

# Henderson Value Trust plc

Report and Financial Statements for the year ended 30 September

# 2013



(formerly SVM Global Fund plc)

# Henderson Value Trust plc

<b>Objective</b>	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>Investment Policy</b>	The Company aims to achieve its objective and to diversify risk by investing in shares, investment funds, exchange traded funds, contracts for difference ('CFDs'), warrants and related instruments.
<b>Benchmark</b>	The Company measures its performance against the FTSE World Index.
<b>Borrowings</b>	The Company may use gearing to enhance returns to shareholders; the Company may borrow up to 20% of the value of its net assets. Borrowings for these purposes includes implied gearing through the use of CFDs.
<b>Manager</b>	The investment management of the Company was transferred from SVM Asset Management Limited to Henderson Global Investors Limited on 1 April 2013. The day-to-day management of the portfolio is carried out by Ian Barrass and Paul Craig.
<b>Continuation Vote</b>	At the Annual General Meeting held in December 2011 shareholders approved the continuation of the Company and the Articles of Association were revised so that the continuation vote would be put to every third subsequent AGM.
<b>Website</b>	Information about the Company can be found on the website <a href="http://www.hendersonvaluetrust.com">www.hendersonvaluetrust.com</a>

## Financial Highlights

	30 September 2013	30 September 2012	Change %
<b>Net asset value per ordinary share</b>	<b>290.2p</b>	279.8p	+3.7
<b>Market price per ordinary share</b>	<b>245.0p</b>	253.5p	-3.4
<b>Total return per ordinary share</b>	<b>11.9p</b>	-40.9p	
<b>Discount</b>	<b>15.6%</b>	9.4%	
<b>Ongoing charges</b>	<b>0.84%</b>	0.93%	
<b>Market capitalisation</b>	<b>£117.0m</b>	£122.6m	

## Total Return Performance

To September 2013	6 months %	1 year %	3 years %	5 years %	10 years %
Net asset value per ordinary share	-0.2	4.3	-7.7	-8.3	61.1
Share price	-2.0	-2.6	-5.6	-20.6	57.8
FTSE World Index	1.7	19.0	34.5	65.1	132.4

Source: Morningstar

Total Return Performance assumes that net dividends are reinvested.

### Ten Year Historical Performance to 30 September 2013



Source: Datastream (rebased to 100)

— Net asset value

— Ordinary share price

— FTSE World Index

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# Strategic Report

## Chairman's Statement

2013 has marked a new departure for Henderson Value Trust (formerly SVM Global). Following the difficulties of 2012 the Board has made the fundamental changes to the operations of the Company promised in last year's Chairman's Statement.

In January we held a beauty parade of fund managers bidding to manage the Company. After an exhaustive process – interviewing a dozen candidates – the Directors awarded the management contract to Henderson Global Investors.

I would like to thank former managers, SVM Asset Management, for their two decades stewardship of the Company and to acknowledge their success in the earlier years.

We selected Henderson because of its dynamic management reputation, its wide global reach, its universally respected brand and its rigorous risk controls. We were particularly impressed by the proven track record and the presentations of the Company's current joint managers, Ian Barrass and Paul Craig. We were keen to utilise the former's specialist knowledge of unlisted and illiquid stocks and to give shareholders an opportunity to benefit from the talents of the latter, demonstrated by his management of Henderson's highly successful Cirilium funds.

At the AGM in March 2013 shareholders overwhelmingly approved the appointment of Henderson. At the same meeting they endorsed a change of name from SVM Global Fund plc to Henderson Value Trust plc.

Simultaneously, the Directors had resolved to put the Company's external audit out to tender. We completed that process in October. After interviewing four firms we have decided, subject to shareholder approval at the AGM in February 2014, that Grant Thornton UK LLP be appointed the Company's auditor. I would like to thank Ernst & Young LLP for their service to the Company.

At the last AGM I pledged to put forward a plan for refreshment of the Board. As an initial step in May the Board appointed Jamie Korner as a Director. I should like to welcome Jamie to the Board. His biographical details appear on page 18.

We believe that the time is now right for further changes. As we have all served over nine years, the three longest-serving directors – Daniel Hodson, Peter Hulse and I – will make way for successors in 2014. Peter Hulse will stand down at the AGM in February. Daniel Hodson and I will step aside after the AGM in December 2014. During the coming year we will recruit a successor to Peter and select candidates for the positions of Chairman of the Board and of the Audit Committee. We will employ independent agencies to initiate the process in all three cases.

Last year the Directors and I promised that the verdict on current progress and the future of the Company itself should be determined by the shareholders at an early date. Consequently we will hold a continuation vote at the December 2014 AGM.

We believe that the promised continuation vote is the appropriate time for a handover by the Chairman and the Chairman of the Audit Committee. It is the Directors' intention that by December the portfolio will have been reconfigured to reap the rewards on which the Directors, Manager and shareholders are focused. We are determined that Henderson Value Trust will offer shareholders a future with a greatly improved potential of above average returns.

Much of that hope hinges on a good investment performance. Initial signs encourage optimism that the setback in the Company's performance is already being reversed by the new team at Henderson.

While the Company is still underperforming its peers, we have discouraged the new Managers from feeling pressurised into making short-term decisions in pursuit of ephemeral performance gains. We recognise that a significant number of the underperforming stocks which remain from the previous portfolio are illiquid or unquoted. We do not wish to encourage face-saving sales ahead of the continuation vote but to ensure that any latent value in these holdings is realised to the benefit of shareholders.

In September last year, at the request of Henderson, the Board agreed some additional investment guidelines to provide a more structured framework for the Manager to maintain appropriate portfolio diversification. In each case the Board has been guided by the need for prudent monitoring of risk. The gearing limit remains at 20% of net assets.

The Board has decided that these guidelines should now be incorporated into an amended investment policy. Accordingly, it is proposed that a resolution to approve amendment of the investment policy be put to shareholders at a General Meeting to be held after the Company's Annual General Meeting in February 2014. Shareholders will receive a separate circular setting out the current and amended investment policy and Notice of General Meeting. The Company's investment objective is unchanged.

The Board is recommending a dividend of 1.5p per share. Although the proposed payment is 25% lower than last year, owing to the Company's reduced net income, it is higher than the minimum dividend of 0.44p per share required for the Company to maintain its investment trust status. The Directors have decided to draw on the Company's revenue reserve to pay this amount. While the Company intends to continue generating most of its return through capital growth, there is potential for a progressive dividend policy if Henderson is able, as planned, to increase the cash yield from the investment portfolio.

In response to the Alternative Investment Fund Managers Directive ('AIFMD') being written into UK legislation with effect from 22 July 2013, the Board have agreed in principle that Henderson will be appointed the Company's Alternative Investment Fund Manager. The appointment of an independent depositary, which will provide an independent monitoring role to ensure the Company complies with the regulations of AIFMD, is currently being finalised. The Company will be fully compliant by the time the transitional period ends in July 2014.

I would like to thank shareholders for the endorsement of our proposals for the future of the Company at the last AGM. We are determined to justify that vote of confidence following a difficult period. We are optimistic that when we report next year, we will be able to recommend with confidence that you support the continuation vote due in December 2014.

Shane Ross TD  
Chairman  
10 January 2014

# Strategic Report

## Portfolio Managers' Report

### Change of Investment Manager

Henderson Global Investors Limited ('the Manager') assumed the role of the Company's investment manager with effect from 1 April 2013, exactly half-way through the Company's financial year.

Our first six month period as Manager to 30 September 2013 saw good initial progress. We made significant early strides in analysing and re-positioning the Company's investment portfolio. These developments are described in more detail below. Also, the fund transition process was completed promptly and efficiently in relation to the Company's operational, accounting, administrative and company secretarial requirements. These are now being met by the Manager and its outsourced service providers.

### Company Performance

The Company's overall performance for the full-year to 30 September 2013 was unsatisfactory compared with its FTSE World Index benchmark. On a total return basis, whilst the benchmark increased by 19.0%, the Company's net asset value ('NAV') per ordinary share increased by only 4.3%. In addition, the Company's discount widened from 9.4% to 15.6%.

There were a number of reasons for the Company's underperformance against its benchmark. At a high level, global equities saw the strongest performance in developed markets such as the US, Japan and Europe, whereas the Company went into the financial year with relatively low asset weightings in these areas, particularly the US and Japan. In addition, the Company's traditionally heavier weightings to higher growth emerging markets, notably in Russia and Eastern Europe, were impacted by the sharp fall in emerging markets in the second half of the year. Finally, the Company entered the year with a significant exposure to the resources and commodities sector, which suffered a torrid period.

It is important to recognise, however, that the Company's portfolio does not seek to replicate the FTSE World Index. It tends to focus on investments that are either specialist or niche in nature or, in some cases, have proved to be less liquid and prone to persistent discounts, even in rising markets. Despite this our view is that the FTSE World Index is still a reasonable benchmark for the Company. This is because over the medium to long-term the Company's specialist and alternative fund investment mandate should, given its overall risk profile, be expected to outperform global equity markets.

Our goal is therefore to secure satisfactory returns from the Company's portfolio by gradually improving the quality of its investments through a rigorous and disciplined approach to fund selection and portfolio management. Whilst we appreciate the understandable desire of shareholders to see a significant and early improvement in performance, the benefits of changes to the portfolio may not realistically emerge in full until after the Company's next triennial continuation vote due at the end of 2014. This reflects that we are pursuing a measured approach to portfolio change. What this means in practice is taking care in both the selection and timing of disposals, retaining good quality holdings in the inherited portfolio and ensuring that new investments are of sufficient

quality and value to provide attractive returns over a reasonable timeframe. With this in mind, whilst our investment selection and on-going portfolio management is driven heavily by our 'bottom-up' analyses of fund quality, it must also be informed by our views on the impact of macro-economic and market conditions on the asset classes, geographies and sectors in which we choose to invest.

### Company Strategy

We are strongly of the view that the Company has an exciting future as a specialist fund of funds and can provide its shareholders a differentiated investment opportunity. This can be achieved by adhering to the Company's mandate which we believe is to provide access to a global, diversified portfolio of mainly specialist and alternative asset funds.

The Company's focus on listed and unlisted specialist and alternative asset funds is central to its raison d'être. The Company derives its differentiation from holding a significant portion of its portfolio in funds which are not regarded as widely-held, liquid, listed, mainstream investments. We recognise, however, that successful investment in such funds, which often have reduced liquidity and are specialist in nature, requires a strong focus on manager and asset quality and clarity on how and when value is likely to be generated for investors.

Historically the Company has adopted an activist stance to realise value in certain investments. Even though this may have proved a successful strategy in the past, shareholders should be aware that this approach is not a priority of the new Manager. Going forward, by focusing on higher quality funds, situations requiring more activist-style engagement are less likely to either exist or arise.

### Portfolio Analysis

On assuming the role of Manager we immediately undertook a full analysis of the Company's investment portfolio which, at 1 April 2013, contained 58 active holdings.

As a priority, we completed a valuation review of the Company's unlisted/illiquid investments in conjunction with the Company's auditor, Ernst & Young, and Henderson Group plc's Fair Value Pricing Committee ('the Valuation Review'). The main purpose of this exercise was to provide comfort to shareholders that the valuation issues of the previous financial year have been fully addressed.

The Valuation Review led to reductions in the valuations of the Company's investments in three emerging market property funds, being **iO Adria Limited**, **Buena Vista Latin American Fund Limited** and **CEIBA Investments Limited**. These valuation reductions totalled £4.0 million and were disclosed promptly to the market through the Company's weekly NAV announcements. They were also included in the Company's 31 March 2013 half-year financial statements. The Valuation Review also identified that the Company's investment in **Zouk Solar Opportunities Limited** ('Zouk') should in future be valued using Zouk's manager's fair valuation of Zouk's investments. Previously the Company's valuation of Zouk's investments had been based on Zouk's financial statements which accounted for its investments as fixed assets at cost in line with IFRS requirements. This change resulted in a £2.1 million uplift in the Company's

# Strategic Report

## Portfolio Managers' Report

continued

valuation of its holding in Zouk. This was announced to the market in May 2013.

Our analysis of the remainder of the Company's portfolio was designed to provide us with a thorough understanding of the quality of each investment and the overall construction of the portfolio.

With regard to individual investments, each holding was subjected to a qualitative and quantitative analysis resulting in the formulation of an initial view on whether to hold or sell at some future point. The key areas of evaluation for each holding were, and continue to be, the quality of manager, the quality of underlying assets, the attractiveness of the relevant asset class, geography or sector and the estimated timing and quantum of returns. Whilst this exercise identified some clear candidates for early disposal (see below), it also showed that the portfolio included a significant number of good quality investments which should be capable, over time, of providing satisfactory returns.

Our analysis of the Company's portfolio construction has helped us to identify ways of providing more detail and clarity to shareholders regarding the type, classification and diversification of the Company's holdings. The outputs from this exercise are provided on pages 8 to 12. It has also allowed us to devise an expanded set of informal investment guidelines which can be found in the section headed Investment Guidelines on page 14 of this report. These guidelines, which have been approved by the Company's Board, provide a more structured and balanced framework for maintaining portfolio diversification without creating unnecessary constraints. The Board has decided that these guidelines should now be incorporated into an amended investment policy as referred to in the Chairman's Statement.

### Portfolio Activity

Shareholders can follow our latest portfolio activity by reading the monthly Manager commentary on the Company's website. The address of the website is [www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.com)

### Sales, Redemptions and Capital Returns

Portfolio activity between 1 October 2012 and 31 March 2013 was the responsibility of the Company's previous investment manager, with activity being focused mainly on investment disposals in the first quarter of the financial year. Most notably, the previous manager reduced the Company's exposure to Russia and Eastern Europe by partial redemptions of holdings in **Firebird New Russia Fund Limited** and **Firebird Republics Fund Limited** and full redemption of the Company's investment in **Ukrainian Investment Fund Limited**.

During the half-year following our appointment as Manager on 1 April 2013, the Company received £13.0 million from sales or redemptions and a further £7.9 million from capital returns.

Seven of the Company's holdings were the subject of sales or redemptions during the second half-year period. These changes were made for a variety of reasons encompassing unsatisfactory historical performance, the potential for further underperformance or unattractive geographic or sector exposures. In addition, it was also considered desirable to take profits on certain holdings which we believed had performed well but had reached an attractive exit point.

The largest cash receipt of £4.7 million arose from the redemption of the Company's entire holding in the **Maya Market Neutral Fund**, an automated quantitative hedge fund designed to deliver market neutral returns. This decision reflected the fund's under-performance during 2012 and also the fact that such a strategy was unlikely to meet our minimum target return requirements for the Company's investments.

£3.6 million was generated by the sale of the Company's holding in **Tag Immobilien AG**, a Frankfurt-listed German residential property company. The sale followed a sustained period of positive share price performance.

The Company's investment in **Cambium Global Timberland Limited**, a poor-performing AIM-listed forestry fund, was sold for £2.0 million. Having undertaken a review of the outlook for the value of the fund's assets, it was concluded that satisfactory NAV recovery was unlikely in the foreseeable future.

The Company's holding in **Strategic Equity Capital plc**, a UK-listed investor in UK small caps with an engagement focus, was reduced through two separate sales into a strengthening share price and narrowing discount. These sales generated cash of £1.9 million.

£377k was raised through the partial sale of the Company's CFD position in **Advance Frontier Markets Fund Limited**, a UK-listed fund of funds focused on frontier markets. Again this followed a period of good price performance.

The Company's CFD holding in **STXE 600 Euro Banks** index fund was sold at a profit of £249k. This reflected our preference to invest in actively managed funds rather than index-based products.

Finally, sales or redemptions during the second half-year period were completed by a 25% reduction in the Company's holding in **Juridica Investments Limited**, a UK-listed litigation fund. This followed strong news flow and a narrowing discount. This generated £218k of cash.

Capital returns, via compulsory redemptions or tender offers, were received from six of the Company's investments.

The largest of these was received from **Baring Vostok Investments Limited**, a Russian private equity vehicle listed on the Channel Islands Stock Exchange. £2.6 million of cash was received by the Company by way of a compulsory redemption following the realisation of a further block of shares in the fund's highly successful investment in Yandex Inc., the Russian equivalent of Google, which is now listed on NASDAQ.

**Zouk Solar Opportunities Limited**, an unlisted vehicle with a good quality portfolio of operational solar energy investments in the UK and Italy, returned £2.5 million following the successful sale of part of its UK assets.

We took the fullest advantage possible of a tender offer by **Value Catalyst Fund Limited**, an unlisted fund with a property bias, in order to create further liquidity. £1.2 million was received following the successful tender of 80% of the Company's holding.



# Strategic Report

## Portfolio Managers' Report

continued

**Prosperity Voshkod Fund Limited**, a UK-listed fund which invests in Russian equities returned £0.9 million as part of its newly adopted realisation strategy.

**South African Property Opportunities plc**, a UK-listed investor in South African real estate, rewarded long-suffering shareholders with a capital return which produced £0.4 million for the Company.

**Trading Emissions plc**, a poor-performing UK-listed investor in environmental markets returned £167k.

We also took advantage of a small tender offer by **Strategic Equity Capital plc** to generate a further £176k.

Further sales, redemptions and capital returns have occurred since the year end. These have generated cash of £2.5 million. Several other holdings have also been identified for disposal. These are, however, currently being retained until improved exit prices can be achieved.

In addition, it is also important for shareholders to note that 14 of the Company's investments are currently in some form of realisation or run-off process. At the 30 September 2013 year end these represented 22% of the Company's NAV. This maturing tranche of the portfolio, which contains a number of the Company's less liquid holdings, is likely to generate substantial cash for redeployment over the next two to three years. Each of these holdings will, however, continue to be under review to the extent that we determine at any point that it would be more financially beneficial to sell or redeem rather than await cash returns.

### Purchases

As alluded to above, under the circumstances the previous manager engaged in very limited new purchase activity in the first half of the financial year.

During the half-year following our appointment as Manager on 1 April 2013, nine new purchases were completed for a total cash consideration of £21.0 million.

The nine investments covered a number of our current themes and preferences. Three of our new investments were in parts of the private equity sector which, we believe, still offer good value. Three investments were also made in specialist credit funds which, following a period of outstanding performance over the last few years, are still capable of providing attractive normalised returns including a significant cash component. We also made three investments in specialist funds focused on areas that we believe have good return dynamics, being South Korean preference shares, renewable energy and the global banking and insurance sector. More generally, it should be noted that a number of these new investments have increased the Company's exposure to US based assets in an attempt to capture more of the benefit of the improvement in US economic performance. In addition, some of them will contribute significantly to increasing the cash yield within the portfolio which may in future facilitate a more progressive dividend policy.

Our three private equity investments are described below.

First, we invested £2.6 million in **NB Private Equity Partners Limited**, a vehicle listed in the UK and on Euronext Amsterdam. Purchased on a discount of over 20%, NB Private Equity Partners Limited has a cash-generative relatively mature fund of funds portfolio which is benefiting from the strong selling conditions for good quality corporate assets in the US and Europe. The fund's strategy is to close its discount by increasing dividends and redeploying cash receipts towards potentially higher-returning direct private equity investments. In addition, since the Company invested, a large stock overhang has been considerably reduced.

Secondly, we invested £2.8 million in **Standard Life European Private Equity Trust plc**, a UK-listed private equity fund of funds with a portfolio of cash-generative mature funds which, like NB Private Equity Partners Limited, is benefiting from good selling conditions for its underlying fund investments which should translate into NAV growth. This purchase was also made at an attractive discount of over 20%.

Our third private equity investment related to the Company's existing holding in **Baring Vostok Investments Limited ('BVIL')**. In July we took the opportunity to participate in the restructuring of this vehicle, which has historically proved to be one of the Company's best performing investments. Previously BVIL had a commitment to only one of Baring Vostok's unlisted Russian private equity funds which now has only three remaining investments. The restructuring involved assets from two other unlisted Baring Vostok funds being transferred into BVIL in consideration for new BVIL 'Core' shares. In addition, a \$32 million placement raised funding for BVIL to make co-investments alongside Baring Vostok's latest unlisted fund. The Company subscribed for \$3.0 million (£2.0 million) in the placement. In addition, existing investors in BVIL such as the Company were issued with new BVIL 'Cell' shares in order to ring-fence future cash returns from Yandex Inc., the most successful investment in the original BVIL vehicle. The combination of improved portfolio diversification, co-investment rights and the ring-fencing of future returns in relation to Yandex Inc. represented a compelling and exciting opportunity to protect and extend the Company's relationship with one of Russia's consistently top-performing private equity managers.

Our three new credit fund investments were made across a variety of credit strategies.

£2.8 million was invested in **Tetragon Financial Group Limited ('Tetragon')**, a closed-end vehicle listed on Euronext Amsterdam which owns a large portfolio of maturing and cash-generative US Collateralised Loan Obligations that provide the basis for attractive dividend flows. In addition, the Company's entry discount of over 35% and Tetragon's development of new fund management platforms for secured loans, real estate debt and hedge funds also provide further scope for returns over the medium term.

We also invested £2.4 million in the **NB Distressed Debt Investment Fund Limited – Extended Life Shares**. This UK-listed vehicle invests in mainly US corporate distressed debt and recently created a new class of extended life shares



# Strategic Report

## Portfolio Managers' Report

continued

to March 2015 to take advantage of a number of exciting opportunities which are now available in distressed debt markets. Initial NAV growth has been strong and the outlook for returns from this experienced manager appears positive.

**Real Estate Credit Investments PCC Limited ('RECI')** is a UK-listed vehicle managed by Cheyne Capital which focuses on UK and European property lending, particularly in specialist opportunities where traditional bank funding is no longer available. We initially invested £0.9 million in RECI during September and then a further £1.6 million shortly after the year end through a new share issue which reduced the vehicle's gearing and increased its investment capacity. RECI currently offers a cash dividend yield of up to 7% and also has potential for NAV accretion over the medium term.

The three other specialist funds described below complete our list of new purchases up to 30 September 2013. We considered these to be attractive UK IPOs run by experienced, good quality managers who have been able to deploy capital promptly.

A £2.5 million investment was made in **Weiss Korea Opportunity Fund Limited**, a fixed-life fund dedicated to investing in heavily discounted listed preference shares in South Korea.

£2.5 million was invested in **Polar Capital Global Financials Trust plc**, another fixed-life vehicle focused on opportunities in the global banking and insurance sectors.

Finally, £2.4 million was invested in **The Renewables Infrastructure Group Limited**, an investor in operational wind farms in the UK and France offering a stable cash yield with potential for modest NAV accretion.

Separately, it should also be noted that in July the Company received shares in **Parkmead Group plc ('Parkmead')**, a UK-listed independent oil and gas company valued at £0.3 million in consideration for its holding in **Lochard Energy Group plc**. This followed the latter's successful takeover by Parkmead, a company with superior growth prospects and better share liquidity.

Since the year end a further £12.3 million has been invested in new purchases.

### Liquidity

At 30 September 2013 the Company held freely accessible cash and cash equivalents of £13.1 million. A further £8.8 million of cash was required to be held in a restricted account in connection with the Company's six CFD holdings.

### Discount Control

The Company operates a fully flexible share buy-back policy. We currently believe, however, that improved investment performance combined with effective marketing is the most likely short-term catalyst for narrowing the Company's discount. Reducing the Company's size through the use of discount control mechanisms is, we believe, likely to be counter-productive as it may actually reduce the attractiveness of the Company to those investors who apply minimum size criteria to their closed-end investment portfolios.

### Outlook

With regard to the global macro-economy over the coming year and its implications for our approach to asset allocation, we believe that we have entered a period of more stable developed economy performance, particularly in relation to the US. We may therefore seek further opportunities to increase the Company's historically low exposure to US based assets. The prospects for Europe and Japan may be less clear, although any market setbacks in these areas may offer interesting opportunities to increase exposures to the right managers and assets. The outlook for emerging markets is likely to remain uncertain whilst the timing of tapering of US Quantitative Easing remains outstanding. Our main task during the year with regard to the Company's emerging market exposure will be to ensure that it is sufficiently diversified across our preferred markets and managers. Finally, we made a conscious decision not to crystallise certain losses within the Company's resources and commodities exposure during the second half of the Company's financial year. Given the general trend back towards global growth and the apparent resilience of the Chinese economy we believe that retaining this exposure may prove beneficial for the portfolio.

### Key Priorities

The first six months of our tenure as the Company's Manager to 30 September 2013 have been an extremely busy time, and we believe in this short period we have made considerable initial progress in creating the foundations for a recovery in the Company's performance. Looking forward to the year ahead, we are focused on two key priorities.

Our first priority is to continue to deploy the Company's capital in a measured way into good quality funds which should, over time, contribute positively to improved portfolio performance. The cash for this deployment will come from the Company's existing liquid resources, some further disposals and also cash receipts from the significant number of inherited investments which are now in some form of realisation or run-off. As part of this process, and as our confidence grows that the Company has a solid 'core' portfolio, we will look to utilise the full flexibility of the Company's mandate to broaden our search into areas of the fund market where access is more difficult to obtain, notably in the unlisted markets.

Our second priority is to increase significantly our marketing activities with the aim of generating renewed interest in the Company's shares amongst existing and new shareholders.

We look forward to reporting on further progress during the course of 2014.

Ian Barrass & Paul Craig  
Co-Portfolio Managers, Henderson Value Trust plc  
10 January 2014

# Strategic Report

## Portfolio Managers' Report

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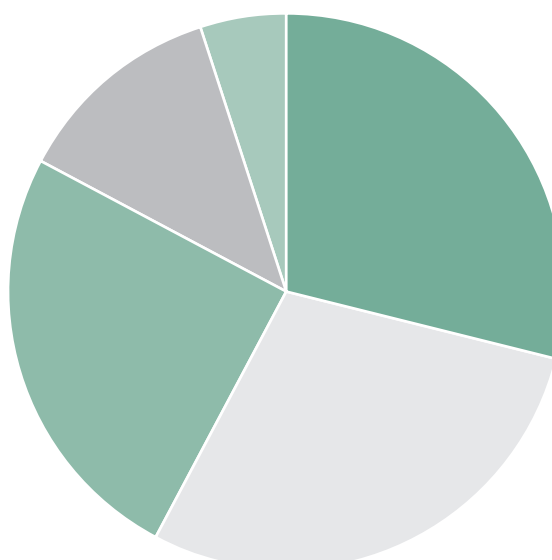
### Value of investments by vehicle type

	£	%
Listed – Major Exchange	56,438,503	47
Listed – Minor Exchange	18,331,743	16
Unlisted – with Redemption Rights	28,723,974	25
Unlisted – without Redemption Rights	13,488,995	12
Liquidation	167,511	–
<b>Total</b>	<b>117,150,726</b>	<b>100</b>



### Value of investments by classification

	£	%
Private Equity	33,946,778	29
Specialist Sector	33,602,874	29
Specialist Geography	29,588,654	25
Hedge	13,571,373	12
Property	6,273,536	5
Liquidation	167,511	–
<b>Total</b>	<b>117,150,726</b>	<b>100</b>



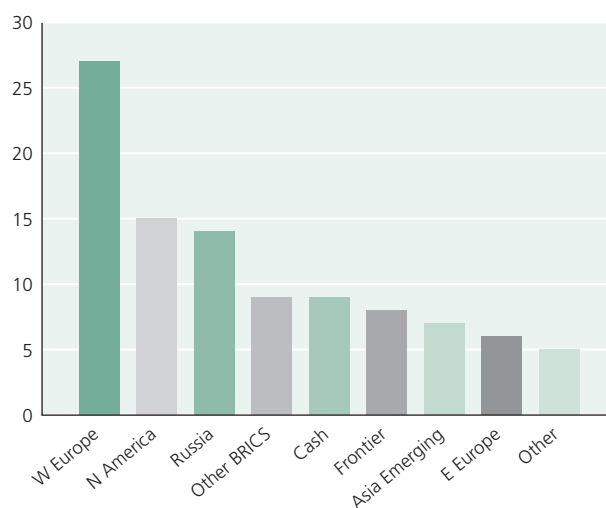
# Strategic Report

## Portfolio Managers' Report

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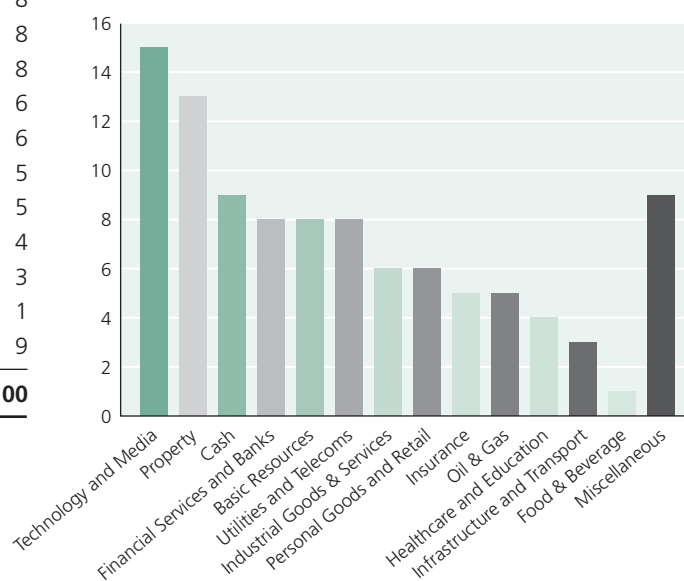
### Value of underlying investments by geography

	£	%
W Europe	32,390,512	27
N America	17,138,440	15
Russia	16,135,937	14
Other BRICS	10,840,486	9
Cash	10,425,354	9
Frontier	8,858,438	8
Asia Emerging	7,942,164	7
E Europe	7,276,368	6
Other	6,143,027	5
<b>Total</b>	<b>117,150,726</b>	<b>100</b>



### Value of underlying investments by sector

	£	%
Technology and Media	17,688,717	15
Property	14,804,211	13
Cash	10,425,354	9
Financial Services and Banks	9,367,834	8
Basic Resources	9,815,215	8
Utilities and Telecoms	9,188,849	8
Industrial Goods & Services	7,357,372	6
Personal Goods and Retail	7,079,859	6
Insurance	6,406,362	5
Oil & Gas	5,307,803	5
Healthcare and Education	4,759,515	4
Infrastructure and Transport	3,722,593	3
Food & Beverage	1,143,262	1
Miscellaneous	10,083,781	9
<b>Total</b>	<b>117,150,726</b>	<b>100</b>



# Strategic Report

## Investment Portfolio

at 30 September 2013

Investments (excluding CFDs)	Sector	Market Value £'000	% of Portfolio
Oryx International Growth Fund Limited#	<i>Specialist Sector</i>	7,891	6.8
Baring Vostok Investments Limited cell~	<i>Private Equity</i>	6,031	5.1
Blackrock World Mining Trust Plc#	<i>Specialist Sector</i>	5,679	4.8
Baring Vostok Investments Limited core~	<i>Private Equity</i>	5,632	4.8
Value Partners China Greenchip Limited*	<i>Specialist Geography</i>	5,370	4.6
Eurovestech plc~	<i>Private Equity</i>	4,393	3.7
Prospect Japan Fund Limited#	<i>Specialist Geography</i>	3,870	3.3
Century Capital Partners IV L.P.**	<i>Private Equity</i>	3,849	3.3
Metage Emerging Markets Opportunities Fund*	<i>Hedge</i>	3,570	3.0
Firebird Republics Fund Limited*	<i>Specialist Geography</i>	3,429	2.9
<b>Ten largest</b>		<b>49,714</b>	<b>42.3</b>
CEIBA Investments Limited**	<i>Property</i>	3,324	2.8
SW Mitchell Small Cap European Fund*	<i>Hedge</i>	3,019	2.6
Standard Life European Private Equity Trust Plc#	<i>Private Equity</i>	2,970	2.5
Prosperity Voskhod Fund Limited#	<i>Specialist Geography</i>	2,941	2.5
Zouk Solar Opportunities Limited**	<i>Specialist Sector</i>	2,853	2.4
ASM Asian Recovery Fund*	<i>Hedge</i>	2,825	2.4
Weiss Korea Opportunity Fund Limited#	<i>Specialist Geography</i>	2,729	2.3
Firebird New Russia Fund Limited*	<i>Specialist Geography</i>	2,672	2.3
Polar Capital Global Financials Trust plc#	<i>Specialist Sector</i>	2,544	2.2
NB Private Equity Partners Limited#	<i>Private Equity</i>	2,501	2.1
<b>Twenty largest</b>		<b>78,092</b>	<b>66.4</b>
The Renewables Infrastructure Group Limited#	<i>Specialist Sector</i>	2,430	2.1
NB Distressed Debt Investment Fund Limited – Extended Life Shares#	<i>Specialist Sector</i>	2,380	2.0
Tetragon Financial Group Limited#	<i>Specialist Sector</i>	2,380	2.0
City Natural Resources High Yield Trust plc#	<i>Specialist Sector</i>	2,351	2.0
IP Fund SPC – VBF Segregated Portfolio – Class A*	<i>Specialist Geography</i>	2,314	2.0
Eclectica Fund*	<i>Hedge</i>	2,108	1.8
BP Marsh & Partners plc#	<i>Private Equity</i>	1,960	1.7
Northern Investors Company plc#	<i>Private Equity</i>	1,626	1.4
Crystal Amber Fund Limited#	<i>Specialist Sector</i>	1,623	1.4
South African Property Opportunities plc#	<i>Property</i>	1,620	1.4
<b>Thirty largest</b>		<b>98,884</b>	<b>84.2</b>
IP Fund SPC – VBF Segregated Portfolio – Class C*	<i>Specialist Geography</i>	1,569	1.3
Firebird Republics Fund SPV**	<i>Specialist Geography</i>	1,406	1.2
Amber Trust SCA**	<i>Private Equity</i>	1,380	1.2
Ludgate Environmental Fund Limited#	<i>Specialist Sector</i>	1,187	1.0
Strategic Equity Capital plc#	<i>Private Equity</i>	1,156	1.0
Eclectica Credit Fund*	<i>Hedge</i>	1,010	0.9
Real Estate Credit Investments PCC Limited#	<i>Specialist Sector</i>	942	0.8
International Oil & Gas Technology Limited#	<i>Specialist Sector</i>	908	0.8
Baker Steel Resources Trust Limited#	<i>Specialist Sector</i>	857	0.7
Denholm Hall Russia Arbitrage Fund B – Investment**	<i>Hedge</i>	837	0.7
<b>Forty largest</b>		<b>110,136</b>	<b>93.8</b>

# Strategic Report

## Investment Portfolio continued

at 30 September 2013

Investments (excluding CFDs)	Sector	Market Value £'000	% of Portfolio
EPE Special Opportunities plc (CULS)~	<i>Private Equity</i>	784	0.7
Acheron Portfolio Corporation (A Shares)~	<i>Specialist Sector</i>	766	0.7
iO Adria Limited~	<i>Property</i>	724	0.6
Juridica Investments Limited#	<i>Specialist Sector</i>	666	0.6
Forterra Trust (formerly Treasury China Trust)#	<i>Property</i>	605	0.5
EPE Special Opportunities plc (Ordinary)#	<i>Private Equity</i>	437	0.4
Steel Partners China Access I L.P.**	<i>Private Equity</i>	320	0.3
Parkmead Group plc#	<i>Specialist Sector</i>	315	0.3
Denholm Hall Russia Arbitrage Fund B – Redemption**	<i>Hedge</i>	202	0.2
Geiger Counter Limited#	<i>Specialist Sector</i>	188	0.2
<b>Fifty largest</b>		<b>115,143</b>	<b>98.3</b>
Trading Emissions plc#	<i>Specialist Sector</i>	185	0.2
Value Catalyst Fund Limited**	<i>Specialist Sector</i>	155	0.1
Armadillo Investments Limited	<i>Liquidation</i>	132	0.1
Polar Capital Global Financials Trust – Subscription Shares#	<i>Specialist Sector</i>	75	0.1
Low Carbon Accelerator Limited	<i>Liquidation</i>	36	0.0
China CDM Exchange Centre Limited~	<i>Specialist Sector</i>	1	0.0
Intrinsic Value plc	<i>Liquidation</i>	0	0.0
Shimoda Resources Holdings Inc	<i>Liquidation</i>	0	0.0
PSource Structured Debt Limited	<i>Liquidation</i>	0	0.0
Buena Vista Latin America Fund Limited**	<i>Property</i>	0	0.0
<b>Sixty largest</b>		<b>115,727</b>	<b>98.8</b>
Exbus Industries	<i>Liquidation</i>	0	0.0
Strathdon Investments Plc	<i>Liquidation</i>	0	0.0
Thompson Clive Investments Plc	<i>Liquidation</i>	0	0.0
Buena Vista Latin American Fund (CULS)**	<i>Property</i>	0	0.0
Jubilee Investment Trust Plc	<i>Liquidation</i>	0	0.0
<b>Total Investments (excluding CFDs)</b>		<b>115,727</b>	<b>98.8</b>

#Listed on Major market

~Listed on Minor market

\*Unlisted investment – with redemption rights

\*\* Unlisted investment – without redemption rights

#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

## Strategic Report

Investment Portfolio continued

at 30 September 2013

CFD Assets	Sector	Gross market exposure £'000	Fair value of CFD £'000	% of Portfolio
Jupiter European Opportunities Trust Plc#	<i>Specialist Geography</i>	6,999	2,266	1.9
JP Morgan Russian Securities plc#	<i>Specialist Geography</i>	1,254	726	0.6
Advance Frontier Markets Fund Limited#	<i>Specialist Geography</i>	1,128	296	0.3
Ecofin Water and Power Opportunities plc#	<i>Specialist Sector</i>	2,697	176	0.2
		12,078	3,464	3.0
<b>Total Investments (excluding CFDs)</b>			115,727	98.8
<b>Total CFD Assets</b>			3,464	3.0
<b>Total Investments</b>			119,191	101.8
<b>CFD Liabilities</b>				
Gold Bullion Securities Limited#	<i>Specialist Sector</i>	3,714	(690)	(0.6)
ETFS Metal Securities Limited Physical Silver#	<i>Specialist Sector</i>	1,932	(1,350)	(1.2)
<b>Total CFD liabilities</b>		5,646	(2,040)	(1.8)
<b>Total Portfolio</b>			<b>117,151</b>	<b>100.0</b>

#Listed on Major market which includes London Stock Exchange (full listing & AIM), Frankfurt Stock Exchange and the Singapore Stock Exchange



# Strategic Report

## Strategic Review

The Strategic Report is designed to provide information primarily about the Company's business and results for the year ended 30 September 2013. The strategy and business model of the Company are set out in the objective and policy below.

### Status

The Company is an investment company as defined in Section 833 of the Companies Act 2006 ('the Act') and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). The Company is subject to the UK Listing Authority's Listing Rules and is governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution. The Company is not a close company.

The Company has obtained approval from HM Revenue & Customs ('HMRC') of its status as an investment trust under Section 1158. The Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158 since approval was granted and intends to continue to do so. The Company is liable to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains if it has complied at all times with Section 1158.

The Company's name changed from SVM Global Fund plc to Henderson Value Trust plc on 26 March 2013. The investment manager changed from SVM Asset Management Limited to Henderson Global Investors Limited on 1 April 2013.

### Investment Objective and Policy

#### 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.

The Company aims to outperform the FTSE World Index on a total return basis.

#### Policy

The Company aims to achieve its objective and to diversify risk by investing in shares, investment funds,

exchange traded funds, contracts for difference ('CFDs'), warrants and related instruments, controlled by a number of limits on exposures. Appropriate limits for the management of the investments, gearing and financial instruments have been established by the Board of Directors.

Although the Company's benchmark is a broad global market index, pursuit of the investment objective may involve significant exposure to markets under-represented in the benchmark index. In addition, this may involve exposure to unlisted investments and companies with principal listings overseas. There are no maximum limits imposed in relation to any deviation from the benchmark index or the geographical weightings.

The portfolio comprises investments which the Manager believes offer long-term growth potential, typically over a three to five year horizon. Investments may include specialist funds, hedge funds, property funds, private equity funds, exchange traded funds, UK and overseas equities and CFDs.

A number of portfolio limits address the need for diversification in pursuing the Company's investment objective, including holding a minimum number of 30 investments. No individual investment should normally exceed 12% of the portfolio total and exposure to unlisted companies will not normally exceed 10% of the portfolio. Investments in hedge funds are limited to a maximum of 30% of net assets.

The normal exposure limits described above are expressed in terms of the value of individual holdings and the total portfolio at market value and, accordingly, can move outside the ranges set out above for reasons out of the control of the Board and Manager. Maximum exposures can potentially be 100%. It is the aim of the risk management process to mitigate the potential risk arising from such extreme events.

The Manager regularly monitors the sectors and themes of the portfolio as described more fully in their Report on pages 4 to 9.

The Company has the ability to borrow money to enhance returns. This gearing can enhance benefits to shareholders,

# Strategic Report

## Strategic Review

continued

but if the market falls, losses may be greater. The level of gearing is closely monitored and the Board intends that this should not normally exceed 20%. Borrowing is normally on a short term basis to ensure maximum flexibility but the Company may also commit to longer term borrowing. The Company may also sell part of the portfolio and hold cash on deposit or invest in other securities or related instruments when the Manager believes it appropriate in certain market conditions.

The Board has granted the Manager a limited authority to invest in CFDs (long positions) and similar instruments as an alternative to holding actual stocks. This means that the gross cost of investment is not incurred. The total effect of such gearing (bank borrowings plus the gross exposure of long positions) will not normally exceed 20% of the Company's net asset value. The use of CFDs involves counterparty credit risk exposure.

The Company may also make use of hedging as an additional investment tool. To help reduce the potential for stockmarket weakness to impact the portfolio adversely, the Board has granted the Manager limited authority to hedge risks, within specified limits. Such hedging (short positions) may be conducted through CFDs or other index instruments and will not normally exceed 20% of net assets. Hedging can be used to facilitate adjustment of the portfolio. It aids flexibility and can allow exposure to a sector to be reduced with less disruption to the underlying long-term portfolio. However, in a rising stockmarket, this may impact performance. Additional limits have also been set on individual hedging to assist risk control.

The Company does not generally invest in fixed rate securities, except where it has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities or money market funds.

### Investment Guidelines

In September 2013, as part of the Manager's ongoing review of investment policy and limits, the Board adopted some informal investment guidelines which do not yet form part of the Company's stated investment

policy or change any of the limits therein. These guidelines, which do not conflict with the existing policy, seek to provide a more structured framework for the Manager to maintain appropriate portfolio diversification.

- Individual investments not to exceed 10% of total portfolio value.
- Unlisted investments without redemption rights not to exceed 20% of total portfolio value.
- Investment in private equity funds not to exceed 35% of total portfolio value.
- Investment in hedge funds not to exceed 20% of total portfolio value.
- Investment in property funds not to exceed 20% of total portfolio value.
- No more than 20% of total portfolio value in one sector on a look-through basis.
- No more than 50% of total portfolio value in Emerging/Frontier Markets on a look-through basis.
- Borrowings and gross value long-only CFDs not to exceed 20% of the Company's NAV.

The Board considers that these guidelines, combined with certain other amendments, should now be incorporated formally into an amended investment policy which better reflects the way in which the Manager will seek to achieve the Company's investment objective. Shareholders will be asked to approve an amended investment policy at a General Meeting of the Company to be held on 24 February 2014, after the Company's Annual General Meeting.

In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 10%, in aggregate, of the value of its gross assets at the time of acquisition in other listed closed-end investment funds, although this restriction does not apply to investments in any such funds which themselves have a stated policy to invest no more than 15% of their gross assets in other listed closed-end investment trusts.

# Strategic Report

## Strategic Review

continued

### Management Arrangements and Related Party Transactions

SVM Asset Management Limited ('SVM') provided investment management, administration and company secretarial services to the Company until 31 March 2013 when the agreement for services was terminated. Recognising their notice rights under the contract and taking account of costs incurred in the transition, it was agreed that SVM would receive a termination payment of £338,214 payable in two equal tranches.

With effect from 1 April 2013, Henderson Global Investors Limited ('Henderson') (which is authorised and regulated by the Financial Conduct Authority) provides investment management services in accordance with an investment management agreement dated 1 March 2013 which is terminable on six months' notice by either party. Henderson is entitled to a management fee of 0.7% per annum, payable quarterly, of net chargeable assets calculated on the last day of the relevant quarter. Henderson waived all management fees for the six months immediately post appointment. There is no performance fee.

Henderson and its subsidiaries provide accounting, company secretarial and general administrative services under the terms of the investment management agreement. There is no separate charge for the provision of these services. Some of the administration and accounting services are carried out, on behalf of Henderson, by BNP Paribas Securities Services Limited (prior to 1 April 2013 such services were carried out by SVM).

Other than the relationship between the Company and its Directors, the provision of services by Henderson is the only related party arrangement currently in place. Other than fees payable by the Company in the ordinary course of business, there have been no other material transactions with these related parties affecting the financial position or performance of the Company during the year under review. SVM Asset Management Limited was a related party until 31 March 2013.

In addition to the termination payment to SVM, other expenses were incurred in relation to an independent review of the Company following continued poor performance which resulted in the management of the Company being changed. These expenses included *inter*

*alia* legal fees of £84,000, corporate finance fees of £57,000 and fees of £124,000 for the independent review carried out by PricewaterhouseCoopers LLP.

Details of the individuals at Henderson responsible for managing the day-to-day operations of the Company are given on page 18.

### Custody Arrangements

Custody services are provided by State Street Bank and Trust Company, although some unlisted investment instruments are held directly by the Company.

### Principal Risks and Uncertainties

The principal risks facing the Company are market related and include market price, foreign exchange, interest rate, liquidity and credit risk. An explanation of these risks and how they are mitigated is detailed in Note 15 to the Financial Statements.

Some of the Company's investments are in funds, some of which are unquoted, exposed to less developed markets and may be seen as carrying a higher degree of risk. The Board believe that these risks are mitigated through portfolio diversification, in-depth analysis, and the experience of the Manager and a rigorous internal control culture. The use of CFDs involves counterparty risk exposure. Further information on the Company's internal controls are detailed in the Corporate Governance Report on pages 24 to 25.

Additional risks faced by the Company are summarised below:

#### *Investment Strategy*

The performance of the portfolio may not match the performance of the benchmark through divergent geographic, sector or stock selection. In addition, the Company may be affected by economic conditions. The Manager has a clearly defined investment philosophy and manages a broadly diversified portfolio to mitigate this risk.

#### *Discount*

The level of the discount varies depending upon performance, market sentiment and investor appetite. The Company has the ability to issue and purchase shares in itself which can reduce discount volatility.

# Strategic Report

## Strategic Review

continued

### Regulatory/Operational

Failure to comply with applicable legal and regulatory requirements could lead to a suspension of the Company's shares, fines or a qualified audit report. A breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to corporation tax on realised capital gains. Failure of the Manager or third party service providers could prevent accurate reporting and monitoring of the Company's financial position.

The Board regularly considers the risks associated with the Company and receives both formal and regular reports from the Manager and third party service providers addressing these risks.

### Financial Review

#### Assets

The Company's net asset value ('NAV') at 30 September 2013 amounted to £138,580,000 compared with £135,201,000 at 30 September 2012.

#### Revenue and Total Return

The total return for the year was £5,700,000 (2012: (£20,851,000)). The total return per share was 11.92p (2012: (40.88p)).

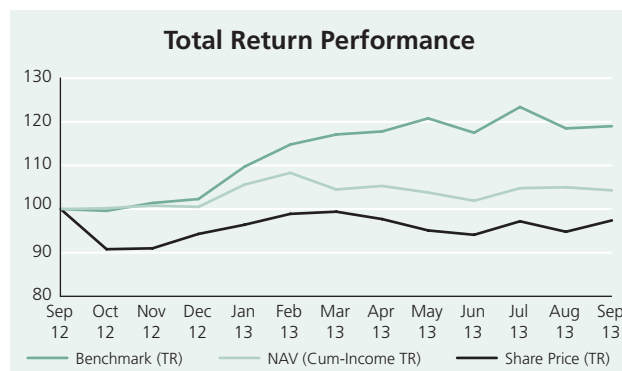
The Company made a net revenue surplus in the year, after expenses and taxation of £405,000 (2012: £1,024,000).

### Performance Measurement and Key Performance Indicators

In order to measure the success of the Company in meeting its objectives the Directors take into account the following key performance indicators which are reviewed at each meeting of the Board:

#### Performance

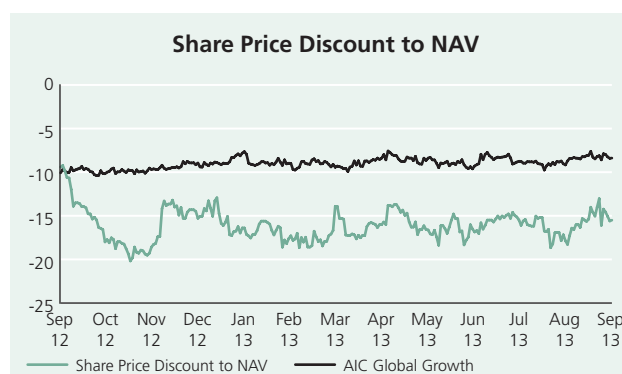
The Board reviews and compares the NAV per share and share price for the Company compared with the movement of the Company's benchmark, the FTSE World Index on a total return basis. During the year under review the NAV per ordinary share showed a total return of 4.3% compared to a return in the benchmark of 19.0% as detailed on page 1.



Source: Datastream and Morningstar (rebased to 100, cum income)

### Discount

The Board also monitors the performance of the Company's shares and the level of discount at which the shares trade relative to NAV per share. The discount at the start of the year was 9.4% compared to 15.6% at the year end.



Source: Datastream (cum income)

### Ongoing Charges

The Board reviews the costs of running the Company calculated using the AIC methodology for ongoing charges. The Company's ongoing charges for the year ended 30 September 2013 were 0.84% compared to 0.93% in 2012.

### Corporate Responsibilities

#### Social, environmental and ethical statement

Responsible investment is the term used by the Company's Manager, Henderson Global Investors Limited ('Henderson') to cover its work on corporate governance and corporate responsibility (or social, environmental and ethical issues) in the companies in which it invests on its clients' behalf, across all funds.

# Strategic Report

## Strategic Review

continued

In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ('ESG') issues into mainstream investment decision-making and ownership practices.

The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is therefore considered as part of the investment risk decision.

### **Voting Policy and the UK Stewardship Code**

Henderson's responsible investment policy sets out the Manager's approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients and its policy on proxy voting. The policy also sets out how Henderson implements the Stewardship Code. The Company has reviewed Henderson's policy and has delegated responsibility for voting to the Manager. The Board receives a report annually on the voting undertaken by the Manager on behalf of the Company.

Henderson believes that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution the Manager will give specific instructions on voting non-routine and unusual or controversial resolutions.

Practical difficulties may prevent the Manager voting in some markets. In particular, various factors, including restrictions on dealing and costs, may inhibit voting in some international markets and must be taken into account.

The Henderson responsible investment policy can be found on the Henderson website, [www.henderson.com](http://www.henderson.com)

Prior to the change in manager, SVM Asset Management Limited complied with the recommendations of the UK Stewardship Code.

### **Employee, social, community, human rights and environmental matters**

The Company has no employees and its core activities are undertaken by Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these, or social, community or human rights issues.

Henderson's corporate responsibility statement is included on the website [www.henderson.com](http://www.henderson.com). For 2012 it was granted Carbon Neutral Company status which it has committed to maintain at least until the end of 2015. The Company's annual and half year reports are printed on carbon balanced paper, whereby the carbon impact of the production and distribution process has been balanced, or offset, by the World Land Trust, an international conservation charity.

### **Board Diversity**

All of the Company's Directors are male. The Board considers the diversity of Board membership as part of the annual performance evaluation, details of which are set out in the Corporate Governance Report.

By order of the Board

Rachel Peat ACIS

For and on behalf of Henderson Secretarial Services Limited  
Company Secretary

10 January 2014

## Directors

**Shane Ross TD** (Chairman), is an independent member of the Lower House of the Irish Parliament, and previously a member of the Irish Senate (Upper House of Parliament). He has been chairman of two Dublin stockbroking firms. He was chairman of Kleinwort European Privatisation Investment Trust (KEPIT) and is currently a director of New Russia Fund and Baring Hedge Select Fund. He was the business editor of the Sunday Independent, Ireland's biggest-selling Sunday newspaper and is the author of three best-selling books on recent events in Irish business. He was appointed in 2001 and will stand for re-election at the forthcoming AGM.

**Peter Hulse** is deputy chairman of the Royal Merchant Navy Education Foundation. Previously he was an executive director of Jupiter Asset Management Limited where he was responsible for managing pension assets. He has been a professional investment manager since 1969. He was appointed in 2001.

**Daniel Hodson** (Senior Independent Director and Audit Committee Chairman) is a non-executive director of Nasdaq OMX NLX Ltd and Chairman of Berry Palmer and Lyle Holdings Ltd. A previous Gresham Professor of Commerce, he was also CEO of the London International Financial Futures and Options Exchange (LIFFE), a non-executive director of London Clearing House plc, Rolfe and Nolan plc and The Post Office, Chairman of the Design and Artists Copyright Society and of the University of Winchester as well as being a director/governor/trustee of a number of private companies and not for profit organisations. He was appointed in 2004 and will stand for re-election at the forthcoming AGM.

**Jamie Korner** is a partner of Stanhope Capital LLP. A Cambridge graduate, he joined Inchcape in 1978 following a period in farming. After working at stockbroker Fielding Newson Smith and as a manager of institutional funds at M&G, he moved to Newton Investment Management in 1995. He led the charity and smaller institutional business of Newton until his retirement in 2011. He is a trustee of the Foyle Foundation and other charities as well as an adviser to a number of Oxbridge colleges. He was appointed in May 2013 and will stand for election at the forthcoming AGM.

**Graham Fuller** was a founding partner of PSigma Asset Management from which he retired in 2011. He is a non-executive director of Jupiter Primadona Growth Trust plc. He is a Fellow of the Institute of Chartered Accountants and a fellow of the CFA Society of the UK. He spent 11 years leading the segregated pension team at Newton Investment Management prior to which he worked at Credit Suisse and de Zoete and Bevan. He was appointed in 2008.

All Directors are independent of the Manager.

All Directors are members of the Audit, Nominations and Management Engagement Committees.

## Investment Manager

Henderson Global Investors Limited ('Henderson') (which is authorised and regulated by the Financial Conduct Authority) and its subsidiaries undertake management, administration and company secretarial services.

The day-to-day management of the Company's portfolio is carried out by **Ian Barrass** and **Paul Craig**.

**Ian Barrass** has 29 years of finance and investment industry experience covering a range of alternative asset classes with a particular focus on unlisted and illiquid investments. He is head of Henderson's private equity fund of funds business and was the manager of Henderson Private Equity Investment Trust plc which performed strongly against its peer group from his appointment until its liquidation in June 2013.

**Paul Craig** has 24 years of investment industry experience and is a long-standing and highly-regarded specialist in the listed fund sector. He is a director of Henderson's multi-asset business and is the sole manager of the Cirilium range of multi-asset funds which have regularly enjoyed top quartile performance since their inception.

**Rachel Peat ACIS** acts as Secretary on behalf of Henderson Secretarial Services Limited.



# Report of the Directors

The Directors present the audited financial statements of the Company and their report for the year from 1 October 2012 to 30 September 2013.

The Company, registered in Scotland with company registration number SC015905, was active throughout the year under review and was not dormant.

## Directors

### Board composition

The Company's Articles of Association provide that the total number of Directors shall be not less than three nor more than nine. The Board currently consists of five non-executive Directors.

The biographies of the Directors holding office at the date of this report, are set out on page 18, and demonstrate the breadth of investment management, financial services and professional experience relevant to their positions as Directors. The Directors do not feel it necessary to have diversity targets and consider the balance of skills, knowledge, experience and diversity as part of the annual evaluation process.

All Directors served throughout the year with the exception of Jamie Korner who was appointed as a Director on 13 May 2013. Colin McLean resigned from the Board on 3 October 2012.

### Directors' conflicts of interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ('situational conflicts'). The Board has a formal system in place for Directors to declare situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate.

Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the systems it has in place for reporting and considering situational conflicts continues to operate effectively.

## Share Capital and Shareholders

### Share Capital

The Company's share capital comprises ordinary shares of 25p nominal value each. The voting rights of the shares on a poll are one vote for every share held. There are no restrictions on the transfer of the Company's ordinary shares and there are no shares with specific rights with regards to control of the Company.

As at 30 September 2013 there were 47,751,404 shares in issue. No shares were held in treasury.

At the Annual General Meeting in March 2013 shareholders gave the Board authority to buy back 7,157,935 ordinary shares during the following 15 months for cancellation or to be held in treasury. During the year ended 30 September 2013 the Company bought back 564,142 (2012: 1,168,000) ordinary shares for cancellation. In addition, 57,924 shares held in treasury were cancelled during the year. No shares have been bought back since the year end.

### Substantial Share Interests

Declarations of interests in the voting rights of the Company as at 10 January 2014 in accordance with DTR5 were as follows:

Shareholder	% of voting rights
Miton Asset Management	15.25%
1607 Capital Partners, LLC	14.15%
JP Morgan Securities plc	7.02%
Lloyds Banking Group plc	6.63%
Henderson Global Investors Limited	5.76%
Investec Wealth & Investment Limited	4.99%

As at 30 September 2013 the Company had 47,751,404 ordinary shares in issue with a total of 47,751,404 voting rights. There were no shares held in treasury.

There have been no significant changes since the year end other than 1607 Capital Partners, LLC whose notified holding at 30 September 2013 was 10.86%. The above percentages are calculated by applying the shareholding as notified to the Company to the issued share capital as at 10 January 2014.

### Going concern

Having considered the Company's investment objective, risk management and capital management policies, the nature of the portfolio and expenditure projections, the Directors believe that the Company has adequate resources and an appropriate financial structure in place to continue in operational existence for the foreseeable future. As discussed in the Chairman's Statement, the combination of visible short-term improvements from the restructured arrangements with a positive long-term outlook for the Company's portfolio

# Report of the Directors

continued

gives the Board a reasonable expectation of recommending the Company's continuation to shareholders. For these reasons, the Board considers that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

## Dividend

The Directors are proposing a final dividend of 1.5p per ordinary share which will be paid on 28 March 2014 to shareholders on the register on 28 February 2014, subject to approval at the Annual General Meeting ('AGM').

## Annual General Meeting

The AGM will be held on Monday 24 February 2014 at 2.00pm at the offices of the Manager, Henderson Global Investors at 201 Bishopsgate, London EC2M 3AE. The Notice of AGM and details of the resolutions to be put at the Meeting are contained in the separate circular being sent to shareholders with this annual report.

## Amendment to the Articles

The Company's current articles of association (the 'Current Articles') were adopted in December 2011.

The Board are seeking authority to adopt new articles of association (the 'New Articles') in order to update the Current Articles with recent legislative changes. The principal changes are as follows:

a) *Alternative Investment Fund Managers Directive ('AIFMD')*

The Company is an alternative investment fund for the purposes of the AIFMD. The Current Articles have been amended in order to provide the Board with the ability to prescribe, vary or revoke the management and governance rules that the Company must comply with as a result of the implementation of the AIFMD. In particular, the articles have been amended so that the Board may authorise a depository appointed in respect of the Company to, in certain circumstances, discharge itself of liability.

b) *Distribution of capital profits*

Historically, in order to qualify as an investment trust, a company must have been prohibited by its articles of association from making any distribution of capital profits by way of a dividend. However, changes to the Corporation Tax Act 2010, which relate to accounting periods beginning on or after 1 January 2012, mean that it is no longer a requirement for the distribution of such profits to be prohibited by a company's articles of

association in order for it to achieve or maintain investment trust status. The amendments have been brought in to align the law relating to investment trusts with general company law and to enable companies to manage their dividend policies by enabling the payment of dividends when income profits may not be available for distribution. This prohibition has been removed in the New Articles in order to provide the Company with flexibility in managing its dividend policy.

## Audit tender

Earlier this year the audit of the Company for the financial year ending 30 September 2014 was put out to tender. Following proposals and presentations from four auditing firms, the Board, on the recommendation of the Audit Committee, have agreed that Grant Thornton UK LLP will be appointed the Company's auditor, subject to the approval of shareholders at the AGM.

## Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving this report are listed on page 18.

Each of those Directors confirms that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Company's Auditor is unaware; and
- they have 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 Auditor are aware of that information.

## Global greenhouse gas emissions

The Company, as an externally managed investment company, has no greenhouse gas emissions to report from its operations for the year to 30 September 2013 (2012: same), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

By order of the Board

Rachel Peat ACIS

For and on behalf of Henderson Secretarial Services Limited

Company Secretary

10 January 2014

# Corporate Governance Report

The Directors present their Corporate Governance Report for the year ended 30 September 2013.

## **Corporate governance**

### ***Applicable Corporate Governance Codes***

The Board is accountable to shareholders for the governance of the Company's affairs. As an investment trust, the Company's day-to-day responsibilities are delegated to third parties; the Company has no employees and the directors are all non-executive. Thus not all the provisions of the UK Corporate Governance Code published in September 2012 ('the UK Code') issued by the Financial Reporting Council ('FRC') are directly applicable to the Company. The Board has therefore considered the principles and recommendations of the Code of Corporate Governance published by the Association of Investment Companies in February 2013 (the 'AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies (the 'AIC Guide'). The AIC Code, as explained by the AIC Guide, addresses all the applicable principles, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The FRC has confirmed that by following the AIC Guide, boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

Copies of the AIC Code, the AIC Guide and the UK Code can be found on the respective organisations' websites: [www.theaic.co.uk](http://www.theaic.co.uk) and [www.frc.org.uk](http://www.frc.org.uk)

### ***Statement of compliance***

The Board believes that the Company has complied with the recommendations of the AIC Code that are applicable to smaller companies (those below the FTSE 350) during the year under review and up to the date of this report and therefore the provisions of the UK Code that are relevant to the Company, except as set out below or elsewhere in the Corporate Governance Report.

The UK Code includes provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the Company as an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

## **Directors**

### ***Terms of appointment***

It is the Board's policy that none of the Directors has a service contract. However, the terms of their engagement are set out in letters of appointment, copies of which are available for inspection at the Company's registered office during normal business hours and at the Company's Annual General Meeting ('AGM'). There is a three month notice period and the Company reserves the right to make a payment in lieu of notice.

### ***Directors' appointment and retirement***

The appointment of new Directors is considered by the Nominations Committee, (previously considered by the Management and Nomination Committee), which makes recommendations to the Board. Any Director appointed by the Board must stand for election by shareholders at the AGM following appointment. Accordingly, Jamie Korner who was appointed to the Board on 13 May 2013, will stand for election at the forthcoming AGM.

All Directors are appointed for an initial term of three years. The Articles of Association require each Director retire and submit themselves for re-election at least every three years. No Director is subject to these provisions this year.

In accordance with the requirements of the UK Code, Shane Ross and Daniel Hodson, having served as Directors for more than nine years, will stand for re-election at the AGM. Peter Hulse will not be standing for re-election. The Board confirms that, having conducted a formal performance evaluation, as explained on page 24, each of the Directors seeking

# Corporate Governance Report

continued

re-election continue to demonstrate their commitment to the Company and to perform their roles effectively and recommends that you vote in favour of each of the relevant resolutions being put to the AGM.

## **Directors' Independence**

Until 3 October 2012, the Board comprised five non-executive Directors, four of whom were independent of the Manager and free from all business or other relationships that could interfere with the exercise of their independent judgement. Colin McLean, as a director and shareholder of SVM Asset Management Limited, was not regarded as independent. Colin McLean resigned on 3 October 2012.

The Board has determined that all current Directors are independent in character and judgement and that their skills, broad business experience, knowledge and understanding of the Company are of benefit to shareholders. Daniel Hodson is the Company's Senior Independent Director.

In line with the AIC Code, the Board believes that length of service does not diminish the contribution from a Director as experience and knowledge of the Company is a positive factor and should not impact a Director's independence. The Board does however acknowledge the need for continued refreshment of the Board, which started with the appointment of Jamie Korner in May 2013, as three Directors have served for nine years or more. Both Shane Ross and Daniel Hodson have indicated their intention to stand down from the Board at the AGM to be held in December 2014.

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 contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

## **Directors' Professional Development**

When a new Director is appointed he or she is offered an induction seminar which is held by the Manager. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors are also able to attend external training facilities and industry seminars at the expense of the Company and each Director's individual training requirements are considered by the Chairman as part of the annual performance appraisal.

## **Directors' Insurance and Indemnification**

Directors' and officers' liability insurance cover is in place which indemnifies the Directors against certain liabilities arising from the carrying out of their duties. Under the Company's Articles of Association and, subject to the provisions of UK legislation, a qualifying third party provision indemnity may be provided to 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. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

## **The Board**

### **Responsibilities of the Board and its Committees**

The Board meets formally at least four times a year, with additional Board or committee meetings arranged when required. The Directors have regular contact with the Manager and Secretary between formal meetings. The Board has a formal schedule of matters specifically reserved for its decision. The Board is responsible for the approval of annual and half year results, interim management statements and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects. The Directors confirm that they believe that the annual report and financial statements for the year ended 30 September 2013, taken as a whole, is fair, balanced and

# Corporate Governance Report

continued

understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

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 objective and is responsible for setting asset allocation, investment and gearing limits within which the Manager has discretion to act and regularly reviews investment strategy. It has adopted a procedure for Directors to take independent professional advice in the furtherance of their duties at the expense of the Company. In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

## **Committees of the Board**

The Board has three committees; the Audit Committee, the Nominations Committee and the Management Engagement Committee. Prior to September 2013 there was a combined Management and Nominations Committee, chaired by Daniel Hodson, but this has been replaced with two separate committees. Terms of reference are available on the Company's website or from the Secretary.

### **Audit Committee**

The Audit Committee comprises all the Directors and is chaired by Daniel Hodson. The Report of the Audit Committee is detailed on pages 27 to 28.

### **Management Engagement Committee**

The Management Engagement Committee is chaired by Shane Ross and comprises all the Directors. The Committee is responsible for reviewing the management contract on a regular basis, ensuring that the terms are fair and reasonable and that its continuance, given the Company's performance over both short and longer terms, is in the best interests of the Company and its shareholders and also for reviewing the performance and cost effectiveness of the Company's other service providers.

### **Nominations Committee**

The Nominations Committee is chaired by Shane Ross and comprises all the Directors. When considering succession planning, the Committee bears in mind the balance of skills, knowledge, experience and diversity existing on the Board. The Nominations Committee considers diversity of Board membership as part of the annual performance evaluation and it is considered that there is a range of backgrounds with each Director bringing an appropriate and balanced range of qualities to the Board and its discussions. It is not considered necessary for the Company to have set targets in relation to diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment.

The Nominations Committee will make recommendations to the Board when the recruitment of additional non-executive Directors is required.

Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up. The Committee may use external agencies as and when there is a requirement to recruit an additional Board member. All appointments to the Board are based on merit and the skills needed to fill any gaps.

The Committee also reviews and recommends to the Board the Directors seeking re-election.

Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence. The Committee also takes into account the spread of experience and knowledge of the current Board members. In accordance with the UK Code any Director serving for longer than six years would be subject to particularly rigorous assessment of his contribution.

The Management and Nominations Committee previously fulfilled the function of a Remuneration Committee. Since the Board established a separate Management Engagement Committee and a Nominations Committee, matters relating to Directors remuneration are dealt with by the Board as a whole and no Remuneration Committee has been established.



# Corporate Governance Report

continued

Directors' fees are set out in the Remuneration Report detailed on page 31. A resolution to approve the Remuneration Policy contained in that Report will be put to shareholders at the forthcoming AGM.

## Board attendance

The table below sets out the number of Board and Committee meetings held during the year under review and the number of meetings attended by each Director. At the AGM in March 2013, all those Directors serving at the time were in attendance.

Number of meetings	Board	Audit Committee	Management and Nominations Committee	Management Engagement Committee*	Nominations Committee*
	6	2	1	1	1
Shane Ross	6	2	1	1	1
Graham Fuller	6	2	1	1	1
Daniel Hodson	6	2	1	1	1
Peter Hulse	6	2	1	1	1
Jamie Korner <sup>(1)</sup>	–	n/a	n/a	–	–
Colin McLean <sup>(2)</sup>	n/a	n/a	n/a	n/a	n/a

<sup>(1)</sup> Appointed 13 May 2013

<sup>(2)</sup> Resigned 3 October 2012

\*Established 9 September 2013

Committees of the Board also met during the year to undertake business such as the approval of the Company's results and dividend.

## Performance evaluation

The Board conducted a review of its own performance, together with that of its Committees, the Chairman and each individual Director, in the latter part of 2013 through individual discussions. It was concluded that each were satisfactory and the Board has a good balance of skills and experience but acknowledged that refreshment was necessary. It is considered that each of the Directors makes a significant contribution to the affairs of the Company and that Directors seeking re-election at the Company's AGM merit re-election by shareholders. The use of external parties to undertake the performance evaluation was not considered to be necessary.

## Internal controls

The Board, in conjunction with the Manager, has in place a process for identifying, evaluating and managing the significant risks faced by the Company. This process, which accords with the Turnbull guidance, was in place for the whole year and up to the date of approval of the financial statements.

The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The principal elements of the Company's system of internal controls and the process applied by the Board in reviewing its effectiveness are:

- clearly documented contractual arrangements with service providers;
- annual review by the Board of the internal controls reports of service providers;
- consideration by the Board of the latest Review of Internal Controls of the Manager;
- quarterly Board meetings to review performance, investment policy, strategy and shareholder relations; and
- regular updating by the Manager on key risks and control developments.

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

The Board confirms that in the event of any significant failings or weakness identified from the annual review of the effectiveness of the Company's system of internal controls, necessary actions would be taken to remedy them.



# Corporate Governance Report

continued

The Board is satisfied that it is supplied with information in a timely manner to enable it to discharge its duties.

## **Accountability and Relationship with the Manager**

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 29, the Independent Auditor's Report on pages 49 and 50 and the statement of going concern on pages 19 and 20.

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

The Board receives and considers regular reports from the Manager and *ad hoc* reports and information are supplied to the Board as required. In addition, the Chairman is able to attend meetings of all the chairmen of the investment trust companies managed by the Manager which provide a forum to discuss industry matters which would then be reported to the Board.

The Manager takes decisions as to the purchase and sale of individual investments. The Manager also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the Manager attend each Board meeting enabling the Directors to probe further on matters of concern. The Directors have access to the advice and services of the Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board and Committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all Board and Committee meetings are fully recorded through a process that allows any Director's concerns to be recorded in the minutes.

The Manager and BNP Paribas Securities Services Limited have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011, and confirmed its zero tolerance to bribery and corruption in its business activities. It has sought assurances from the Company's main contractors and suppliers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

## **Continued Appointment of the Manager**

The Board considers the arrangements for the provision of investment management and other services provided to the Company on an ongoing basis. The Board announced in September last year that the management agreement was to be put out to tender and subsequently recommended the appointment of Henderson Global Investors Limited which was approved by shareholders at the General Meeting held on 25 March 2013.

In September 2013, the Management Engagement Committee carried out a formal evaluation of the Manager. The principal contents of the agreement with the Manager are contained on page 15. The Board remains satisfied with investment performance and the experience, skills and commitment of the Manager. It is therefore the Directors' opinion that the continuing appointment of the Manager on the existing terms is in the interests of the Company and its shareholders as a whole.

## **Relations with Shareholders**

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with its shareholders is through the half year results and annual report and financial statements which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by periodic interim management statements and the weekly calculation and publication of the net asset value per

# Corporate Governance Report

continued

share to a regulatory information service and a monthly factsheet and commentary which is available on the website [www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.com).

The Board considers that shareholders should be encouraged to attend and participate in the AGM.

Shareholders have the opportunity to address questions to the Chairman of the Board, the Chairman of the Audit Committee and all other Directors at the meeting.

The Manager, will make a presentation to shareholders.

A summary of the proxy votes received on the resolutions proposed is displayed at the meeting and each substantial issue is dealt with in a separate resolution. It is the intention of the Board that the annual report and financial statements and notice of AGM be issued to shareholders so as to provide at least 20 working days' notice of the meeting. These documents are also included on the website.

Shareholders wishing to lodge questions in advance of the meeting, or raise issues or concerns at any time are invited to do so by writing to the Company Secretary.

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

By order of the Board

Rachel Peat ACIS

For and on behalf of Henderson Secretarial Services Limited

Company Secretary

10 January 2014

## Report of the Audit Committee

The Audit Committee comprises all the Directors, including the Chairman of the Company. Details of the investment management and financial experience of the Directors can be found in the biographies on page 18.

### Meetings

The Committee meets at least twice a year. The quorum for a meeting is two members. The Company's Auditor is invited to attend meetings of the Committee on a regular basis. Representatives of Henderson Global Investors and BNP Paribas Securities Services may also be invited to attend if deemed necessary by the Committee.

### Responsibilities

The Audit Committee formally reports to the Board. The Committee's responsibilities are set out in formal terms of reference which are reviewed at least annually. Responsibilities of the Committee include, but are not limited to:

- Monitoring the integrity of the financial statements, including the annual and half year results and any formal announcements relating to financial performance. The Committee must be satisfied that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- Reviewing the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements: the consistency of, and any changes to, accounting policies both on a year by year basis and across the Company; the methods used to account for significant or unusual transactions where different approaches are possible; whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the Auditor; the clarity and completeness of disclosures in the Company's financial statements and the context in which statements are made; and all material presented with the financial statements, such as the Chairman's Statement, the Portfolio Managers' Report and the Directors' Remuneration Report and the Corporate Governance Report (insofar as it relates to the audit and risk management).
- Reviewing the effectiveness of the Company's internal controls and risk management systems and approving the statements to be included in the annual report concerning internal controls and risk management.
- Reviewing the remit and effectiveness of Henderson Global Investors' Internal Audit, Compliance and Business Risk functions in the context of its overall risk management system. Reviewing arrangements by which Henderson staff may, in confidence, raise concerns about possible improprieties and ensure arrangements are in place for independent investigation of such.
- Reviewing the annual AAF 01/06 internal controls report from the Manager and the associated internal controls reports from the accountants and the custodian.
- Making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- Overseeing the relationship with the external Auditor: approval of their remuneration, approval of terms of engagement.
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

# Report of the Audit Committee

continued

## Audit for the year ended 30 September 2013

The Committee takes account of the most significant issues and risks which may impact the Company's financial statements.

A significant risk factor is the valuation of the investment portfolio, particularly in relation to unquoted investments. A detailed review of all unquoted and illiquid investments is carried out. Valuations are verified by the Manager regularly through their Fair Value Pricing Committee process and have been reviewed by the Auditor and the Committee at the interim and final stages.

Another risk assessed by the Committee was the transfer of administration and accounting services following the change in Manager. The Committee is responsible for ensuring suitable internal control systems are operated by third party services providers. The Committee has reviewed the internal controls in operation and there is an ongoing process for regular review, further details are contained in the Corporate Governance Report.

## External Audit Process

The Auditor provides a planning report in advance of the audit, a report on the annual audit and a report on their review of the half year financial statements. The Committee is able to challenge and question the Auditor in respect of these reports. The Committee will discuss the audit process with the Auditor without representatives of the Manager present and considers the effectiveness of the audit process after each audit.

## Policy on non-audit services

In accordance with Financial Reporting Council's Guidance on Audit Committees, the Committee has formulated a written policy on the provision of non-audit services by the Company's statutory independent auditor. The Audit Committee has determined that the Company's appointed auditor

will never be considered for the provision of accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide non-audit services relating to a review of the Company's half year report. All other non-audit services will be judged on a case-by-case basis and will be approved by the Audit Committee.

## Auditor Independence

The Auditor provided tax services, for which they were paid £5,000 (2012: £6,000) and for the first time a review of the Company's half year report, for which they were paid £8,400 (2012: nil). In addition, the Auditor carried out an additional review of the interim portfolio valuation for which they were paid £18,400 (2012: nil), these figures include VAT. Taking into account the non recurring and audit related nature of the non-audit services provided the Committee has concluded that the Auditor is independent and is satisfied with the effectiveness of the audit provided by Ernst & Young LLP for the current year.

As stated in the Chairman's Statement and the Report of the Directors, an audit tender was carried out during the year following which the Committee recommended to the Board that Grant Thornton UK LLP be appointed as the Company's Auditor for the financial year ending 30 September 2014. Accordingly, Ernst & Young will stand down as Auditor with effect from the AGM on 24 February 2014.

The Committee are satisfied that the Report and Financial Statements, taken as a whole, is fair, balanced and understandable and have made the appropriate recommendation to the Board.

Daniel Hodson  
Audit Committee Chairman  
10 January 2014

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements, (which must be fair, balanced and understandable) the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and

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

### Statement of Directors' Responsibilities under DTR 4.1.12

Each of the Directors, who are listed on page 18 confirms that, to the best of their knowledge:

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

For and on behalf of the Board

Shane Ross TD

Chairman

10 January 2014

The financial statements are published on the [www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.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 Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

# Directors' Remuneration Report

## Introduction

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 ('the Regulations'). The report also meets the relevant requirements of the Companies Act 2006 ('the Act') and the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by Section 439 of the Act, an ordinary resolution to approve this report will be proposed at the Annual General Meeting on 24 February 2014. The Company's remuneration policy will also be put to shareholders for approval by ordinary resolution.

The Company's Auditor is required to report on certain information contained within this report; where information set out below has been audited it is indicated as such.

All Directors are non-executive. The Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual Director as it is believed that all relevant information is disclosed within this report in an alternative format.

Historically the function of the Remuneration Committee was fulfilled by the Management and Nominations Committee. In September 2013 separate Management Engagement and Nominations Committees were established. A Remuneration Committee has not been established as the whole Board considers matters relating to Directors' remuneration. No advice or services were provided by any external person in respect of the consideration of Directors' remuneration.

## Remuneration policy

Directors are remunerated in the form of fees, payable quarterly in arrears to the Director personally. In

accordance with the Company's Articles of Association the aggregate remuneration of the Directors may not exceed £150,000 per annum. Subject to the overall limit, the Company's policy is that remuneration should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and similar investment objectives. Non-executive Directors are not eligible for bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

All Directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board and the Chairman of the Audit Committee who are paid a higher fee in recognition of their additional responsibilities. The level of remuneration paid to each Director is reviewed annually, although review will not necessarily result in any change to the rate; any feedback from shareholders would be taken into account when setting remuneration levels.

Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

This policy has been in place since 1 October 2012.

A resolution to approve this Remuneration Policy will be proposed as an ordinary resolution at the AGM to be held on 24 February 2014. If the resolution is passed, the policy will continue in force until next put to shareholders for approval, which must be at intervals of not more than three years.

The Board may amend the level of remuneration paid to individual directors within the parameters of the remuneration policy.

No Director has a service contract with the Company. The terms of their engagement are set out in letters of appointment. There is a three month notice period and the Company reserves the right to make a payment in lieu of notice.



# Directors' Remuneration Report

continued

## Annual statement by Shane Ross, Chairman

Directors fees have not increased since 2007. Nevertheless, the Directors do not propose any change this year. In 2014 the Board will be substantially refreshed; consequently, the Board propose to raise fees in line with the market to attract candidates of the highest calibre.

## Directors' fees (Audited)

Directors' annual fees are £22,500 for the Chairman, £18,000 for the Audit Committee Chairman (also the Senior Independent Director) and £15,000 for other Directors. Fees were last increased in 2007.

The fees paid to the Directors who served during the years ended 30 September 2012 and 30 September 2013 were are follows:

	Fees		Taxable benefits		Total 2013 £
	2013 £	2012 £	2013 £	2012 £	
Shane Ross <sup>(1)</sup>	22,500	22,500	–	–	<b>22,500</b>
Graham Fuller	15,000	15,000	–	–	<b>15,000</b>
Daniel Hodson <sup>(2)</sup>	18,000	18,000	397	174	<b>18,397</b>
Peter Hulse	15,000	15,000	–	–	<b>15,000</b>
Colin McLean <sup>(3)</sup>	–	–	–	606	<b>0</b>
Jamie Korner <sup>(4)</sup>	5,763	–	–	–	<b>5,763</b>
					<b>76,660</b>

### Notes:

<sup>(1)</sup> Chairman and highest paid Director. <sup>(2)</sup> Chairman of the Audit Committee and Senior Independent Director.

<sup>(3)</sup> Resigned 3 October 2012. A director and shareholder of SVM Asset Management Limited – Colin McLean agreed to waive his entitlement to Directors' emoluments in the form of a fee of £15,000. <sup>(4)</sup> Appointed 13 May 2013.

As Directors are not eligible for bonuses, pension benefits, share options, other benefits, long-term incentive schemes, the Single Figure Table above does not include these columns for any of these items.

Directors are entitled to be reimbursed for any reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings, in accordance with Article 116 of the Company's Articles of Association. These have been disclosed as taxable benefits in the table above.

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

At the Annual General Meeting held on 11 March 2013, 24,534,304 votes were received voting for the resolution seeking approval of the Directors' Remuneration Report, representing more than 99% of votes cast; 134,839 votes were against and 578,536 votes were withheld.

## Directors' interests (Audited)

The Company has not set any requirements or guidelines for Directors to own shares in the Company. The beneficial interests of the Directors and their connected persons in the ordinary shares of the Company are shown in the table below:

	30 September 2013	30 September 2012
Shane Ross	<b>150,625</b>	130,625
Graham Fuller	<b>10,000</b>	10,000
Daniel Hodson	<b>30,121</b>	30,121
Peter Hulse	<b>12,500</b>	12,500
Jamie Korner <sup>(1)</sup>	<b>5,000</b>	n/a
Colin McLean <sup>(2)</sup>	<b>n/a</b>	589,580

<sup>(1)</sup> Appointed 13 May 2013.

<sup>(2)</sup> Resigned 3 October 2012.

There have been no changes in any of the Directors' interests in shares detailed above since the Company's year-end. No Director held any interest, beneficial or otherwise, in the issued shares of the Company other than stated above.



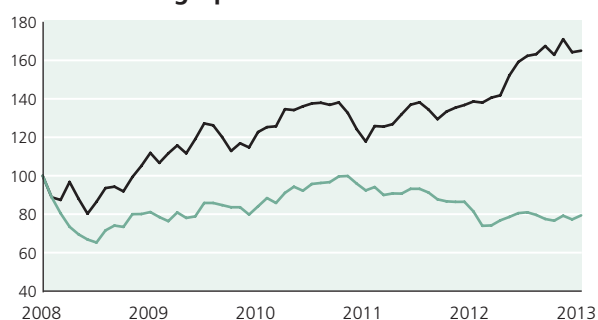
## Directors' Remuneration Report

continued

### Performance graph

The Company's performance is measured against the FTSE World Index on a total return basis ('the Benchmark Index'). The graph below compares the mid-market price of the Company's ordinary shares over the five year period ended 30 September 2013 with the Benchmark Index over the same period.

### Performance graph



Source: Datastream (rebased to 100)

— Henderson Value Trust plc share price total return  
— FTSE World Index total return

### Relative importance of spend on pay

In order to show the relative importance of spend on pay, the below table sets out the total level of remuneration compared to the distributions to shareholders by way of dividend and share buybacks. There were no other significant distributions, payments or other uses of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	30 September 2013 £'000	30 September 2012 £'000
Total remuneration	<b>76</b>	71
Ordinary dividend paid	<b>955</b>	1,036
Buybacks of ordinary shares	<b>1,366</b>	12,994

By order of the Board  
Rachel Peat ACIS  
For and on behalf of  
Henderson Secretarial Services Limited  
Company Secretary  
10 January 2014



## Reconciliation of Movements in Shareholders' Funds

for the year to 30 September 2013

Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
	<b>12,093</b>	<b>10,966</b>	<b>6,360</b>	<b>104,501</b>	<b>1,281</b>	<b>135,201</b>
	–	–	–	<b>5,295</b>	<b>405</b>	<b>5,700</b>
6	–	–	–	–	<b>(955)</b>	<b>(955)</b>
	<b>(14)</b>	–	<b>14</b>	–	–	–
	<b>(141)</b>	–	<b>141</b>	<b>(1,366)</b>	–	<b>(1,366)</b>
	<b>11,938</b>	<b>10,966</b>	<b>6,515</b>	<b>108,430</b>	<b>731</b>	<b>138,580</b>
	13,252	10,966	5,201	139,370	1,293	170,082
	–	–	–	(21,875)	1,024	(20,851)
6	–	–	–	–	(1,036)	(1,036)
	<b>(1,159)</b>	–	<b>1,159</b>	<b>(12,994)</b>	–	<b>(12,994)</b>
	<b>12,093</b>	<b>10,966</b>	<b>6,360</b>	<b>104,501</b>	<b>1,281</b>	<b>135,201</b>

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

# Balance Sheet

as at 30 September 2013

Notes	2013 £'000	Restated 2012 £'000	
	<b>Fixed assets</b>		
8	Investments at fair value through profit or loss	119,191	122,531
	<b>Current assets</b>		
	Cash at bank	1,381	2,338
	Money market funds	11,672	–
	Cash held as CFD margin deposit	8,773	10,868
9	Debtors	26	3,007
	<b>Total current assets</b>	<b>21,852</b>	<b>16,213</b>
10	<b>Creditors:</b> amounts falling due within one year	<b>(2,463)</b>	<b>(3,543)</b>
	<b>Net current assets</b>	<b>19,389</b>	<b>12,670</b>
	<b>Total assets less current liabilities</b>	<b>138,580</b>	<b>135,201</b>
	<b>Capital and reserves</b>		
11	Share capital	11,938	12,093
	Share premium	10,966	10,966
	Capital redemption reserve	6,515	6,360
12	Capital reserve	108,430	104,501
12	Revenue reserve	731	1,281
	<b>Total equity shareholders' funds</b>	<b>138,580</b>	<b>135,201</b>
7	<b>Net asset value per Ordinary share (pence)</b>	<b>290.21</b>	<b>279.83</b>

The financial statements were approved by the Board of Directors and authorised for issue on 10 January 2014 and were signed on its behalf by:

Shane Ross TD  
Chairman

# Cash Flow Statement

for the year to 30 September 2013

Notes	2013 £'000	Restated 2012 £'000
<b>Reconciliation of revenue before interest and taxation to net cash flows from operating activities</b>		
Net return/(loss) before interest and taxation	6,050	(20,380)
Net (gains)/losses on investments	(6,396)	20,416
Transaction costs	56	24
Movement in creditors	(266)	515
Movement in debtors	(26)	(1,396)
Net cash outflow from operating activities	<u>(582)</u>	<u>(821)</u>
<b>Returns on investment and servicing of finance</b>		
Finance costs paid	<u>(344)</u>	<u>(471)</u>
<b>Capital expenditure and financial investment</b>		
Purchases of fixed asset investments	(29,362)	(10,976)
Sales of fixed asset investments	43,546	36,556
	<u>14,184</u>	<u>25,580</u>
<b>Equity dividends paid</b>	<u>(955)</u>	<u>(1,036)</u>
<b>Management of liquid resources</b>		
Purchases of money market funds	(27,052)	–
Sales of money market funds	15,380	–
<b>Net cash outflow from management of liquid resources</b>	<u>(11,672)</u>	<u>–</u>
<b>Net cash inflow before financing</b>	631	23,252
<b>Financing</b>		
Share buy backs	<u>(1,366)</u>	<u>(12,994)</u>
<b>(Decrease)/increase in cash</b>	<u>(735)</u>	<u>10,258</u>
<b>Reconciliation of net cash flow to movement in net cash</b>		
Movement in cash in the year	(735)	10,258
Net cash at start of the year	10,840	575
Net change in liquid resources	11,672	–
Exchange rate differences	49	7
Net cash at end of the year	<u>21,826</u>	<u>10,840</u>

Net cash at the end of the year comprises cash held at bank of £1,381,000, cash held at UBS related to CFD transactions of £8,773,000 and balances held at money market funds of £11,672,000.

The notes on pages 37 to 48 form part of these financial statements

# Notes to the Financial Statements

## 1 Accounting policies

### (a) Basis of preparation

The accounts are prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP') and with the 2009 Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'). They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Report of the Directors on pages 19 and 20.

### Restatements of Prior year

The 2012 column of the Balance Sheet, Cash Flow Statement and related notes have been restated to take account of the following :

- (i) As stated in (f) below, CFD positions are now split between assets and liabilities, having been netted off in prior years on the grounds that they were immaterial. These derivative positions are now shown gross as a matter of policy, irrespective of materiality.
  - (ii) In the prior year, restricted cash and receivables held with the Company's CFD broker were split between cash at bank and investments. These are now shown as a separate line in current assets referring to cash held as the CFD margin deposit.
- Neither of these changes results in a restatement of the Company's net assets or income.

### (b) Income

Investment income is included in the Income Statement on an ex-dividend basis. Deposit interest is included on an accruals basis.

### (c) Expenses and interest

Expenses and interest payable are dealt with on an accruals basis.

### (d) Investment management fees and finance costs

The investment management fee and interest paid have been allocated 10% to revenue and 90% to capital. The allocation is in line with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the investment portfolio. The terms of the investment management agreement are detailed in the Strategic Review on page 15.

### (e) Taxation

The taxation charge represents the sum of current and deferred taxation. Current taxation is based on the results showing in the accounts and is calculated using the prevailing taxation rates. Deferred taxation is accounted for in respect of all material timing differences to the extent that it is probable that an asset or liability will crystallise. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

### (f) Investments

The Company's investments have been categorised as 'fair value through profit or loss'. All investments are held at fair value. For listed investments, this is deemed to be quoted bid prices as at 30 September 2013 or closing prices for SETS stocks sourced from the London Stock Exchange.

CFDs are derivatives in the form of synthetic equities and are fair valued with reference to the investment's underlying bid price. The aggregate of CFD liability positions is presented in creditors: amounts due in less than one year.

Unlisted investments are valued at fair value based on the latest available information, principally net asset value, and with reference to the International Private Equity and Venture Capital Valuation Guidelines.

All changes in fair value and transaction costs on the acquisition and disposal of portfolio investments are included in the Income Statement as a capital item.

Purchases and sales of investments are accounted for on the trade date.



# Notes to the Financial Statements

continued

## 1 Accounting policies (continued)

### (g) Use of estimates

The preparation of financial statements requires the Company to make judgements, estimates and assumptions that affect amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. However, the nature of estimation means that the actual outcomes could differ from those estimates, possibly significantly. The estimates and underlying assumptions are reviewed on an ongoing basis. The judgements relate to the fair value of unlisted investments where there is no appropriate market price.

### (h) Foreign currencies

Assets and liabilities in foreign currencies are converted at the year end exchange rates. Foreign currency transactions are translated at the exchange rate on the transaction date. Exchange differences are dealt with as either revenue or capital items depending on the nature of the exchange gain or loss.

### (i) Capital reserve

Gains and losses on realisations of fixed asset investments, and transaction costs, together with appropriate exchange differences, are dealt with in this reserve. All incentive fees, a portion of the investment management fee and finance costs, together with any tax relief, is also taken to this reserve. Increases and decreases in the valuation of fixed asset investments are dealt with in this reserve. The cost of share buybacks is also charged directly to this reserve.

### (j) Dividends payable

Final dividends are recognised in the period in which they are paid.

## 2 Investment income

### Income from equity shares and securities

	2013 £'000	2012 £'000
UK investment income	754	851
Overseas income	444	623
	<u>1,198</u>	<u>1,474</u>

### Other income

Interest from money market funds	16	–
	<u>16</u>	<u>–</u>

### Total income

	<u>1,214</u>	<u>1,474</u>
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## 3 Investment management fees

### Revenue

Investment management fee	82	113
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### Capital

Investment management fee	735	1,011
	<u>735</u>	<u>1,011</u>

### Total

	<u>817</u>	<u>1,124</u>
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Details of the fee basis are contained in the Strategic Review on page 15.

# Notes to the Financial Statements

continued

<b>4 Other expenses</b>	<b>2013</b> £'000	2012 £'000
<b>Revenue</b>		
General expenses	<b>552</b>	190
Directors' fees	<b>76</b>	71
Auditor's remuneration – audit services*	<b>28</b>	23
– taxation services	<b>5</b>	6
– other**	<b>26</b>	–
	<b>687</b>	290
<b>Capital</b>		
Transaction costs	<b>56</b>	24
	<b>743</b>	314

\*These figures include VAT. Fees for audit services excluding VAT were £22,000 (2012: £20,000).

\*\*Review of the interim financial statement and review of the unlisted portfolio valuations at the take-on of the new Manager.

General expenses includes the costs incurred in relation to an independent review of the Company following continued poor performance which resulted in the management of the Company being put out for tender. These costs included *inter alia* legal fees £84,000, corporate finance fees £57,000 and PricewaterhouseCoopers LLP independent review fees £124,000.

<b>5 Taxation</b>	<b>2013</b> £'000	2012 £'000
Net return/(loss) on ordinary activities before taxation	<b>5,706</b>	(20,851)
The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are noted below:		
Corporation tax 23.5% (2012: 25%)	<b>1,341</b>	(5,213)
Non-taxable dividends	<b>(189)</b>	(237)
Non-taxable (gains)/losses on investments	<b>(1,490)</b>	5,884
Disallowed expenses	–	6
Write-off of withholding tax no longer reclaimable	<b>6</b>	–
Movement in unutilised management expenses	<b>338</b>	(440)
Total taxation charge for the year	<b>6</b>	–

The Company is subject to taxation on gains arising from the realisation of investments in non-qualifying offshore funds but is otherwise exempt from taxation on chargeable gains. Excess management expenses are available to be offset against future taxable profits including any profits on the disposal of interests in non-qualifying offshore funds. The position as at the year end is as follows:

# Notes to the Financial Statements

continued

<b>5 Taxation</b> (continued)	<b>2013</b> <b>£'000</b>	2012 £'000
Excess management expenses	<b>19,819</b>	18,562
Unrealised appreciation on non-qualifying offshore funds	<b>(6,174)</b>	(14,216)
Excess management expenses	<b>13,645</b>	4,346

No deferred tax asset on excess management expenses has been recognised as they are unlikely to be utilised against taxable profits within the foreseeable future.

<b>6 Dividends on equity shares</b>	<b>2013</b> <b>£'000</b>	2012 £'000
2012 final dividend 2.0p (2011: 2.0p)	<b>955</b>	1,036

The proposed final dividend of 1.5p per share is subject to shareholder approval at the Annual General Meeting and has not been included as a liability in these financial statements. This dividend of £716,000 (2012: £955,000) is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £405,000 (2012: £1,024,000).

## **7 Returns/Net asset value per ordinary share**

Returns per share are based on a weighted average of 47,811,425 (2012: 51,007,688) ordinary shares in issue during the year.

Total return per ordinary share is based on the total return for the year of £5,700,000 (2012: loss of £20,851,000).

Capital return per ordinary share is based on the net capital return for the year of £5,295,000 (2012: loss of £21,875,000).

Revenue return per ordinary share is based on revenue after taxation for the year of £405,000 (2012: £1,024,000).

The net asset values per share are based on the net assets of £138,580,000 (2012: £135,201,000) divided by the number of shares in issue at the year end of 47,751,404 (2012: 48,315,546).

<b>8 Fixed assets – Investments at fair value through profit or loss</b>	<b>2013</b> <b>£'000</b>	Restated 2012 £'000
Listed investments	<b>60,065</b>	47,559
Unlisted investments	<b>59,126</b>	74,972
	<b>119,191</b>	122,531

## Notes to the Financial Statements

continued

8	Fixed assets – Investments at fair value through profit or loss (continued)	Listed £'000	Unlisted £'000	2013 Total £'000	Restated 2012 Total £'000
	<b>Valuation as at 1 October 2012</b>	47,559	74,972	<b>122,531</b>	169,442
	Investment holding (losses)/gains as at 1 October	(6,731)	15,755	<b>9,024</b>	22,581
	<b>Cost as at 1 October 2012</b>	54,290	59,217	<b>113,507</b>	146,861
	Purchases of investments at cost	27,307	3,522	<b>30,829</b>	10,887
	Proceeds from sale of investments	(19,024)	(23,119)	<b>(42,143)</b>	(37,788)
	Net gains/(losses) on sale of investments	934	(31)	<b>903</b>	(6,453)
	<b>Cost as at 30 September 2013</b>	63,507	39,589	<b>103,096</b>	113,507
	Investment holding (losses)/gains as at 30 September	(3,442)	19,537	<b>16,095</b>	9,024
	<b>Valuation as at 30 September 2013</b>	60,065	59,126	<b>119,191</b>	122,531
	Net gain/(loss) on sale of investments	934	(31)	<b>903</b>	(6,453)
	Movement in investment holding gains/(losses)	3,289	3,782	<b>7,071</b>	(13,557)
	<b>Total gains/(losses) on investments</b>	4,223	3,751	<b>7,974</b>	(20,010)
	Total losses on CFD liabilities held at fair value through profit or loss (see note 10)			<b>(1,627)</b>	(413)
	<b>Total gains/(losses) on investments held at fair value through profit or loss</b>			<b>6,347</b>	(20,423)

**Transaction costs**

Fixed asset investments are categorised as 'financial assets at fair value through profit or loss'.

Transaction costs on the acquisition and disposal of portfolio investments are charged to Capital Reserve.

In the year to 30 September 2013 these costs amounted to £56,000 (acquisitions £32,000 and disposals £24,000).

In the year to 30 September 2012 these costs amounted to £24,000 (acquisitions £6,000 and disposals £18,000).

9	Debtors	2013 £'000	2012 £'000
	Accrued income	17	–
	Due from brokers	–	1,459
	Payments in advance for investment purchases	–	1,542
	Prepayments and other receivables	9	–
	Taxation recoverable	–	6
		<b>26</b>	3,007

10	Creditors: amounts falling due within one year	2013 £'000	Restated 2012 £'000
	Bank overdraft	–	2,366
	CFD liabilities held at fair value through profit and loss	2,040	413
	Due to brokers	134	209
	Other creditors	289	555
		<b>2,463</b>	3,543

# Notes to the Financial Statements

continued

11 Share capital	2013 £'000	2012 £'000
<b>Authorised</b>		
63,739,320 ordinary 25p shares	<b>15,935</b>	15,935
<b>Allotted, issued and fully paid</b>		
47,751,404 (2012 - 48,373,470) ordinary 25p shares	<b>11,938</b>	12,093
Every shareholder has the right to one vote for each share held. Of the above shares in issue, the movements in the ordinary 25p shares held in treasury were as follows:		
As at start of year	<b>14</b>	–
Purchased during the year:	–	769
Cancelled during the year:	<b>(14)</b>	(755)
As at end of year:	–	14

564,142 shares (2012: 1,618,000) were bought back for immediate cancellation during the year at a cost of £1,366,000 (2012: £4,513,000). In addition 57,924 shares held in treasury were cancelled during the year. During the year ended 30 September 2012, the consideration for the shares bought back for treasury and then cancelled was £8,334,000 and the consideration for shares held in treasury for that year was £147,000.

12 Retained earnings	2013 £'000	2012 £'000
<b>Capital reserve</b>		
At 1 October	<b>104,501</b>	139,370
Movement in investment holding gains/(losses)	<b>5,444</b>	(13,970)
Gains/(losses) on realisation of investments at fair value	<b>903</b>	(6,453)
Currency gains	<b>49</b>	7
Finance costs	<b>(310)</b>	(424)
Investment management fees	<b>(735)</b>	(1,011)
Transaction costs	<b>(56)</b>	(24)
Share buy backs	<b>(1,366)</b>	(12,994)
At 30 September	<b>108,430</b>	104,501

The capital reserve includes investment holding gains amounting to £14,055,000 (2012: £8,611,000) as disclosed in notes 8 & 10.

<b>Revenue reserve</b>	2013 £'000	2012 £'000
At 1 October	<b>1,281</b>	1,293
Net revenue return	<b>405</b>	1,024
Dividends paid	<b>(955)</b>	(1,036)
At 30 September	<b>731</b>	1,281

# Notes to the Financial Statements

continued

## 13 Substantial interests

Interests of 20% or more of equity share capital (all ordinary shares).

Company	Country of incorporation and operation	Six month period end	% of class and equity held	Aggregate capital and reserves £'000	Post tax losses £'000	Dividends received £'000	Valuation £'000
Armadillo Investments Limited (in liquidation)	Guernsey	25.07.13*	25.0	508	n/a	–	132

\*the latest liquidator's statement.

## 14 Financial information on significant unlisted investments

In accordance with the Listing Rules, the following information is provided for the unlisted investments in the Company's ten largest investments.

Company	Business	Earnings per share £	Dividend per share	Dividend cover	Net assets attributable £'000
Value Partners China Greenchip Limited	Investment company	0.82	–	–	5,370
Century Capital Partners IV L.P.*	Investment partnership	n/a	–	–	3,849
Metage Emerging Markets Opportunities Fund	Investment company	29.12	–	–	3,570
Firebird Republics Fund Limited	Investment company	68.48	–	–	3,429

\*Century Capital Partners IV L.P. is a limited partnership and so no earnings per share figure is available.

Earnings per share figures are for the year ended 31 December 2012.

Net assets are at 30 September 2013 with the exception of Century Capital Partners IV L.P. which is at 30 June 2013.

The above investments are held at net asset value which is fair value.

## 15 Financial instruments

### Risk Management

The major risks inherent within the Company are market price risk, foreign currency risk, liquidity risk, interest rate risk and credit risk. The Company has an established environment for the management of these risks which are continually monitored by the Manager. Appropriate guidelines for the management of the Company's financial instruments and gearing have been established by the Board of Directors. Specifically, gearing (borrowings and gross exposure of long-only CFDs) is targeted to fall between 0 and 20% of total assets. The Company does not use currency hedging nor is it the Company's policy to invest materially in derivatives.

Market risk exists where there are changes in share prices, equity valuations, interest rates and the liquidity of financial instruments. The Company addresses this risk by owning a diversified portfolio of investments covering a range of market capitalisation, sectors and geographic regions. Market price risk management is part of the Company management process and is typical of equity related investment. The portfolio is managed so as to minimise the effects of adverse price movements and results from detailed and continuing analysis with an objective of maximising overall returns to shareholders.



# Notes to the Financial Statements

continued

## 15 Financial instruments (continued)

Liquidity risk exists where the Company is a forced seller of its investments at times where there may not be sufficient demand for these assets. Although some holdings are unlisted or trade on illiquid markets and are by their nature less liquid than larger companies, the Company maintains a long term investment view and is rarely required to sell its investments in a forced manner. In addition, the Company maintains an overdraft facility to ensure that the Company is not a forced seller of its investments.

Interest rate risk exists where the returns generated from the investments are less than the cost of borrowing. This risk has been mitigated by operating with a relatively small level of gearing at most times. The level will only be increased where an opportunity exists to add to net asset value performance.

Credit risk exists where a counterparty fails to discharge an obligation or commitment entered into with the Company. The Manager monitors counterparty risk as part of the overall investment management process. This risk is reduced by using counterparties that are substantial, well financed organisations which are reviewed on a regular basis. Most investment transactions are conducted on-market and are delivery versus payment. The Company's principal counterparties are bankers State Street, money market funds provider Deutsche Bank and CFD provider UBS. The Manager only uses trade execution broker organisations that are authorised by the Financial Conduct Authority.

### Sensitivity analysis

The following table details the impact on returns and net assets of the Company to changes in the principal drivers of performance, namely investment returns, foreign currencies and interest rates. The calculations are based on the balances at the respective balance sheet dates and are not representative of the year as a whole.

	2013 £'000	Restated 2012 £'000
<b>Investment portfolio</b>		
10% increase in price of investments*	13,345	14,827
10% decrease in price of investments*	(13,345)	(14,827)
<b>Other assets/liabilities</b>		
Interest rate +0.5%	107	65
Interest rate -0.5%	(107)	(65)
<b>Foreign currency</b>		
US Dollar strengthens by 5% against Sterling	2,966	3,544
US Dollar weakens by 5% against Sterling	(2,966)	(3,544)
Hong Kong Dollar strengthens by 5% against Sterling	269	222
Hong Kong Dollar weakens by 5% against Sterling	(269)	(222)
Euro strengthens by 5% against Sterling	249	456
Euro weakens by 5% against Sterling	(249)	(456)

\*For CFDs, this is calculated as the effects of a movement in the underlying share price.

### Financial instruments

The Company's investment policy is to hold investments and cash balances with gearing being provided by a bank overdraft and the use of long-only CFDs. All financial assets and liabilities are carried at fair value. The fair value is the same as the carrying value of all financial assets and liabilities.

# Notes to the Financial Statements

continued

## 15 Financial instruments (continued)

The Company has the following foreign currency exposures.

	2013 £'000	Restated 2012 £'000
<b>Fixed asset investments</b>		
– US Dollar	57,979	66,617
– Euro	4,958	9,754
– Hong Kong Dollar	5,370	4,447
– Singapore Dollar	605	1,483
<b>Bank/(overdraft)</b>		
– US Dollar	1,342	2,250
– Singapore Dollar	–	28
– Euro	30	(644)
<b>Debtors</b>		
– US Dollar	1	2,009
– Singapore Dollar	–	886
<b>Exchange rate</b>		
– US Dollar	1.619	1.615
– Euro	1.196	1.253
– Hong Kong Dollar	12.559	12.524
– Singapore Dollar	2.032	1.984

Where appropriate, gearing is utilised in order to enhance net asset value. The Company does not invest in fixed rate securities other than where the Company has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities, or money market funds. Investments, which comprise mainly equity investments, are valued as detailed in the Company's accounting policies.

### Financial instruments

The Company only operates short-term gearing, which combined with the use of long-only CFDs, is limited to 20% of gross assets. Borrowing is undertaken through an unsecured variable rate bank overdraft with interest being charged based on prevailing interest rates. Short term debtors and creditors are excluded from disclosure except currency disclosures. The fair value is not materially different from the carrying value of all financial assets and liabilities as disclosed in notes 8, 9 and 10.

# Notes to the Financial Statements

continued

## 15 Financial instruments (continued)

Classification of financial instruments	2013 £'000	Restated 2012 £'000
Level 1	56,602	40,145
Level 2	33,703	47,150
Level 3	26,846	34,82
Level 1 reflects financial instruments quoted in an active market	117,151	122,118

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. These are principally CFDs, where the price is based on the underlying quoted investment price, or investments in funds where the price is based on valuations provided by the funds' administrators.

Level 3 reflects financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by unobservable inputs. These include monthly priced funds and quarterly priced limited partnerships.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Valuation as at 1 October	40,145	47,150	34,823	122,118
Investment holding (losses)/gains as at 1 October	(14,145)	26,469	(3,713)	8,611
Cost as at 1 October	54,290	20,681	38,536	113,507
Purchases of investments at cost	27,307	1,529	1,993	30,829
Proceeds from sale of investments	(13,197)	(17,055)	(11,891)	(42,143)
Net (losses)/gains on sale of investments	(4,893)	7,822	(2,026)	903
Cost as at 30 September	63,507	12,977	26,612	103,096
Investment holding (losses)/gains as at 30 September	(6,905)	20,726	234	14,055
<b>Valuation as at 30 September</b>	<b>56,602</b>	<b>33,703</b>	<b>26,846</b>	<b>117,151</b>

The gains and losses included in the above table have all been included within (losses)/gains on investments in the Income Statement on page 33. The Directors believe that the use of reasonable possible alternative assumptions for its Level 3 holdings would not result in a valuation significantly different from the valuation included in these financial statements. (For comparative figures, please see note 8).

The Board has granted the Manager a limited authority to invest in CFDs to achieve some degree of gearing and/or hedging without incurring the gross cost of investment.

### Classification of financial instruments

The Board requires the Manager to operate within certain risk ranges of normal exposure, as detailed in the Report of the Directors and Portfolio Managers' Report. The following table details the CFD positions.

# Notes to the Financial Statements

continued

## 15 Financial instruments (continued)

	2013 £'000	Restated 2012 £'000
Number of holdings 6 (2012: 7)		
Gross exposure – all long	<b>17,724</b>	33,157
Net unrealised gains	<b>1,424</b>	7,002
<b>Contractual maturity analysis</b>		
Creditors		
– due not later than one month	<b>(423)</b>	(3,130)
Cash flows payable under financial liabilities by remaining contractual liabilities are stated above.		
<b>Maximum credit risk analysis</b>		
As at the year end the Company's maximum credit risk exposure was as follows:		
Bank	<b>1,381</b>	2,338
Money market funds	<b>11,672</b>	–
Cash held as CFD margin deposit	<b>8,773</b>	10,868
Accrued income	<b>17</b>	–
Payments and other receivables	<b>9</b>	–
Due from brokers	–	1,459
Payments in advance for investment purchases	–	1,542
Taxation recoverable	–	6
	<b>21,852</b>	16,213

### Capital management policies

The Company's management objectives are to provide shareholders with long term capital growth, deploying the proceeds of ordinary shareholders equity and making tactical use of a restricted level of gearing.

	2013 £'000	2012 £'000
Capital and reserves:		
Share capital	<b>11,938</b>	12,093
Share premium	<b>10,966</b>	10,966
Capital redemption reserve	<b>6,515</b>	6,360
Capital reserve	<b>108,430</b>	104,501
Revenue reserve	<b>731</b>	1,281
<b>Total shareholders' funds</b>	<b>138,580</b>	135,201

The Company's objectives for managing capital are detailed in the Report of the Directors and have been complied with throughout the year. The Company normally restricts effective gearing (borrowings and gross exposure of long-only CFDs) to 20% of net assets, maintains a minimum share capital of £50,000 (as a public company) and adheres to the capital restrictions imposed by relevant company and tax legislation.

# Notes to the Financial Statements

continued

## **16 Related party and transactions with the manager**

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The following are considered related parties: the Board of Directors, Henderson Global Investors Limited ('Henderson'); SVM Asset Management Limited ('SVM') were a related party until 31 March 2013.

SVM earned £817,000 in respect of investment management fees, of which £169,000 (2012: £524,000) was outstanding at the year end.

There are no transactions with the Board other than remuneration for services as Directors as disclosed in the Directors' Remuneration Report on page 31, and as set out in note 4 to the accounts. The Directors' shareholdings are also detailed on page 31.

Transactions between the Company and SVM, and the Company and Henderson are detailed in note 3 and in the Strategic Review on pages 14 and 15.

## **17 Commitments**

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The Company had no outstanding commitments or contingencies at 30 September 2013.

# Independent Auditor's Report

to the members of Henderson Value Trust plc

We have audited the group financial statements of Henderson Value Trust plc for the year ended 30 September 2013 which comprise the Income Statement, Reconciliation of Movements in Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, the directors are responsible for the preparation of the Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Our assessment of risks of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- existence and ownership of the Company's investments;
- valuation of the Company's investments;
- transfer of fund accounting services; and
- management fees are not calculated correctly in accordance with the investment management agreement.

## Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements, if any, on the financial statements and in forming our audit opinion in the Auditor's report.

We determined planning materiality for the Company to be £1.40 million which is 1% of total equity. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 50% of planning materiality, namely £0.69 million. Our objective in adopting this approach was to ensure that total detected and undetected audit differences in all accounts did not exceed our planning materiality level.

We have reported to the Audit Committee all audit differences in excess of £69,300 (as well as differences below that threshold that, in our view warranted reporting on qualitative grounds).



# Independent Auditor's Report

continued

## An overview of the scope of our audit

Our response to the risks identified above was as follows:

- for investments held externally by the Company's custodian, we obtained confirmation of the investments and agreed this to the books and records of the Company. For other investments including those investments that are held by the Company directly we reviewed evidence of ownership and agreed this to the Company's books and records;
- we agreed year end prices for quoted investments to an independent source;
- with the assistance of our valuation experts, we considered the appropriateness of the valuation techniques applied to unlisted investments;
- we have reviewed the transfer of books and records from SVM to BNP Paribas; and
- we re-performed the management fee calculations for the year to confirm they were correctly calculated in accordance with the investment management agreement and agreed the calculation inputs to source data.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

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

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

Under the Listing Rules we are required to review:

- the Report of the Directors, set out on pages 19 and 20, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Matt Price (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP Statutory Auditor  
London

10 January 2014

## General Shareholder Information

### Disability Discrimination Act

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

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

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

### BACS

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 52) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

### Share Price Listings

The share price, net asset value and other information can be found on the website: [www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.com). The market price of the Company's ordinary shares is quoted in the Financial Times and other leading newspapers. The London Stock Exchange Daily Official List (SEDOL) code is 0121600.

### ISA

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for a stocks and shares ISA.

### Shareholder Details

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

### Nominee Code

Where shares in the Company are held by nominee companies, Henderson Value Trust plc undertakes to:

- provide nominee operators, who have indicated in advance a wish to receive them, with copies of shareholder communications for distribution to their customers; and
- encourage nominee operators to advise investors that they will be permitted to attend general meetings, and to speak at meetings when invited to do so by the Chairman.

### Keeping up to date with Henderson Value Trust plc Website

For more information about the Company visit the website at [www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.com).

### HGi

HGi is a content platform provided by Henderson that offers a new level of online personalisation where you can 'follow' investment experts, topics and the trusts that are of interest to you. By creating your HGi profile you will be updated regularly on the topics that interest you most, bringing you closer to Henderson's investment expertise.

Scan the QR code or use this short URL to register for HGi.  
<http://HGi.co/hjw>



### Follow us on Twitter

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### Warning to Shareholders

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

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

**If you are in any doubt about the veracity of an unsolicited telephone call, please contact the Company Secretary on the telephone number provided on page 52.**

## Corporate Information

### Directors

Shane P N Ross TD (Chairman)  
Daniel H Hodson (Senior Independent Director and  
Audit Committee Chairman)  
Graham Fuller  
Peter J Hulse  
James R D Korner

### Registered Office

Leven House  
10 Lochside Place  
Edinburgh Park  
Edinburgh EH12 9RG

### Correspondence Address

Henderson Global Investors Limited  
201 Bishopsgate, London EC2M 3AE  
Telephone: 020 7818 1818  
Email: [help@henderson.com](mailto:help@henderson.com)

### Registered Number

Registered in Scotland as an investment company,  
No.SC015905

### Company Secretary

Henderson Secretarial Services Limited  
represented by Rachel Peat ACIS  
Telephone : 020 7818 1818

### Registrar

Computershare Investors Services PLC  
Leven House  
10 Lochside Place  
Edinburgh Park  
Edinburgh EH12 9RG  
Telephone: 0870 707 1330

### Corporate Broker

Panmure Gordon LLP  
1 New Change  
London EC4M 9AF

### Independent Auditor

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### Investment Manager

Henderson Global Investors Limited  
represented by Ian Barrass and Paul Craig

Henderson Global Investors Limited is authorised and regulated  
by the Financial Conduct Authority

### Websites

The ordinary share price, net asset value and other information  
can be found on the Company's website

[www.hendersonvaluetrust.com](http://www.hendersonvaluetrust.com)

Investors with share certificates (i.e. not those in a share plan  
or ISA) can check their holdings via the Company's Registrar  
at [www.computershare.com](http://www.computershare.com)

### Legal Advisers

Stephenson Harwood LLP  
1 Finsbury Circus  
London EC2M 7SH

### Custodian

State Street Bank and Trust Company  
20 Churchill Place  
Canary Wharf  
London E14 5HJ

### Share Identification Codes:

ISIN: GB0001216000  
SEDOL: 0121600  
EPIC: HVTR

The Company is a member of

**aic**  
The Association of  
Investment Companies







Henderson Value Trust plc is managed by



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