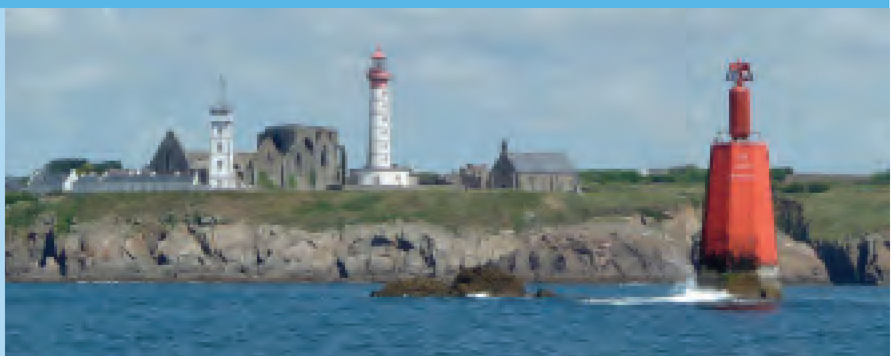
Henderson EuroTrust plc

Annual Report and Financial Statements for the year ended 31 July 2009



Henderson EuroTrust plc

Objective and investment style	Invests predominantly in large and medium-sized companies which are perceived to be undervalued in view of their growth prospects or on account of a significant change in management or structure. The Company's aim is to achieve a superior total return from a portfolio of high quality European investments.
Performance	The Company has a respectable medium and long term track record relative to its index and peer group, and has beaten the FTSE World Europe (ex UK) Index over one, three, five and ten years.
Stock selection	Stocks are selected, without particular reference to country, for their long term growth potential. Companies are reviewed carefully to assess the quality of management, balance sheet strength and growth prospects. The Portfolio Manager meets companies regularly.
Independent board of directors	The Directors, a majority of whom are independent of the management company, meet regularly with the Portfolio Manager to consider investment strategy and to monitor performance.
Benchmark	FTSE World Europe (ex UK) Index.

A factsheet, which is updated each month, may be accessed on **www.hendersoneurotrust.com**

Financial highlights

	31 July 2009 pence	31 July 2008 pence	Change %
Net Asset Value			
ordinary share	**487.8**	527.8	-7.6
Revenue Return			
ordinary share	**12.4**	10.1	22.8
Dividends			
ordinary dividend	**9.0**	8.0	12.5
special dividend	**2.0**	2.0	–

Dividends

The Company paid an interim dividend of 3.0p (2008: 3.0p) per ordinary share on 1 May 2009. Subject to shareholder approval at the AGM on 12 November 2009, a final dividend of 6.0p (2008: 5.0p) plus a special dividend of 2.0p (2008: 2.0p) per ordinary share will be paid on 17 November 2009 to shareholders on the register on 16 October 2009. The shares will be quoted ex-dividend on 14 October 2009.

Total Return performance

	1 year %	**3 years %**	**5 years %**	**10 years %**
Net Asset Value Total Return(1)				
ordinary share	-5.7	6.4	76.0	91.4
FTSE World Europe (ex UK) Index(2)	-10.1	1.0	55.6	41.2
Average European Investment Trust (UK Peer Group)(3)	-7.4	-8.9	59.6	69.7

Sources: (1) AIC. (2) Datastream. (3) AIC Information Services. The performance of a group of leading investment trust competitors (arithmetic average). These figures are preliminary estimates made by the AIC which is the industry recognised source for performance data.

Ten Year record

	Net asset value pence per ordinary share	**Share price percentage discount/(premium) to net asset value per ordinary share pence**	**Revenue return per ordinary share pence**	**Dividend per ordinary share pence**
31 July 1999	281.2	10.7	2.2	2.5
31 July 2000	434.2	-6.6	1.8	2.5
31 July 2001	306.9	7.4	2.9	2.5
31 July 2002	232.6	12.9	2.4	2.5
31 July 2003	267.8	14.6	3.7	3.0
31 July 2004	292.0	14.5	3.8	3.0
31 July 2005	399.6	8.7	4.3	5.0
31 July 2006	473.9	7.1	5.7	5.5
31 July 2007	552.6	6.5	6.1	6.0
31 July 2008	527.8	11.1	10.1	10.0*
31 July 2009	**487.8**	**9.4**	**12.4**	**11.0***
Annualised Growth over ten years	**5.7%**			

*Includes a special dividend of 2.0p.
Source: Factset, Datastream, HGI

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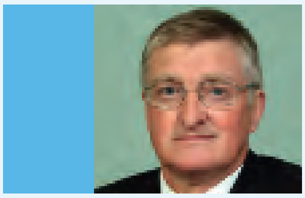
Chairman's Statement



Mark Tapley

Our Company's total return in sterling, at -5.7% for the year to end July 2009, may look modestly disappointing, but not unusual for an equity portfolio at this point in time, but investors will be aware of the drama that this summary figure hides.

Shortly after our financial year began, the US authorities permitted the collapse of Lehman Brothers, having earlier engineered the absorption into larger banks of smaller entities endangered by the US sub-prime crisis. Allowing Lehman Brothers to go bankrupt shocked financial markets around the world. Equity markets are of course closely interlinked, and although the crisis was widely seen as 'Anglo-Saxon' in origin, European markets were not spared the resulting precipitous fall. By the Spring of 2009 our share price had fallen by more than a quarter from its level at the beginning of the financial year, but from that low point markets rallied strongly, supported by unprecedented fiscal and monetary stimuli, all which must of course one day be reversed.

The total return of -5.7% includes the positive effects of both dividends (2.3%) and the positive currency effects of approximately 8%, since sterling was on average weak against the Euro. This analysis suggests that the average capital loss on our holdings, in their quoted currency, was still of the order of 16% in spite of their rebound in the March to July period.

The net figure for our total return compares well with our benchmark index, where the corresponding figure was -10.1%. What matters is that our Manager was indeed able to do better than the benchmark, but investors will also be interested in how that was achieved. Performance attribution is not an exact science, but the table below indicates the approximate breakdown of that relative performance. It is clear that our Portfolio Manager, Tim Stevenson, and his colleagues, have added value largely through stock selection.

	%
FTSE World Europe (ex UK) Total Return Index	-10.1
Country allocation	-1.4
Stock selection	3.9
Currency movements (relative to index)	0.7
Cash/gearing	2.1
Management fees and other costs	-1.4
Effect of share buybacks	0.1
Effect of VAT recovery	0.4
AIC Net Asset Value total return	-5.7
Change in discount to NAV	2.5
Share price total return	-3.2

At Board meetings we also compare performance against our peer group of competing investment trusts, and I am pleased to report that your Company has been one of the best performers in the sector having outperformed the benchmark for seven of the last eight years. This achievement is all the more remarkable in that it arose mainly from diligent research of companies, and not through leverage or excessive risk taking. From my conversations with shareholders, I know that this cautious approach is much appreciated.

Revenue and Dividend

The Company's gross revenue for the year was £4,186,000, up from £3,562,000 a year earlier and net revenue on ordinary activities after taxation increased by 21.3%, from £2,356,000 to £2,858,000. These figures include further repayments of VAT and interest, following the favourable outcome of the legal case that we mentioned last year. Your Board has therefore recommended a final dividend of 6.0 pence, which with the interim of 3.0 pence paid in May, makes a total ordinary dividend of 9.0 pence per share for the year. In addition, the Board recommends the payment of a special dividend of 2.0 pence per share, reflecting the non-recurring nature of the VAT and related interest repayments.

Chairman's Statement
continued

Gearing
Our continued cautious stance has been generally rewarded this year, although obviously our lack of gearing caused us to lag our more aggressive competitors in the sharp rally between March and July. As of the end of our financial year the Company had no borrowings and about 2% of the assets were held in cash. However, we review our gearing and cash position with the Manager at every Board meeting, and maintain an open mind on this issue.

Discount Management
You may recall that at the EGM in February 2007 we undertook to provide shareholders with an exit opportunity in 2010, should the shares trade at an average discount of more than 5% over a three month period to 31 December 2009. However, in the light of the excellent long term performance, we trust that shareholders will continue to support the Company, should an exit opportunity be triggered.

Your Board needs flexibility in order to continue to operate a discount management programme, and we shall therefore again seek to renew the authority to buy back shares at the forthcoming AGM in November.

Outlook
As mentioned earlier, the economic backdrop to our new financial year is a legacy of government debt programmes and bloated money supplies in most of the major economies – though with some notable exceptions in continental Europe. At the same time, European share prices are down substantially from their peaks, and with the economic recovery gathering pace, prospects for European equity markets look better over the next year.

The European region is often neglected by global investors, who see continental markets as 'unexciting' and lacking the growth prospects of emerging markets or the (alleged) dynamism of US companies. Yet the virtues of European solidity and stability have found new admirers in this rapidly de-leveraging world. We remain confident therefore that leading companies in the region will continue to find a ready market for their products and services both at home and abroad, and that our Portfolio Manager will continue to identify the best among them.

Annual General Meeting
The meeting will be held on Thursday 12 November 2009 at 2.30pm at 201 Bishopsgate, London EC2M 3AE, and will be followed by afternoon tea. Tim Stevenson, our Portfolio Manager, will make an investment presentation and the Board will be pleased to answer any questions. All shareholders are most welcome to attend.

Mark Tapley
Chairman

2 October 2009

Portfolio Manager's Report

Tim Stevenson

Performance

In the twelve months to the end of July 2009 the Company's net asset value total return showed a decline of 5.7% against a fall in the benchmark, the FTSE World Europe (ex UK) Total Return Index, of 10.1%. This is the second year in succession in which the Company and markets have declined in value, and yet our performance has been better than that of the index. Our careful selection of companies that combine growth with some dividend distribution has enabled us to increase our income, and we are therefore able to pay shareholders a total dividend of 11.0p for the year, of which 2.0p is a special dividend.

Nevertheless it has clearly been another difficult year for markets, and the circumstances are well documented. During the first six months to the end of January, markets fell by 23.9% and the Company's net asset value by 13.5%. The second half has seen the assets recover by 6.9%, but this is some way short of the market which has, on a recent wave of optimism, surged by 18.2%. Put another way, our portfolio has been less volatile than the market index.

The major positive and negative contributors to our performance are shown in the table below. It has been one of the most complicated markets I have seen for many years, with the last five months seeing an almost perfect mirror image of the previous seven months, and the table therefore is perhaps not as helpful as is sometimes the case. Effectively it has been as simple as being positioned in reliable and consistent companies in the first part of the year, and then in the polar opposite for the latter part. Banks, where we have continued to take a sceptical view, have been the most obvious illustration of this.

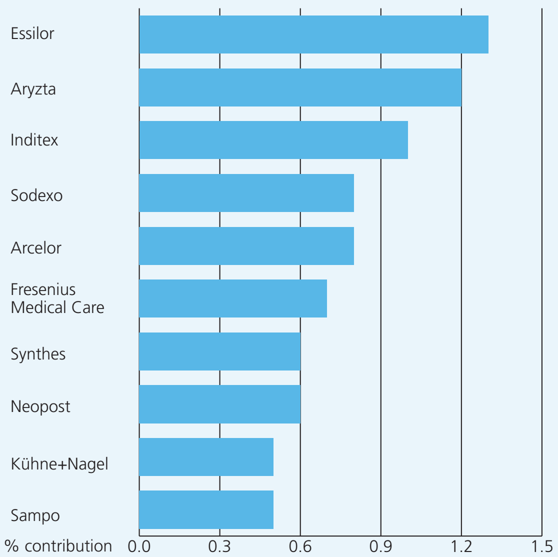
Sterling has again been weak against the Euro over the year, but has rallied since December. Contrary to what some are saying, I would be surprised if sterling rallied further in the short term, as the main European economies, Germany and France, seem to have weathered the recession better than the UK.

The inertia analysis (which shows what would have happened if we had left the portfolio unchanged all year from its position as at end July 2008) shows that an unchanged portfolio would have declined by over 30%, so the changes made have certainly been worthwhile.

The Portfolio and Approach

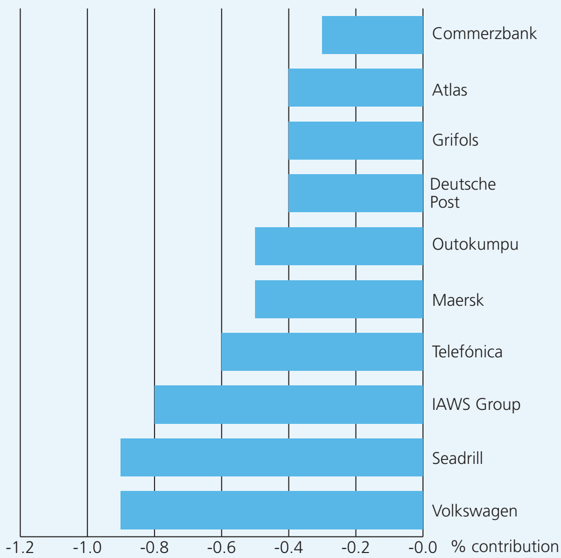
At the end of July 2009 the portfolio comprised 48 positions; seven more than a year earlier and four more than in July 2007. This is the longest list we have had for a number of years, and towards the top of our desired maximum number of 50 holdings. Every bear market throws up opportunities to buy world-class companies at a reasonable price, and so it has been in these times. Yet recessions, and governments' often controversial reactions to them, give rise to new uncertainties. We believe it is right in these circumstances to hold a modestly more diversified portfolio. There have also been many changes in the portfolio, both in terms of weightings and "position management" where we keep a core position, but take profits in large units and add to smaller ones, the size of

Top ten contributions to relative return



Source: Russell Mellon iMS Enterprise

Bottom ten contributions to relative return



Source: Russell Mellon iMS Enterprise

Portfolio Manager's Report

continued

any position never falling below 1% of the overall portfolio, and rarely exceeding 5%. Turnover, as measured by the lower of purchases or sales as a percentage of average assets, was 68% – almost identical to the previous year.

The core style of management of the portfolio has always been consistent: to look for companies that can increase the return to us as shareholders. Over the long term, many of the names are the same, and I am proud that we have been, for example, a shareholder in Inditex since it first listed in 2001. Of the Top Twenty holdings last July, only three have been sold down completely (we have taken some profits in many of them, with the result that they may no longer be in our twenty largest). The three which have been sold are Maersk (on fears of poor returns in containers due to massive overcapacity at a time of dwindling demand), Deutsche Post (the stock that reminds us of the cost of patience) and Siemens, being more vulnerable to economic weakness than some of its competitors.

While remaining loyal to companies that continue to produce good results, we encounter two risks: that of a de-rating of a stock (more on this later) and of "opportunity cost". I have no intention of succumbing to the manic trading of stocks which has become fashionable in some areas, and much prefer the "buy and hold" approach – provided, that is, that the investee companies meet and beat expectations. However, at the same time we need to be aware of where new opportunities may arise, and in the last six months we have made a number of new investments in companies which may be poised for better times provided the economic recovery continues. That recovery is expected to gather pace in 2010, as a result of the massive amount of monetary and fiscal stimulus which continues to be applied in a number of major economies (even if to a lesser extent in continental Europe than in other regions). We will keep a close eye on data over the next six to twelve months to gauge the strength of this recovery.

Recent additions

A recent addition to the portfolio is Daimler, where the car and truck side could still make huge efficiency improvements and this may be possible following the recent German elections. We have also added Henkel, which makes principally adhesives and detergents (and is a candidate, one day, to reorganise its portfolio of activities). We have also added Schneider Electric, the French listed supplier of electrical equipment (power distribution and automation controls). Here the combination of new management and a global reach after years of acquisitions should enable the company to make good progress in a more stable economic environment. Another new holding is CRH, the Irish listed company, which has accumulated a diverse worldwide portfolio of cement, aggregates and other construction related materials over the last few years, and which should be a beneficiary of increased government spending programmes, especially in the US.

Financials

In the Financials sector we added Banco Santander at a low price during a capital increase, and have held UBS throughout a difficult year (although we have "managed" the position given the volatility). We failed to capitalise on the huge rally in some of the more distressed banks, but having missed it we do not feel that we should probably compound that error by adding at current prices. Little seems to have really changed in banks' stocks other than their margins which are way higher than they were in the past few years. That, and a tame regulatory environment, is unlikely to last. We have returned to AXA after an absence of some years, and also bought Munich Re., Zurich Financial Services (ZFS) and Sampo. While Munich Re. is the leader in its sector, the other holdings should give us exposure to the theme of growth in savings, which will become even more important over the next few years due to demographics and the poor situation of government finances in most countries.

Balance sheets

Having made a specific reference to the strength of the balance sheets of the majority of our holdings a year ago, it may be worth just touching on this issue again, given the huge amount of capital increases which have been taking place so far this year and which are likely to continue. The market has generally been welcoming these increases, and we have participated to a limited extent. The main gain, however, has been for companies saved by these placings and which witness an instant revival in their fortunes……until that new money disappears again. This is one factor behind the recent underperformance of the portfolio against the index, as the market has had a distinct preference for recovery stories, of which we have held but a few. The other factor has been an aggressive de-rating: to take one example, Fresenius, which in July 2008 traded at about 13.2 times earnings expectations for 2010, has fallen by 25% to July 2009 to trade on only 10 times earnings expectations. That estimate for earnings per share still equates to a growth rate of over 18%, on top of a dividend yield of 1.9%, and one of the reasons we remain a firm supporter of this business.

Portfolio Manager's Report

continued

Outlook

I have become more optimistic about the outlook for European markets over the last two months. There is, of course, still a long list of risks; for example, inflation. Will it be the main risk in a year's time or will our principal concern be the impact on consumers of a tighter fiscal policy as governments begin the gradual rebuilding of their balance sheets?. We will also be wiser as to the shape of the recession in which European countries currently find themselves. My suspicion is that Europe will return to the relatively stable, but fairly low growth path that it has experienced for many years. There is likely to be a positive impact from the huge stimulus package announced by the US which will have an impact from 2010 onwards, as well as other government packages around the world. Given the strong manufacturing and export base in Europe, there should be some knock-on effect. We have therefore moved the portfolio to a more fully invested position with cash of around just 2% at year end, and have also been considering our options for borrowing in the coming year.

The recent market rally had been led by riskier recovery ideas rather than more staid and reliable growth companies but these are now beginning to return to favour. We have made significant changes to the holdings over the last twelve months, and are likely to continue to do this, as we try to find companies which should be able to benefit from a stronger economic climate. At the same time we will keep a close eye on valuations, and the discrepancy between quality becoming very cheap relative to its own history and the market, and the danger of high valuations for long distant recovery hopes.

Over the years we have stayed faithful to many of the same names to good effect, and we have introduced new names. We are in interesting times, and many European companies are becoming better global operators and indeed world leaders in some areas. As ever, patience will be required but ultimately rewarded.

Tim Stevenson
Portfolio Manager
2 October 2009

Performance Attribution Analysis – Twelve months to 31 July 2009 (average throughout year)

	Allocation		Performance	
Sector	Company (Average) %	Benchmark Index %	Company %	Benchmark Index %
Consumer Services	12.27	5.37	5.57	0.92
Financials	11.34	23.94	-18.60	-18.53
Health Care	24.10	9.36	2.16	2.55
Utilities	1.46	8.66	33.12	-20.39
Basic Materials	6.69	6.71	-12.53	-20.47
Consumer Goods	12.92	14.61	10.56	6.64
Other	0.01	–	-1.98	–
Technology	2.28	3.89	-3.39	-18.89
Oil & Gas	7.65	7.48	-19.15	-14.47
Telecommunications	0.51	7.72	5.84	7.15
Industrials	20.77	12.26	-15.20	-11.98
Total	**100.00**	**100.00**	**-5.72**	**-10.09**

Investment Portfolio

as at 31 July 2009

Rank (2009)	Rank (2008)	Company	Country	Sub-Sector	Valuation 2009 £'000
1	2	**Fresenius Medical Care**	Germany	Healthcare	**4,017**
Market leader in the global dialysis market. This is an industry with strong secular growth due to the ageing population and rising levels of obesity.					
2	1	**Fresenius**	Germany	Healthcare	**3,712**
Main business areas are nutrition and infusion therapy, hospital management and kidney dialysis (via its stake in Fresenius Medical Care). Offers stable earnings growth thanks to structural growth in demand for dialysis and hospital care, yet trades at a significant discount to its peers.					
3	–	**Munich Re.**	Germany	Insurance	**3,406**
World's second largest reinsurer and second largest primary insurer in Germany with a very strong balance sheet, profitable business mix and reasonable valuation.					
4	–	**Syngenta**	Switzerland	Chemicals	**3,360**
Agricultural chemical company with market-leading position in crop protection. We expect demand for its products to grow, driven by population growth, market share gains, and an improvement in growers' potential returns.					
5	16	**Roche**	Switzerland	Pharmaceuticals & Biotechnology	**3,175**
Swiss-based pharmaceutical company whose drugs include Avastin and Tamiflu. Of the European drug majors, Roche has the lowest exposure to generic competition, the strongest pipeline and the fastest earnings growth.					
6	–	**Grifols**	Spain	Pharmaceuticals & Biotechnology	**3,135**
Spanish manufacturer of high quality blood products. The blood plasma market is an attractive growth area, with significant barriers to entry and a lack of potential competition from generics.					
7	3	**Vivendi Universal**	France	Media	**3,113**
Vivendi is a diversified media conglomerate with a focus on subscription revenues. This has helped it weather the recession better than many of its peers in the sector.					
8	9	**Linde**	Germany	Chemicals	**2,967**
Linde is one of the leading players in the global gases market, with exposure to the key growth areas for the industry of emerging markets and healthcare.					
9	6	**Bureau Veritas**	France	Support Services	**2,895**
Bureau Veritas is a leading provider of inspection and certification services. We expect the company to benefit from the structural growth drivers of increasing legislation, emerging market growth, and outsourcing.					
10	7	**Synthes**	Switzerland	Healthcare	**2,894**
Synthes manufactures products used in orthopaedic trauma surgery. It has a strong reputation for innovation and also training for surgeons which has helped it gain market share.					
Top Ten Investments					**32,674**

The Top Ten Investments by value account for 29.5% of the total value of investments (2008: 36.8%).

Investment Portfolio
continued

Rank (2009)	Rank (2008)	**Company**	**Country**	**Sub-Sector**	**Valuation 2009 £'000**
11	10	**Essilor**	France	Healthcare	**2,859**

One of the world's largest manufacturers of optical lenses. Essilor has a high market share in all major markets and is expanding fast in the rapidly growing markets of Asia. They have also added the manufacture of lens making and coating machines to their portfolio.

12	41	**UBS**	Switzerland	Banks	**2,822**

UBS is a leading private banking and wealth management company. It has been plagued by a number of high profile concerns which have led to outflows from its core wealth management division and an exodus of valued personnel. These concerns are now largely behind the company and it can now focus on rebuilding its franchise.

13	13	**Inditex**	Spain	General Retailers	**2,751**

Spanish fashion retailer operating a number of different brands (Zara, Bershka, Stradivarius, Oysho, Massimo Dutti, Zara Home and Uterque) in 73 countries worldwide. It has significant opportunities to gain market share thanks to its focus on affordable fashion and a flexible business model.

14	11	**Deutsche Börse**	Germany	Financial Services	**2,687**

Deutsche Börse provides an attractive revenue mix across equities, fixed income and derivatives markets offering diversification and protection from competition. In Clearstream, the company can also boast a strong presence in clearing and settlement. Furthermore, management remain committed to efficient cost control and capital management.

15	–	**Heineken**	Netherlands	Beverages	**2,677**

Heineken is the world's fourth largest brewer and the most diversified internationally. Its balance sheet is less stretched than its peers and it has high exposure to fast-growing emerging market demand.

16	–	**Zurich Financial Services**	Switzerland	Financial Services	**2,597**

Zurich is an international insurance company, operating in the European and US markets. We added to the position when it did a capital increase to fund the purchase of AIG's US auto insurance business. It has an attractive valuation level and good growth prospects.

17	–	**Banco Santander**	Spain	Banks	**2,551**

Santander is the largest bank in Spain and one of the ten largest globally by market cap. It has a strong capital position which has enabled it to make opportunistic acquisitions during the credit crisis and will allow it to gain further market share in the future. We expect earnings growth to remain strong, driven by merger synergies and exposure to emerging markets.

18	–	**Nokia**	Finland	Technological Hardware & Equipment	**2,511**

Nokia is the world's largest manufacturer of mobile handsets. Despite losing market share to the iPhone and BlackBerry in the smartphone market, Nokia has some interesting product cycles ahead and retains its dominance in emerging markets.

19	19	**Beiersdorf**	Germany	Personal Goods	**2,480**

Beiersdorf manufactures personal care and medical products. Its best known brand is Nivea. It also has a division which makes products more related to industrial uses. We feel that the new management can improve the group's return over the next few years.

20	–	**Sampo OYJ**	Finland	Insurance	**2,451**

Sampo is a Finnish life insurer. A placing by a distressed Icelandic seller offered an excellent entry point into a well-run company with a strong balance sheet.

Top Twenty Investments	**59,060**

The Top Twenty Investments by value account for 53.4% of the total value of investments (2008: 64.1%).

Investment Portfolio

continued

Rank (2009)	Rank (2008)	Company	Country	Sub-Sector	Valuation 2009 £'000
21	–	Daimler Chrysler	Germany	Motor Vehicles	2,371
22	4	Sodexo	France	Travel & Leisure	2,361
23	32	Carrefour	France	Food & Drink Retailers	2,225
24	18	ENI	Italy	Oil & Gas Producers	2,188
25	26	Sika	Switzerland	Construction & Materials	2,174
26	–	SAP	Germany	Software	2,165
27	17	Neopost	France	Technology Equipment	2,129
28	30	Genmab	Denmark	Pharmaceuticals & Biotechnology	2,062
29	20	Nestlé	Switzerland	Food Producers	2,020
30	–	E.ON	Germany	Gas, Water & Multiutilities	2,002
Top Thirty Investments					**80,757**

Rank (2009)	Rank (2008)	Company	Country	Sub-Sector	Valuation 2009 £'000
31	22	Saipem	Italy	Oil Equipment	1,978
32	29	Kühne + Nagel	Switzerland	Transport	1,974
33	–	Ryanair Holdings	Ireland	Airlines	1,938
34	28	Total	France	Oil & Gas Producers	1,929
35	–	Veolia Environnement	France	Utilities	1,924
36	–	Schneider Electric	France	Industrial Engineering	1,906
37	–	Telefónica	Spain	Telecommunications	1,866
38	–	CRH	Ireland	Construction	1,866
39	–	AXA	France	Insurance	1,674
40	12	SGS	Switzerland	Support Services	1,626
Top Forty Investments					**99,438**

Rank (2009)	Rank (2008)	Company	Country	Sub-Sector	Valuation 2009 £'000
41	–	Henkel	Germany	Personal Goods	1,546
42	–	Statoilhydro	Norway	Oil & Gas Producers	1,437
43	34	Sanofi-Aventis	France	Pharmaceuticals & Biotechnology	1,423
44	15	ABB	Switzerland	Electronic Equipment	1,403
45	–	Unilever	Netherlands	Food Producers	1,393
46	–	SES Global	France	Media	1,363
47	–	UCB	Belgium	Pharmaceuticals & Biotechnology	1,335
48	–	Deutsche Telekom	Germany	Telecommunications	1,233
Total Investments					**110,571**

Investment Portfolio

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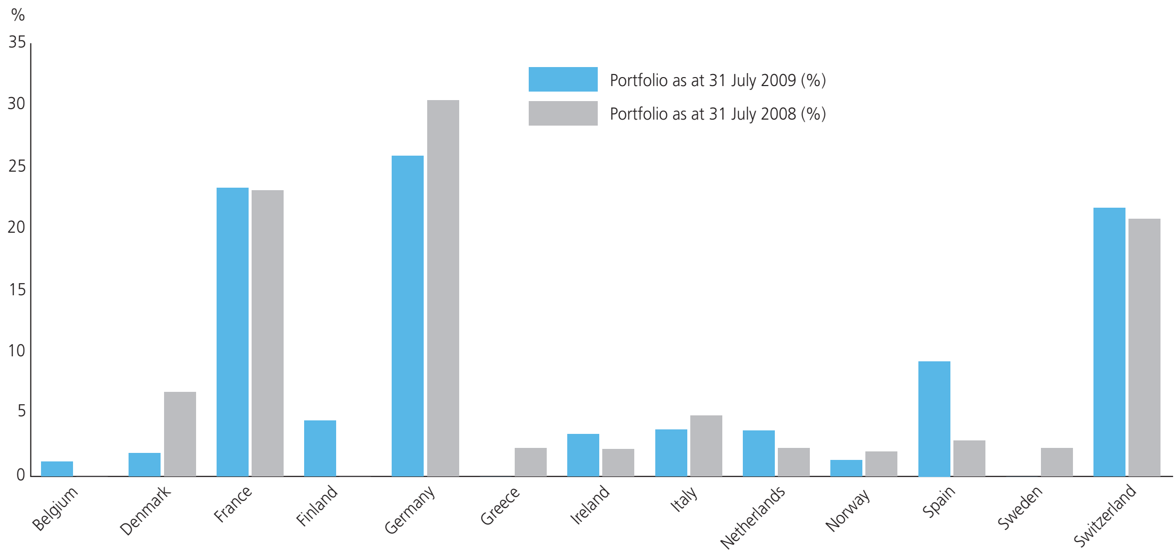
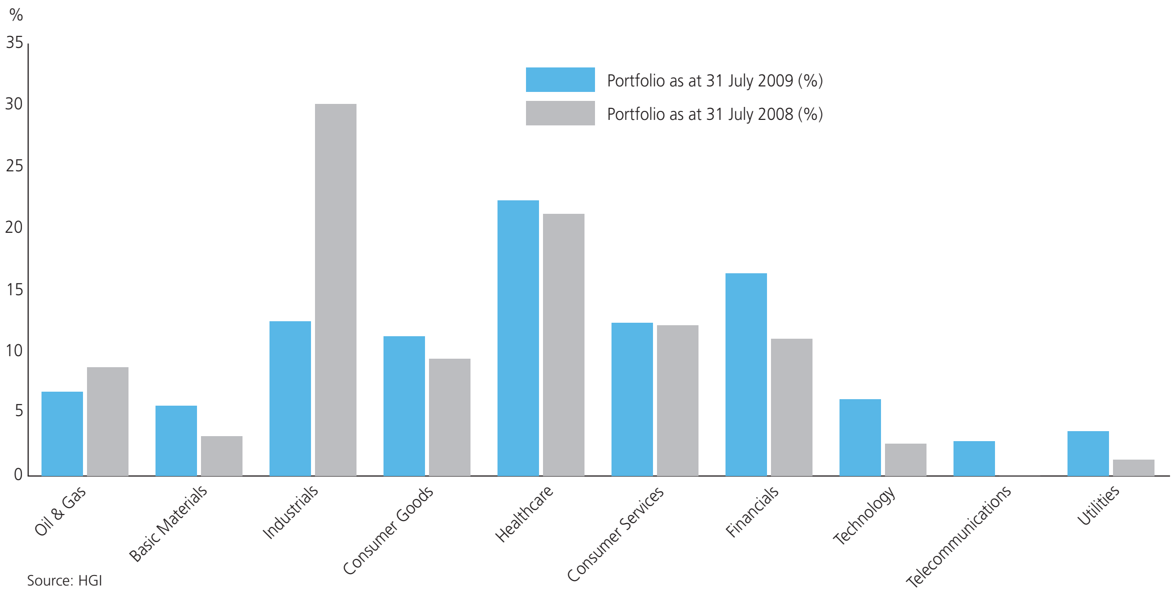
Geographical Analysis



Source: HGI

Sector Analysis



Source: HGI

Investment Portfolio

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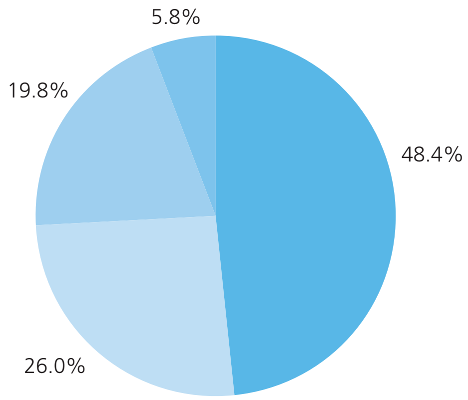
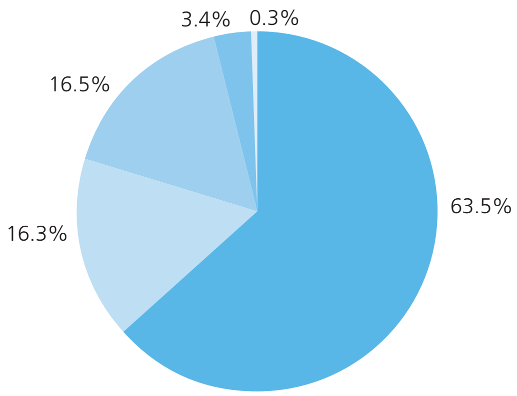
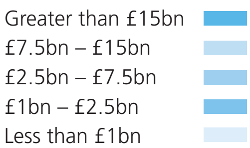
Market capitalisation of the portfolio for the year ended 31 July 2009



Market capitalisation of the benchmark index for the year ended 31 July 2009





Source: Factset

Peer Group Performance (ranked by performance over one year), as at 31 July 2009

	Net Asset Value Total Return (%)			
Company	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Gartmore European	-3.6	7.0	75.6	75.4
Henderson EuroTrust	**-5.7**	**6.4**	**76.0**	**91.4**
Invesco Perpetual European Absolute	-9.7	-10.9	29.3	24.9
JPMorgan European Income	-10.3	–	–	–
BlackRock Greater Europe	-10.5	-2.4	–	–
SR Europe	-10.9	-11.5	95.6	–
Charter European	-11.1	8.5	64.5	–
Fidelity European Values	-16.7	-4.3	65.6	202.9
Jupiter European Opportunities	-19.6	-11.4	43.5	–
JPMorgan European Growth	-22.1	-16.8	47.5	50.9
Foreign & Colonial Eurotrust	-26.5	-21.2	20.6	10.4

Source and Copyright 2009 provided by Fundamental Data for the AIC

Directors

The Directors meet regularly with the Portfolio Manager to determine strategy, monitor investment policy and review performance. The Directors' Report (which incorporates the Corporate Governance Statement), the Statement of Directors' Responsibilities in respect of the financial statements and the Directors' Remuneration Report, are printed on pages 14 to 27.

Pictured, left to right, standing: Tim Stevenson, Mark Tapley, Robert Bischof, and seated; Joop Feilzer, John Cornish.

†# **Mark Tapley, Chairman** was appointed to the Board in 2000, and as Chairman in November 2007. Mark has over 35 years' experience in the investment management industry. He is a Visiting Fellow at Cranfield School of Management, a member of the board of the CFA Society of the UK and an adviser to Lloyds Register's and the Consumer Association's investment committees. He was previously managing director and group chief investment officer of WestLB Asset Management.

* **Robert Bischof** joined the Board in 1996. He trained as a merchant banker in Hamburg and achieved an honours degree in Economics. He is a former chairman of McIntyre & King Ltd and Boss Group Ltd, a subsidiary of Jungheinrich AG. He is on the board of the German British Chamber of Industry and Commerce and the German British Forum Ltd. He is also chairman of Vitalize Health Products Ltd and principal of London & Oxford Group, a City of London based financial group. He served on the Commission for Public Policy and British Business, was the German Honorary Consul for the North West of England from 1999 to 2005 and received an Order of Merit from the German President for his "extraordinary contributions" to Anglo-German relations.

* **Joop Feilzer** was appointed to the Board in November 2007. He held various executive positions at the Fortis and Fortis Bank group of companies and is now Chairman of BNP Paribas Fortis Investments SA/NV. He is a member of the Board of Directors of AG Insurance N.V in Belgium and a supervisory board member of several Dutch foundations.

*◆ **John Cornish** was appointed to the Board in November 2007, and is the Chairman of the Audit Committee. Formerly a senior partner with Deloitte LLP, John specialised during his career in the investment management, investment banking and other financial services sectors. John is chairman of Framlington Innovative Growth Trust PLC. He is also a non-executive director of RIT Capital Partners plc, RCM Technology Trust PLC, Strategic Equity Capital plc and treasurer of the Royal Alexandra and Albert Foundation.

Tim Stevenson was appointed to the Board in 1992. Tim is responsible for running the portfolio and joined Henderson in 1986. He has specialised in European investment since 1982.

#Chairman of Nominations Committee.
†Chairman of Management Engagement Committee.
◆Chairman of Audit Committee.

*Member of Audit, Nominations and Management Engagement Committees.
Other than Tim Stevenson, all the Directors are independent of the management company.

Directors' Report

The Directors present the audited financial statements of the Company and their report for the year ended 31 July 2009.

Business Review

The following business review is designed to provide information primarily about the Company's business and results for the year ended 31 July 2009. It should be read in conjunction with the Portfolio Manager's Report on pages 5 to 7, which gives a detailed review of the investment activities for the year and an outlook for the future.

a) Status

The Company is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988 ('ICTA'). It is required to seek approval from HM Revenue & Customs ('HMRC') of its status as an investment trust under the above mentioned section 842 every year, and this approval will continue to be sought. HMRC approval of the Company's status as an investment trust has been received in respect of the year ended 31 July 2008 although this approval is subject to there being no subsequent enquiries under Corporation Tax Self Assessment. The Directors are of the opinion that the Company has continued to conduct its affairs in a manner that will enable it to continue to gain such approval.

The Company is not a close company.

The Company intends to continue to manage its affairs so that its investments fully qualify for a stocks and shares component of an ISA.

b) Investment Objective and Policy

Objective

The objective of the Company is to invest predominantly in large and medium-sized companies which are perceived to be undervalued in view of their growth prospects or on account of a significant change in management or structure. The Company aims to achieve a superior total return from a portfolio of high quality European investments.

Policy

Companies are reviewed carefully to assess the quality of management, balance sheet strength and growth prospects. The Portfolio Manager meets regularly with those companies.

As an investment trust, the Company will not invest more than 15% of gross assets in any one company or group of companies; however, subject to this, the Board has not set any minimum or maximum limits on the number of investments in the portfolio or imposed any country or sector limits within the European context, although the Company does not invest in UK companies. Typically there are between 40 and 50 holdings in the portfolio, reflecting a diversified mix of business and geographical sectors, but the Company will not hold more than 10% of the share capital of any company. Unquoted investments may be made, although in aggregate these may not amount to more than 10% of the portfolio, and the Company has none at the present time.

A full list of the investments in the portfolio at 31 July 2009 is shown on pages 8 to 10. The largest holding at year end was in Fresenius Medical Care (3.63%). The top 10 holdings amounted to 29.55% of the total investments.

In accordance with the Listing Rules of the UKLA, the Company will not invest more than 15% (at the time the investment is made) of its total assets in other UK listed investment companies. In addition, it will not invest more than 10%, in aggregate, of its total assets in UK listed investment companies who have not published an investment policy confirming that they will not themselves invest more than 15% of their total assets in other UK listed investment companies.

In practice the Company has never had any investments in other pooled vehicles and there is currently no intention to change that policy.

Gearing

The Company's Articles allow borrowings up to 100% of shareholders' funds. In normal circumstances, the Directors would expect the Company to be fairly fully invested but it may hold cash and cash instruments up to 20% or be geared up to 30% of the total assets.

Directors' Report
continued

c) Financial Review

Results for the year
Total net assets at 31 July 2009 amounted to £112,047,000 compared with £121,737,000 at 31 July 2008, and the net asset value ('NAV') per ordinary share decreased to 487.8p from 527.8p.

At 31 July 2009 there were 48 (2008: 41) separate investments, as detailed on pages 8 to 10.

Net revenue after taxation for the year was £2,858,000, an increase of 21.3% from the previous year.

	2009	2008	% Change
Net assets (as at 31 July)	**£112,047,000**	£121,737,000	-8.0
Revenue return (for the year)	**£2,858,000**	£2,356,000	21.3
Dividends	**11.0p**	10.0p	10.0

The Board aims to make progressive increases in annual dividend payments. For the financial year under review, an interim dividend of 3.0p and a final dividend of 6.0p plus a special dividend of 2.0p provides a total dividend of 11.0p per ordinary share. Subject to approval at the AGM, the final and special dividends will be paid on 17 November 2009 to shareholders on the register of members on 16 October 2009. The Company's shares will be quoted ex-dividend on 14 October 2009.

Payment of Suppliers
It is the payment policy for the financial year to 31 July 2010 to obtain the best possible terms for all business and, therefore, there is no single policy as to the terms used. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms. There were no trade creditors at 31 July 2009.

Bank Facilities and Gearing
At 31 July 2009 the Company had no committed short term facilities and there was no gearing.

Future developments
While the future performance of the Company will depend to some degree on macro-economic factors and the performance of international financial markets, the Board is clear in its intention to continue with its stated investment objective, which has served shareholders well over the years. Further comments on the outlook for the Company for the next twelve months are set out in both the Chairman's Statement (on pages 3 and 4) and the Portfolio Manager's Report (on pages 5 to 7).

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

d) Performance measurement and key performance indicators

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Manager, the Directors take into account the following key performance indicators:

- *Performance measured against benchmark*
  The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value and share price for the Company and its benchmark, the FTSE World Europe (ex UK) Index. The Board considers this to be its most important key performance indicator and has determined that it should also be used to calculate whether a performance fee is payable to the Manager, as set out below.

- *Discount/premium to net asset value ('NAV')*
  At each Board meeting, the Board monitors the level of the Company's discount/premium to NAV and reviews the average discount/premium of the peer group companies in the AIC Europe sector.

  In 2007 the Board offered shareholders the prospect of an exit opportunity in 2010, two years earlier than would be the case under the previous arrangements should the shares trade at an average discount of more than 5 per cent calculated on the basis of daily NAVs over the three month period to 31 December 2009.

  The Company publishes its NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance

Directors' Report
continued

with the AIC formula and since 1 June 2008 has included current financial year revenue; the same basis as that calculated for the financial statements. The NAV excluding current financial year revenue is also published for historical comparison. The discount to net asset value at which the Company's shares trade continues to be monitored closely by the Board. The Board has powers, granted at the last AGM, to buy shares in the open market, and it has exercised these powers on three occasions in the past year.

- *Performance against the Company's peer group*
  The Company is included in the AIC Europe sector. In addition to comparison against the stated benchmark, the Board also considers the performance of its peer group at each Board meeting. Details of the peer group are shown on page 12 of this report.

- *Total Expense Ratio ('TER')*
  The TER is a measure of the total expenses incurred by the Company including those charged to capital, expressed as a percentage of the average shareholders' funds over the year. The TER is calculated by taking the management fee and adding the administrative expenses (excluding VAT write-back) and dividing by the NAV as at 31 July 2009. The TER before performance fees and borrowing costs, amounted to 0.85% (2008: 0.90%) of the assets of the Company. The Board regularly monitors all Company expenses.

e) Management and custody arrangements

Investment management, accounting, company secretarial and administrative services are provided to the Company by wholly owned subsidiary companies of Henderson Global Investors (Holdings) plc ('Henderson') and by BNP Paribas Securities Services.

The base management fee is calculated at the rate of 0.70% per annum of chargeable assets under management with an additional annual performance related element.

A performance fee will be charged provided the adjusted NAV of the ordinary shares at the end of any calculation period exceeds the high water mark represented by the formula asset value of 269p per share calculated as at 2 July 2002 (being the date following the repayment of the zero dividend preference shares). The fee will be paid to the Manager in respect of the calculation period (which is the accounting reference period) at the rate of 15% of any outperformance of the NAV total return per ordinary share, in excess of the total return over the same period of the Company's benchmark, the FTSE World Europe (ex UK) Index (sterling adjusted). If the NAV total return of the ordinary shares underperforms the benchmark, no performance fee will be payable until the underperformance has been made good.

The performance fee will be subject to the following caps: (a) the aggregate amount of the management/custody fee and any performance fee payable in respect of any calculation period will not exceed 1.5% of the total assets of the Company on the last business day of such calculation period; and (b) no performance fee will be payable if and to the extent that the adjusted NAV per ordinary share on the last business day of the calculation period in question is less than 90% of the NAV per ordinary share on the last day of the previous calculation period. If the cap under (a) takes effect, the high water mark will be adjusted downwards accordingly.

For the year ended 31 July 2009 the Manager has outperformed the Index and therefore a performance fee of £926,000 has been earned in the year under review.

The management agreement may be terminated by either party but in certain circumstances the Company will be required to pay compensation to Henderson of an amount of up to one year's management charge. Compensation is not payable if one or more years' notice of termination is given.

During the year under review the Manager used certain services which were paid for, or provided, by various brokers. In return it placed business, which may have included transactions relating to the Company, with these brokers.

Custody services are supplied directly to the Company by JPMorgan Chase.

f) Related Party transactions

The contracts with Henderson and JPMorgan Chase are the only related party arrangements currently in place. Other than fees payable in the ordinary course of business, there

Directors' Report

continued

have been no material transactions with these related parties which have affected the financial position or performance of the Company during the year under review.

g) Principal risks and uncertainties

The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows:

- *Investment activity and performance*

  An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group. The Board monitors investment performance at each Board meeting and regularly reviews the extent of its borrowings.

- *Portfolio and market*

  Although the Company invests almost entirely in securities that are quoted on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds. The Board reviews the portfolio each month and mitigates this risk through diversification of investments in the portfolio.

- *Regulatory risks*

  A breach of section 842 of the Income and Corporation Taxes Act 1988 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UKLA Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Acts 1985 and 2006 could lead to criminal proceedings, or financial or reputational damage. The Manager has contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal controls reports produced by the Manager on a quarterly basis, which confirm regulatory compliance.

- *Financial*

  By its nature as an investment trust, the Company's business activities are exposed to market risk (including market price risk, currency risk and interest rate risk), liquidity risk, and credit and counterparty risk. Details of these risks and how they are managed are contained in Note 15 to the financial statements on pages 39 to 44.

- *Operational*

  Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service.

  Details of how the Board monitors the services provided by the Manager and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Statement which is set out below.

h) Employees and Environment Policy

The Company has no employees and outsources its investment management and company secretarial services to subsidiaries of Henderson. Henderson has implemented environmental management practices, which include systems to limit the use of non-renewable resources and minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible.

Corporate Governance Statement

a) Applicable corporate governance codes

The Board is accountable to shareholders for the governance of the Company's affairs. Paragraph 9.8.6 of the UK Listing Rules requires all listed companies to disclose how they have applied the principles and complied with the provisions of the 2008 Combined Code. As an investment trust, most of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees and the Directors are all non-executive. Thus, not all the provisions of the 2008 Combined Code are directly applicable to the Company.

The Financial Reporting Council (the 'FRC') confirmed in February 2007 that it remained the view of the FRC that by following the Corporate Governance Guide for

Directors' Report
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Investment Companies produced by the Association of Investment Companies (the 'AIC Guide') in 2009, boards of investment companies should fully meet their obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules. The 2009 AIC Code of Corporate Governance (the 'AIC Code'), as explained by the AIC Guide, addresses all the principles set out in section 1 of the 2008 Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The Board of Henderson EuroTrust plc believes that reporting against the AIC Code by reference to the AIC Guide will provide the most appropriate information to shareholders and has therefore followed the principles and recommendations set out in the AIC Code. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk

b) Statement of compliance

The AIC Code comprises 21 principles. The Directors believe that during the year under review they have complied with the provisions of the AIC Code, insofar as they apply to the Company's business, and with the provisions of the Combined Code except as noted below.

- *Senior independent director*
  A senior non-executive director has not been identified as the Board considers that all the Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.

- *The role of chief executive*
  Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a chief executive.

- *Executive Directors' remuneration*
  As the Board has no executive directors, it is not required to comply with the principles of the Combined Code in respect of executive directors' remuneration and does not have a Remuneration Committee. Directors' fees are detailed in the Directors' Remuneration Report on page 26.

- *Internal audit function*
  The Company delegates to third parties its day-to-day operations and has no employees. These third parties have their own internal audit function and the Board has therefore determined that there is no requirement for the Company to have its own internal audit function. The Directors annually review whether a function equivalent to an internal audit is needed and will continue to monitor its systems of internal controls in order to provide assurance that they operate as intended.

c) Directors

- *Board composition and independence*
  The Articles of Association provide that the total numbers of directors shall be not less than two nor more than ten; the Board currently consists of five non-executive Directors, the majority of whom are independent of the Company's Manager. The Chairman is Mark Tapley. Tim Stevenson is employed by the Manager and is therefore not considered an independent director; however, the Board values the fact that he is also a Director and is committed to achieving best returns for shareholders. The Directors' biographies, set out on page 13, demonstrate the breadth of investment, industrial, commercial and professional experience relevant to the positions as Directors of the Company. The Directors keep closely in touch with developments in Europe and visit the region periodically. No Director has a service contract with the Company.

  The Articles of Association require one-third (or the number nearest to one-third) of the Directors to retire by rotation at each AGM, while the AIC Code requires each director to retire at intervals of not more than three years. Directors may then offer themselves for re-election.

  The Directors offering themselves for re-election are Robert Bischof and Mark Tapley, who were both last re-elected in 2007. Under the Articles of Association shareholders may remove a director before the year of his term by passing an ordinary resolution.

  The Board has considered the continued appointment of Mr Tapley and Mr Bischof, both of whom have served on the Board for over nine years. Both directors have no links to the Manager, a wide range of other interests and are not dependent in any way on the Company itself.

Directors' Report
continued

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

- *Directors' remuneration*
  A report on Directors' remuneration is on page 26.

- *Directors' interests in shares*
  The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the table below.

Ordinary shares of 5p	**31 July 2009**	1 August 2008
Beneficial:		
Mark Tapley	**10,000**	10,000
Robert Bischof	**2,000**	2,000
John Cornish	**–**	–
Joop Feilzer	**5,000**	5,000
Tim Stevenson	**88,351**	82,224

Since the year end Robert Bischof and Tim Stevenson have each purchased a further 2,000 shares.

- *Directors' conflicts of interest*
  Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. With effect from 1 October 2008, the Companies Act 2006 ('the Act') has allowed directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the Articles of Association contain a provision to this effect. The Act also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. There are two safe harbours – either the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or the matter has been authorised in advance by the directors. The Company's Articles of Association, which were adopted by shareholders on 13 November 2008, give the Directors the relevant authority required to deal with conflicts of interest.

  Each of the Directors has provided a statement of all conflicts of interest and potential conflicts of interest, if any, applicable to the Company. A register of conflicts of interest has been compiled and approved by the Board.

  The Directors have also all undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that would need to be approved by the Board and added to the register, which will be reviewed annually by the Board.

  It has also been agreed that Directors will advise the Chairman and the Company Secretary in advance of any proposed external appointment and new Directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the 2006 Act in advance of joining the Board. The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board. Only directors who have no interest in the matter being considered will be able to participate in the Board approval process. In deciding whether to approve a conflict of interest, Directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision. The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate.

  The Board believes that its powers of authorisation of conflicts has operated effectively since they were introduced on 1 October 2008. The Board also confirms that its procedures for the approval of conflicts of interest have been followed by all the Directors.

- *Directors' professional development*
  When a new Director is appointed he or she is offered a training seminar which is held by the Manager. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in relevant training and industry seminars.

- *Directors' indemnity*
  Directors' and officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their

Directors' Report

continued

positions as directors, in which they are acquitted or judgment is given in their favour by the Court.

d) The Board

- *Responsibilities of the Board and its Committees*

  During the year six Board meetings were held to deal with the important aspects of the Company's affairs. The Board has a formal schedule of matters specifically reserved for its decision, categorised under various headings, which include strategy and management, structure and capital, financial reporting and controls, internal controls, communications, board and committee memberships and corporate governance.

  The Board has three Committees, the Audit Committee, the Management Engagement Committee and the Nominations Committee. The terms of reference for these Committees are available on the Company's website.

- *Audit Committee*

  During the year under review, the Audit Committee members were John Cornish (Chairman), Robert Bischof and Joop Feilzer, all of whom are considered to be independent. The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience.

  The Audit Committee meets at least twice a year and is responsible for the review of the annual financial statements, the nature and scope of the external audit and the findings therefrom, the terms of appointment of the auditors together with their remuneration, performance, independence and objectivity, as well as any non-audit services provided by the auditors, and the half year report. It meets with representatives of the Investment Manager and receives reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company.

- *Management Engagement Committee*

  The Committee comprises all the Directors except Tim Stevenson, and is chaired by Mark Tapley. It meets at least annually to review the investment management agreement and the services provided by the Manager. Details of Henderson's responsibilities as Manager can be found on page 21.

- *Nominations Committee*

  All Directors, with the exception of Tim Stevenson, are members of the Nominations Committee. The Chairman of the Board acts as Chairman of the Committee but would not chair the Committee when the Chairman's successor is being considered. The Committee is responsible for reviewing Board succession planning, the performance of the Board as a whole and the Board Committees and the appointment of new directors and meets as required.

- *Board attendance*

  Attendance at the Board and Committee meetings held during the financial year are shown below. All Directors usually attend the Annual General Meeting.

No. of meetings	**Board 6**	**Audit Committee 2**	**Management Engagement Committee 1**
Mark Tapley	6	n/a	1
Robert Bischof	6	2	1
John Cornish	5	2	1
Joop Feilzer	6	2	1
Tim Stevenson	6	n/a	n/a

e) Performance Evaluation

The performance of the Company is considered in detail at each Board meeting.

The Board has direct access to the company secretarial advice and services provided by the Manager which, through its nominated representative, is responsible for ensuring that the Board and Committee procedures are followed and that applicable regulations are complied with.

f) Internal Controls

The Board has established a process for identifying, evaluating and managing any major risks faced by the Company. The process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in September 1999 ('the Turnbull Guidance'). The process has been in place since 2000 and up to the date of approval of this annual report.

The Board is responsible overall for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than

Directors' Report
continued

eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Manager, undertook a full review of the Company's business risks and these have been analysed and recorded in a risk map which is reviewed regularly. The Board receives each quarter from the Manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. The Board receives each year from the Manager a report on its internal controls which includes a report from the Manager's auditors on the control policies and procedures in operation. Steps will continue to be taken to embed the system of internal control and risk management into the operation and culture of the Company and its key suppliers.

The Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the Manager's compliance and risk department on a continuing basis.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 July 2009, and to the date of approval of this Annual Report and Financial Statements.

g) Accountability and relationship with the Manager

The Statement of Directors' Responsibilities is set out on page 25, the Independent Auditor's Report on page 28 and the statement of Going Concern on page 15.

The Board has delegated contractually to external third parties, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day-to-day accounting, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required. In addition, the Chairman attends meetings of all the chairmen of the investment trust companies managed by the Manager; these meetings provide a forum to discuss industry matters and the Chairman reports on them to the Board.

The Manager takes decisions as to the purchase and sale of individual investments. The Manager also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the Manager attend each Board meeting enabling the Directors to probe further on matters of concern. A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company within certain parameters. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board and the Manager operate in a supportive, co-operative and open environment.

h) Continued Appointment of the Investment Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with the Manager are contained in the Directors' Report on page 16.

The Board reviews investment performance at each Board meeting and a formal review of the Manager is conducted annually.

As a result of their annual review, it is the opinion of the Directors that the continued appointment of the current Manager on the terms agreed is in the interests of the Company's shareholders as a whole.

The Manager has extensive investment management resources and wide experience in managing and administering investment trust companies.

Directors' Report
continued

i) Share capital and shareholders

The Company's share capital comprises ordinary shares with a nominal value of 5 pence each. The voting rights of the shares on a poll are one vote for every share held. There are no restrictions on the transfer of the Company's ordinary shares or voting rights, and there are no shares which carry specific rights with regard to the control of the Company.

At 31 July 2008, there were 23,066,063 shares in issue. During the year, 98,000 shares (representing 0.42% of the issued share capital) were bought back at an average price of 415 pence per share, then held in Treasury, and subsequently cancelled. As at 31 July 2009, no shares were held in Treasury. The number of ordinary shares in issue on 31 July 2009 was 22,968,063. There have been no changes to the share capital up to the date of this document.

- *Substantial share interests*
  Declarations of interests in the voting rights of the Company, at 25 September 2009, are set out below:

Shareholder	% of voting rights
Rensburg Sheppards plc	10.74%
Insight Investment	8.12%
Lloyds Bank Group plc (including Scottish Widows Investment Partnership)	7.96%
1607 Capital Partners	6.75%
Legal & General	4.19%

At 25 September 2009, 5.12% of the issued share capital was held on behalf of participants in the Halifax Share Dealing products, run by Halifax Share Dealing Limited ('HSDL'), and 5.88% by participants in the Henderson products. These participants are given the opportunity to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company. HSDL has undertaken to instruct its nominee company to exercise the voting rights of any shares held through the HSDL products that have not been exercised by the individual participants in them. It will do so by voting for or against all resolutions to be put at all general meetings of the Company (or by withholding votes on such resolutions) pro rata to the aggregate voting instructions for each resolution received from those participants who have chosen to exercise their voting rights.

- *Relations with Shareholders*
  Shareholder relations are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with shareholders is through the Half Year and Annual Reports which aim to provide shareholders with a clear understanding of the Company's activities and its results. This information is supplemented by the daily publication at the London Stock Exchange of the net asset value of the Company's ordinary shares and a monthly fact sheet.

  At each AGM a presentation is made by the Manager following the formal business of the meeting. Shareholders have the opportunity to address questions to the Chairman and the Chairman of the Audit Committee at the AGM. All shareholders are encouraged to attend the AGM.

  It is the intention of the Board that the Annual Report and Financial Statements and Notice of the AGM be issued to shareholders so as to provide at least twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the registered office address. At other times the Company responds to letters from shareholders on a range of issues.

  General presentations to both institutional shareholders and analysts follow the publication of the annual results. All meetings between the Manager and shareholders are reported to the Board.

- *Board authorities to issue and buy back share capital*
  The Directors seek annual authority from the shareholders to allot new ordinary shares, to disapply the pre-emption rights of existing shareholders, and to buy back for cancellation or to be held in Treasury, the Company's shares. Further details of the authorities sought at the AGM are set out below.

j) Exercise of voting powers

The Company has approved a corporate governance voting policy which accords with current best practice whilst maintaining a primary focus on investment returns.

Directors' Report

continued

Annual General Meeting ('AGM')

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your ordinary shares in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The AGM will be held on Thursday 12 November 2009 at 2.30 pm. The formal notice of the AGM is set out on pages 47 to 50. Resolutions relating to the following items of special business will be proposed at the AGM, for which shareholder approval is required in order to comply with the Companies Act 2006. A special resolution is required in some cases. A special resolution is passed if more than 75% of the votes cast, in person or by proxy, are in favour of the resolution.

Resolution 10 – Authority to allot shares (ordinary resolution)
At the AGM on 13 November 2008 the Directors were granted authority to allot a limited number of authorised but unissued ordinary shares. No shares have been allotted under this authority. This authority will expire at the forthcoming AGM. An ordinary resolution to renew this authority will be proposed at the AGM to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £57,420 (being 5% of the issued share capital as at the date of the Notice of the AGM). The resolution is set out in full in the Notice of the AGM on page 47.

Resolution 11 – Power to disapply pre-emption rights (special resolution)
At the AGM on 13 November 2008, the Directors were also empowered to allot securities of a limited value for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures. Since the 2008 AGM, the Directors have not used this power, which will expire at the 2009 AGM. Resolution 11, which is a special resolution, will be proposed to give the Directors power to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £57,420 (being 5% of the issued share capital as at the date of the Notice of the AGM). Pre-emption rights under the Companies Act apply to the resale of Treasury shares for cash, just as they do for the allotment of new shares. The Board's intention is that Resolution 11 will relate to either new issues or to the resale of Treasury shares.

The Directors do not intend to allot shares pursuant to these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing shareholders to do so and when it would not result in any dilution of net asset value per share, that is at a premium to net asset value. If renewed, both of these authorities will expire at the conclusion of the AGM in 2010.

Resolution 12 – Authority to make market purchases of the Company's own shares (special resolution)
On 13 November 2008, the Directors were granted authority to repurchase 3,457,602 ordinary shares (with a nominal value of £172,880) for cancellation or to be held in Treasury; 98,000 shares have been repurchased under this authority and the Company therefore has remaining authority to purchase 3,359,602 shares. This authority will expire at the forthcoming AGM in November 2009.

In Resolution 12 the Board is seeking shareholder approval to renew the authority to purchase on the London Stock Exchange up to a maximum of 14.99% of the Company's ordinary shares in issue at the date of the AGM (equivalent to 3,442,912 ordinary shares of 5p, with a nominal value of £172,145, at 2 October 2009, the date of the Notice of the AGM).

The Directors do not intend to use this authority unless to do so would result in an increase in the net asset value per ordinary share and would be in the best interests of shareholders generally. The authority being sought provides an additional source of potential demand for the Company's shares. The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders. The Board considers the use of Treasury shares can be beneficial to

Directors' Report
continued

the Company's shareholders and may, if shareholder approval is renewed, hold any Ordinary shares repurchased in Treasury for resale in the market at a future date.

Resolution 13 – Adoption of new Articles of Association
It is proposed to make further changes to the Company's Articles of Association in order to adopt the second and final tranche of provisions of the Companies Act 2006 in so far as they apply to the Company. Accordingly, a special resolution will be put to the AGM to approve and adopt new Articles of Association (the 'New Articles'). Details of the changes are set out in the notes to the Notice of Annual General Meeting on pages 49 and 50.

Recommendation
The Board considers that the resolutions relating to the above items of special business are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM.

Independent Auditors
PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, resolutions to re-appoint PricewaterhouseCoopers LLP as auditors to the Company, and to authorise the Directors to determine their remuneration, will be proposed at the AGM.

Directors' Statement as to Disclosure of Information to Auditors
The Directors who were members of the Board at the time of approving this Report are listed on page 13. Each of those Directors confirms that:

- to the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- he has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Ruth Saunders, FCIS
For and on behalf of
Henderson Secretarial Services Limited
Secretary

2 October 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement under DTR 4.1.12

Each of the Directors, who are listed on page 13 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Directors' Report in this Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Mark Tapley
Director
2 October 2009

The financial statements are published on www.hendersoneurotrust.com website, which is a website maintained by the Company's Manager, Henderson Global Investors Limited ('Henderson'). The maintenance and integrity of the website is the responsibility of Henderson. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with sections 420-422 to the Companies Act 2006 in respect of the year ended 31 July 2009. The report also meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by section 439 of the Act, a resolution to approve the report will be proposed at the AGM. The Company's auditors are required to report on certain information contained within this report. Where information set out below has been audited it is indicated as such.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The whole Board considers matters relating to Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and be sufficient to enable candidates of high calibre to be recruited. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities, as is the Chairman of the Audit Committee. The policy is to review fee rates annually, although such review will not necessarily result in any change to the rates, and account is taken of fees paid to directors of other investment trust companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former directors or third parties.

Directors' fees

The Company's Articles of Association limit the fees payable to the Directors in aggregate to £120,000 per annum. The fees were last increased on 1 February 2008, and are £25,000 for the Chairman, £20,000 for the Audit Committee Chairman and £16,000 for other Directors.

The fees payable by the Company in respect of each of the Directors who served during the year, and during 2008, were as follows:

	2009	2008
Mark Tapley	**£25,000**	£20,689
Stanislas Yassukovich[2]	–	£4,810
Robert Bischof	**£16,000**	£13,989
Patrick Stevenson[2]	–	£3,207
Tim Stevenson[1]	–	–
John Cornish[3]	**£20,000**	£13,520
Joop Feilzer[3]	**£16,000**	£10,815
TOTAL	**£77,000**	£67,030

Notes:

(1) Fee waived.

(2) Retired 6 November 2007.

(3) Appointed 6 November 2007.

Joop Feilzer received £1,992 (2008: £2,482) expenses during the year which related to costs incurred in respect of Board meeting attendance during the year. No reimbursement was made to any other Director in this respect.

Tim Stevenson, a Director of the Company and the Portfolio Manager, is employed and paid by Henderson for the provision of services to the Company. Under the Companies Act 2006 it is necessary to state the proportion of the amount he received from Henderson which relates to the management of the Company, even though the Company does not pay these emoluments to him and is not involved in their determination. The Company has been informed that the emoluments paid by Henderson to Tim Stevenson in respect of his services to the Company in the year (including performance related bonus) were £131,000 (2008: £186,000) as analysed:

Directors' Remuneration Report
continued

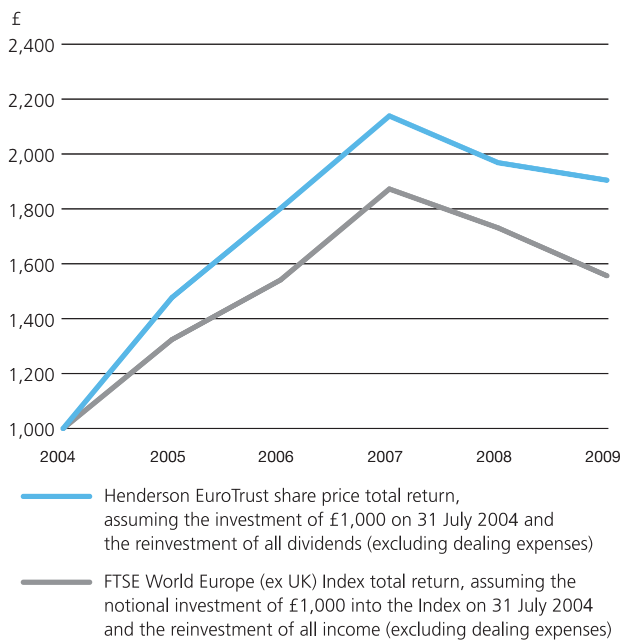
	2009	2008
Salary and other benefits	**£19,000**	£20,000
Performance related bonus	**£112,000**	£166,000
TOTAL	**£131,000**	£186,000

The highest paid Director's emoluments thus totalled £131,000 (2008: £186,000).

A contribution was paid by Henderson on behalf of Tim Stevenson to a non-contributory defined benefit pension scheme. The increase in the benefit was £3,900 (2008: £5,090).

Performance Graph

A line graph, as required by the Act, showing the Company's share price total return compared to the FTSE World Europe (ex UK) Index, is shown below.



The FTSE World Europe (ex UK) Index has been selected for the above chart as this is the Company's benchmark Index.

Source: Funddata, Datastream

By order of the Board

Ruth Saunders, FCIS
For and on behalf of
Henderson Secretarial Services Limited
Secretary

2 October 2009

Independent Auditors' Report

to the members of Henderson EuroTrust plc

We have audited the financial statements of Henderson EuroTrust plc for the year ended 31 July 2009 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2009 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 15, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Marcus Hine (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 October 2009

Income Statement

for the year ended 31 July 2009

Notes		**Year ended 31 July 2009** Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 July 2008 Revenue return £'000	Capital return £'000	Total £'000
2	Losses from investments held at fair value through profit or loss	**–**	**(8,789)**	**(8,789)**	–	(6,790)	(6,790)
3	Investment income	**3,783**	**–**	**3,783**	3,303	–	3,303
4	Other interest receivable and similar income (including interest on VAT refund)	**403**	**–**	**403**	259	–	259
	Gross revenue and capital (losses)/gains	**4,186**	**(8,789)**	**(4,603)**	3,562	(6,790)	(3,228)
5	Management and performance fees	**(151)**	**(1,530)**	**(1,681)**	(179)	(1,026)	(1,205)
5	Write-back of prior years' VAT	**129**	**110**	**239**	163	731	894
6	Other administrative expenses	**(201)**	**–**	**(201)**	(207)	–	(207)
	Net return/(loss) on ordinary activities before finance charges and taxation	**3,963**	**(10,209)**	**(6,246)**	3,339	(7,085)	(3,746)
7	Finance charges	**–**	**–**	**–**	–	(1)	(1)
	Net return/(loss) on ordinary activities before taxation	**3,963**	**(10,209)**	**(6,246)**	3,339	(7,086)	(3,747)
8	Taxation on net return on ordinary activities	**(1,105)**	**376**	**(729)**	(983)	516	(467)
	Net return/(loss) on ordinary activities after taxation	**2,858**	**(9,833)**	**(6,975)**	2,356	(6,570)	(4,214)
9	**Return/(loss) per ordinary share**	**12.4p**	**(42.7)p**	**(30.3)p**	10.1p	(28.2)p	(18.1)p

The total column of this statement represents the Income Statement of the Company.
All revenue and capital items in the above statement derive from continuing operations.
The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.
The Company had no recognised gains or losses other than those disclosed in the Income Statement and Reconciliation of Movements in Shareholders' Funds.

Reconciliation of Movements in Shareholders' Funds

for the years ended 31 July 2009 and 31 July 2008

Notes	**Year ended 31 July 2009**	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 July 2008	**1,153**	**33,814**	**130**	**84,176**	**2,464**	**121,737**
	Net (loss)/return from ordinary activities after taxation	**–**	**–**	**–**	**(9,833)**	**2,858**	**(6,975)**
16	Repurchase of ordinary shares	**(5)**	**–**	**5**	**(409)**	**–**	**(409)**
10	Final dividend paid in respect of the year ended 31 July 2008 (paid 18 November 2008)	**–**	**–**	**–**	**–**	**(1,153)**	**(1,153)**
10	Special dividend paid in respect of the year ended 31 July 2008 (paid 18 November 2008)	**–**	**–**	**–**	**–**	**(462)**	**(462)**
10	Interim dividend paid in respect of the year ended 31 July 2009 (paid 1 May 2009)	**–**	**–**	**–**	**–**	**(691)**	**(691)**
	At 31 July 2009	**1,148**	**33,814**	**135**	**73,934**	**3,016**	**112,047**

Notes	Year ended 31 July 2008	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 July 2007	1,283	33,814	–	91,928	1,737	128,762
	Net (loss)/return from ordinary activities after taxation	–	–	–	(6,570)	2,356	(4,214)
	Repurchase of ordinary shares	–	–	–	(1,182)	–	(1,182)
	Cancellation of ordinary shares held in Treasury	(130)	–	130	–	–	–
10	Final dividend paid in respect of the year ended 31 July 2007 (paid 9 November 2007)	–	–	–	–	(932)	(932)
10	Interim dividend paid in respect of the year ended 31 July 2008 (paid 2 May 2008)	–	–	–	–	(697)	(697)
	At 31 July 2008	1,153	33,814	130	84,176	2,464	121,737

The notes on pages 33 to 46 form part of these financial statements

Balance Sheet

at 31 July 2009

Notes		**2009 £'000**	2008 £'000
	Fixed asset investments held at fair value through profit or loss		
11	Listed at market value – overseas	**110,571**	115,961
	Current assets		
12	Debtors	**556**	1,173
	Cash at bank and short term deposits	**2,570**	5,360
		3,126	6,533
13	**Creditors: amounts falling due within one year**	**(1,650)**	(757)
	Net current assets	**1,476**	5,776
	Total net assets	**112,047**	121,737
	Capital and reserves		
16	Called up share capital	**1,148**	1,153
17	Share premium account	**33,814**	33,814
18	Capital redemption reserve	**135**	130
18	Capital reserves	**73,934**	84,176
18	Revenue reserve	**3,016**	2,464
	Equity shareholders' funds	**112,047**	121,737
14	**Net asset value per ordinary share**	**487.8p**	527.8p

The financial statements were approved and authorised for issue by the Board of Directors on 2 October 2009.

Mark Tapley
Director

The notes on pages 33 to 46 form part of these financial statements

Cash Flow Statement

for the year ended 31 July 2009

Notes		**2009 £'000**	**2009 £'000**	2008 £'000	2008 £'000
19	**Net cash inflow from operating activities**		**3,079**		2,167
	Servicing of finance				
	Interest paid	**–**		(1)	
	Net cash outflow from servicing of finance		**–**		(1)
	Taxation				
	UK Corporation Tax paid	**(75)**		–	
	Overseas tax recovered	**39**		25	
	Net tax (paid)/recovered		**(36)**		25
	Financial investment				
	Purchases of investments	**(83,046)**		(90,245)	
	Sales of investments	**79,462**		90,094	
	Net cash outflow from financial investment		**(3,584)**		(151)
	Equity dividends paid		**(2,306)**		(1,629)
	Net cash (outflow)/inflow before financing		**(2,847)**		411
	Financing				
	Repurchase of own shares	**(409)**		(1,182)	
	Net cash outflow from financing		**(409)**		(1,182)
	Decrease in cash		**(3,256)**		(771)
	Reconciliation of net cash flow to movement in net funds				
20	Decrease in cash as above		**(3,256)**		(771)
20	Exchange movements		**466**		506
	Change in net funds resulting from cash flows		**(2,790)**		(265)
	Net funds at 1 August		**5,360**		5,625
20	**Net funds at 31 July**		**2,570**		5,360

The notes on pages 33 to 46 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of investments at fair value. The financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('the AIC') in January 2009. All of the Company's operations are of a continuing nature.

(b) Fixed asset investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments is based on their quoted bid price at the balance sheet date, without deduction of the estimated future selling costs. Unquoted investments are valued by the Directors using primary valuation techniques such as earnings multiples, recent transactions and net assets. Where fair value cannot reliably be measured, the investment will be carried at the previous reporting date value unless there is evidence that the investment has since been impaired, in which case the value will be reduced.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains or losses from investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

(c) Capital gains and losses

Capital gains and losses arising on investments sold and investments held, together with exchange differences arising on the translation of foreign currency assets and liabilities, are dealt with in the capital reserves.

(d) Income

Dividends receivable from equity shares are taken to revenue return on an ex-dividend basis. Bank deposit interest and stock lending fees are taken to revenue on an accruals basis.

Where the Company enters into a commitment to underwrite an issue of securities, a derivative financial instrument is recognised at fair value. The derivative is re-measured to fair value, with the related gains and losses being reflected in the Income Statement. Commissions in respect of underwriting are recognised when the underwritten issue closes and are generally recognised within the Income Statement as revenue. Where, however, the Company is required to take up a proportion of the shares underwritten, the same proportion of the commission received is recognised as capital, with the balance recognised as revenue.

(e) Expenses and finance charges

All expenses are accounted for on an accruals basis. Finance charges, including any 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. On the basis of the Board's expected long term split of returns in the form of capital gains and income of 80% and 20% respectively, the Company charges 80% of its interest payable and management fee to other capital reserves. All other expenses are charged to revenue return. All of these amounts are stated net of any tax relief and inclusive of any related irrecoverable value added tax. Expenses which are incidental to the purchase or sale of an investment are included within the cost or deducted from the proceeds of sale of the investment.

Any fee for outperformance is allocated to the capital return for that part that is directly related to the capital performance of the investments of the Company and the revenue return for any portion directly attributable to revenue performance.

Notes to the Financial Statements

continued

(f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information 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 return column of the Income Statement, then no tax relief is transferred from the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under section 842 of the Income and Corporation Taxes Act 1988 are not liable for taxation on capital gains.

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(g) Foreign currency

In accordance with FRS 23: 'The effects of changes in Foreign Currency Exchange Rates' the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be sterling.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue return or capital return, depending on whether the gain or loss is of a revenue or capital nature.

(h) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders. Dividends are dealt with in the Reconciliation of Movements in Shareholders' Funds.

(i) Repurchase of ordinary shares

The cost of repurchasing ordinary shares, including related stamp duty and transaction costs is taken directly to equity and dealt with in the Reconciliation of Movements in Shareholders' Funds. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of called up share capital and into the capital redemption reserve.

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(j) Capital reserves

Capital reserve arising on investments sold

The following are accounted for in this reserve:

– expenses and finance costs charged to capital net of tax relief;
– gains and losses on the disposals of investments;
– realised foreign exchange differences of a capital nature; and
– costs of repurchasing ordinary share capital.

Capital reserve arising on investments held

The following are accounted for in this reserve:

– increases and decreases in the valuation of investments held at the year end; and
– unrealised foreign exchange differences of a capital nature.

2 Losses from investments held at fair value through profit or loss

	2009 £'000	2008 £'000
(Losses)/gains on the sale of investments based on historical cost	**(5,055)**	9,517
Less: revaluation gains recognised in previous years	**(6,210)**	(14,181)
Losses on investments sold in the year based on carrying value at the previous balance sheet date	**(11,265)**	(4,664)
Revaluation of investments held at 31 July	**2,010**	(2,632)
Exchange gains	**466**	506
	(8,789)	(6,790)

3 Investment income

	2009 £'000	2008 £'000
Unfranked – listed investments		
Dividend income	**3,783**	3,303

4 Other interest receivable and similar income

	2009 £'000	2008 £'000
Deposit interest	**92**	214
Interest on VAT refund (see note 22)	**271**	–
Stock lending fees	**8**	43
Underwriting commissions	**32**	2
	403	259

At 31 July 2009 the total value of securities on loan by the Company for stock lending purposes was £nil (2008: £nil). The maximum aggregate value of securities on loan at any one time during the year to 31 July 2009 was £nil (2008: £25,337,000).

The Company's custodian holds collateral which is reviewed on a daily basis comprising Euro Government bonds with a market value of 110% of the market value of any securities on loan.

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5 **Management and performance fees**	**2009 Revenue return £'000**	**2009 Capital return £'000**	**2009 Total £'000**	2008 Revenue return £'000	2008 Capital return £'000	2008 Total £'000
Management fee	**151**	**604**	**755**	179	715	894
Performance fee	**–**	**926**	**926**	–	311	311
Write-back of VAT (see note 22)	**(129)**	**(110)**	**(239)**	(163)	(731)	(894)
	22	**1,420**	**1,442**	16	295	311

A summary of the terms of the management agreement is given in the Directors' Report on page 16.

6 **Other administrative expenses (including irrecoverable VAT)**	**2009 £'000**	2008 £'000
Directors' fees (see the Directors' Remuneration Report on pages 26 and 27)	**77**	67
Auditors' remuneration – for audit services	**23**	23
Other administrative expenses	**101**	117
	201	207

7 **Finance charges**	**2009 Revenue return £'000**	**2009 Capital return £'000**	**2009 Total £'000**	2008 Revenue return £'000	2008 Capital return £'000	2008 Total £'000
Bank overdraft interest	**–**	**–**	**–**	–	1	1

8 **Taxation**

(a) **Analysis of charge in the year**	**2009 Revenue return £'000**	**2009 Capital return £'000**	**2009 Total £'000**	2008 Revenue return £'000	2008 Capital return £'000	2008 Total £'000
Corporation tax at 28% (2008: 29.33%)	**709**	**15**	**724**	466	–	466
Double taxation relief	**(438)**	**(8)**	**(446)**	(391)	–	(391)
	271	**7**	**278**	75	–	75
Foreign withholding taxes	**681**	**19**	**700**	543	–	543
Overseas tax reclaimable	**(238)**	**(11)**	**(249)**	(151)	–	(151)
Current tax charge for the year	**714**	**15**	**729**	467	–	467
Tax relief attributable to management fee and interest charged to capital	**391**	**(391)**	**–**	516	(516)	–
Total current tax for the year (see note 8(b))	**1,105**	**(376)**	**729**	983	(516)	467

Following the abolition of eligible unrelieved foreign tax, with effect from 1 July 2009, the Company has unprovided deferred tax assets of £nil (2008: £nil).

Notes to the Financial Statements
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(b) Factors affecting the tax charge for the year to 31 July 2009

The rate was 30% until 31 March 2008 and 28% from 1 April 2008 giving an effective rate of 29.33% for the year ended 31 July 2008. The differences are explained below:

	2009 Revenue return £'000	**2009 Capital return £'000**	**2009 Total £'000**	2008 Revenue return £'000	2008 Capital return £'000	2008 Total £'000
Net profit/(loss) on ordinary activities before taxation	**3,963**	**(10,209)**	**(6,246)**	3,339	(7,086)	(3,747)
Corporation tax at 28% (2008: 29.33%)	**1,110**	**(2,859)**	**(1,749)**	979	(2,078)	(1,099)
Effects of:						
Non-taxable losses on investments held at fair value through profit or loss	**–**	**2,476**	**2,476**	–	1,992	1,992
Non-taxable overseas dividends	**(21)**	**–**	**(21)**	–	–	–
Tax charged/(credited) for use of capital expenses	**–**	**7**	**7**	–	(430)	(430)
Income taxable in different periods	**11**	**–**	**11**	(1)	–	(1)
Overseas tax	**443**	**8**	**451**	393	–	393
Relief for double taxation	**(438)**	**(8)**	**(446)**	(391)	–	(391)
Disallowable expenses	**–**	**–**	**–**	3	–	3
Current tax charge	**1,105**	**(376)**	**729**	983	(516)	467

9 Return per ordinary share

The total return per ordinary share is based on the net loss attributable to the ordinary shares of £6,975,000 (2008: £4,214,000) and on 23,048,948 ordinary shares (2008: 23,242,213) being the weighted average number of shares in issue during the year. The total return can be further analysed as follows:

	2009 £'000	2008 £'000
Revenue return	**2,858**	2,356
Capital loss	**(9,833)**	(6,570)
Total loss	**(6,975)**	(4,214)
Weighted average number of ordinary shares	**23,048,948**	23,242,213
Revenue return per ordinary share	**12.4p**	10.1p
Capital loss per ordinary share	**(42.7)p**	(28.2)p
Total loss per ordinary share	**(30.3)p**	(18.1)p

The Company does not have any dilutive securities.

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10 Dividends on ordinary shares

	Register date	Payment date	2009 £'000	2008 £'000
Final dividend (4.0p) for the year ended 31 July 2007	3 October 2007	9 November 2007	–	932
Interim dividend (3.0p) for the year ended 31 July 2008	4 April 2008	2 May 2008	–	697
Final dividend (5.0p) for the year ended 31 July 2008	24 October 2008	18 November 2008	**1,153**	–
Special dividend (2.0p) for the year ended 31 July 2008	24 October 2008	18 November 2008	**462**	–
Interim dividend (3.0p) for the year ended 31 July 2009	14 April 2009	1 May 2009	**691**	–
			2,306	1,629

The proposed final and special dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as a liability in these financial statements.

The total dividends payable in respect of the financial year which form the basis of section 842 of the Income and Corporation Taxes Act 1988 are set out below:

	2009 £'000
Revenue available for distribution by way of dividend for the year	**2,858**
Interim dividend of 3.0p paid 1 May 2009	**(691)**
Proposed final dividend for the year ended 31 July 2009 of 8.0p (includes 2.0p special) (based on 22,968,063 ordinary shares in issue at 2 October 2009)	**(1,837)**
Undistributed revenue for section 842 purposes*	**330**

*Undistributed revenue comprises 8.7% of the income from investments of £3,783,000 (see note 3).

11 Fixed asset investments

	£'000
Valuation at 1 August 2008	115,961
Investment holding gains at 1 August 2008	(13,118)
Cost of investments at 1 August 2008	102,843
Purchases at cost	83,327
Sales at cost	(84,517)
Cost of investments at 31 July 2009	101,653
Investment holding gains at 31 July 2009	8,918
Valuation at 31 July 2009	**110,571**

Purchase transaction costs for the year ended 31 July 2009 were £146,000 (2008: £144,000). These comprise mainly brokers' commissions. Sale transaction costs for the year ended 31 July 2009 were £122,000 (2008: £145,000).

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12	**Debtors**	**2009 £'000**	2008 £'000
	Withholding tax recoverable	**424**	214
	Prepayments and accrued income	**132**	64
	Other debtors	**–**	1
	VAT recoverable	**–**	894
		556	1,173

13	**Creditors: amounts falling due within one year**	**2009 £'000**	2008 £'000
	Purchases for future settlement	**281**	–
	Management fee	**65**	285
	Performance fee	**926**	311
	Other accruals	**100**	86
	Tax payable	**278**	75
		1,650	757

14 Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to ordinary shares of £112,047,000 (2008: £121,737,000) and on 22,968,063 (2008: 23,066,063) ordinary shares in issue at the year end. There were no shares held in Treasury at the year end (2008: nil).

The movements during the year of the assets attributable to the ordinary shares were as follows:

	£'000
Total net assets attributable to the ordinary shares at 1 August 2008	121,737
Total net loss on ordinary activities after taxation	(6,975)
Dividends paid on ordinary shares in the year	(2,306)
Buy-backs of ordinary shares	(409)
Total net assets attributable to the ordinary shares at 31 July 2009	112,047

15 Risk Management policies and procedures

As an Investment Trust company the Company invests in equities and other investments for the long term so as to secure its investment objectives as stated on the inside front cover and in the Directors' Report. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks, market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors and the Manager coordinate the Company's risk management.

The Board determines the objectives, policies and processes for managing the risks, and the methods used to manage the risks and these are set out below under the relevant risk category. The policies for the management of risk have not changed from the previous accounting period.

The Company has a spread of investments which by their nature are less risky than placing the entire amount of the Company's assets on solely one investment. By their nature, equity investments can be higher risk than some other investments but the longer term return can be positive. Performance of equities has been and is likely to continue to be volatile over shorter periods.

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15.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises market price risk (see note 15.1.1), currency risk (see note 15.1.2) and interest rate risk (see note 15.1.3). The Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

15.1.1 Market price risk

Market price risks (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the quoted and unquoted investments.

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from the Investment Manager. Investment performance is reviewed at each Board meeting. The Board monitors the Portfolio Manager's compliance with the Company's objectives, and is directly responsible for investment strategy and asset allocation, including as between countries and economies.

The Company's exposure to other changes in market prices at 31 July 2009 on its investments held at fair value through profit or loss was £110,571,000 (2008: £115,961,000).

Concentration of exposure to market price risks

An analysis of the Company's investment portfolio is shown on pages 8 to 10. There is a concentration of exposure to Germany, France, Switzerland and Spain, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 20% (2008: 5%) in the fair values of the Company's equities. This level of change is considered to be possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each balance sheet date, with all other variables held constant.

	2009		2008	
	Increase in fair value £'000	**Decrease in fair value £'000**	Increase in fair value £'000	Decrease in fair value £'000
Income statement – profit after tax				
Revenue return	**(22)**	**22**	(6)	6
Capital return	**22,025**	**(22,025)**	5,775	(5,775)
Total return after tax for the year	**22,003**	**(22,003)**	5,769	(5,769)
Impact on the net assets	**22,003**	**(22,003)**	5,769	(5,769)

15.1.2 Currency risk

A proportion of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency, and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Notes to the Financial Statements

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Foreign currency borrowings may be used to hedge the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited to 30% of net asset value.

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The fair values of the Company's monetary items that have foreign currency exposure at 31 July 2009 are shown below. Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2009	**Euro £'000**	**Swiss Franc £'000**	**Danish Krone £'000**	**Other £'000**
Debtors (amounts due from brokers, dividends and other income receivable)	**151**	**273**	**–**	**–**
Cash at bank and on deposit less short term overdrafts	**1,178**	**59**	**2**	**1**
Total foreign currency exposure on net monetary items	**1,329**	**332**	**2**	**1**
Investments at fair value through profit or loss that are equities	**83,028**	**24,044**	**2,062**	**1,437**
Total net foreign currency exposures	**84,357**	**24,376**	**2,064**	**1,438**

2008	Euro £'000	Swiss Franc £'000	Danish Krone £'000	Other £'000
Debtors (amounts due from brokers, dividends and other income receivable)	114	134	3	–
Cash at bank and on deposit less short term overdrafts	5,302	–	–	–
Total foreign currency exposure on net monetary items	5,416	134	3	–
Investments at fair value through profit or loss that are equities	79,083	24,073	7,908	4,897
Total net foreign currency exposures	84,499	24,207	7,911	4,897

The above amounts are not necessarily representative of the exposure to risk during the year as levels of monetary foreign currency exposure may change significantly throughout the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the total return after tax for the year and the net assets with regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates for the sterling/Euro, sterling/Swiss Franc, sterling/Danish Krone and sterling/Norwegian Krone.

Notes to the Financial Statements
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It assumes the following changes in exchange rates:
Sterling/Euro +/- 10% (2008: 5%).
Sterling/Swiss Franc +/- 10% (2008: 5%).
Sterling/Danish Krone +/- 10% (2008: 5%).
Sterling/Norwegian Krone +/- 10% (2008: n/a).

These percentages are deemed reasonable based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at each balance sheet date.

If sterling had depreciated against the currencies shown the impact on the total return and net assets would have been as follows:

	2009 Euro £'000	**2009** Swiss Franc £'000	**2009** Danish Krone £'000	**2009** Norwegian Krone £'000	2008 Euro £'000	2008 Swiss Franc £'000	2008 Danish Krone £'000
a) Net monetary items							
Income Statement – net return after taxation							
Revenue return	**167**	**36**	**1**	**9**	91	13	5
Capital return	**(37)**	**(5)**	**–**	**–**	(16)	(5)	(2)
Total return after taxation for the year	**130**	**31**	**1**	**9**	75	8	3
Net assets	**130**	**31**	**1**	**9**	75	8	3
b) Portfolio equity investments							
Capital return	**9,356**	**2,672**	**229**	**160**	4,441	1,267	417
Net assets	**9,356**	**2,672**	**229**	**160**	4,441	1,267	417

If sterling had appreciated against the currencies shown, this would have had the following effect:

	2009 Euro £'000	**2009** Swiss Franc £'000	**2009** Danish Krone £'000	**2009** Norwegian Krone £'000	2008 Euro £'000	2008 Swiss Franc £'000	2008 Danish Krone £'000
a) Net monetary items							
Income Statement – net return after taxation							
Revenue return	**(137)**	**(29)**	**(1)**	**(8)**	(83)	(12)	(5)
Capital return	**30**	**5**	**–**	**–**	15	5	1
Total return after taxation for the year	**(107)**	**(24)**	**(1)**	**(8)**	(68)	(7)	(4)
Net assets	**(107)**	**(24)**	**(1)**	**(8)**	(68)	(7)	(4)
b) Portfolio equity investments							
Capital return	**(7,655)**	**(2,185)**	**(187)**	**(130)**	4,018	(1,147)	(376)
Net assets	**(7,655)**	**(2,185)**	**(187)**	**(130)**	4,018	(1,147)	(376)

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In the opinion of the Directors, the above sensitivity analyses are not necessarily representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

15.1.3 Interest rate risk

Interest rate movements may affect the interest payable on the Company's variable rate borrowings.

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate exposure

The Company does not have any fixed interest rate exposure.

Interest rate sensitivity

The Company is not materially exposed to changes in interest rates.

15.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company has no loan facility (2008: £nil) but has an overdraft facility with a sub custodian, the extent of which is determined by the custodian on a regular basis by reference to the value of the securities held by it on behalf of the Company.

The Board gives guidance to the Manager as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short term borrowings be used to manage short term cash requirements.

15.3 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

Credit risk is managed as follows:

– investment transactions are carried out with a large number of approved brokers, whose credit standard is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker.
– cash at bank is held only with banks considered to be credit worthy and is subject to continual review.

Stock lending transactions are carried out with a number of approved counterparties, whose credit standard is reviewed periodically by the Manager, and limits are set on the amount that may be lent to any one counterparty.

None of the Company's financial assets or liabilities are secured by collateral or other credit enhancements.

The Company has not been materially exposed to credit risk throughout the year.

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15.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and derivatives) or the balance sheet amount is a reasonable approximation of fair value (amounts due from brokers, dividends and interest receivable and amounts due to brokers, accruals, cash at bank and bank overdrafts).

15.5 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern, and
- to maximise the income and capital return to its equity shareholders

through an appropriate balance of equity capital and debt.

The Company's capital at 31 July 2009 comprised its equity share capital and reserves that are shown in the balance sheet at a total of £112,047,000 (2008: £121,737,000).

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the need to buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (the level of share price discount or premium);
- the need for new issues of equity shares;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to additional externally imposed capital requirements:

- As a public company, the Company has a minimum issued share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by law.

These requirements are unchanged since last year, and the Company has complied with them.

16 Called up share capital

	Number of shares entitled to dividend	Total number of shares in issue	Nominal value of shares in issue £'000
Ordinary shares of 5p each			
Authorised	–	75,000,000	3,750
Issued – balance brought forward	23,066,063	23,066,063	1,153
Repurchase of ordinary shares	(98,000)	(98,000)	(5)
Balance carried forward	**22,968,063**	**22,968,063**	**1,148**

During the year 98,000 (2008: 237,000) ordinary shares were repurchased at a total cost of £409,000 (2008: £1,182,000) and subsequently cancelled. Since the year end no further shares have been repurchased.

17 Share premium account

	£'000
At 1 August 2008 and 31 July 2009	**33,814**

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18 Reserves	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserves total £'000	Revenue reserve £'000
At 1 August 2008	130	71,058	13,118	84,176	2,464
Transfer on disposal of assets	–	6,210	(6,210)	–	–
Net movement on investments held at fair value through profit or loss	–	(11,265)	2,010	(9,255)	–
Net movement on foreign exchange	–	466	–	466	–
Expenses charged to capital	–	(1,420)	–	(1,420)	–
Tax relief on expenses charged to capital	–	391	–	391	–
Tax on special dividends	–	(15)	–	(15)	–
Repurchase of ordinary shares	5	(409)	–	(409)	–
Final and special dividends for the year ended 31 July 2008 (paid 18 November 2008)	–	–	–	–	(1,615)
Net revenue return after taxation for the year	–	–	–	–	2,858
Interim dividend for the year ended 31 July 2009 (paid 1 May 2009)	–	–	–	–	(691)
At 31 July 2009	**135**	**65,016**	**8,918**	**73,934**	**3,016**

19 Reconciliation of operating revenue to net cash inflow from operating activities	**2009 £'000**	2008 £'000
Net loss before finance charges and taxation	**(6,246)**	(3,746)
Capital loss before finance charges and taxation	**10,209**	7,085
Revenue return before finance charges and taxation	**3,963**	3,339
Decrease/(increase) in prepayments, accrued income and other debtors	**827**	(857)
Increase in accruals	**409**	523
Tax on unfranked investment income deducted at source	**(700)**	(543)
Expenses allocated to capital	**(1,420)**	(295)
Net cash inflow from operating activities	**3,079**	2,167

20 Analysis of changes in net funds	At 1 August 2008 £'000	Cashflow £'000	Exchange movements £'000	**At 31 July 2009 £'000**
Cash at bank and net funds	5,360	(3,256)	466	**2,570**

21 Capital commitments and contingent liabilities

Capital commitments
There were no capital commitments at 31 July 2009 (2008: £nil).

Contingent liabilities
There were no contingent liabilities at 31 July 2009 (2008: £nil).

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22 VAT on management fees

In 2004 the Association of Investment Companies (the 'AIC'), together with JPMorgan Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs ('HMRC') to challenge whether Value Added Tax ('VAT') should be charged on fees paid for management services provided to investment trust companies. On 28 June 2007 the European Court of Justice delivered its judgment on the case in favour of the AIC. Since then, HMRC has accepted that the provision of investment management services to investment trust companies is VAT exempt and has acknowledged its liability to pay claims in respect of VAT borne by investment companies. The Manager (Henderson Global Investors Limited) submitted reclaims to HMRC for the amount of VAT charged to the Company in respect of investment management services from 1 October 2000 to 30 June 2007. In the accounts for the year to 31 July 2008 an amount of £894,000 was recognised in respect of the anticipated reclaim for the 2000-2007 period.

The amount of £988,000 was actually received by the Company in February 2009. The write back has been allocated between revenue return and capital return according to the allocation of the amount originally paid. During the year under review, the Company also received £167,000 of interest payment in respect of the 2000-2007 reclaim. This is included in 'Other interest receivable and similar income' in the Income Statement.

The Company has received £145,000 in respect of VAT charged on investment management fees during the period from 1 January 1990 to 4 December 1996. This write back has also been allocated between revenue return and capital return according to the allocation of the amounts originally paid. In addition, an amount of £104,000 in respect of interest on this reclaim, has been received since the year end and has been recognised in the Income Statement.

VAT has not been applied to investment management fees invoiced since June 2007.

23 Transactions with the management company

Under the terms of an agreement dated 14 December 2005, the Company appointed a wholly owned subsidiary company of Henderson Global Investors (Holdings) plc ('Henderson') to provide investment management, accounting, company secretarial and administrative services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administrative services.

Details of the management fee arrangements for these services are given in the Directors' Report on page 16. The total of the fees paid or payable under this agreement to Henderson in respect of the year ended 31 July 2009 was £755,000, excluding VAT (2008: £894,000) of which £65,000 was outstanding at 31 July 2009 (2008: £285,000).

A performance fee is also payable to Henderson amounting to £926,000 (2008: £311,000). These amounts were outstanding at the respective balance sheet dates.

In addition to the above services, Henderson has provided the Company with marketing services during the year. The total fees, excluding VAT paid or payable for these services for the year ended 31 July 2009 amounted to £10,000 (2008: £11,000) of which £1,000 was outstanding at 31 July 2009 (2008: £9,000).

Since 1 August 2005, the Company has contracted directly with JPMorgan Chase for the provision of custodian services.

Notice of Annual General Meeting

Notice is hereby given that the Seventeenth Annual General Meeting of Henderson EuroTrust plc will be held at 201 Bishopsgate, London EC2M 3AE on **Thursday, 12 November 2009 at 2.30 pm** for the following purposes:

Ordinary Business

1 To receive the Directors' Report and audited financial statements for the year ended 31 July 2009.

2 To approve the Directors' Remuneration Report for the year ended 31 July 2009.

3 To approve a final dividend of 6.0p per share.

4 To approve a special dividend of 2.0p per share.

5 To re-elect Mr Robert Bischof as a Director.

6 To re-elect Mr Tim Stevenson as a Director.

7 To re-elect Mr Mark Tapley as a Director.

8 To re-appoint PricewaterhouseCoopers LLP as auditors to the Company.

9 To authorise the Directors to determine the auditors' remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions:

as an Ordinary Resolution:

10 THAT in substitution for all existing authorities the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551) up to an aggregate nominal amount of £57,420 (being 5 per cent. of the issued ordinary share capital at the date of this Notice of Annual General Meeting for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company in 2010), but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement.

as a Special Resolution:

11 THAT in substitution for all existing authorities and subject to the passing of Resolution 10 the Directors be empowered pursuant to section 570 and/or section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 as if section 561 of the Act did not apply to the allotment and to sell relevant shares (within the meaning of section 560 of the Act) held by the Company immediately before the sale as Treasury shares (as defined in section 724 of the Act) for cash as if section 561 of the Act did not apply to any such sale. This power:

(a) expires at the end of the next Annual General Meeting of the Company in 2010, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement; and

(b) shall be limited to allotments of equity securities and/or the sale of shares held in Treasury for cash up to an aggregate nominal amount equal to £57,420 (being 5 per cent. of the issued ordinary share capital at the date of this notice).

as a Special Resolution:

12 THAT the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 ('the Act') to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 5p each in the capital of the Company ('ordinary shares'), provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99% of the Company's issued ordinary share capital at the date of the Annual General Meeting (not to exceed 3,442,912 ordinary shares, the equivalent of 14.99%

Notice of Annual General Meeting

continued

of the Company's issued share capital at the date of this notice);

(b) the minimum price which may be paid for an ordinary share is 5p, being the nominal value per ordinary share;

(c) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent, of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased or such other amount as may be specified by the UK Listing Authority from time to time;

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2010;

(e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract; and

(f) any ordinary shares so purchased shall be cancelled or, if the Directors so determine, be held as Treasury shares.

as a Special Resolution:

13 THAT the Articles of Association contained in the document produced to the meeting and signed by the Chairman for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association with effect from the conclusion of the 2009 Annual General Meeting.

By order of the Board

Ruth Saunders, FCIS
Henderson Secretarial Services Limited
Secretary
2 October 2009

Registered Office:
201 Bishopsgate
London EC2M 3AE

Notice of Annual General Meeting

continued

Notes relating to Resolution 13

The Company proposes to adopt new Articles of Association ('New Articles'). The principal changes contained in the New Articles reflect the fact that the Act is now fully in force. As a consequence, a number of the references in the Company's previous Articles of Association to 'the Companies Act 1985' have been amended to refer to the relevant section of the Act.

Abolition of extraordinary resolutions

Throughout the New Articles, references to an 'extraordinary resolution' have been replaced by 'special resolution' as the term 'extraordinary resolution' has ceased to be applicable under the Act.

Allotment of shares

The provisions of the New Articles dealing with the allotment of the Company's shares have been brought in line with the relevant provisions of the Act. In addition (and having regard to the requirements of the Act) the New Articles contain additional detail in respect of: (i) the maximum amount of shares the Company can allot (such amount being specified in an ordinary resolution of the Company or, if no amount is specified, an amount equal to the aggregate nominal amount of the Company's unissued share capital at the time the resolution is passed); and (ii) the date on which such authority will expire.

Notices

The New Articles specifically detail the means by which the Company may give a notice to a member (i.e. personally, by post, in electronic form or by making it available on a website) and set out any additional conditions relating to any such notices.

Objects of the Company

The New Articles have been updated to reflect the fact that, under the Act, the existing objects clauses in the memorandum of association of a company are treated as provisions of the articles. The Company's objects (as previously contained in its memorandum of association) have therefore been amended (to make them more applicable to the Company's current activities) and inserted into the New Articles.

Explanatory Notes to the Notice of Annual General Meeting ('AGM')

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 13 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

1 Voting record date

Only members registered in the Register of Members of the Company at close of business on 10 November 2009 shall be entitled to attend and vote at the AGM in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after close of business on 10 November 2009 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2 Rights to attend and vote

Holders of ordinary shares are entitled to attend and vote on a poll or on a show of hands. On a poll holders of ordinary shares have one vote for every one share.

3 Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

A form of proxy is enclosed. The completion of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting.

Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

4 Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Notice of Annual General Meeting

continued

5 Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006.

6 Receipt and termination of proxies

A form of proxy is enclosed and to be valid must be lodged with the Company's Registrars (Computershare Investor Services PLC, PO Box 1075, Bristol, BS99 3FA) before 2.30pm on 10 November 2009.

A member may terminate a proxy's authority at any time before the commencement of the meeting. Termination must be provided in writing and submitted to the Company's registrars (Computershare Investor Services PLC, PO Box 1075, Bristol, BS99 3FA).

7 Electronic receipt of proxies

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the Issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in note 6 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

8 Questions at the Annual General Meeting

Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the AGM which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

9 Website

A copy of the Notice of the Annual General Meeting, including these explanatory notes, is included on the Company's website, www.hendersoneurotrust.com

10 Total voting rights at date of Notice

As at 2 October 2009 (being the last practicable date prior to the publication of this Notice) the Company's total voting rights comprised 22,968,063 shares with one vote each.

Registered Office:

201 Bishopsgate, London EC2M 3AE

Glossary of Terms

AIC
The Association of Investment Companies.

Benchmark
The FTSE World Europe (ex UK) Index.

Gearing
The gearing percentage reflects the amount of borrowings (ie bank loans) a company has used to invest in the market. This figure indicates the extra amount by which shareholders' funds would move if the Company's investments were to rise or fall.

Investment Trusts
Investment trusts are public limited companies, quoted on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments. Income, net of expenses and tax, is substantially distributed to shareholders.

Net Asset Value ('NAV') per ordinary share
The value of the Company's assets (ie investments and cash held) less any liabilities (ie bank loans and debentures) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as shareholders' funds on the Balance Sheet. The NAV is published daily.

Performance Attribution Analysis
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark. This is broken down to show the effect of stock selection, gearing, expenses and changes in share capital made during the year. In a falling market, the gearing effect will have a negative contribution to performance, whereas in a rising market it will have a positive contribution.

Premium/Discount
The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV.

Total Expense Ratio
This is the total expenses (excluding VAT write-back) incurred by the Company, including those charged to capital, expressed as a percentage of the average shareholders' funds over the year. We have shown separately the percentage of management/other expenses and the performance fee (when applicable).

Total Returns
This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

Warning to Shareholders

Shareholders should be wary of unsolicited telephone calls or correspondence concerning the Company and offering investment advice, offers to buy shares at a discount or free company reports.

It is extremely unlikely that Henderson EuroTrust plc, its Manager (Henderson Global Investors) or its Registrar (Computershare Investor Services) would make unsolicited telephone calls to shareholders. In the event that the Company or its advisers did make unsolicited calls, shareholders would never be asked to confirm their personal details and such calls would relate only to official documentation already circulated to shareholders and never be in respect of offering investment advice, or unpublished investment or financial information regarding the Company.

If you are in any doubt about the veracity of an unsolicited phone call, please call the Company Secretary at the telephone number provided on the inside back cover.

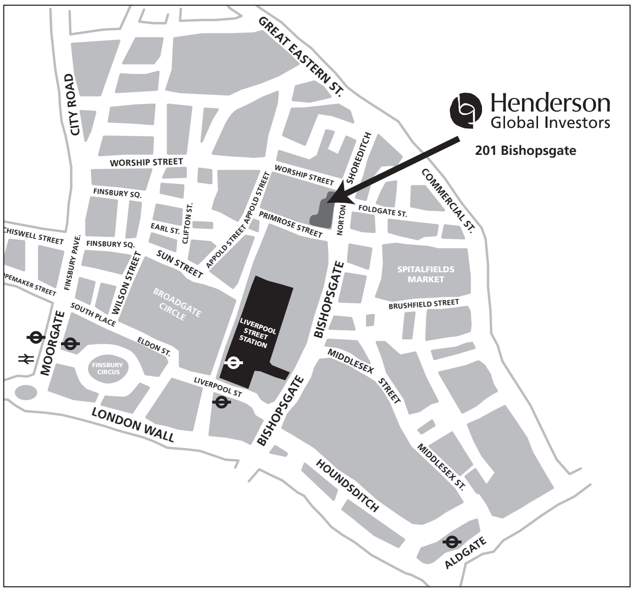
General Shareholder Information

Release of Results

Half year results are announced in late March. Full year results are announced in September/October.

Annual General Meeting

The AGM is held in November at the offices of Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE.



■ Henderson Global Investors,
201 Bishopsgate, London EC2M 3AE

Shareholder Details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar, Computershare Investor Services PLC, via **www.computershare.com**. Please note that to gain access to your details on the Computershare site you will need the holder reference number shown on your share certificate.

BACS

Dividends and interest can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on the inside back cover) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman.

Investors in Halifax Share Dealing Limited products and Henderson ISAs receive all shareholder communications. A voting instruction form is provided to facilitate voting at general meetings of the Company.

Disability Act

Copies of this Report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate.

You can contact the Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0870 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

Share Price Listing

The market price of the Company's ordinary shares is published daily in 'The Financial Times' which also shows figures for the estimated NAV and the discount.

Performance Details/Share Price Information

Details of the Company's share price and NAV can be found on the website. The address is **www.hendersoneurotrust.com** The Company's NAV is published daily.

ISIN/SEDOL number

The ISIN code/SEDOL (Stock Exchange Daily Official List) number of the Company's shares is GB0004199294. The mnemonic code is HNE.

General Shareholder Information
continued

Directors
Mark Tapley (Chairman)
Robert Bischof
John Cornish
Joop Feilzer
Tim Stevenson

Investment Manager
Henderson Global Investors Limited,
authorised and regulated by the Financial Services Authority,
represented by Tim Stevenson

Registered Number
Registered as an investment company in
England and Wales No. 2718241

Secretary
Henderson Secretarial Services Limited
represented by Ruth Saunders, FCIS

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London EC2M 3AE
Telephone: 020 7818 1818
Fax: 020 7818 1819
Email: help@henderson.com
www.hendersoneurotrust.com

Registrar
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 707 1034
www.computershare.com

Halifax Share Dealing Limited (formerly itshenderson)
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Email: communications@halifax.co.uk
www.halifax.co.uk

Henderson Savings Schemes
Henderson Global Investors Limited
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Lynch Wood Business Park
Peterborough PE2 6BP
Telephone: 0800 832 832

Independent Auditors
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Hay's Galleria
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Solicitors
Eversheds
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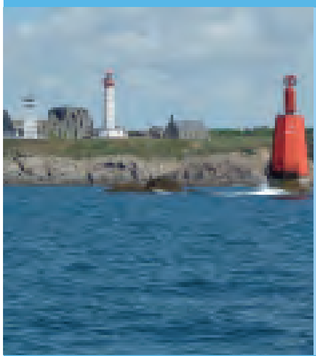
London EC2V 7WS

Bankers & Custodian
JPMorgan Chase
60 Victoria Embankment
London EC4Y 0JP

Stockbrokers
JPMorgan Cazenove
20 Moorgate
London EC2R 6DA

aic
The Association of
Investment Companies



Henderson EuroTrust plc is managed by

Henderson
Global Investors

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