

Henderson EuroTrust plc

Report and Accounts for the year ended 31 July 2007



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 long term track record relative to its index and peer group, and has beaten the FTSE World Europe (ex UK) index over 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 fund manager meets companies regularly.

Independent board of directors

The directors, a majority of whom are independent of the management company, meet regularly with the fund manager to consider investment strategy and to monitor performance.

Shares are easy to buy

The process for buying shares through itshenderson in the Henderson Investment Trust Share Plan, Henderson ISA and Henderson Transfer PEP is shown on the inside back cover.

Benchmark

FTSE World Europe (ex UK) Index.

Financial highlights

	31 July 2007 pence	31 July 2006 pence	Change %
Net Asset Value			
ordinary share	552.6	473.9	+16.6
Revenue Return			
ordinary share	6.1	5.7	+7.0
Dividends			
ordinary dividend*	6.0	5.5	+9.1

*The recommended final dividend of 4.0p per ordinary share, if approved, will be paid on 9 November 2007 to holders of ordinary shares on the register of members at close of business on 5 October 2007. The Company's shares will be quoted ex-dividend on 3 October 2007.

Total Return performance

	1 year %	3 years %	5 years %	10 years %
Net Asset Value Total Return				
ordinary share	17.8	93.9	149.3	223.2
FTSE World Europe (ex UK) Index	21.5	87.3	121.1	126.4
Average Continental European Investment Trust	22.4	99.7	145.3	221.2

Sources: Datastream, AIC

Historical record

	Net asset value pence per ordinary share	Share price percentage discount/(premium) to net asset value per ordinary share pence	Earnings per ordinary share pence	Dividend per ordinary share pence
31 July 1997	189.0	20.1	2.3	2.0
31 July 1998	281.3	6.5	2.3	2.5
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
Annualised Growth	11.8%			

Source: Factset, Datastream, HGI

Contents

About the Company

Inside front cover	Profile
1	Financial Highlights, Total Return Performance and Historical Record
3	Chairman's Statement

Investment Review

4-6	Manager's Review
7	Geographical and Sector Analysis
7	Peer Group Performance
8	Investments by Sector
9	Valuation of Equity Investments
10-11	Ten Largest Investments

Directors' Report

12	Directors
13-18	Directors' Report
18	Statement of Directors' Responsibilities
19-23	Corporate Governance
24-25	Directors' Remuneration Report

Accounts

26	Report of the Independent Auditors
27	Income Statement
28	Reconciliation of Movements in Shareholders' Funds
29	Balance Sheet
30	Cash Flow Statement
31-39	Notes to the Accounts

Shareholder Information

40-41	Investor Information
42-44	Notice of Annual General Meeting
Inside back cover	itshenderson – Henderson Investment Trust Share Plan, ISA and PEPs

Chairman's Statement



S M Yassukovich

It has been another good year for markets and, to a slightly smaller extent, for Henderson EuroTrust, with increases of 21.5% for the FTSE Europe (ex UK) index and 17.8% for the Company.

Revenue and Dividend

Gross revenue for the year amounted to £2,495,000 (2006: £2,436,000). Net revenue on ordinary activities after taxation reached £1,504,000 (2006: £1,455,000) producing an increase in net revenue return of 7.0% to 6.1 pence per share (2006: 5.7 pence). The Board will recommend a final dividend of 4.0 pence per share making a total dividend for the year of 6.0 pence per share (2006: 5.5 pence). Having outperformed the benchmark index for the previous five years in succession, our Manager has not done so this year and therefore has not earned a performance fee.

Life of the Company

During the year shareholders approved proposals that the Company will offer an exit opportunity to shareholders in 2010. At the time of doing this, we undertook to purchase up to 14.99% of the Company's shares to hold in Treasury or cancel at the Directors' discretion. A number of arbitrage players (a different breed of shareholder from the majority) took advantage of this opportunity and these contributed to the reduction in the size of the Company by 9.2%.

The Board

At the AGM I shall be retiring as Chairman after 15 years in the role. The Board has appointed Mark Tapley to succeed me as Chairman of the Company. Mark is currently the Chairman of the Audit Committee and has been a Director of the Company since 2000. Two appointments will be made at the conclusion of the AGM. These appointments will replace Mr Patrick Stevenson and myself following our retirement from the

Board at the conclusion of the AGM. I would like to take this opportunity to thank Patrick for his contribution to the Board over the past six years.

Prospects

There is a higher degree of uncertainty in the financial markets at the time of writing, at least initially caused by concerns over lending quality in the United States. On top of this must be overlaid the undoubted increase in complexity and gearing of markets, and reports of funds which have not positioned themselves wisely are rife. It is worth noting that we have seen a sharp market correction in almost every one of the last ten years of this prolonged bull market, usually triggered by the bursting of an overvaluation bubble in one asset class or another.

Back in the real world, companies are performing well within a favourable economic environment. It may be the case that this situation becomes more difficult over the course of the next twelve months, but that possibility appears to have been reflected in the forecasts and valuations of many of these companies.

While returns may be lower than has been the case for the past few years, it seems nevertheless reasonable to assume that the next twelve months should see positive returns.

S M Yassukovich
Chairman
18 September 2007

Manager's Review



Tim Stevenson

Summary

It has been another good year for European markets, with returns in the FTSE Europe (ex UK) index of 21.5%. The return of the Company has been below this (17.8%), which is respectable in absolute terms. Markets have been driven by a huge amount of merger and acquisition activity and either actual or expected private equity involvement. There has also been, in my view, a marked decrease in patience: whether this is due to fund managers' pressure for constantly better returns, or whether it is the activities of hedge fund and proprietary trading desks of banks, is difficult to say. On the surface it is a nuisance, but may create some good opportunities.

I was clearly far too cautious in my expectations when I wrote the Managers' Review a year ago, and this caution and consequent lack of gearing has been one factor in our disappointing performance relative to some peers and the Index. In August 2007 the markets suddenly seem to have woken up and seen the infamous "Wall of Worry" looming in front of them. Although companies look to be well

placed and attractively priced and results have been encouraging, there is a huge degree of uncertainty. We are in a strong position to increase our weighting in many of our holdings, given our cash position and the possibility to gear up the Company gradually over the next few months.

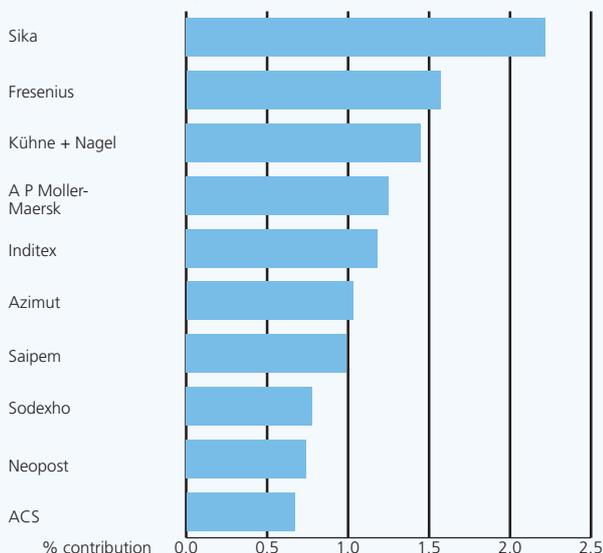
I would like to take this opportunity to personally thank the Chairman for all his years of support and guidance. It has been a privilege to work with such an experienced Chairman, who has always given me encouragement through thick and thin. I would also like to thank Patrick Stevenson for his wise advice over the last few years.

Performance

In absolute terms, performance is once again more than 15%, with a net asset value total return of 17.8%. The index however has risen by more, and many of our peer group have also done better than us. The latter is partly due to our relative lack of gearing, and the former is due to the fact that the market has been driven not by the traditional growth companies of which we have a high preponderance, but more by asset and break-up stories such as the targets of private equity and also by cyclical, steel and engineering companies.

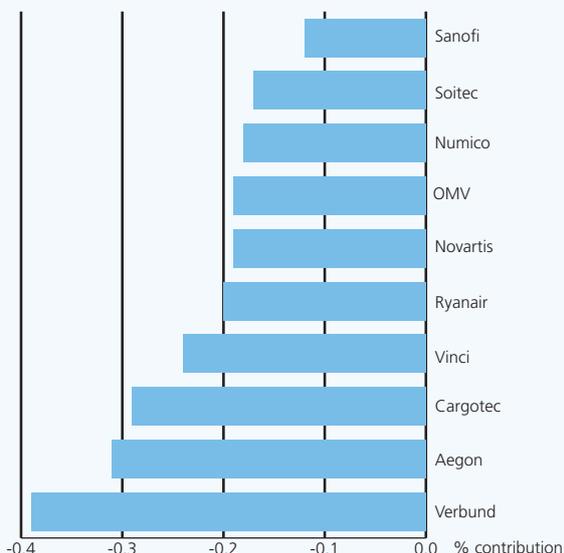
The tables below show the best and worst contribution to returns through the year.

Top ten contributions to return



Source: Factset

Bottom ten contributions to return



Source: Factset

Manager's Review

continued

Both **Sika** and **Fresenius** have been in the portfolio for a number of years, and performed well as profits growth continued to be strong. **Maersk** also has made a very positive contribution as trade flows remain buoyant. On the negative side, we sold out of Austrian utility **Verbund** after a disappointing outlook statement led to a sharp fall in the shares. **Aegon** was also a detractor to the fund, but as a relatively recent addition to the portfolio, I am expecting better performance after the new Chief Executive takes up the reins later this year. Perhaps with the exception of those two, there have been no "disasters" in the portfolio – just some areas of dull performance.

The portfolio and approach

At the end of July there were 44 holdings in the portfolio (2006: 41). Of the positions in the portfolio a year ago, 13 have been sold and there are 16 new holdings including some names which have been in the portfolio in previous years. Turnover, as measured by the lower of purchases or sales proceeds as a percentage of average assets during the year amounted to 48% (2006: 69%). I am pleased to see

this lower turnover figure, as it is perhaps the most obvious confirmation of our "buy and hold" strategy which includes vigilant monitoring of our companies.

One of the difficult issues over the past twelve months has been to keep faith with some holdings where the share price just continues to lag way behind what we feel a company is achieving. It is a question of patience and judgement of a company's medium and long term prospects. As far as possible, we try to meet the management of our holdings regularly through the year, checking progress out there in the "real" world. We are looking for consistent, reliable growth companies and some of these have major shareholders in terms of family or foundations. Their time horizon is generally longer term than some of the hedge funds – allowing such companies to take a wiser view on investment plans. The challenge for us is to align our expectations with the management of those companies, and keep a sharp eye on external factors and how management responds to them.

Performance Attribution Analysis – Twelve months to 31 July 2007

Market	Allocation		Performance	
	Company (average) (%)	Benchmark (%)	Company (%)	Benchmark Index (%)
Austria	7.8	1.1	0.9	22.6
Belgium	0.3	2.2	(2.2)	15.1
Denmark	4.4	1.7	44.1	40.6
Finland	0.6	2.6	(25.1)	31.1
France	13.5	23.9	19.3	17.3
Germany	19.6	16.3	15.7	32.7
Greece	1.6	1.4	25.7	27.4
Ireland	2.7	1.6	(0.8)	13.6
Italy	9.0	9.4	27.3	12.2
Netherlands	11.5	7.8	6.0	23.3
Norway	–	1.7	–	29.0
Portugal	–	0.8	–	31.7
Spain	4.8	9.6	30.2	27.5
Sweden	2.9	5.6	44.5	38.3
Switzerland	21.2	14.3	27.4	7.9
Overall Non-Benchmark Assets	0.1	–	–	–
Total	100.0	100.0	19.7	21.5

Source: FactSet, Datastream, HGI

Manager's Review

continued

During the year we have kept a low exposure to banks. This has been a consistent feature of the Company for some years, and has been because I felt uneasy about how some banks achieve their growth. While parts of their business may be attractive and seeing good growth, some parts are more complex and less transparent.

We have also steered carefully through the pharmaceutical sector. The main problem here is to fathom out whether there is real growth in this sector, while I accept that some stocks may be cheap. We have been selective, and will remain so. During the year we sold our holding in the Czech generic drug producer, **Zentiva**, on fears that even the generic drug producers are facing a pricing squeeze.

In contrast, health care related companies look more interesting, and we have added to **Fresenius Medical Care** (kidney dialysis), while exiting from the dental implant company **Nobel Biocare**. We remain well exposed to this whole area.

I have also added a position in **Luxottica**, the Italian listed sunglass manufacturer (owner of such brands as RayBan and now also Oakley). This complements our existing holding in **Essilor**, the manufacturer of lenses for glasses. Incidentally, this is a good example of markets over the last twelve months: the share price has risen by only 14.7% (remember the market rose over 20%, so this has lagged and therefore could harshly be classified as being a mistake), while earnings are estimated to be rising at 14%. What is really important is that the 2007 growth rate may well be exceeded in 2008 and possibly again in 2009.

Outlook

I think that I have referred to the timing of our Annual Report being coincident with market turmoil before. It is worrying that the swirl of uncertainty about credit looks like it could be more widespread in terms of its impact. At the time of writing, no-one (not even the banks themselves) seems to know what is where and what it means. My take is that it has been and will remain correct to take a more cautious stance, and perhaps be prepared for more turbulence in the financial sector and in the outlook for profits.

That should favour our holdings, given the tendency towards more reliable, consistent growth.

T P Stevenson
Portfolio Manager
18 September 2007

Sector Analysis of Equity Investments

	Company		Index
	31 July 2007 %	31 July 2006 %	31 July 2007 %
Oil & Gas	6.3	7.7	6.4
Basic Materials	3.2	–	6.0
Industrials	26.9	23.9	12.7
Consumer Goods	16.2	14.6	13.5
Health Care	16.8	18.5	6.6
Consumer Services	5.6	9.0	5.3
Telecommunications	–	–	5.8
Utilities	–	3.3	7.4
Financials	16.1	17.3	31.9
Technology	8.9	5.7	4.4
Total	100.0	100.0	100.0

Further details on page 7.

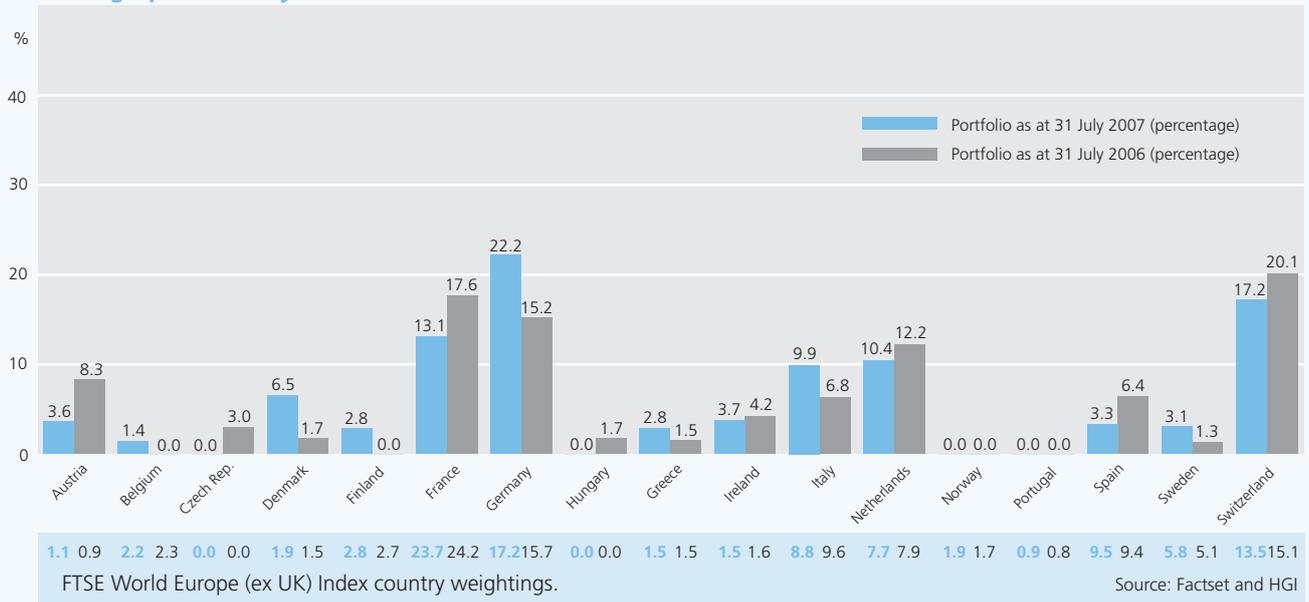
Source: Factset and HGI

Market Capitalisation

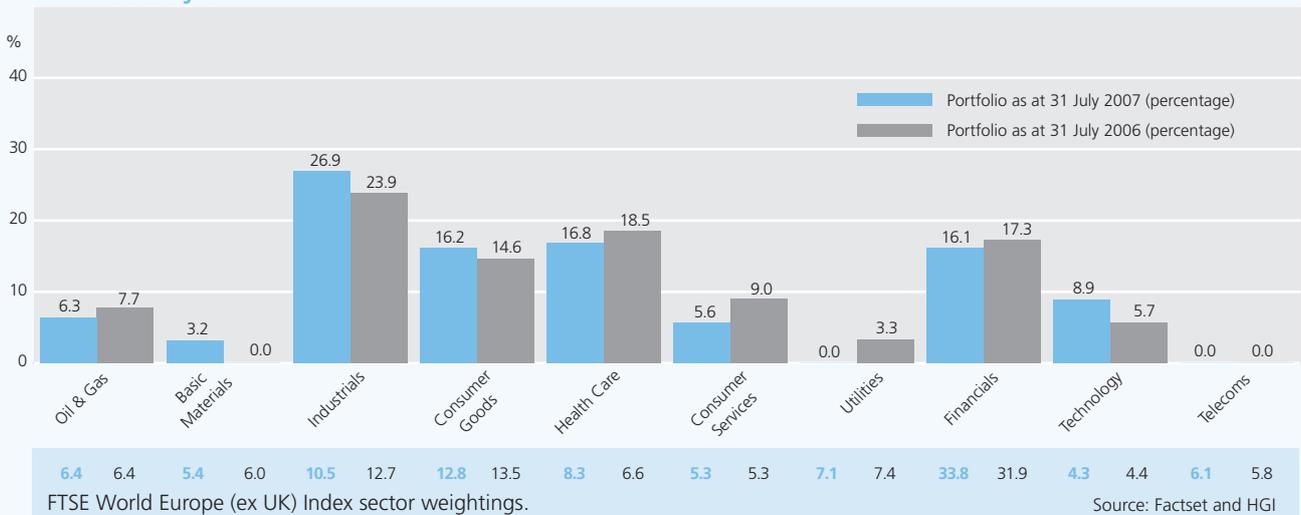
	Company		Index
	31 July 2007 %	31 July 2006 %	31 July 2007 %
Greater than £15bn	30.2	22.9	69.9
Between £7.5bn and £15bn	24.9	18.5	15.2
Between £2.5bn and £7.5bn	21.7	38.5	10.9
Between £1.0bn and £2.5bn	20.5	18.1	3.9
Less than £1.0bn	2.7	2.0	0.1
Total	100.0	100.0	100.0

Source: Factset and HGI

Geographical Analysis



Sector Analysis



Company	Net Asset Value Total Return (%)			
	1 Year	3 Years	5 Years	10 Years
Jupiter European Opportunities	33.0	106.6	191.1	–
Foreign & Colonial Eurotrust	28.4	96.6	125.0	144.4
JPMorgan European Growth	23.4	94.6	134.5	156.7
SR Europe	22.4	129.8	183.2	–
Charter European	22.3	85.4	115.7	–
Fidelity European Values	20.0	107.6	180.8	410.3
Merrill Lynch Greater Europe	19.7	–	–	–
Gartmore European	19.1	95.5	121.3	183.4
Henderson EuroTrust	17.8	93.9	149.3	223.2
Invesco Perpetual European Absolute	13.3	64.4	98.2	122.7
JPMorgan European Income	–	–	–	–

Source and Copyright 2007 provided by Fundamental Data for the AIC.

Investments by Sector

at 31 July 2007

	£'000	%		£'000	%
Oil & Gas		6.3	Health Care		16.8
Oil & Gas Producers			Health Care Equipment & Services		
ENI	2,715		Essilor	3,908	
OMV	1,899		Eurofins Scientific*	1,752	
Oil Equipment & Services			Fresenius	5,311	
Saipem	3,132		Fresenius Medical Care	4,156	
			Synthes*	1,818	
Basic Materials		3.2	Pharmaceuticals & Biotechnology		
Chemicals			Genmab*	1,931	
Linde	2,161		Novartis*	1,789	
Industrial Metals					
Outokumpu Technology*	1,772		Consumer Services		5.6
			General Retailers		
Industrials		26.9	Inditex	4,032	
Construction & Materials			Travel & Leisure		
Assa Abloy	1,885		Sodexo	2,904	
Atlas Copco*	1,965				
CRH*	1,989		Financials		16.1
Sika	3,634		Banks		
Vinci	2,529		Alpha Bank	2,122	
Industrial Transportation			Deutsche Postbank	3,156	
AP Moller – Maersk*	4,064		Erste Bank	2,578	
Deutsche Post	3,562		Marfin Investment Group*	1,292	
Kühne + Nagel	5,636		General Financial		
TNT	3,855		Azimut	2,783	
Support Services			Insurance		
SGS	3,878		Aegon*	3,798	
			ING	2,023	
Consumer Goods		16.2	Trygvesta	2,014	
Food Producers			Technology		8.9
IAWS	2,499		Software & Computer Services		
Nestlé	2,507		SAP*	2,135	
Leisure Goods			Technology Hardware & Equipment		
Philips	3,123		Esprinet*	1,514	
Personal Goods			Logitech	1,878	
Beiersdorf*	3,002		Neopost	3,669	
L'Oréal	3,071		Nokia*	1,711	
Luxottica*	1,975				
Puma	3,738		TOTAL	122,865	100.0

*New holding since 1 August 2006

Source: HGI/FTSE World Europe (ex UK) Index

Valuation of Equity Investments

at 31 July 2007

Investment portfolio by country

	%	£'000
Austria		
Erste Bank	2.1	2,578
OMV	1.5	1,899
	3.6	4,477
Belgium		
Eurofins Scientific*	1.4	1,752
	1.4	1,752
Denmark		
AP Moller – Maersk*	3.3	4,064
Genmab*	1.6	1,931
Trygvesta	1.6	2,014
	6.5	8,009
Finland		
Nokia*	1.4	1,711
Outokumpu Technology*	1.4	1,772
	2.8	3,483
France		
Essilor	3.2	3,908
L'Oréal	2.5	3,071
Neopost	3.0	3,669
Sodexho	2.4	2,904
Vinci	2.0	2,529
	13.1	16,081
Germany		
Beiersdorf*	2.5	3,002
Deutsche Post	2.9	3,562
Deutsche Postbank	2.6	3,156
Fresenius	4.3	5,311
Fresenius Medical Care	3.4	4,156
Linde*	1.8	2,161
Puma	3.0	3,738
SAP*	1.7	2,135
	22.2	27,221
Greece		
Alpha Bank	1.7	2,122
Marfin Investment Group*	1.1	1,292
	2.8	3,414

Investment portfolio by country

	%	£'000
Ireland		
CRH*	1.6	1,989
IAWS	2.1	2,499
	3.7	4,488
Italy		
Azimut	2.3	2,783
ENI	2.2	2,715
Esprinet*	1.2	1,514
Luxottica*	1.6	1,975
Saipem	2.6	3,132
	9.9	12,119
Netherlands		
Aegon*	3.1	3,798
ING	1.6	2,023
Philips	2.6	3,123
TNT	3.1	3,855
	10.4	12,799
Spain		
Inditex	3.3	4,032
	3.3	4,032
Sweden		
Assa Abloy	1.5	1,885
Atlas Copco*	1.6	1,965
	3.1	3,850
Switzerland		
Kühne + Nagel	4.6	5,636
Logitech	1.5	1,878
Nestlé	2.0	2,507
Novartis*	1.5	1,789
SGS	3.1	3,878
Sika	3.0	3,634
Synthes*	1.5	1,818
	17.2	21,140
Total Portfolio	100.0	122,865

*New holding since 1 August 2006

There are no convertibles or fixed interest securities in the portfolio

Ten Largest Investments

These ten investments total £42,376,000 representing 34.4% of total investments (2006: £41,557,000 representing 35.2% of total investments)

This Year	Last Year	Company Description	Country	Market Value 2007 £'000	Market Value 2006 £'000	Percentage of Total Investments 2007 %
1	3	<p>Kühne + Nagel</p> <p>Kühne + Nagel's freight forwarding businesses have continued to perform well, and the new logistics area is now also beginning to meet growth and profit targets. This trend looks set to remain in place for at least the next 18 months.</p> <p>www.kuehne-nagel.com</p>	Switzerland	5,636	4,545	4.6
2	1	<p>Fresenius</p> <p>All areas of the Fresenius empire continue to operate well. The market has recently been less patient about progress in some areas, notably the tiny Biotech venture, but overall growth remains strong.</p> <p>www.fresenius.de</p>	Germany	5,311	5,377	4.3
3	–	<p>Fresenius Medical Care</p> <p>FMC is the pure kidney dialysis operation active worldwide. The market is concerned by possible pricing changes in the US market on a key drug used in dialysis, but this is more than reflected in a low valuation level for the stock.</p> <p>www.fmc-ag.com</p>	Germany	4,156	1,923	3.4
4	–	<p>AP Moller-Maersk</p> <p>Maersk is benefiting from positive momentum in the freight rate cycle. The company has guided container rates up 4% for full year 2007 but this may be too conservative. Strong growth (30%) in Europe-Asia traffic remains a driver and, after shippers over-reacted to capacity concerns and slashed rates in the second half of 2006, forthcoming second half 2007 comparatives look very favourable.</p> <p>www.maersk.com</p>	Denmark	4,064	–	3.3
5	2	<p>Inditex</p> <p>Inditex continues to perform well in the Spanish market (40% sales) and there is as yet no sign of the feared slowdown in that country. Earnings growth continues to be strong and prospects for expansion in new markets remain encouraging. All formats are performing strongly.</p> <p>www.inditex.com</p>	Spain	4,032	5,127	3.3

Ten Largest Investments

continued

This Year	Last Year	Company Description	Country	Market Value 2007 £'000	Market Value 2006 £'000	Percentage of Total Investments 2007 %
6	–	<p>Essilor</p> <p>Essilor's confident management outlook for 2007, strong market positions and earnings growth remain key reasons to hold this stock. Essilor's growth rate over the last 18 months has exceeded 6%, and 2007 and 2008 organic growth could exceed management's mid-term 5-6% organic growth guidance.</p> <p>www.essilor.com</p>	France	3,908	2,437	3.2
7	–	<p>SGS</p> <p>The inspection and verification company continues to grow at a steady pace, with small acquisitions (in a fragmented sector) and organic growth. The whole area of verification remains one of the highest growth businesses worldwide, and with our SGS position we have exposure to the world leader.</p> <p>www.sgs.com</p>	Switzerland	3,878	2,246	3.1
8	7	<p>TNT</p> <p>TNT has sold its logistics business and now just concentrates on Post and Express. Both areas are doing well and shareholders are seeing good returns from the proceeds of the asset sales.</p> <p>www.tnt.com</p>	Netherlands	3,855	3,850	3.1
9	–	<p>Aegon</p> <p>Aegon has been subject to the same concerns that have hit other financial shares. However, the buyback announcement is an encouraging signal in terms of management's view of current share price levels. The company recently reiterated the view that it remains on course to meet its target of doubling the value of new business by 2010.</p> <p>www.aegon.com</p>	Netherlands	3,798	–	3.1
10	–	<p>Puma</p> <p>Puma was our only holding which was bid for during the year and that bid was at a level which we felt, and still do feel, in no way reflected the growth prospects for Puma in 2008 and beyond. We are happy to remain a minority holder for now as to consolidate the shares fully the bidder will need our shares one day.</p> <p>www.puma.com</p>	Germany	3,738	3,299	3.0

Directors

The Directors meet regularly with the portfolio manager to determine strategy, monitor investment policy and review performance. The Directors' Report, the Directors' Remuneration Report, Corporate Governance Statement and Statement of Directors' Responsibilities in respect of the accounts are printed on pages 13 to 25.



From left to right (standing): Robert Bischof, Tim Stevenson, Patrick Stevenson; (sitting) Mark Tapley, Stanislas Yassukovich, Chairman.

#† **Stanislas M Yassukovich, CBE (age 72)** (Chairman) Appointed to the Board and as Chairman in 1992. Mr Yassukovich is chairman of Manek Investment Management Limited, Park Place Capital Limited, Cayzer Continuation PCC Limited and Folio Corporate Finance Ltd, and a director of Medicapital Holdings plc and Fortis Investment Management Limited. He was formerly the chairman of the Securities Association and deputy chairman of the London Stock Exchange and a former chairman of Merrill Lynch Europe and Middle East, as well as a number of other companies. Mr Yassukovich retires at the conclusion of the AGM.

* **Patrick V K Stevenson (age 62)** Appointed to the Board in 2001. Mr Stevenson is currently chairman of Atlas Capital Group Limited and chief executive officer of Atlas Capital Group Holdings S.A. Mr Stevenson will be retiring at the conclusion of the forthcoming AGM.

◆* **D Mark Tapley (age 61)** Appointed to the Board in 2000, Mr Tapley has over 30 years' experience in the investment management industry. He is currently executive director of the BNP Paribas Hedge Fund Centre at the London Business School. He is also a visiting Fellow at Cranfield School of Management, a member of the board of the UK Society of Investment Professionals and an

adviser to Lloyds Register Investment Committee. He was previously managing director and group chief investment officer of WestLB Asset Management.

Tim P Stevenson (age 48) Appointed to the Board in 1992. Mr Stevenson is responsible for running the portfolio and joined Henderson in 1986. He has specialised in European investment since 1982.

* **Robert A T Bischof (age 66)** Appointed to the Board in 1996. Mr Bischof is former chairman of McIntyre & King Limited and of Boss Group Limited, a subsidiary of Jungheinrich AG. He is on the board of the German British Forum, German British Chamber of Industry and Commerce and the UK Learning and Skills Council Youth Committee. He is also chairman of Vitalize Health Products Limited and a member of the advisory council of T-Systems Limited, a subsidiary of Deutsche Telekom.

#Chairman of nominations committee.

†Chairman of management engagement committee.

◆Chairman of audit committee.

*Member of audit, nominations and management engagement committees. Other than Mr T P Stevenson, all the directors are independent of the management company.

Directors' Report

The Directors present the audited accounts of the Company and their report for the year ended 31 July 2007.

Status

The Company is an investment company as defined in Section 266 of the Companies Act 1985 and operates as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988. It is required to seek Inland Revenue approval of its status as an investment trust under the above-mentioned Section 842 every year, and this approval will continue to be sought. Inland Revenue approval of the Company's status as an investment trust has been received in respect of the year ended 31 July 2006 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 intends to continue to manage its affairs so that its investments fully qualify for a stocks and shares component of an Individual Savings Account and also fully qualify for a Personal Equity Plan.

Investment in Investment Companies

It is the stated investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

Business Review

The following review is designed to provide information primarily about the Company's business and results for the year ended 31 July 2007 and covers:

- Company objective
- Performance for the year and dividend
- Performance measurement and key performance indicators
- Management arrangements
- Continued appointment of the Manager
- Internal controls and management of risk
- Gearing
- Share capital
- Future developments

A review of the investment activities for the year ended 31 July 2007 and the outlook for the coming financial year are given in the Manager's Report on pages 4 to 11.

Company Objective

The Company's objective is to achieve a superior return from a portfolio of high quality European investments.

Performance for the year and dividend

Total net assets at 31 July 2007 amounted to £128,762,000 compared with £121,638,000 at 31 July 2006, and the net asset value per ordinary share increased to 552.6p from 473.9p.

At 31 July 2007 there were 44 (2006: 41) separate investments, as detailed in the Manager's Report on pages 4 to 11.

Net revenue after taxation for the year was £1,504,000, an increase of 3.37% from the previous year.

	2007	2006	% Change
Net assets (as at 31 July)	£128.8m	£121.6m	+5.9
Revenue return (for the year)	£1.5m	£1.5m	–
Dividend (paid per share for the year)	6.0p	5.5p	+9.1

The Board aims to make progressive increases in annual dividend payments. For the financial year under review, an interim dividend of 2.0p and a final dividend of 4.0p provides a total dividend of 6.0p per ordinary share. Subject to approval at the AGM, the final dividend will be paid on 9 November 2007 to shareholders on the register of members on 5 October 2007. The Company's shares will be quoted ex-dividend on 3 October 2007.

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:

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.

At each Board meeting, the Board monitors the level of the Company's discount/premium to net asset value and reviews the average discount/premium for the Company's relevant sector.

Directors' Report

continued

The Board considers that the use of share buy-backs to enhance shareholder value. During the year the Board announced that it had concluded that there was little demand amongst shareholders to take advantage of the exit opportunity introduced in 2002 that permitted shareholders to tender their shares to the Company every five years at a price close to the Net Asset Value ("NAV").

The Board wrote to the shareholders on 16 February 2007 and set out an alternative proposal for those shareholders who wished to realise all or part of their holding. The proposal received approval at an EGM on 13 March 2007 and involved the Board using its existing buy-back authority (being 14.99 per cent of the Company's issued share capital) to allow shareholders to sell their shares back to the Company at a price equal to 97 per cent of NAV.

The Company subsequently bought back 2,363,942 of its ordinary shares, at an average discount of 4.2% and an average price of 509.2p. These shares are held in Treasury. No shares have been resold or cancelled from Treasury.

The issued share capital at 31 July 2007 was 25,667,005 ordinary shares of 5 pence each of which 2,363,942 were held in Treasury.

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

The Company publishes a NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula and excludes current financial year revenue items. This means that it is on a different basis from the NAV per ordinary share calculated within the year end financial statements, which does include current financial year revenue items.

In addition to comparison against the stated Benchmark, the Board also considers the performance of its peer group at each Board meeting.

The Total Expense Ratio (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 (both excluding VAT) and dividing by the Net Asset Value as at 31 July 2007. The TER before performance fees and borrowing costs, amounted to 0.89% (2006: 0.84%) of the assets of the Company. The Board regularly monitors all Company expenses.

Management 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 Fund Services UK Limited.

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 net asset value 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 net asset value 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 net asset value 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 net asset value per ordinary

Directors' Report

continued

share on the last business day of the calculation period in question is less than 90% of the net asset value 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 2007 the Manager has not outperformed the Index and therefore no performance fee has been earned this year.

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.

Continued appointment of the Manager

The Board reviews the performance of the investment manager (Manager) at each Board meeting. In the opinion of the Directors 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.

Internal controls and management of risk

There are in place extensive internal controls to evaluate and manage the major financial, operational and compliance risks facing the Company. Details of the internal controls system and how the Board undertakes the analysis of the Company's business risks are contained in the Corporate Governance Statement on pages 19 to 23.

The risk of the portfolio is monitored regularly by the Board and mitigated by stock diversification. By its nature as an investment trust, the Company's business activities are exposed to market price risk, interest rate risk, liquidity risk, foreign currency risk and counterparty risk. The Company's policies for managing these risks are set out in note 15 to the accounts.

Gearing

The Board has in place facilities which allow it to borrow as and when appropriate. At 31 July 2007 the Company had a committed short term facility of €7m. The facility is subject to regular review. There was no gearing at 31 July 2007.

Share capital

The number of ordinary shares in issue on 31 July 2007 was 25,667,005. During the year 2,363,942 shares were bought back and held in Treasury. There have been no changes up to the date of this document.

Future developments

While the future performance of the Company is dependent, to a large degree, on the performance of international financial markets, which in turn are subject to many external factors, the Board's intention is that the Company will continue to pursue its stated investment objective in accordance with the strategy outlined above. Further comments on the outlook for the Company for the next twelve months are set out in both the Chairman's Statement (on page 3) and the Manager's Review (on pages 4 to 11).

Directors

The names and biographies of the Directors holding office at the date of this report are listed on page 12. All Directors served throughout the year under review.

The Combined Code requires that every Director retires by rotation at least every three years; the Company's Articles of Association provide that one third of Directors retire by rotation each year; Directors are also required to retire annually if they have served more than nine years on the Board. Directors may then offer themselves for re-election. Mr T P Stevenson and Mr R A T Bischof are retiring from the Board as they have served on the Board for more than nine years, and Mr D M Tapley is retiring as it has been three years since he was last re-elected by shareholders. These Directors, being eligible, offer themselves for re-election at the forthcoming AGM.

Directors' Report

continued

Mr S M Yassukovich who has served on the Board as Chairman since 1992 and Mr P V K Stevenson will retire from the Board at the conclusion of the AGM.

Mr D M Tapley will succeed Mr Yassukovich as Chairman.

Two appointments to the Board will be made at the conclusion of the AGM.

Directors' Remuneration

A report on Directors' remuneration can be found on pages 24 and 25.

Directors' Interests in Shares

	Ordinary shares of 5p	
	31 July 2007	1 August 2006
Beneficial:		
S M Yassukovich	–	–
R A T Bischof	–	–
P V K Stevenson	–	–
T P Stevenson	80,950	71,626
D M Tapley	8,660	8,660
Non-Beneficial:		
T P Stevenson	40	8,093

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 above. There have been no changes in the Directors' share interests since the end of the financial year.

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. No Director has a service contract with the Company.

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

Substantial Share Interests

Declarations of interests in the issued share capital of the Company, at 18 September 2007, are set out below.

Shareholder	% of issued shares
Rensburg Sheppards plc	12.9%
Lloyds TSB Group plc (including Scottish Widows Investment Partnership)	8.8%
HBOS plc & its subsidiaries	7.1%
Legal & General	4.1%

In addition, the Board is aware that, at 31 July 2007, 11.7% of the issued share capital was held on behalf of participants in the itshenderson dealing accounts, ISA and PEP and on behalf of participants in other Henderson PEPs and ISAs. The participants in these plans are given the opportunity to instruct the relevant nominee company to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company. In accordance with the revised terms and conditions of itshenderson, issued by Henderson recently, Henderson has stated that it will instruct its nominee company to exercise the voting rights of any shares held through itshenderson that have not been exercised by the individual participants in itshenderson. 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.

Annual General Meeting ("AGM")

The AGM will be held on Tuesday, 6 November 2007 at 12 noon. The Notice of Meeting is set out on pages 42 to 44.

Approval to increase aggregate Directors' fees

The Company's Articles of Association currently limit the maximum total fees that may be paid to the Directors in any one year to £60,000. This limit has not changed since 1998. The Directors are proposing a resolution to increase the aggregate amount to £120,000.

Directors' Report

continued

Authority to allot shares and disapply pre-emption rights

On 8 November 2006 the Directors were granted authority to allot a limited number of authorised but unissued ordinary shares. This authority will expire at the forthcoming AGM in November 2007. Authority was also given to the Directors to allot securities of a limited value for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures. This too will expire at the AGM in November 2007.

Appropriate resolutions to renew both authorities will be proposed at the 2007 AGM and are set out in full in the Notice of Annual General Meeting on pages 42 to 44. An ordinary resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £64,167 (being 5% of the issued share capital as at the date of the Notice of the AGM). A special resolution will also be proposed to give the Directors authority to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £64,167 (being 5% of the Company's issued share capital as at the date of the Notice of the AGM).

Pre-emption rights under the Companies Act would 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 12 would 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 2008.

Authority to make market purchases of the company's own Shares

On 8 November 2006 the Directors were granted authority to repurchase 3,847,484 ordinary shares (with a nominal value of £192,374) for cancellation or to be held in Treasury; 2,363,942 shares were repurchased during the year and

held in Treasury under this authority which will expire at the forthcoming AGM in November 2007.

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 3,847,484 ordinary shares of 5p each at 18 September 2007, 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 beneficial to the Company's shareholders and would expect to hold any ordinary shares repurchased in Treasury up to the maximum permitted, 10% of the issued share capital.

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 12. 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.

Directors' Report

continued

Corporate Governance

A statement on Corporate Governance is on pages 19 to 23.

Environmental Policy

The Company has no employees and outsources its investment management and company secretarial services to subsidiaries of Henderson Global Investors (Holdings) plc ("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 to minimise waste, where possible.

Nominee Code

Henderson EuroTrust plc undertakes to provide nominee investors who have so requested with copies of shareholder communications to distribute to their customers. Nominee investors are able to attend and, at the invitation of the Chairman, to speak at meetings.

Investors in itshenderson and the Henderson ISAs and PEPs receive all shareholder communications and a voting instruction form, as appropriate, to facilitate voting.

Payment of Suppliers

It is the payment policy for the financial year to 31 July 2008 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 2007.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the accounts 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.

By order of the Board

Andrea Callaby, FCIS

For and on behalf of Henderson Secretarial Services Limited
Secretary

18 September 2007

Statement of Directors' Responsibilities

in respect of the Accounts

The Directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 July 2007. The Directors also confirm that applicable

accounting standards have been followed and that the accounts have been prepared on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

The accounts are published on the www.itshenderson.com website, which is a website maintained by the Company's investment manager, Henderson Global Investors Limited ("Henderson"). The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the accounts 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 accounts may differ from legislation in their jurisdiction.

Corporate Governance

Background

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 revised Combined Code. The Financial Reporting Council (the "FRC") confirmed in February 2007 that it remained the view of the FRC that by following the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"), 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 Board of Henderson EuroTrust plc has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Henderson EuroTrust plc.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide the most appropriate information to shareholders.

Statement of Compliance

The Directors consider that throughout the accounting period ended 31 July 2007 the Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below.

The Company does not have a senior independent director.

The Combined Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and in the preamble to the Combined Code, the Board considers

these provisions are not relevant to the position of Henderson EuroTrust plc, being an externally managed investment company. The Board has therefore not reported further in respect of these provisions.

Application of the Code's Principles

The Board attaches importance to the matters set out in the Code and the AIC Code and observes the relevant main and supporting principles. It should be noted that, as an investment trust, most of the Company's day to day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

Internal Controls

The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. These controls aim to ensure that the assets of the Company are safeguarded, proper accounting records are maintained, and the financial information used within the business and for publication is reliable. Control of the risks identified, covering financial, operational, compliance and risk management is embedded in the controls of the Company by a series of regular investment performance, financial and risk analyses and Manager's reports, and a quarterly control report. Key risks have been identified and controls have been put in place to mitigate such risks, including those risks that are not directly the responsibility of the Manager. The effectiveness of the internal controls is assessed by the Manager's compliance and risk department on a continuing basis.

The Manager and Custodian maintain their own systems of internal controls and the Board and Audit Committee receive regular reports from the Manager. The control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to achieve objectives.

The Board has established a process of 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 and revised in October 2005 ("the Turnbull Guidance").

Corporate Governance

continued

The Manager is responsible for the day to day investment management decisions on behalf of the Company and for the provision of company secretarial and accounting services.

The Board, assisted by the Manager, has undertaken an annual review of the effectiveness of the Company's system of internal control and the business risks 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 reporting accountants on the control policies and procedures in operation. The Board confirms that necessary actions have been or are being taken to remedy any significant failings or weakness identified from that review.

The Company does not have an internal audit function; it delegates to third parties its day to day operations and does not employ any staff. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended and the Directors review annually whether a function equivalent to an internal audit is needed.

Board Independence and Composition

The Board throughout the year consisted of five Non-Executive Directors, the majority of whom are independent of the Company's Manager. Their biographies, set out on page 12, demonstrate a breadth of investment, industrial, commercial and professional experience relevant to their positions as Directors on the Board of the Company. Directors visit the region periodically to ensure they are up to date with developments in Europe. No Director has a service contract with the Company.

Following the introduction of the Code and the AIC Code the Directors have reviewed their independence. Mr T P 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 Board considered the continued appointment of Mr S M Yassukovich and Mr R A T Bischof who have served on the Board for over nine years. They have no other links to the Manager; they also have a wide range of other interests and are not dependent in any way on the Company itself.

Mr Yassukovich will be retiring at the conclusion of the AGM and Mr Tapley will be appointed Chairman. Mr Tapley joined the Board in 2000 and is considered independent by the Board. A further two appointments will be effective at the conclusion of the AGM. The Board will continue to review the structure of the Board over the coming year.

A senior independent director has not been identified. 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.

Meetings

The Board is scheduled to meet seven times per annum and is responsible for the effective stewardship of the Company's affairs. Certain strategic issues have been considered at various meetings of the Board and additional meetings of the Board may be arranged as required. The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings including strategy, management, structure, capital, financial reporting, internal controls, gearing, asset allocation, share price discount, contracts, policy, finance, risk, investment restrictions, performance, corporate governance and Board membership and appointments. In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. At each meeting, the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objectives and is responsible for setting asset allocation, investment and gearing limits within which the

Corporate Governance

continued

Manager has discretion to act; thus it supervises the management of the investment portfolio, which is contractually delegated to the Manager. The Board has adopted a procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

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 number of formal meetings of the Board and its Committees held during the financial year and the attendance of individual directors are shown below.

	Board	Nomination Committee	Audit Committee	Management Engagement Committee
Number of meetings in 2006/2007	7	1	2	1
S M Yassukovich	5	1	n/a	1
R A T Bischof	7	1	2	1
T P Stevenson	7	n/a	n/a	n/a
P V K Stevenson	3	0	2	0
D M Tapley	7	1	2	1

The membership of each Committee is shown on page 12.

Board Committees

The Board has appointed a number of Committees as set out below. Copies of the terms of reference which clearly define responsibilities for each Committee are available on the website or on request and will be available for inspection at the AGM.

Audit Committee

The Audit Committee comprises Mr D M Tapley who is Chairman of the Audit Committee, Mr R A T Bischof and Mr P V K Stevenson, all of whom are considered independent. The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience. The Committee has written terms of reference, which clearly define its responsibilities and duties.

The Committee meets at least twice each year to review the internal financial and non-financial controls, to consider and recommend to the Board for approval the contents of the draft Half Year and Annual Reports to

shareholders, and to review the accounting policies and significant financial reporting judgements. In addition, the Committee reviews the auditors' independence, objectivity and effectiveness, appointment and remuneration, the quality of the services of the service providers to the Company and, together with the Manager, reviews the Company's compliance with financial reporting and regulatory requirements. Representatives of the Manager's internal audit and compliance departments attend these meetings at the Chairman's request.

Representatives of PricewaterhouseCoopers LLP, the Company's auditors, attend the Committee meeting at which the draft Annual Report and Accounts are reviewed and are given the opportunity to speak to the Committee members without the presence of the representatives of the Manager.

The Chairman of the Audit Committee will be present at the AGM to deal with questions relating to the Accounts.

Management Engagement Committee

The Management Engagement Committee's membership comprises of all of the Directors with the exception of Mr T P Stevenson. The Chairman of the Committee is Mr S M Yassukovich with Mr D M Tapley to succeed him as Chairman upon Mr Yassukovich's retirement at the conclusion of the AGM. The Committee meets at least annually to review the investment management agreement with the Company's Manager and to review the services provided by the Manager. Details of Henderson Global Investors' responsibilities as Managers and administrators of the Company can be found in the Directors' Report on pages 13 to 18.

Nominations Committee

During the year the Board established a Nominations Committee and adopted terms of reference. The Committee meets at least annually and is responsible for Board succession planning and the review of the performance of the Company, the Manager's representatives, the Board as a whole and each individual Director. All Directors with the exception of Mr T P Stevenson are members of the Nominations Committee. The Chairman of the Board, Mr Yassukovich

Corporate Governance

continued

acts as Chairman of the Nominations Committee but does not participate when the Chairman's performance, re-election or his successor is being considered. Mr Tapley will become Chairman of the Nominations Committee upon Mr Yassukovich's retirement.

Directors' Remuneration

As the Board has no executive directors and no employees and is comprised solely of non-executives, it does not have a Remuneration Committee. The Company therefore is not required to comply with the principles of the Code in respect of the executive directors' remuneration. It is the responsibility of the Board as a whole to determine and approve Directors' fees following proper consideration having regard to the level of fees payable to Non-Executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs.

The Chairman's remuneration is decided and approved by the Board under the leadership of the Audit Committee Chairman. The Company's Articles of Association limit the aggregate fees payable to the Board to a total of £60,000 per annum. As mentioned in the Directors' Report, a resolution will be included in the AGM notice to increase this amount to £120,000. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 24 and 25.

Tenure Policy

No Director has a contract of employment with the Company. Directors' terms and conditions for appointment are set out in letters of appointment which are available for inspection at the Registered Office of the Company and will be available at the AGM.

The Articles of Association provide that one third of the Directors must retire by rotation and may offer themselves for re-election at each AGM. The terms of the Directors' appointment also provide that a Director shall retire and be subject to re-election at the first AGM after appointment and at least every three years thereafter.

The Board believes that each of the Directors exercises independent judgement and that length of service does not diminish the contribution from a Director; indeed a Director's experience and extensive knowledge of the Company is a positive benefit to the Board. Moreover, long-serving Directors are less likely to take a short-term view. This view is supported by the AIC Code. However, as two of the Directors have served on the Board for more than nine years their independence is assessed according to the criteria set out in the Combined Code (Code provision A.3.1). In light of Code provision A.7.2, the Directors who have served for nine years or more will be seeking annual re-election from shareholders. The Directors are named on page 15. As an employee of the management company, Mr T P Stevenson is not regarded as being independent and is also seeking annual re-election.

Directors' Training

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 activities including 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.

Performance Evaluation

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

The Board has direct access to 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. During the year the Company has maintained insurance cover in respect of legal action against the Directors.

Appointment of the Manager

The Board reviews the performance of the Manager at each Board meeting. The Management Engagement Committee regularly reviews the terms of the contract with the Manager.

Corporate Governance

continued

In the opinion of the Directors the continued appointment of the 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.

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, administration 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.

Financial Reporting

The Statement of Directors' Responsibilities in respect of the Accounts is set out on page 18, the Independent Auditors' Report on page 26 and the Statement of Going Concern on page 18.

Voting Policy

The Manager has developed and published a policy on Corporate Governance, Voting Policy and Socially Responsible Investment in respect of UK investments. The policy reflects the statement of principles on the responsibilities of institutional shareholders and agents drawn up in 2002 by the Institutional Shareholders Committee. The Manager believes the interests of its clients are served by investing in companies that adopt best practice and corporate governance.

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 Report and Accounts which aim to provide shareholders with a clear understanding of the Company's activities and its results. This information is supplemented by the daily calculation and by the 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 Accounts 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 address given on page 41. 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.

Directors' Remuneration Report

Introduction

The Directors' Remuneration Report ("the Report") is prepared in accordance with Schedule 7A of the Companies Act 1985 ("the Act") in respect of the year ended 31 July 2007. An ordinary resolution to approve the Report will be put to the Annual General Meeting on 6 November 2007. The Act requires the auditors to report to the Company's members on certain parts of the Report and to state whether in their opinion those parts of the Report have been properly prepared in accordance with the Act. Therefore the Report has been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Consideration by the Directors of Matters Relating to Directors' Remuneration

The Board as a whole considers the Directors' remuneration. The Board has not appointed a committee to consider matters relating to the Directors' remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors regularly review the fees paid to the boards of directors of other investment trust companies).

Statement of the Company's Policy on Directors' Remuneration

The Board throughout the year consisted of five Non-Executive Directors who meet at least seven times a year to deal with the important aspects of the Company's affairs. New Directors are appointed with the expectation that they will serve for a period of three years, and receive a letter of appointment. Directors' appointments are reviewed formally every three years thereafter by the Board as a whole. None of the Directors have a contract of service or a contract for services and a Director may resign by notice in writing to the Board at any time; there are no set notice periods. The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him. There are no long-term incentive schemes provided by the Company and the fees are not specifically related to the Directors' performance, either individually or collectively.

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 should be sufficient to enable candidates of high calibre to be

recruited. The policy is for the Chairman of the Board and the Chairman of the Audit Committee to be paid a higher fees than the other Directors in recognition of their more onerous roles.

The Company's Articles of Association limit the fees payable to the Directors in aggregate to £60,000 per annum. This figure has been considered by the Board following a review of its peer group, the increased time spent by Board members on their duties and responsibilities, and the changes to the Board currently being implemented. A resolution will be included in the AGM notice to increase this amount to £120,000. In the year under review the Directors' fees were paid at the following annual rates:

Chairman £18,000

Chairman of the Audit Committee £15,000

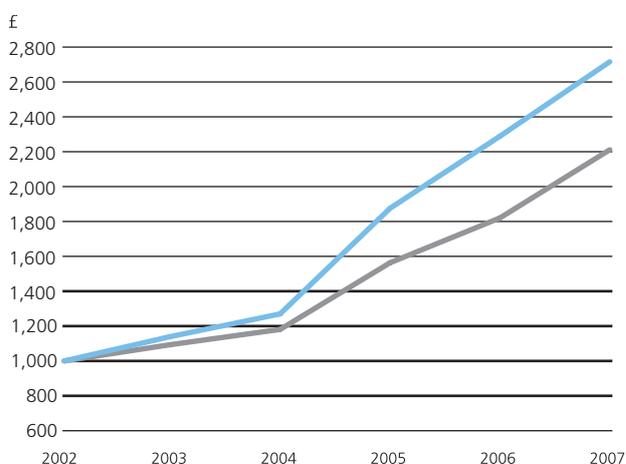
Other Directors £12,000

The policy is to review these rates annually, although such review will not necessarily result in any change to the rates.

Directors' and officers' liability insurance cover is held by the Company in respect of the directors.

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.



— Henderson EuroTrust share price total return, assuming the investment of £1,000 on 31 July 2002 and the reinvestment of all dividends (excluding dealing expenses)

— FTSE World Europe (ex UK) Index total return, assuming the notional investment of £1,000 into the Index on 31 July 2002 and the reinvestment of all income (excluding dealing expenses)

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

Directors' Remuneration Report

continued

AUDITED INFORMATION

Amount of each Director's Emoluments

The fees payable by the Company in respect of each of the Directors who served during the year, and during 2006, were as follows:

	2007	2006
S M Yassukovich	£18,000	£15,000
R A T Bischof	£12,000	£10,000
P V K Stevenson	£12,000	£10,000
T P Stevenson ⁽¹⁾	–	–
D M Tapley	£15,000	£12,000
TOTAL	£57,000	£47,000

Notes:

(1) Fee waived.

No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former Directors.

Mr D M Tapley received no expenses during the year (2006: £203) which would have related to costs incurred in respect of Board meeting attendance during the year. No reimbursement was made to any other Director in this respect.

Mr T P Stevenson, a Director of the Company and Portfolio Manager, is employed and paid by Henderson for the provision of services to the Company. Under the Companies Act 1985 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 the management company, Henderson, to

Mr T P Stevenson in respect of his services to the Company in the year (including performance related bonus) were £194,000 (2006: £184,000) as analysed:

	2007	2006
Salary and other benefits	£20,000	£28,000
Performance related bonus	£174,000	£156,000
TOTAL	£194,000	£184,000

The highest paid Director's emoluments thus totalled £194,000 (2006: £184,000).

A contribution was paid by Henderson on behalf of Mr T P Stevenson to a non-contributory defined benefit pension scheme. The increase in the benefit was £5,084 (2006: £4,828).

By order of the Board

Andrea Callaby, FCIS
For and on behalf of
Henderson Secretarial Services Limited
Secretary

18 September 2007

Report of the Independent Auditors

to the members of Henderson EuroTrust plc

We have audited the accounts of Henderson EuroTrust plc for the year ended 31 July 2007 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the accounts give a true and fair view and whether the accounts and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the Combined Code (2003) specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited accounts. The other information comprises only the Financial Highlights, Total Return Performance and Historical Record, the Chairman's Statement, the Investment Review, the Directors' Report, the Corporate Governance Statement, and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 July 2007 and of its net return and cash flows for the year then ended;
- the accounts and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
18 September 2007

Reconciliation of Movements in Shareholders' Funds

for the years ended 31 July 2007 and 31 July 2006

Notes		Share capital £'000	Share premium account £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	Year ended 31 July 2007					
	At 31 July 2006	1,283	33,814	84,944	1,597	121,638
	Net return from ordinary activities after taxation	–	–	19,134	1,504	20,638
10	Final dividend paid in respect of year ended 31 July 2006 (paid 10 November 2006)	–	–	–	(898)	(898)
10	Interim dividend paid in respect of year ended 31 July 2007 (paid 12 April 2007)	–	–	–	(466)	(466)
	Repurchase of ordinary shares held in Treasury	–	–	(12,150)	–	(12,150)
	At 31 July 2007	1,283	33,814	91,928	1,737	128,762
	Year ended 31 July 2006					
	At 31 July 2005	1,283	33,814	66,037	1,425	102,559
	Net return from ordinary activities after taxation	–	–	18,907	1,455	20,362
10	Final dividend paid in respect of year ended 31 July 2005 (paid 10 November 2005)	–	–	–	(770)	(770)
10	Interim dividend paid in respect of year ended 31 July 2006 (paid 12 April 2006)	–	–	–	(513)	(513)
	At 31 July 2006	1,283	33,814	84,944	1,597	121,638

Balance Sheet

at 31 July 2007

Notes	2007 £'000	2006 £'000
	Fixed asset investments held at fair value through profit or loss	
11	122,865	118,130
	Current assets	
12	2,414	1,264
	5,625	3,125
	8,039	4,389
13	(2,142)	(881)
	Net current assets	
	5,897	3,508
	Total net assets	
	128,762	121,638
	Capital and reserves	
16	1,283	1,283
17	33,814	33,814
18	61,997	56,261
18	29,931	28,683
18	1,737	1,597
	Equity shareholders' funds	
	128,762	121,638
14	552.6p	473.9p

The accounts were approved and authorised for issue by the Directors on 18 September 2007 and signed on its behalf by:

D M Tapley
Director

Notes to the Accounts

1 Accounting policies

(a) Basis of accounting

The accounts have been prepared on the historical cost basis of accounting, modified to include the revaluation of investments at fair value. The accounts have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" ("SORP") issued. 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 and loss. Assets are de-recognised at the trade date of the disposal. Proceeds will be measured at fair value, which will be 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

Realised and unrealised capital gains and losses on investments, 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 the revenue return column on an ex-dividend basis. Bank deposit interest and stock lending fees are taken to revenue on an accruals basis.

(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 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.

(f) Taxation

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money. Deferred tax on expenses charged to capital is calculated using the marginal method.

Notes to the Accounts

continued

(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 predominately operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, have 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) Derivatives

Derivative instruments are valued at fair value in the Balance Sheet. Derivative instruments may be capital or revenue in nature and, accordingly, changes in their fair value are recognised in the revenue return or capital return in the Income Statement as appropriate.

(i) Dividends

In accordance with FRS 21: "Events after Balance Sheet Date", dividends are included in the accounts in the year in which they are paid.

2	Gains from investments held at fair value through profit or loss	2007 £'000	2006 £'000
	Realised gains based on historical cost	18,665	14,816
	Amounts recognised as unrealised in previous years	(13,677)	(11,450)
	Realised gains based on carrying value at previous balance sheet date	4,988	3,366
	Net movement in unrealised appreciation	14,925	16,708
	Net (losses)/gains on foreign exchange	(162)	45
		19,751	20,119
3	Investment income	2007 £'000	2006 £'000
	Unfranked – listed investments		
	Dividend income	2,356	2,339
4	Other interest receivable and similar income	2007 £'000	2006 £'000
	Deposit interest	81	61
	Stock lending fees	58	36
		139	97

Notes to the Accounts

continued

5 Management and performance fees	2007 Revenue Return £'000	2007 Capital Return £'000	2007 Total £'000	2006 Revenue Return £'000	2006 Capital Return £'000	2006 Total £'000
Management fee	184	737	921	168	669	837
Performance fee	–	–	–	–	626	626
Irrecoverable VAT thereon	32	129	161	29	228	257
	<u>216</u>	<u>866</u>	<u>1,082</u>	<u>197</u>	<u>1,523</u>	<u>1,720</u>

A summary of the terms of the management agreement is given in the Directors' Report on pages 13 to 18.

6 Other administrative expenses (including irrecoverable VAT)	2007 £'000	2006 £'000
Directors' fees (see the Directors' Remuneration Report on pages 24 and 25)	57	47
Auditors' remuneration – for audit services	23	24
Corporate finance advice	–	6
Other administrative expenses	140	109
	<u>220</u>	<u>186</u>

7 Finance charges	2007 Revenue Return £'000	2007 Capital Return £'000	2007 Total £'000	2006 Revenue Return £'000	2006 Capital Return £'000	2006 Total £'000
Bank overdraft interest	2	6	8	4	17	21

8 Taxation

(a) Analysis of charge in the year	2007 Revenue Return £'000	2007 Capital Return £'000	2007 Total £'000	2006 Revenue Return £'000	2006 Capital Return £'000	2006 Total £'000
UK Corporation tax at 30% (2006: 30%)	594	(255)	339	458	(328)	130
Foreign withholding tax	406	–	406	393	–	393
Overseas taxation reclaimable	(108)	–	(108)	(127)	–	(127)
Double tax relief	(339)	–	(339)	(130)	–	(130)
Tax charge for the year	<u>553</u>	<u>(255)</u>	<u>298</u>	<u>594</u>	<u>(328)</u>	<u>266</u>

Notes to the Accounts

continued

- (b) Factors affecting the current tax charge for the year.
The tax assessed for the year is lower (2006: lower) than the standard rate of corporate tax applicable to the Company of 30% (2006: small companies rate of 30%). The difference is explained below:

	2007 £'000	2006 £'000
Net return on ordinary activities before taxation	20,936	20,628
Corporation tax at 30% (2006: 30%)	6,281	6,188
Effects of:		
Non-taxable capital gains	(5,925)	(6,036)
Overseas withholding taxes	297	267
Relief for double taxation	(339)	(130)
Small companies marginal relief	(9)	(27)
Disallowable expenses	4	4
Movement in taxable income accruals	(11)	–
Current tax charge for the year	298	266

The Company has unprovided deferred tax assets of £430,000 arising as a result of eligible unrelieved foreign taxation (2006: unprovided deferred tax assets of £474,000). Given the composition of the Company's portfolio, it is unlikely that this asset will be fully utilised in the foreseeable future.

9 Return per ordinary share

The total return per ordinary share is based on the net return attributable to the ordinary shares of £20,638,000 (2006: £20,362,000) and on 24,768,609 ordinary shares (2006: 25,667,005) being the weighted average number of shares in issue during the year. The total return can be further analysed as follows:

	2007 £'000	2006 £'000
Revenue return	1,504	1,455
Capital return	19,134	18,907
Total	20,638	20,362
Weighted average number of ordinary shares	24,768,609	25,667,005
Revenue return per ordinary share	6.1p	5.7p
Capital return per ordinary share	77.2p	73.6p
Total per ordinary share	83.3p	79.3p

The Company does not have any dilutive securities.

Notes to the Accounts

continued

10 Dividends on ordinary shares	Register date	Payment date	2007 £'000	2006 £'000
Final dividend (3.0p) for the year ended 31 July 2005	7 October 2005	10 November 2005	–	770
Interim dividend (2.0p) for the year ended 31 July 2006	17 March 2006	12 April 2006	–	513
Final dividend (3.5p) for the year ended 31 July 2006	6 October 2006	10 November 2006	898	–
Interim dividend (2.0p) for the year ended 31 July 2007	23 March 2007	12 April 2007	466	–
			1,364	1,283

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Previously dividends were recognised in respect of the period to which they related.

The total dividend 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.

Revenue available for distribution by way of dividend for the year	1,504
Interim dividend of 2.0p paid 12 April 2007	(466)
Proposed final of 4.0p for the year ended 31 July 2007 (based on 23,303,063 ordinary shares in issue at 18 September 2007)	(932)
Undistributed revenue for section 842 purposes*	106

*Undistributed revenue comprises 4.5% of income from investments of £2,356,000 (see note 3).

11 Fixed asset investments	£'000
Valuation at 1 August 2006	118,130
Unrealised appreciation	(28,683)
Cost of investments at 1 August 2006	89,447
Purchases at cost	60,693
Sales at cost	(57,206)
Cost of investments at 31 July 2007	92,934
Unrealised appreciation	29,931
Valuation at 31 July 2007	122,865

Purchase transaction costs for the year ended 31 July 2007 were £115,000 (year ended 31 July 2006: £164,000). These comprise mainly brokers' commissions. Sale transaction costs for the year ended 31 July 2007 were £143,000 (year ended 31 July 2006: £195,000).

Notes to the Accounts

continued

12 Debtors	2007	2006
	£'000	£'000
Sales for future settlement	2,224	1,103
Withholding tax recoverable	88	135
Prepayments and accrued income	60	26
Other debtors	42	–
	2,414	1,264
	2007	2006
	£'000	£'000
13 Creditors: amounts falling due within one year		
Purchases for future settlement	1,983	–
Management fee	88	83
Performance fee	–	736
Other accruals	71	62
	2,142	881

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 £128,762,000 (2006: £121,638,000) and on 23,303,063 (2006: 25,667,005) ordinary shares in issue at the year end, which excludes 2,363,942 shares (2006: nil) held in Treasury.

15 Financial instruments

(a) Management of risk

The Company's financial instruments comprise:

- Equity shares held within the portfolio,
- Cash and short term debtors and creditors which arise from its investing activities.

The risks arising from these instruments are due to fluctuations in market prices, exchange rates and interest rates. The Board's policy for managing these risks is summarised below:

Market price risk

An investment trust is exposed to market risk due to fluctuations in the market prices of the investments held in its portfolio. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets together with stock selection covering small, medium and large companies are other factors which act to reduce market price risk. The investment manager actively monitors market prices throughout the year and reports to the Board which meets regularly in order to consider investment strategy.

Index options may be used, when it is deemed appropriate, to manage the risk of fluctuations in the markets in which the Company invests.

Foreign currency risk

The Company's total return and balance sheet can be significantly affected by fluctuations in foreign currency exchange rates as the majority of the Company's assets are denominated in currencies other than Sterling. The international spread of investments acts to reduce this risk. From time to time the Company will hold foreign currency cash balances as well as foreign currency balances due to and receivable from brokers. These assets and liabilities arise from the Company's investing activities. This exposure is short term and not material.

Notes to the Accounts

continued

15 Financial instruments (continued)

Interest rates

The Company's exposure to risk arising from interest rate fluctuations is minimal. The Company has cash balances at floating rates, but these are short term and therefore carry no material risk. There were no financial liabilities at 31 July 2007 and 31 July 2006.

Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

(b) Risk profile of financial assets and financial liabilities

Currency exposure

The majority of the Company's financial assets are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be significantly affected by currency movements.

Currency	2007 Monetary assets £'000	2007 Monetary liabilities £'000	2007 Net monetary assets £'000	2006 Monetary assets £'000	2006 Monetary liabilities £'000	2006 Net monetary assets £'000
Euro	90,211	(1,983)	88,228	86,568	–	86,568
Czech Koruna	2,224	–	2,224	3,570	–	3,570
Danish Krone	8,009	–	8,009	1,972	–	1,972
Hungarian Forint	–	–	–	1,976	–	1,976
Swiss Franc	22,682	–	22,682	23,735	–	23,735
Swedish Krona	3,852	–	3,852	1,532	–	1,532
	126,978	(1,983)	124,995	119,353	–	119,353
Sterling	3,926	(159)	3,767	3,166	(881)	2,285
Total net assets	130,904	(2,142)	128,762	122,519	(881)	121,638

(c) Fair values of financial assets and financial liabilities

All of the Company's financial assets and liabilities are held at fair value.

16 Called up share capital

	Shares held in Treasury	Shares entitled to dividend	Total shares in issue	Total shares in issue £'000
Ordinary shares of 5p each Authorised	–	–	75,000,000	3,750
Balance brought forward	–	25,667,005	25,667,005	1,283
Repurchase of ordinary shares held in Treasury	2,363,942	(2,363,942)	–	–
Balance carried forward	2,363,942	23,303,063	25,667,005	1,283

During the year 2,363,942 ordinary shares were repurchased at a total cost of £12,150,000 and held in Treasury. Since the year end there have been no further shares repurchased. As at 18 September 2007 the total number of shares held in Treasury is 2,363,942. Ordinary shares held in Treasury have no entitlements to dividends paid or proposed.

Notes to the Accounts

continued

17	Share premium account	£'000
	At 1 August 2006 & 31 July 2007	33,814

18	Reserves	Capital reserve realised £'000	Capital reserve unrealised £'000	Total £'000	Revenue reserve £'000
	At 1 August 2006	56,261	28,683	84,944	1,597
	Transfer on disposal of assets	13,677	(13,677)	–	–
	Net movement on investments held at fair value through profit or loss	4,988	14,925	19,913	–
	Net movement on foreign exchange	(162)	–	(162)	–
	Expenses and interest payable charged to capital	(872)	–	(872)	–
	Tax relief on expenses and interest payable charged to capital	255	–	255	–
	Repurchase of ordinary shares held in Treasury*	(12,150)	–	(12,150)	–
	Final dividend for year ended 2006 (paid 10 November 2006)	–	–	–	(898)
	Net revenue return after taxation for the year	–	–	–	1,504
	Interim dividend for the year ended 2007 (paid 12 April 2007)	–	–	–	(466)
	At 31 July 2007	61,997	29,931	91,928	1,737

*Includes £95,000 of associated legal, corporate finance advice and printing costs.

19	Reconciliation of operating revenue to net cash inflow from operating activities	2007 £'000	2006 £'000
	Net revenue before finance charges and taxation	20,944	20,649
	Capital return before finance charges and taxation	(18,885)	(18,596)
	Revenue return before finance charges and taxation	2,059	2,053
	Increase in prepayments and accrued income	(76)	(9)
	Decrease in accruals	(722)	(61)
	Tax on unfranked investment income deducted at source	(406)	(393)
	Expenses allocated to capital	(866)	(1,523)
	Net cash (outflow)/inflow from operating activities	(11)	67

20	Analysis of changes in net funds	At 1 August 2006 £'000	Cashflow £'000	Exchange Movements £'000	At 31 July 2007 £'000
	Cash at bank and overdrafts	3,125	2,662	(162)	5,625
	Net funds	3,125	2,662	(162)	5,625

Notes to the Accounts

continued

21 Capital commitments, contingent liabilities and contingent assets

Capital commitments

There were no capital commitments as at 31 July 2007 (2006: £nil).

Contingent liabilities

There were no contingent liabilities as at 31 July 2007 (2006: £nil).

Contingent assets

In 2004 the Association of Investment Companies (the "AIC"), together with JPMorgan Fleming Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs ("HMRC") to challenge whether Value Added Tax ("VAT") should be charged on management services provided to investment trust companies. On 28 June 2007, the European Court of Justice ("ECJ") delivered its judgement on the case. Although the judgement is favourable to the AIC, the case may be referred back to the hearing of the UK courts. Accordingly, as at the date of this report there is no certainty that investment managers will be entitled to the repayment of any of the VAT charged by them to their investment trust company clients.

If in due course the AIC's case is successful, the Manager would be able to reclaim from HMRC the VAT charged to the Company in respect of management services and paid to HMRC. The VAT so recovered by the Manager would then be repaid by the Manager to the Company. The Company understands that the Manager has submitted protective claims to HMRC in respect of the relevant periods for VAT accounted for by the Manager on management services provided by it to the Company. Because of the remaining legal uncertainties it is not possible to consider the recovery of any of the VAT borne as virtually certain and therefore no amounts receivable have been recognised in these accounts. However, on the basis of the ECJ judgement it would seem that the likelihood of realising some benefit is probable.

The Board will monitor closely the outcome of the AIC case and is in discussion with the Manager as to the determination of the amounts that will be receivable by the Company if the AIC case is ultimately successful. However, until the AIC case has reached its final determination and the discussions with the Manager have been concluded, it is not practicable to quantify the total amount of any VAT that may be recoverable.

22 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 Fund Services UK Limited to provide accounting and administrative services. Since 1 August 2005, the Company has contracted directly with JP Morgan for the provision of custodian services.

Details of the management fee arrangements for these services are given in the Directors' Report on pages 13 to 18. The total of the fees paid or payable under this agreement to Henderson in respect of the year ended 31 July 2007 was £921,000, excluding VAT (2006: £1,463,000) of which £75,000 was outstanding at 31 July 2007 (2006: £697,000).

In addition to the above services, Henderson has provided the Company with share plan administration and marketing services during the year. The total fees, excluding VAT paid or payable for these services for the year ended 31 July 2007 amounted to £14,000 (2006: £13,000) of which £8,000 was outstanding at 31 July 2007 (2006: £8,000).

Investor Information

Investment Trusts

Many people today recognise the benefits of investing in the stock market or in overseas stock markets, but are concerned about risks and complexity. They recognise that stock markets offer the prospect not only of protection from inflation but also real capital growth over the long term.

Investment trusts provide the ideal, low cost solution.

When you buy shares in an investment trust, you are buying shares in a public limited company which owns a portfolio of shares in a wide range of other companies. This wide spread of investments allows you to benefit from the growth potential of a particular stockmarket whilst reducing the risk inherent in holding shares in any one company. This makes investment trusts an ideal vehicle for people with relatively modest amounts to invest, as well as for those wishing to diversify their share portfolios.

Furthermore, investment trusts not only benefit from the investment experience of the Manager, but they also benefit from an experienced Board of directors, each with knowledge of different industries. As general long-term savings vehicles, investment trusts have a track record of performance and stability to be proud of.

Net Asset Value and Share Price

The Company's Net Asset Value ("NAV") is released daily, on the working day following the calculation date, to the London Stock Exchange.

The London Stock Exchange Daily Official List (SEDOL) code for the ordinary shares is 0419929.

The mid-market price of Henderson EuroTrust plc ordinary shares is shown in the investment companies section of the stock market pages in the Financial Times under "HenEuro".

Henderson EuroTrust plc

Henderson EuroTrust invests in medium to large companies. The objective is to identify companies in the European markets which are undervalued in view of their growth prospects, or on account of significant changes in management or structure. These investments are made with only secondary regard to the country of origin, the principal objective being to identify the fifty most interesting investments in the European area at any time.

Investing in Henderson EuroTrust

Ordinary shares of Henderson EuroTrust may be bought or sold directly through a stockbroker or other independent financial advisor or through a number of banks and building societies which also provide share dealing services. Alternatively, shares may be bought directly through [itshenderson](http://itshenderson.com), details of which are provided on the inside back cover of this report.

itshenderson ISA/PEP and Share Plan Holders

itshenderson Administrator (Lloyds TSB)
PO Box 4605
Worthing BN99 6QY
Telephone: 0845 712 5432

Henderson ISAs and PEPs

Henderson Global Investors Limited
Block C – Western House
Lynch Wood Business Park
Peterborough PE2 6SP
Telephone: 0800 832 832

Performance Information

Information on the Company's performance is provided in the half year and annual reports which are sent to shareholders in April and October respectively.

More up-to-date performance information is available on the internet at: www.hendersoneurotrust.com
www.itshenderson.co.uk and www.trustnet.co.uk

These websites provide a monthly update on the Company's largest holdings, along with comments from the Portfolio manager.

Investor Information

continued

Investment Manager

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

Secretary

Henderson Secretarial Services Limited
represented by Andrea Callaby, FCIS

Registered Office

4 Broadgate
London EC2M 2DA
Telephone: 020 7818 1818
Fax: 020 7818 1819

Registered Number

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

Registrar

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH
Telephone: 0870 707 1034
www.computershare.com

Auditors

PricewaterhouseCoopers LLP
Hays Galleria
1 Hays Lane
London SE1 2RD

Solicitors

Eversheds
Senator House
85 Queen Victoria Street
London EC4V 4JL

Bankers & Custodian

JP Morgan
10 Aldermanbury
London EC2V 7RF

Stockbrokers

JP Morgan Cazenove
20 Moorgate
London EC2R 6DA

Shareholder Details

Main register shareholders may check their shareholding online with our Registrar, Computershare Investor Services PLC. This link may be found via www.computershare.com. Please note that to gain access to your details on the Computershare site you will need the holder reference number on the top left hand corner of your share certificate.

Disability Act

Copies of this report and accounts or other documents issued by Henderson EuroTrust plc are available from the Company Secretary.

If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

You can contact our Registrar, Computershare Investor Services PLC, who have 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. Specially trained operators are available during normal business hours to answer queries via this service. The telephone number is 0870 702 0005.

For holders who hold their shares via itshenderson the text phone telephone number is 0870 240 1847.

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

For investors through the itshenderson Investment Trust Share Plan, Transfer PEP or ISA, a minicom telephone service is available on 020 7850 5406. This service is available during normal business hours.

Notice of Annual General Meeting

Notice is hereby given that the Fifteenth Annual General Meeting of Henderson EuroTrust plc will be held at 4 Broadgate, London EC2M 2DA on Tuesday, 6 November 2007 at 12 noon for the following purposes:

Ordinary Business

- 1 To receive the Directors' Report and audited accounts for the year ended 31 July 2007.
- 2 To approve the Directors' Remuneration Report for the year ended 31 July 2007.
- 3 To declare a final dividend.
- 4 To re-elect Mr D M Tapley.
- 5 To re-elect Mr R A T Bischof.
- 6 To re-elect Mr T P Stevenson.
- 7 To re-appoint PricewaterhouseCoopers LLP as auditors to the Company.
- 8 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:

- 9 that, in accordance with Article 94 of the Articles of Association of the Company, the maximum aggregate amount of the fees that may be paid to the Directors of the Company pursuant to that Article 94 (excluding amounts payable under any other provision of the Articles of Association of the Company) be and is hereby increased from £60,000 to £120,000 per annum.

as an Ordinary Resolution:

- 10 that, the Board be and it is hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £64,167 (or 1,283,350 ordinary shares of 5p each,

being 5% of the nominal value of the issued ordinary share capital of the Company at the date of this notice) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, fifteen months from the date hereof save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The Directors may use this authority when the Directors consider it to be advantageous to the Company's existing shareholders.

as a Special Resolution:

- 11 that, subject to the passing of resolution number 10, the Board be and it is hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) and to sell relevant shares (within the meaning of Section 94 of the said Act) if, immediately before the sale, such shares are held by the Company as Treasury shares (as defined in Section 162A of the said Act) for cash (pursuant to the authority conferred by resolution number 10) as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment or sale, provided that this power shall be limited to the:
 - a) allotment of equity securities whether by way of a rights issue, open offer or otherwise to ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever; and

Notice of Annual General Meeting

continued

- b) allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal value of £64,167 (or 1,283,350 ordinary shares of 5p each, being 5% of the nominal value of the issued ordinary share capital of the Company at the date of this notice); and
- c) allotment of equity securities at a price not less than the net asset value per share

and shall expire at the earlier of fifteen months from the date of the passing of this resolution or at the conclusion of the next Annual General Meeting save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

as a *Special Resolution*:

- 12** that, the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163 of the said Act) of ordinary shares of 5p each in the capital of the Company ("ordinary shares"), provided that:

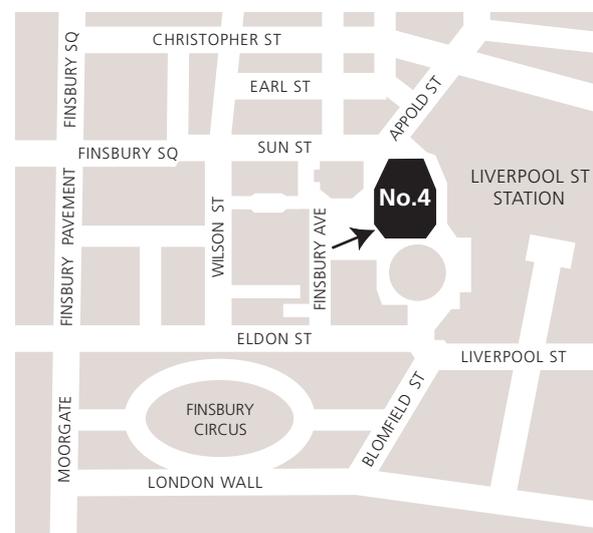
- a) the maximum number of ordinary shares hereby authorised to be purchased shall not be more than 14.99% of the ordinary shares in issue at the date of the Annual General Meeting, (equivalent to 3,847,484 ordinary shares at the date of this notice);
- b) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed 105% of the average of the middle market quotations for the shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days preceding the date of purchase;
- c) the minimum price (exclusive of expenses) which may be paid for an ordinary share shall be 5p being the nominal value per share;

- d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may, before such expiry, enter into a contract to purchase ordinary shares under which such purchases will or may be completed or executed wholly or partly after the expiration of this authority and may make a purchase of shares in pursuance of any such contract; and

as a *Special Resolution*:

- 13** that, any ordinary shares so purchased in accordance with resolution 12 shall be cancelled or, if the Directors so determine and subject to the provisions of the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and any applicable regulations of the United Kingdom Listing Authority, held as Treasury shares.

By order of the Board
 Andrea Callaby, FCIS
 For and on behalf of
 Henderson Secretarial Services Limited
 Secretary
 18 September 2007



Registered Office
 4 Broadgate
 London EC2M 2DA

Notice of Annual General Meeting

continued

Notes

- (i) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the Register of Members of Henderson EuroTrust plc at the close of business on 4 November 2007 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries in the relevant Register of Members after the close of business on 4 November 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (ii) An ordinary shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. A form of proxy is enclosed and to be valid must be lodged with the Registrar of the Company not less than 48 hours before the time fixed for the meeting.
- (iii) The completion of the form of proxy will not preclude ordinary shareholders from attending and voting in person at the meeting. The number of votes cast by proxy for each resolution will be communicated to shareholders at the AGM and will be available on request.
- (iv) By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications (including communications relating to the Company's securities) made at the meeting.
- (v) The Register of Directors' Interests kept by the Company will be open for inspection at the AGM.

Warning to Shareholders

Over recent months many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on page 41.



Henderson EuroTrust plc

Put all your investments in order

Itshenderson is the convenient way to manage your investment portfolio. Save time, money and effort by bringing all your investments together in one place. Not just Henderson EuroTrust shares, but any quoted shares, investment trusts, OEICs, unit trusts, bonds, PEPs, ISAs and cash deposits. You can trade from just £4.95* over the phone or online, with no limit to the deal size, and you can log onto the internet to keep track of your portfolio.

For more information, call or visit our website. Please remember that past performance is not a guide to future performance.

0845 712 5432
www.itshenderson.com

**its
henderson**
Stay on top of your investments

 **Henderson**
Global Investors

* Using SmartDeal - the online weekly bulk dealing service.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. Tax assumptions may change if the law changes and the value of tax relief will depend upon individual circumstances. Itshenderson is provided by Henderson Global Investors Limited the name under which Henderson Global Investors Limited, Henderson Fund Management plc, Henderson Administration Limited, Henderson Investment Funds Limited, Henderson Investment Management Limited and Henderson Alternative Investment Advisor Limited (each authorised and regulated by the Financial Services Authority and of 4 Broadgate, London EC2M 2DA), provide investment products and services. We may record telephone calls for our mutual protection and to improve customer service.



The Henderson EuroTrust plc is managed by



This document is printed on Revive 50:50, a paper containing 50% recovered fibre & FSC accredited virgin fibre. Revive 50:50 is manufactured at a mill that has been awarded the ISO 14001 certificate for environmental management, from ECF pulp.

The FSC logo identifies products which contain wood from well managed forests certified in accordance with the rules of the Forest Stewardship Council.

