

HENDERSON EUROPEAN FOCUS TRUST PLC

REPORT for the half year ended 31 March 2016 (unaudited)

HENDERSON EUROPEAN FOCUS TRUST PLC

Unaudited Results for the Half Year Ended 31 March 2016

Investment objective

The Company seeks to maximise total return from a focused portfolio of listed stocks, mainly in Continental Europe.

Performance highlights for the six months ended 31 March 2016

- Net asset value (“NAV”) total return¹ (including dividends reinvested) of +6.3% compared to a total return from the benchmark index² of +6.7%.
- Share price³ total return (including dividends reinvested) of -1.5%.
- Interim dividend of 7.5p per share declared (2015: 7.0p).
- Discount⁴ of 6.7% at 31 March 2016 compared with a sector average discount of 6.9%⁵.

Total return performance to 31 March 2016 (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV ¹	+6.3	-1.9	+34.9	+66.8	+87.5
Benchmark index ²	+6.7	-4.2	+20.8	+26.3	+60.9
Average sector NAV ⁶	+5.9	-1.9	+29.4	+48.9	+67.7
Share price ³	-1.5	-11.4	+36.5	+73.6	+130.5
Average sector share price	+1.7	-7.0	+31.4	+57.3	+105.5

1 Net asset value total return per ordinary share with income reinvested for 1, 3 and 5 years and capital NAV plus income reinvested for 10 years. These figures are preliminary estimates made by Morningstar Direct and do not reflect any subsequent change in the period end NAVs reflected in these results

2 FTSE World Europe ex UK Index on a total return basis in sterling terms

3 Share price total return using mid-market closing prices

4 Calculated using published daily NAVs including current year revenue

5 Sector discount is sourced from the AIC

6 The sector is the AIC Europe sector

Sources: Morningstar Direct, Datastream and Henderson

Financial highlights

	At 31 March 2016	At 30 September 2015
Shareholders' funds		
Net assets attributable to ordinary shareholders (£'000)	211,075	194,914
Net asset value (“NAV”) per ordinary share	1024.6p	981.9p
Mid-market share price per ordinary share	956.0p	987.8p
Gearing at period end	7.6%	8.9%
	Half year ended 31 March 2016	Year ended 30 September 2015
Total return to equity shareholders		
Revenue return after taxation (£'000)	1,564	4,406
Capital return after taxation (£'000)	10,602	3,053
Total return	12,166	7,459
	=====	=====
Total return per ordinary share		
Revenue	7.66p	23.59p
Capital	51.90p	16.35p
Total return	59.56p	39.94p
	=====	=====

INTERIM MANAGEMENT REPORT

Chairman's Statement

Performance

Over the half year ended 31 March 2016 the net asset value ("NAV") per ordinary share total return was +6.3% and the FTSE World Europe ex UK Index in sterling terms (the "Benchmark Index") total return was +6.7%. Over the same period, the share price total return was -1.5%.

Share capital

The Board was pleased to be able to continue to issue new shares when trading at a premium from the block listing authority granted in October 2015. During the six months to 31 March 2016, 750,000 new shares were issued for total proceeds of £7,635,000.

Revenue and dividend

The Board has declared an interim dividend of 7.5p per ordinary share (2015: 7.0p). This is an increase of 7% over the prior year interim dividend and is intended to maintain an appropriate balance between the interim and final dividends. The Board remains confident that the Company's progressive dividend policy will continue and in that regard believes that, in the absence of unforeseen circumstances, the final dividend will be at least maintained. The dividend will be paid on 28 June 2016 to shareholders on the register on 27 May 2016. The shares will be marked ex-dividend on 26 May 2016.

Board

The Board is delighted that Robin Archibald joined the Board on 1 March 2016. Robin is an experienced corporate financier and chartered accountant who has specialised in the UK closed-ended funds sector for over twenty-five years.

Outlook

This time last year I made reference to the importance of the effect of currencies on equity market performance. Recent months have, once again, demonstrated this phenomenon: it is telling, for example, that a strong Yen has gone hand in hand with a weak Japanese equity market, a strong Euro has been a bedfellow of weakness in European equities while the US and UK equity markets have "benefited" from respective weaker currencies. I make reference to this merely to underline the importance of macro factors on equity market behaviour. Another important factor, to which we have also referred in the past, is central bankers and their monetary experiments. Recent moves by Mario Draghi to take the Eurozone into negative interest rate policy are indeed extraordinary actions, the long term result of which are unclear, though we cannot help harbour a sense of unease. Finally, the referendum on Britain's membership of the European Union in late June could result in a period of currency and market volatility as expectations adjust to events.

Amidst such macro "drivers" it is easy to believe that the role of stock picking has become relegated to something resembling quaintness. Nevertheless, our Manager continues to focus relentlessly on a strategy built upon active stock and sector selection. This is precisely the strategy that has paid handsome rewards historically and we continue to believe it shall prevail in the future.

Rodney Dennis
Chairman
12 May 2016

Principal Risks and Uncertainties

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

- Market risk
- Gearing
- Other financial risks
- Operational risks
- Key man risk

Information on these risks and how they are managed is given in the Annual Report to 30 September 2015. In the view of the Board these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

Related party transactions

The Company's transactions with related parties in the half year were with the Directors and Henderson. There have been no material transactions between the Company and its Directors during the half year other than amounts paid to them in respect of expenses and remuneration for which there were no outstanding amounts payable at the half year end. In relation to the provision of services by Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services there have been no transactions with Henderson affecting the financial position of the Company during the half year under review.

Statement of Directors' Responsibilities

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

- (a) the financial statements for the half year ended 31 March 2016 have been prepared in accordance with "FRS 104 Interim Financial Reporting";
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by the Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Rodney Dennis
Chairman
12 May 2016

Fund Manager's Report

The past six months have been fairly challenging for our strategy as a number of our sector and stock selections have faced some headwinds. Such periods are inevitable but most notable has been the poor performance of pharmaceutical stocks which have faced a number of challenges in recent months. These have ranged from the intensifying and voluble debate over US drug pricing, the fallout from a deflating US biotech bubble and the collateral damage from the share price collapse of former hedge fund favourite Valeant, also in the US. The above should not be read as some Europhile/Anglophobe fund manager reaction. Rather it merely sets the context against which such stocks are out of favour. For our part, while we had already reduced the weighting in the portfolio from its peak of a year or so ago, we continue to favour it as a core, long term theme. Indeed, following recent falls and an element of throwing in of the towel by some of the broking community, we see compelling long term value in stocks such as Bayer and Novartis.

In last year's interim report we noted that the Company had benefited from holding a number of smaller-medium sized stocks. We continue to hold each of the stocks mentioned at that time (BIC, IMA, Interpump, Tessenderlo Chemie and Veidekke). Over the past six months these have been joined by new holdings in Rubis, a French oil storage business and Rockwool, a Danish manufacturer of building insulation materials. Also within the mid cap sphere, we have built exposure to the European cable media sector via holdings in Com Hem, Euskaltel and NOS. The attractions of each of these franchises lie principally in their cash generation, in a sector where we expect to see further consolidation.

John Bennett
Fund Manager
12 May 2016

Principal Investments

as at 31 March 2016

Company	Sector	Country of listing	Valuation £'000	Percentage of portfolio
Novartis	Pharmaceuticals & Biotechnology	Switzerland	12,289	5.4
Roche	Pharmaceuticals & Biotechnology	Switzerland	10,559	4.7
Bayer	Chemicals	Germany	9,056	4.0
Nestlé	Food Producers	Switzerland	8,249	3.6
Autoliv	Automobiles & Parts	Sweden	7,259	3.2
Tessenderlo Chemie	Chemicals	Belgium	5,961	2.6
Novo-Nordisk	Pharmaceuticals & Biotechnology	Denmark	5,843	2.6
Com Hem	Fixed Line Telecommunications	Sweden	5,841	2.6
Warehouses de Pauw	Real Estate Investment Trusts	Belgium	5,838	2.6
Continental	Automobiles & Parts	Germany	5,490	2.4
10 largest			76,385	33.7
Duerr	Industrial Engineering	Germany	5,479	2.4
Nordea	Banks	Sweden	5,301	2.3
Henkel	Chemicals	Germany	5,226	2.3
ISS	Support Services	Denmark	5,095	2.2
NOS	Media	Portugal	5,004	2.2
DNB	Banks	Norway	4,774	2.1
Total	Oil & Gas Producers	France	4,736	2.1
Trelleborg	Industrial Engineering	Sweden	4,537	2.0
Euskaltel	Fixed Line Telecommunications	Spain	4,271	1.9
Industria Macchine Automatiche	Industrial Engineering	Italy	4,042	1.8
20 largest			124,850	55.0
Vivendi	Media	France	4,036	1.8
Fresenius	Health Care Equipment & Services	Germany	3,981	1.8
Bilfinger	Support Services	Germany	3,884	1.7
BIC	Household Goods & Home Construction	France	3,805	1.7
RELX	Media	Netherlands	3,765	1.7
Adidas	Personal Goods	Germany	3,610	1.6
Veidekke	Construction & Materials	Norway	3,499	1.5
ING	Banks	Netherlands	3,425	1.5
Intesa Sanpaolo	Banks	Italy	3,404	1.5
Sandvik	Industrial Engineering	Sweden	3,377	1.5
30 largest			161,636	71.3
Other listed investments (26 stocks)			65,524	28.7
Total investments at fair value			227,160	100.0

Geographical Exposure (% of portfolio excluding cash)

	31 March 2016	31 March 2015
	%	%
Germany	20.2	21.5
Switzerland	15.6	19.6
Sweden	13.9	12.6
France	7.7	9.8
Belgium	7.2	8.3
Denmark	6.3	4.3
Netherlands	5.7	5.3
Norway	4.8	5.9
Italy	4.7	5.4
Spain	4.0	0.9
Portugal	3.7	1.1
Finland	3.1	0.9
United Kingdom	1.9	1.8
Ireland	1.2	2.6
	-----	-----
	100.0	100.0
	=====	=====

Sector Exposure (% of portfolio excluding cash)

	31 March 2016	31 March 2015
	%	%
Consumer goods	18.9	15.2
Industrials	17.7	15.1
Health care	17.2	23.3
Financials	15.1	25.4
Basic materials	11.0	13.8
Consumer services	8.0	4.3
Telecommunications	6.4	1.9
Oil & gas	4.7	-
Technology	1.0	1.0
	-----	-----
	100.0	100.0
	=====	=====

Condensed Income Statement

	(Unaudited) Half year ended 31 March 2016			(Unaudited) Half year ended 31 March 2015			(Audited) Year ended 30 September 2015		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains on investments held at fair value through profit or loss*	-	12,739	12,739	-	22,548	22,548	-	3,585	3,585
Exchange (loss)/gain on currency transactions	-	(1,431)	(1,431)	-	1,663	1,663	-	2,176	2,176
Income from investments (note 2)	2,259	-	2,259	1,799	-	1,799	5,786	-	5,786
Other income (note 2)	1	-	1	1	-	1	40	-	40
Gross revenue and capital gains	2,260	11,308	13,568	1,800	24,211	26,011	5,826	5,761	11,587
Management fee (note 6)	(173)	(520)	(693)	(146)	(438)	(584)	(308)	(923)	(1,231)
Performance fee	-	-	-	-	(1,028)	(1,028)	-	(1,300)	(1,300)
Other fees and expenses	(235)	-	(235)	(233)	-	(233)	(467)	-	(467)
Net return on ordinary activities before finance charges and taxation	1,852	10,788	12,640	1,421	22,745	24,166	5,051	3,538	8,589
Finance charges	(62)	(186)	(248)	(73)	(219)	(292)	(162)	(485)	(647)
Net return on ordinary activities before taxation	1,790	10,602	12,392	1,348	22,526	23,874	4,889	3,053	7,942
Taxation on net return on ordinary activities	(226)	-	(226)	(183)	-	(183)	(483)	-	(483)
Net return on ordinary activities after taxation	1,564	10,602	12,166	1,165	22,526	23,691	4,406	3,053	7,459
Return per ordinary share (note 3)	7.66p	51.90p	59.56p	6.46p	125.02p	131.48p	23.59p	16.35p	39.94p

The total columns of this statement represents the Income Statement of the Company prepared in accordance with FRS 104. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement and the Statement of Changes in Equity.

*Restated net of transaction costs (see note 1).

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

Condensed Statement of Changes in Equity

Half year ended 31 March 2016 (Unaudited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve ¹ £'000	Total £'000
At 30 September 2015	9,996	25,846	22,820	61,344	9,421	54,627	10,860	194,914
Net return on ordinary activities after taxation	-	-	-	-	-	10,602	1,564	12,166
Issue of ordinary shares	375	-	7,260	-	-	-	-	7,635
Tap share issue expenses	-	-	(7)	-	-	-	-	(7)
Ordinary dividend paid	-	-	-	-	-	-	(3,633)	(3,633)
At 31 March 2016	10,371	25,846	30,073	61,344	9,421	65,229	8,791	211,075
Half year ended 31 March 2015 (Unaudited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve ¹ £'000	Total £'000
At 30 September 2014	9,102	24,833	3,796	61,344	9,421	51,574	10,918	170,988
Net return on ordinary activities after taxation	-	-	-	-	-	22,526	1,165	23,691
Issue of ordinary shares	250	-	5,021	-	-	-	-	5,271
Shares sold from treasury	-	1,013	857	-	-	-	-	1,870
Ordinary dividend paid	-	-	-	-	-	-	(3,132)	(3,132)
At 31 March 2015	9,352	25,846	9,674	61,344	9,421	74,100	8,951	198,688
Year ended 30 September 2015 (Audited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve ¹ £'000	Total £'000
At 30 September 2014	9,102	24,833	3,796	61,344	9,421	51,574	10,918	170,988
Net return on ordinary activities after taxation	-	-	-	-	-	3,053	4,406	7,459
Shares sold from treasury	-	1,013	857	-	-	-	-	1,870
Issue of new ordinary shares	894	-	18,287	-	-	-	-	19,181
Tap share issue expenses	-	-	(120)	-	-	-	-	(120)
Ordinary dividend paid	-	-	-	-	-	-	(4,464)	(4,464)
At 30 September 2015	9,996	25,846	22,820	61,344	9,421	54,627	10,860	194,914

¹ The revenue reserve represents the amount of reserves distributable by way of dividend.

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

Condensed Statement of Financial Position

	(Unaudited) 31 March 2016 £'000	(Unaudited) 31 March 2015 £'000	(Audited) 30 September 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	227,160	229,355	212,338
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Current assets			
Debtors	1,466	1,118	304
Cash at bank	22,185	5,846	25,039
	-----	-----	-----
	23,651	6,964	25,343
	-----	-----	-----
Creditors: Amounts falling due within one year	(39,736)	(37,631)	(42,767)
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Net current liabilities	(16,085)	(30,667)	(17,424)
	-----	-----	-----
Net assets	211,075	198,688	194,914
	=====	=====	=====
Capital and reserves			
Called up share capital	10,371	9,352	9,996
Special distributable reserve	25,846	25,846	25,846
Share premium account	30,073	9,674	22,820
Merger reserve	61,344	61,344	61,344
Capital redemption reserve	9,421	9,421	9,421
Capital reserve	65,229	74,100	54,627
Revenue reserve	8,791	8,951	10,860
	-----	-----	-----
Shareholders' funds	211,075	198,688	194,914
	=====	=====	=====
Net asset value per ordinary share (note 5)	1024.60p	1070.32p	981.90p
	=====	=====	=====

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

Condensed Cash Flow Statement

	(Unaudited) Half year ended 31 March 2016 £'000	(Unaudited and restated) Half year ended 31 March 2015 £'000	(Audited and restated) Year ended 30 September 2015 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation	12,392	23,874	7,942
Add back: finance costs	248	292	647
Less gains on investments held at fair value through profit or loss	(12,739)	(22,548)	(3,585)
Add/(less): loss/(profit) on foreign exchange	1,431	(1,663)	(2,176)
Stock dividend	-	(18)	(18)
Taxation paid	(226)	(183)	(483)
Increase in prepayments and accrued income	(103)	(202)	(7)
Decrease in accruals and deferred income	(942)	(140)	(142)
	-----	-----	-----
Net cash inflow/(outflow) from operating activities	61	(588)	2,178
	-----	-----	-----
Cash flows from investing activities			
Sales of investments held at fair value through profit or loss	120,104	118,309	252,180
Purchases of investments held at fair value through profit or loss	(122,216)	(141,080)	(276,895)
(Increase)/decrease in securities sold for future settlement	(1,029)	2,151	2,769
Increase/(decrease) in securities purchased for future settlement	67	(258)	1,444
	-----	-----	-----
Net cash outflow from investing activities	(3,074)	(20,878)	(20,502)
	-----	-----	-----
Cash flows from financing activities			
Shares issued from treasury	-	1,870	1,870
Issue of new ordinary shares	7,635	5,271	19,181
Tap share issue expenses	(127)	-	-
Equity dividends paid	(3,633)	(3,132)	(4,464)
Interest paid	(244)	(280)	(621)
	-----	-----	-----
Net cash inflow from financing activities	3,631	3,729	15,966
	-----	-----	-----
Net increase/(decrease) in cash and equivalents	618	(17,737)	(2,358)
	-----	-----	-----
Cash and cash equivalents at beginning of period	(13,292)	(13,110)	(13,110)
Effect of foreign exchange rates	(1,431)	1,663	2,176
	-----	-----	-----
Cash and cash equivalents at end of period	(14,105)	(29,184)	(13,292)
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Comprising:			
Cash at bank	22,185	5,846	25,039
Bank overdraft	(36,290)	(35,030)	(38,331)
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	(14,105)	(29,184)	(13,292)
	=====	=====	=====

The accompanying notes are an integral part of these financial statements

Notes

1. Accounting policies

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, issued in March 2015, the revised reporting standard for half year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", in accordance with which the Company's financial statements are also prepared, was re-issued by the Association of Investment Companies in November 2014 to comply with the revised reporting standards. The Company has early adopted the amendments to FRS 102 in respect of fair value hierarchy disclosures issued in March 2016.

Following the application of the revised reporting standards, there have been no significant changes to the accounting policies set out in the Company's Annual Report for the year ended 30 September 2015.

The condensed financial statements for the year ended 30 September 2015 and the six months ended 31 March 2015 have been restated where necessary to comply with the new standards and disclosure requirements.

In line with FRS 102 and the revised SORP, transaction costs incidental to the acquisition of an investment have been reclassified and netted off the gains on investments held at fair value through profit or loss instead of being shown separately on the face of the income statement as a capital expense.

There has been no other impact on the Company's Income Statement, Statement of Financial Position (previously called the Balance sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds) for periods previously reported.

The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

2. Income

	(Unaudited) Half year ended 31 March 2016 £'000	(Unaudited) Half year ended 31 March 2015 £'000	(Audited) Year ended 30 September 2015 £'000
Income from listed investments:			
Overseas dividends	2,098	1,639	5,340
Franked UK dividends	161	142	428
Stock dividends	-	18	18
	-----	-----	-----
	2,259	1,799	5,789
	-----	-----	-----
Other income:			
Deposit interest	1	1	40
	=====	=====	=====

3. Return per Ordinary Share

	(Unaudited) Half year ended 31 March 2016 £'000	(Unaudited) Half year ended 31 March 2015 £'000	(Audited) Year ended 30 September 2015 £'000
The return per ordinary share is based on the following figures:			
Revenue return	1,564	1,165	4,406
Capital return	10,602	22,526	3,053
Total	12,166	23,691	7,459
Weighted average number of ordinary shares in issue for each period	20,426,171	18,018,337	18,676,353
Revenue return per ordinary share	7.66p	6.46p	23.59p
Capital return per ordinary share	51.90p	125.02p	16.35p
Total return/(loss) per ordinary share	59.56p	131.48p	39.94p

The Company does not have any dilutive securities, therefore, the basic and diluted returns per share are the same.

4. Called-up share capital

During the half year ended 31 March 2016, 750,000 ordinary shares were issued for total proceeds of £7,635,000 (half year ended 31 March 2015: 190,000 ordinary shares sold from treasury for total proceeds of £1,870,000 and 500,000 new ordinary shares were issued for total proceeds of £5,271,000; year ended 30 September 2015: 190,000 ordinary shares sold from treasury for total proceeds of £1,870,000 and 1,787,342 new ordinary shares were issued for total proceeds of £19,181,000).

At 31 March 2016 the Company held 140,730 ordinary shares in treasury (at 31 March 2015: 140,730 and 30 September 2015: 140,730).

5. Net asset value per ordinary share

The net asset value per ordinary share is based on the 20,600,761 ordinary shares in issue (half year ended 31 March 2015: 18,563,419; year ended 30 September 2015: 19,850,761).

6. Management

Henderson Investment Funds Limited ("HIFL") is appointed to act as the Company's Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited. References to Henderson within these results refer to the services provided by both entities.

Henderson receives a fee of 0.65% per annum on the value of the Company's net assets, calculated quarterly in arrears. In determining the net assets on which the management fee is calculated, the value of any securities held by the Company in collective investment schemes managed by Henderson are excluded. An additional management fee, based on performance, of up to 0.65% per annum is payable if Henderson meets certain targets for the year. Full details are included in the Annual Report to 30 September 2015. A performance fee of £ nil has been accrued as at 31 March 2016 (31 March 2015: £1,028,000 and 30 September 2015: £1,300,000).

Management fees and finance costs are allocated 25% to revenue and 75% to capital in the Income Statement. The performance fee (when payable) is allocated 100% to capital. Tax relief in respect of such allocations is credited to capital to the extent that such relief can be utilised in reducing the Company's overall liability to taxation.

7. Investments held at fair value through profit of loss

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

Level 1: valued using quoted prices in active markets for identical assets

Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1

Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data

Financial Assets held at fair value through profit or loss at 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	227,160	-	-	227,160
Total financial assets carried at fair value	227,160	-	-	227,160

The investments were previously reported as Level 1 investments under FRS 29 fair value hierarchy and continue to be classified as Level 1 investments following the adoption of FRS 102 and the amendments to the fair value hierarchy issued in March 2016. There have been no transfers between levels of the fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note in the Company's Annual Report for the year ended 30 September 2015 and are equally applicable under both FRS 29 and FRS 102.

8. Going concern

Having reassessed the principal risks and uncertainties, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

9. Dividend

The Directors have declared an interim dividend of 7.5p per ordinary share (2015: 7.0p), payable on 28 June 2016 to shareholders registered on 27 May 2016. The shares will be quoted ex-dividend on 26 May 2016. Based on the number of ordinary shares in issue at 12 May 2016 of 20,600,761 the cost of this dividend will be £1,545,000.

10. Comparative information

The financial information contained in this half year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 March 2015 and 31 March 2016 has not been audited or reviewed by the Company's auditor. The figures and financial information for the year ended 30 September 2015 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

11. **General information**

Investment objective and style

The Company seeks to maximise total return from a focused portfolio of listed stocks, mainly in Continental Europe. The portfolio is unconstrained by benchmark and contains between 50 and 60 holdings at any one time. The portfolio has a bias to larger capitalised companies but it is able to invest in the equity of mid and smaller capitalised companies. The exposure to smaller capitalised stocks is normally limited to 10% of net asset value.

Company status

Registered in England and Wales: No. 427958.

Registered Office: 201 Bishopsgate, London EC2M 3AE.

Listed on the London Stock Exchange:

SEDOL/ISIN number is GB0005268858;

(EPIC) Code is HEFT.

Global Intermediary Identification Number (GIIN) is THMNPN.99999.SL.826.

Legal Entity Identifier (LEI) number is 213800GS89AL1DK3IN50.

Directors

The Directors of the Company are:

Rodney Dennis (Chairman), Alexander Comba (Chairman of the Audit Committee), Alain Dromer, Eliza Dungworth and Robin Archibald.

Secretary

The Corporate Secretary is Henderson Secretarial Services Limited.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersononeuropeanfocus.com

12. **Half year report**

This half year report will be available from the Company's registered office, 201 Bishopsgate, London EC2M 3AE. An update extracted from the Company's report for the half year ended 31 March 2016 will be posted to shareholders in late May and will be available on the website thereafter.