

HENDERSON VALUE TRUST PLC

HALF-YEAR REPORT (unaudited) for the six months ended 31 March 2014

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HENDERSON VALUE TRUST PLC

Unaudited Results for the half-year ended 31 March 2014

FINANCIAL HIGHLIGHTS

	(Unaudited) 31 March 2014	(Unaudited) 31 March 2013	(Audited) 30 September 2013
Net asset value per ordinary share	290.8p	290.4p	290.2p
Market price per ordinary share	240.0p	250.0p	245.0p
Total return per ordinary share	2.0p	12.1p	11.9p
Discount	17.5%	13.9%	15.6%
Ordinary shares in issue	47,751,404	47,751,404	47,751,404
Market capitalisation	£114.6m	£119.4m	£117.0m

TOTAL RETURN PERFORMANCE

To 31 March 2014	6 months %	1 year %	3 years %	5 years %	10 years %
Net asset value per ordinary share	1.1	1.0	-17.1	16.6	38.7
Share price	-1.5	-3.4	-18.3	19.9	30.8
FTSE World Index	5.9	7.6	27.0	102.1	130.6

Source: Morningstar

Total return performance assumes that net dividends are reinvested.

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

Half-Year ended 31 March 2014

It is now a year since Henderson Global Investors took over the management of the Company. At the time the Board agreed a three year programme of rebalancing the portfolio. At the AGM held in February shareholders endorsed the investment policy of growth through a diversified portfolio, including access to specialist funds not otherwise available through the market. Progress within that framework has been measured, rather than spectacular, but we are happy to confirm that changes in the portfolio are taking place in line with our expectations.

While patience has always been essential when adjusting a complex portfolio such as this in a disciplined way, there is no room for complacency. The numbers reveal steady, rather than exciting, performance: the NAV has only risen by 1.1% during the six months to 31 March 2014 against the FTSE World Index benchmark's gain of 5.9%. The Managers are carefully balancing the need to extract value from existing legacy investments with the necessity to take advantage of new opportunities. Twenty seven per cent of the portfolio now represents new holdings. During the six months under review these investments have outperformed legacy holdings. The Managers are also growing the income, enabling your Board to increase the annual dividend.

At the same time the share price has not yet responded positively to the changes implemented, stubbornly trading at a 17.5% discount to underlying NAV. Nonetheless the Managers continue to market the Company energetically, with a view to generating additional demand. Over time this initiative should help to re-rate the shares, particularly when set against a background of improving performance.

The Company is facing a continuation vote in December. The Board recognises that a vote in favour is by no means a done deal. In line with my promise in the annual report, we are in the late stages of appointing three new Directors. We have held extensive interviews with many well-qualified candidates. We hope to make a final decision of the first appointment - that of my successor as Chairman - in June. Shortly afterwards, this should be followed by two other appointments - a successor to Daniel Hodson as Chair of the Audit Committee and an ordinary member of the Board following the retirement of Peter Hulse in February.

We are fortunate that Ian Barrass has been day-to-day manager of the portfolio since the transfer to Henderson Global Investors a year ago. Shareholders will be sad to learn that, owing to the sale of Henderson's interests in a jointly owned investment vehicle with a third party, Paul Craig is leaving the Group. Paul has been co-manager of the portfolio and its steadfast advocate. His interest and assistance have been much appreciated.

One of the reasons for our final selection of Henderson to take over as managers was the depth of its investment team and the multiple skillsets that it offered. Henderson are replacing Paul Craig with James de Bunsen whose experience in the multi-asset area should offer confidence to investors. As Paul will not be leaving for several months there is ample time for a smooth handover.

The next six months, prior to the continuation vote, will be crucial for the Company. The Board is optimistic that the stabilisation process has now ended, that the adjusted investment policy is already beginning to bear fruit, that the market will respond positively to the changes made and that shareholders face a brighter future.

Shane Ross TD
Chairman

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company are market related and include market price, foreign exchange, interest rate, liquidity and credit risk.

Information on these risks is given in the Report and Financial Statements for the year ended 30 September 2013. In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months 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 2014 have been prepared in accordance with the Accounting Standards Board's statement 'Half-Yearly Financial Reports';
- 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 Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Shane Ross TD
Chairman

PORTFOLIO MANAGERS' REPORT
Half-Year ended 31 March 2014

Portfolio Overview and Company Performance

We made good progress towards re-aligning the Company's portfolio during the half-year to 31 March 2014. There is, however, considerable work still required to recycle a significant number of legacy investments. We are taking a measured approach to this exercise as we strive to maximise shareholder value from the legacy portfolio while at the same time being careful only to make investments in funds which meet our quality and target return thresholds. At 31 March 2014 investments by Henderson represented 27.6% of the Company's investment portfolio. This percentage will increase significantly as the portfolio transition reaches its conclusion over the next one to two years.

During this transitional period we are aiming to deliver a gradual and sustainable improvement in the Company's performance. After the NAV erosion of recent years, it is therefore encouraging that the Company achieved a positive 1.1% NAV total return during the half-year.

Although the Company's NAV has stabilised and has increasingly attractive growth potential, the Company's share price has yet to respond to the Company's improving prospects. As a result, the Company's share price discount to NAV per share of 17.5% remained unacceptably high at the half-year end.

During the second half of the current financial year we believe that the discount will be most effectively addressed through focusing on the two key priorities we identified in the Company's latest annual report. These are to continue to deploy the Company's capital into good quality funds and to generate new interest in the Company's shares through an active marketing programme.

Although positive, the Company's 1.1% NAV total return was below its FTSE World Index benchmark of 5.9%. This was mainly a result of the Company's significant weighting towards emerging markets compared with a benchmark dominated by developed markets. To illustrate this point, the FTSE Emerging Markets Index produced a total return of -1.4% during the period. Also, a number of the Company's holdings, both new and legacy, have a relatively low market beta with their performance being driven more by fund or sector specific issues. As a result, such holdings may not perform in line with markets in the short-term, but should have the potential to outperform over the longer-term.

Contribution Analysis

The tables below show the top and bottom five contributors to the Company's gross total return during the half-year to 31 March 2014.

Top Five Contributors	Total Return %	Average Weight %	Contribution %
Oryx International Growth Fund Limited	21.8	5.4	1.2
SW Mitchell Small Cap European Fund	23.9	2.2	0.5
Northern Investors Company plc	32.8	1.1	0.4
Eurovestech plc	10.0	3.2	0.3
NB Private Equity Partners Limited	16.9	1.8	0.3

Bottom Five Contributors	Total Return %	Average Weight %	Contribution %
City Natural Resources High Yield Trust plc	-14.7	1.8	-0.3
iO Adria Limited	-50.5	0.5	-0.3
Denholm Hall Russia Arbitrage Fund B	-44.5	0.6	-0.3
International Oil & Gas Technology Limited	-72.5	0.7	-0.5
Baring Vostok Investments Limited - cell	-19.9	3.3	-0.6

Two of our preferred core legacy holdings, **Oryx International Growth Fund Limited** and the long/short **SW Mitchell Small Cap European Fund**, delivered strong returns as the UK and European small cap sectors performed well during the period. The three other top contributors reflect the fact that the private equity sector continues to perform well. This is our largest asset class exposure.

The bottom five contributors included **Baring Vostok Investments Limited - cell** and **Denholm Hall Russia Arbitrage Fund B**, both of which have been impacted by the current uncertainty regarding Russia. **City Natural Resources High Yield Trust plc** continued to suffer from investors' overly negative view of the natural resources sector. This, however, led us to add to our holding in this fund just before the half-year end. **iO Adria Limited**, an illiquid Croatian real estate fund, was marked-down further following uncertainty regarding its prospects. At the half-year end it represented only 0.3% of the Company's NAV. Finally, **International Oil & Gas Technology Limited**, an illiquid UK-listed investor in companies with technologies which improve productivity in the oil and gas sector, had a torrid six months and required further funding to enable it to continue with the realisation of its remaining portfolio of three companies. The Company subscribed £0.1 million to the fund-raising.

Completely new investments made by Henderson since becoming the Company's manager generated a total return of 3.4% during the period compared with 1.2% return from remaining legacy holdings.

Portfolio Activity

Sales, Redemptions and Capital Returns

During the period the Company received a total of £8.5 million from the partial or complete sale of nine legacy holdings and 12 redemptions or capital returns. A selection of the most significant of these transactions is provided below.

Baring Vostok Investment Limited - cell (listed on the Channel Islands stock exchange) undertook a compulsory redemption following the partial disposal of its sole investment in Yandex Inc., the Russian Internet search engine listed on NASDAQ. This generated £1.7 million for the Company. **Century Capital Partners IV L.P.**, an unlisted private equity fund focused on the North American financial services sector, made a further distribution to its limited partners following two successful exits from its maturing investment portfolio. This produced £1.6 million for the Company. **Eclectica Credit Fund**, an unlisted vehicle focused on investment in credit default swaps, government and corporate bonds, interest rates, equities and equity derivatives, returned its capital to investors following a period of poor performance. This yielded £1.0 million for the Company. We sold 40% of the Company's holding in **Northern Investors Company plc**, a UK-listed private equity fund focused on small and medium sized businesses in northern England. This fund adopted a realisation strategy in 2011 which has to date been executed well leading to significant returns of cash. The resulting narrowing of the fund's discount created an attractive exit point. The sale generated £0.9 million for the Company. We also disposed of the Company's entire holding in **Baker Steel Resources Trust plc**, a UK-listed investor in early-stage natural resource companies, for £0.7 million. This followed a period of poor NAV performance and our concerns regarding the outlook for the fund's investee companies.

Purchases

A total of £16.4 million was invested in 10 holdings during the period. The most significant of these investments are described below.

Three of the investments reflected one of our current investment themes, namely the opportunities created for specialist lenders by the need for banks to address their balance sheet problems. We invested £3.0 million in the UK IPO of **Chenavari Capital Solutions Limited**, a specialist provider of capital efficient funding solutions to the European banking sector. We also invested £2.5 million in **GCP Sovereign Infrastructure Debt Limited**, a UK IPO providing high-yielding access to mezzanine infrastructure loans in the Gulf region. Finally, we increased our position with **NB Distressed Debt Investment Fund Limited**, the UK-listed distressed debt fund, by investing £2.5 million in a new global share class. Two other significant investments were made during the period. These were a £2.5 million purchase of **Blue Capital Global Reinsurance Fund Limited**, a UK-listed specialist reinsurer offering attractive risk-adjusted, uncorrelated returns and a £2.3 million investment in **BlackRock Latin American Trust plc** made as emerging markets were suffering at the turn of the year.

Outlook

At the time of writing there appears to be a lack of consensus regarding where world equity markets are heading in the short-term. This is of limited concern to us given that the time horizons for our core holdings are generally long-term. Our view is that by focusing on good quality managers and assets purchased at a fair price the Company's specialist and alternative asset investment mandate provides an exciting platform for the delivery of long-term out-performance against an essentially developed world equity market benchmark.

We are becoming increasingly positive about the outlook for the Company. This is for a number of reasons. For example, our new purchases are performing satisfactorily. There are also a number of legacy investments which we have identified as attractive and wish to retain. The remainder of the legacy portfolio will produce significant amounts of cash over the next one to two years for redeployment into good quality investments. At some point our emerging markets and natural resources weightings will provide attractive returns when investor sentiment improves towards these sectors. Finally, our aim to increase the Company's dividend yield is well on track.

Ian Barrass and Paul Craig
Co-Portfolio Managers

VALUE OF INVESTMENTS BY VEHICLE TYPE

Category of Listing	Value at 31 March 2014 (£)	Portfolio at 31 March 2014 (%)
Listed - Major exchange	70,858,483	56
Listed - Minor exchange	15,803,104	13
Unlisted - with redemption rights	24,198,069	19
Unlisted – without redemption rights	14,583,581	12
In Liquidation	167,511	0
Total	125,610,748	100

VALUE OF INVESTMENTS BY CLASSIFICATION

Investment Focus	Value at 31 March 2014 (£)	Portfolio at 31 March 2014 (%)
Specialist Sector	47,639,849	38
Specialist Geography	30,216,513	24
Private Equity	29,849,136	24
Hedge	12,190,865	10
Property	5,546,874	4
In Liquidation	167,511	0
Total	125,610,748	100

INVESTMENT PORTFOLIO

at 31 March 2014

Investments (excluding CFDs)	Cost £'000	Valuation £'000	% of Portfolio
Oryx International Growth Fund Limited#	5,122	8,594	6.8
Value Partners China Greenchip Limited*	1,141	5,651	4.5
Baring Vostok Investment Limited core~	2,087	5,636	4.5
Blackrock World Mining Trust plc#	7,065	5,439	4.3
Eurovestech plc~	0	4,832	3.8
SW Mitchell Small Cap European Fund*	2,486	3,740	3.0
Prospect Japan Fund Limited#	3,667	3,725	3.0
Metage Emerging Markets Opportunities Fund*	1,362	3,683	2.9
Baring Vostok Investment Limited cell~	97	3,405	2.7
Firebird Republics Fund Limited*	496	3,379	2.7
Ten largest	23,523	48,084	38.2
CEIBA Investments Limited**	4,457	3,127	2.5
Chenavari Capital Solutions Limited#	3,000	3,113	2.5
Standard Life European Private Equity Trust plc#	2,763	3,060	2.4
The Renewables Infrastructure Group Limited#	3,000	3,042	2.4
Weiss Korea Opportunity Fund Limited#	2,550	2,958	2.4
NB Private Equity Partners Limited#	2,617	2,861	2.3
City Natural Resources High Yield Trust plc#	2,100	2,848	2.3
Zouk Solar Opportunities Limited**	840	2,822	2.2
Polar Capital Global Financials Trust plc#	2,500	2,700	2.1
GCP Sovereign Infrastructure Debt Limited#	2,450	2,603	2.1
Twenty largest	49,800	77,218	61.4
NB Distressed Debt Investment Fund Limited - New Global Shares#	2,500	2,550	2.0
Century Capital Partners IV L.P.**	0	2,474	2.0
Firebird New Russia Fund Limited*	427	2,460	2.0
Real Estate Credit Investments PCC Limited#	2,480	2,440	1.9
Tetragon Financial Group Limited#	2,805	2,381	1.9
Blue Capital Global Reinsurance Fund Limited#	2,505	2,364	1.9
ASM Asian Recovery Fund**	600	2,300	1.8
NB Distressed Debt Investment Fund Limited - Extended Life Shares#	2,300	2,240	1.8
Blackrock Latin American Investment Trust Plc#	2,288	2,111	1.7
Prosperity Voskhod Fund Limited#	1,683	2,045	1.6
Thirty largest	67,388	100,583	80.0
IP Fund SPC - VBF Segregated Portfolio - Class A*	1,248	2,021	1.6
BP Marsh & Partners plc#	938	1,988	1.6
Eclectica Fund*	2,225	1,894	1.5
Crystal Amber Fund Limited#	1,176	1,823	1.5
South African Property Opportunities plc#	3,114	1,580	1.3
Amber Trust SCA**	702	1,405	1.1
IP Fund SPC - VBF Segregated Portfolio - Class C*	822	1,371	1.1
Firebird Republics Fund SPV**	232	1,259	1.0
Northern Investors Company plc#	317	1,231	1.0
EPE Special Opportunities plc (CULS)~	411	980	0.8
Forty largest	78,573	116,135	92.5

Investments (excluding CFDs) continued	Cost £'000	Valuation £'000	% of Portfolio
Ludgate Environmental Fund Limited#	1,825	972	0.8
Strategic Equity Capital plc#	461	753	0.6
EPE Special Opportunities plc (Ordinary)#	136	619	0.5
Acheron Portfolio Corporation (A Shares)~	812	591	0.5
Forterra Trust (<i>formerly Treasury China Trust</i>)#	776	483	0.4
Denholm Hall Russia Arbitrage Fund B - Investment**	3,862	464	0.4
iO Adria Limited~	3,171	358	0.3
Steel Partners China Access I L.P.**	178	311	0.2
International Oil & Gas Technology Limited#	2,626	294	0.2
Geiger Counter Limited#	680	236	0.2
Fifty largest	93,100	121,216	96.6
Renewable Energy & Environmental Infrastructure Fund II L.P.**	528	211	0.2
Armadillo Investments Limited	813	132	0.1
Denholm Hall Russia Arbitrage Fund B - Redemption**	948	111	0.1
Value Catalyst Fund Limited**	242	102	0.0
Polar Capital Global Financials Trust - Subscription Shares#	0	75	0.0
Low Carbon Accelerator Limited	2,363	36	0.0
China CDM Exchange Centre Limited~	137	1	0.0
Shimoda Resources Holdings Inc	1,207	0	0.0
Exbus Industries	0	0	0.0
Buena Vista Latin America Fund Culs**	1,831	0	0.0
Sixty largest	101,169	121,884	97.0
Buena Vista 0% 25/10/14 Convertible**	5	0	0.0
Buena Vista Latin America Fund Limited**	1,500	0	0.0
Intrinsic Value plc	282	0	0.0
PSource Structured Debt Limited	4,529	0	0.0
Strathdon Investments Plc**	956	0	0.0
Thompson Clive Investments Plc	144	0	0.0
Total Investments	108,585	121,884	97.0

	Gross market exposure £'000	Fair value of CFD £'000	% of Portfolio
CFD Assets			
Jupiter European Opportunities Trust Plc#	7,455	2,713	2.2
JP Morgan Russian Securities plc#	1,049	520	0.4
Ecofin Water and Power Opportunities plc#	3,018	494	0.4
	11,522	3,727	3.0
Total Investments (excluding CFDs)		121,884	97.0
Total CFD Assets		3,727	3.0
Total Portfolio		125,611	100.0

#Listed - Major market

~Listed - Minor market

*Unlisted investment - with redemption rights

** Unlisted investment - without redemption rights

Note: no symbol indicates in liquidation

Major market includes: London Stock Exchange (full listing & AIM), Frankfurt Stock Exchange and the Singapore Stock Exchange

~ Minor market includes: Luxembourg Stock Exchange, Channel Islands Stock Exchange, Bermuda Stock Exchange, ISDX and LMMX

INCOME STATEMENT
for the half-year ended 31 March 2014

	(Unaudited)			(Unaudited)			(Audited)		
	Half-year ended			Half-year ended			Year ended		
	31 March 2014			31 March 2013			30 September 2013		
	Revenue	Capital		Revenue	Capital		Revenue	Capital	
return	return	Total	return	return	Total	return	return	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Investment income	1,104	-	1,104	549	-	549	1,214	-	1,214
Exchange differences	-	(92)	(92)	-	389	389	-	49	49
Gains on investments held at fair value through profit or loss	-	755	755	-	5,983	5,983	-	6,347	6,347
Total income	1,104	663	1,767	549	6,372	6,921	1,214	6,396	7,610
Expenses (Note 2)									
Management fees	(49)	(439)	(488)	(48)	(430)	(478)	(82)	(735)	(817)
Other expenses	(169)	(20)	(189)	(456)	-	(456)	(687)	(56)	(743)
Net return before interest and taxation	886	204	1,090	45	5,942	5,987	445	5,605	6,050
Finance costs	(11)	(102)	(113)	(18)	(166)	(184)	(34)	(310)	(344)
Net return on ordinary activities before taxation	875	102	977	27	5,776	5,803	411	5,295	5,706
Taxation	-	-	-	-	-	-	(6)	-	(6)
Net return on ordinary activities after taxation	875	102	977	27	5,776	5,803	405	5,295	5,700
Return per ordinary share (Note 3)	1.83p	0.21p	2.04p	0.06p	12.01p	12.07p	0.85p	11.07p	11.92p

The total column of this statement represents the profit and loss account of the Company.

The Company had no recognised gains or losses other than those recognised in the Income Statement.

No operations were acquired or discontinued in the period.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the half-year ended 31 March 2014

	(Unaudited)					
	Half-year ended 31 March 2014					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2013	11,938	10,966	6,515	108,430	731	138,580
Return attributable to shareholders	-	-	-	102	875	977
Ordinary dividends	-	-	-	-	(716)	(716)
Balance at 31 March 2014	11,938	10,966	6,515	108,532	890	138,841

	(Unaudited)					
	Half-year ended 31 March 2013					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2012	12,093	10,966	6,360	104,501	1,281	135,201
Return attributable to shareholders	-	-	-	5,776	27	5,803
Ordinary dividends	-	-	-	-	(955)	(955)
Share buy backs	(155)	-	155	(1,367)	-	(1,367)
Balance at 31 March 2013	11,938	10,966	6,515	108,910	353	138,682

	(Audited)					
	Year ended 30 September 2013					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2012	12,093	10,966	6,360	104,501	1,281	135,201
Return attributable to shareholders	-	-	-	5,295	405	5,700
Ordinary dividends	-	-	-	-	(955)	(955)
Cancellation of treasury shares	(14)	-	14	-	-	-
Share buy backs	(141)	-	141	(1,366)	-	(1,366)
Balance at 30 September 2013	11,938	10,966	6,515	108,430	731	138,580

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET
at 31 March 2014

	(Unaudited)	(Unaudited)	(Audited)
	31 March	31 March	30
	2014	2013	September
	£'000	£'000	£'000
Fixed assets			
Investments held at fair value through profit or loss	125,611	120,482	119,191
Current assets			
Securities sold for future settlement	214	1,901	-
Taxation recoverable	-	6	-
Prepayments and other receivables	231	165	26
Cash at bank	-	17,163	1,381
Money market funds	5,945	-	11,672
Cash held as CFD margin deposit	7,356	-	8,773
Total current assets	13,746	19,235	21,852
Creditors: amounts falling due within one year			
Securities purchased for future settlement	-	336	134
CFD liabilities held at fair value through profit or loss	-	-	2,040
Accruals and deferred income	287	48	289
Bank overdraft	229	651	-
	516	1,035	2,463
Net current assets	13,230	18,200	19,389
Total assets less current liabilities	138,841	138,682	138,580
Capital and reserves:			
Share capital (Note 5)	11,938	11,938	11,938
Share premium	10,966	10,966	10,966
Capital redemption reserve	6,515	6,515	6,515
Capital reserves	108,532	108,910	108,430
Revenue reserve	890	353	731
Total equity shareholders' funds	138,841	138,682	138,580
Net asset value per ordinary share (pence) (Note 6)	290.76	290.42	290.21

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT

for the half-year ended 31 March 2014

	(Unaudited) Half-year ended 31 March 2014 £'000	(Unaudited) Half-year ended 31 March 2013 £'000	(Audited) Year ended 30 September 2013 £'000
Reconciliation of revenue before interest and taxation to net cash inflow from operating activities			
Net return before interest and taxation	1,090	5,987	6,050
Net gains on investments	(663)	(6,372)	(6,396)
Transaction costs	20	17	56
Movement in debtors	(205)	1,378	(26)
Movement in creditors	(2)	(507)	(266)
Net cash inflow/(outflow) from operating activities	<u>240</u>	<u>503</u>	<u>(582)</u>
Returns on investment and servicing of finance			
Finance costs paid	<u>(113)</u>	<u>(184)</u>	<u>(344)</u>
Capital expenditure and financial investment			
Purchases of fixed asset investments	(14,414)	(10,751)	(29,362)
Sales of fixed asset investments	6,341	21,977	43,546
	<u>(8,073)</u>	<u>11,226</u>	<u>14,184</u>
Equity dividends paid			
	<u>(716)</u>	<u>(955)</u>	<u>(955)</u>
Management of liquid resources			
Purchases of money market funds	(12,552)	-	(27,052)
Sales of money market funds	18,279	-	15,380
Net cash inflow/(outflow) from management of liquid resources	<u>5,727</u>	<u>-</u>	<u>(11,672)</u>
Net cash (outflow)/inflow before financing	<u>(2,935)</u>	<u>10,590</u>	<u>631</u>
Financing			
Share buybacks	-	(1,367)	(1,366)
(Decrease)/Increase in cash	<u>(2,935)</u>	<u>9,223</u>	<u>(735)</u>
Reconciliation of net cash flow to movement in net cash			
Movement in cash in the period	(2,935)	9,223	(735)
Net cash at start of period	21,826	10,840	10,840
Net change in liquid resources	(5,727)	-	11,672
Exchange rate differences	(92)	389	49
Net cash at end of the period	<u>13,072</u>	<u>20,452</u>	<u>21,826</u>

Net cash at the end of the half-year comprises bank overdraft of £229,000, cash held at UBS related to CFD transactions of £7,356,000 and balances held at money market funds of £5,945,000.

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies - basis of preparation

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's Report and Financial Statements for the year ended 30 September 2013 and in accordance with IAS 34. The financial statements have not been audited or reviewed by the Company's auditors.

2. Expenses and Management Fees

Expenses, finance costs and taxation for the period over the six months to 31 March 2014.

Henderson Global Investors Limited ('Henderson') receives a management fee of 0.7% per annum, payable quarterly, of net chargeable assets calculated on the last day of the relevant quarter. Management fees are allocated 90% to capital and 10% to revenue.

3. Earnings per ordinary share

The earnings per ordinary share figure is based on the net profit for the half-year of £977,000 (half-year ended 31 March 2013: £5,803,000; year ended 30 September 2013: £5,700,000) and on 47,751,404 (half-year ended 31 March 2013: 48,094,269; year ended 30 September 2013: 47,811,425) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) 31 March 2014 £'000	(Unaudited) 31 March 2013 £'000	(Audited) 30 September 2013 £'000
Net revenue profit	875	27	405
Net capital profit	102	5,776	5,295
Total profit	977	5,803	5,700
Weighted average number of ordinary shares in issue during the period	47,751,404	48,094,269	47,811,425
	Pence	Pence	Pence
Revenue profit per ordinary share	1.83	0.06	0.85
Capital profit per ordinary share	0.21	12.01	11.07
Total profit per ordinary share	2.04	12.07	11.92

4. Dividends

The Company has not declared an interim dividend (2013: nil).

The final dividend of 1.5p per ordinary share, paid on 28 March 2014, in respect of the year ended 30 September 2013, has been recognised as a distribution in the period.

5. Called up share capital

At 31 March 2014 there were 47,751,404 ordinary shares in issue (31 March 2013: 47,751,404; 30 September 2013: 47,751,404). During the half-year ended 31 March 2014 there were no ordinary shares bought back (half-year ended 31 March 2013: 564,142; year ended 30 September 2013: 564,142).

The cost of the share buy-backs, including stamp duty, amounted to nil (half-year ended 31 March 2013: £1,367,677; year ended 30 September 2013: £1,367,677)

6. **Net asset value per ordinary share**

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £138,841,000 (31 March 2013: £138,682,000; 30 September 2013: £138,580,000) and on 47,751,404 (31 March 2013: 47,751,404; 30 September 2013: 47,751,404) ordinary shares, being the number of ordinary shares (excluding treasury shares) in issue at the period end.

7. **Transaction costs**

Purchase transaction costs for the half-year ended 31 March 2014 were £17,000 (half-year ended 31 March 2013: £5,000; year ended 30 September 2013: £32,000). These comprise mainly stamp duty and commission. Sale transaction costs for the half-year ended 31 March 2014 were £3,000 (half-year ended 31 March 2013: £12,000; year ended 30 September 2013: £24,000).

8. **Going concern**

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

9. **Related party transactions**

Details of related parties are contained in the Report and Financial Statements for the year ended 30 September 2013. Other than fees payable by the Company in the ordinary course of business, there have been no material transactions with the Company's related parties affecting the financial position or performance of the Company during the half-year.

10. **Comparative information**

The financial information contained in this half-yearly financial 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 2014 and 31 March 2013 has not been audited.

The information for the year ended 30 September 2013 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

11. **General information**

a) Company Objective

The Company exploits global opportunities to provide long-term growth to shareholders via a diversified, international, multi-strategy portfolio which offers access also to specialist funds including hedge and private equity.

b) Company Status

The Company is an investment trust company, registered in Scotland with company registration number SC015905.

The SEDOL/ISIN number is GB0001216000.

The London Stock Exchange (EPIC) Code is HVTR.

The Company's Legal Entity Identifier (LEI) is 213800J6LLOCA3CUDF69.

The Company's Global Intermediary Identification Number (GIIN) is AEFUI2.99999.SL.826.

c) Directors, Secretary and Registered Office

The Directors of the Company are Shane Ross TD (Chairman), Daniel Hodson (Senior Independent Director and Audit Committee Chairman), Graham Fuller and Jamie Korner.

The Corporate Secretary is Henderson Secretarial Services Limited, represented by Rachel Peat, ACIS.

The registered office is Leven House, 10 Lochside Place, Edinburgh Park, Edinburgh EH12 9RG.

d) 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.hendersonvaluetrust.com

12. Financial Report for the half-year ended 31 March 2014

An abbreviated version of this Report, the Half-Year Update, will be circulated to shareholders in June. Copies of the Half-Year Update will be available from the Secretary at the Company's correspondence address 201 Bishopsgate, London EC2M 3AE.