabilities other than loans or other debt for investment purposes treated as current liabilities, over the four quarter ends in the year. Details of the management and performance fee arrangements are set out in the Company’s 2014 Annual Report.

3. Return per ordinary share

	(Unaudited) Half year ended 30 June 2015 £'000	(Unaudited) Half year ended 30 June 2014 £'000	(Audited) Year ended 31 December 2014 £'000
The return per share is based on the following figures:			
Net revenue return	6,083	5,372	9,817
Net capital return	4,187	718	3,109
	-----	-----	-----
Total	10,270	6,090	12,926
	=====	=====	=====
Weighted average number of shares in issue	109,286,155	104,721,137	106,237,900
Revenue return per share	5.57p	5.13p	9.24p
Capital return per share	3.83p	0.69p	2.93p
	-----	-----	-----
Total	9.40p	5.82p	12.17p
	=====	=====	=====

The Company does not have any dilutive securities. The term dilutive securities refer to financial instruments that are not in the form of common stock but can be converted to common stock. The most common examples of dilutive securities are: stock options, warrants, convertible debt and convertible preferred stock.

4. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the shares of £195,695,000 (30 June 2014: £182,090,000; 31 December 2014: £188,987,000) and on the 109,532,287 shares in issue (30 June 2014: 106,213,818; 31 December 2014: 108,882,287).

5. Called-up share capital

During the half year ended 30 June 2015, 650,000 new ordinary shares were issued for net proceeds of £1,184,000 (half year ended 30 June 2014: 2,900,000 issued for net proceeds of £5,064,000; year ended 31 December 2014: 5,568,469 issued for net proceeds of £9,722,000). At 30 June 2015 there were 109,532,287 ordinary shares of 5p nominal value in issue. Since 30 June 2015, a further 218,230 shares have been issued for net proceeds of £401,000. At 30 July 2015 there were 109,750,517 ordinary shares of 5p nominal value in issue. The Company has no shares held in Treasury.

6. Investments held at fair value through profit or loss

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level A: The best evidence of fair value is a quoted price for an identical asset in an active market.

Level B: When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Level C: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

Financial assets at fair value through profit or loss at 30 June 2015	Level A £'000	Level B £'000	Level C £'000	Total £'000
Equity investments	211,588	-	-	211,588
Convertibles	1,183	-	-	1,183
Fixed interest investments				
- Preference shares	4,111	-	-	4,111
- Other	21,196	-	-	21,196
Total financial assets carried at fair value	238,078	-	-	238,078

The investments were previously reported as Level 1 investments under the FRS 29 fair value hierarchy. Following the introduction of FRS 102, the category definitions have been amended. All investments previously categorised at both 30 June 2014 and 31 December 2014 as “Level 1” under FRS 29 would have been categorised as “Level A” under FRS 102. There have been no transfers between levels of the fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note 2 (c) in the Company's Annual Report for the year ended 31 December 2014 and are equally applicable under both FRS 29 and FRS 102.

7. Dividends

In respect of the year ended 31 December 2014, a fourth interim dividend of 2.175p per share (2013: fourth interim dividend of 2.125p) was paid on 30 January 2015 to Shareholders on the register at close of business on 30 December 2014. This dividend is reflected in these half year financial statements.

In respect of the year ending 31 December 2015, a first interim dividend of 2.175p per share (2014: 2.125p) was paid on 30 April 2015 to Shareholders on the register at close of business on 10 April 2015. This dividend is reflected in these half year financial statements.

A second interim dividend of 2.175p per share (2014: 2.125p) will be paid on 31 July 2015 to Shareholders on the register at close of business on 26 June 2015.

A third interim dividend of 2.275p per share (2014: 2.175p) will be paid on 30 October 2015 to Shareholders on the register on 25 September 2015. The shares will go ex-dividend on 24 September 2015. In accordance with FRS 102, the second and third interim dividends have not been accrued for in the half year financial statements as they are paid after the period end.

8. Subsequent event

Subsequent to the end of the reporting period, the Company agreed to issue a £20 m fixed rate 19 year unsecured private placement note at a final sterling coupon rate of 3.67%. The purpose of this transaction is to obtain fixed rate long dated Sterling denominated financing at a pricing level that the Company considers attractive. There has been no change in the Company's policy on gearing, as set out on page 4 of the Annual Report for the year ended 31 December 2014. The funding date for the issue was 8 July 2015 with interest payable semi-annually in arrears. The principal repayment date will be 8 July 2034.

9. Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

10. Investment objective

The Company invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

11. Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 31 December 2014 are extracted from the latest published accounts, restated where necessary to comply with FRS 102 and FRS 104 as explained in note 1, and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

12. Half year report

An update containing extracts from this half year report will be posted to Shareholders in early August 2015. Copies of the Half Year Update and the Half Year Report will be available to download shortly from the Company's website (www.hendersonhighincome.com) or can be requested from the Corporate Secretary at the registered office, 201 Bishopsgate, London EC2M 3AE.