Company Number: 00427958

HENDERSON EUROPEAN FOCUS TRUST PLC

Report for the half-year ended 31 March 2023

(unaudited)

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JANUS HENDERSON FUND MANAGEMENT UK LIMITED

LEGAL ENTITY IDENITIFIER: 213800GS89AL1DK3IN50

HENDERSON EUROPEAN FOCUS TRUST PLC (the "Company")

Unaudited results for the half-year ended 31 March 2023

This announcement contains regulated information

Investment objective

The Company seeks to maximise total return (a combination of income and capital growth) from a portfolio of stocks listed in Europe.

Performance highlights

- Net asset value ("NAV") per share total return[1] rose by 22.8%, outperforming the benchmark[2] return by 1.1%
- Share price total return[3] rose by 28.3%
- Interim dividend of 1.30p per share declared, +8.3% on the prior year (2022: 1.20p)

Total return performance to 31 March 2023

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV[1]	22.8	10.8	64.0	55.2	173.9
Benchmark index[2]	21.7	8.7	56.2	47.4	137.4
AIC Europe sector NAV[4]	22.3	7.1	54.7	51.3	159.0
Share price[3]	28.3	11.0	73.3	42.2	170.2
AIC Europe sector share price[4]	25.7	5.3	56.2	45.6	155.3
IA OEIC Europe sector[5]	21.7	6.6	55.2	39.2	125.0

Financial highlights

	At 31 March 2023 (unaudited)	At 30 September 2022 (audited)
Shareholders' funds		
Net assets	£377.6m	£314.4m
NAV per ordinary share	177.47p	147.67p
Share price	159.00p	127.0p
Gearing at period end[6]	6.8%	1.9%

	Half-year ended 31 March 2023 (unaudited)	Year ended 30 September 2022 (audited)
Total return to equity shareholders		
Revenue return after taxation (£'000)	2,426	10,913
Capital return after taxation (£'000)	68,696	(58,341)
Total return (£'000)	71,122	(47,428)
Total return per ordinary share		
Revenue	1.14p	5.11p
Capital	32.28p	(27.32p)
Total return	33.42p	(22.21p)

1 Net asset value ("NAV") total return per ordinary share (with dividends reinvested)
2 FTSE World Europe ex UK Index on a total return basis in sterling terms
3 Share price total return (with dividends reinvested) using mid-market closing price
4 Average for the Association of Investment Companies ("AIC") Europe sector of seven companies
5 Investment Association ("IA") open-ended investment company ("OEIC") Europe ex UK Equity sector average NAV, comprising 149 OEICs at 31 March 2023
6 Net gearing, as defined in the alternative performance measures in the Annual Report for the year ended 30 September 2022

Sources: Morningstar Direct, Refinitiv Datastream and Janus Henderson

INTERIM MANAGEMENT STATEMENT

CHAIR'S STATEMENT

We are living through an era in which each half-yearly update seemingly warrants a dedicated volume in the economic history books. The Company's financial year end of 30 September 2022 coincided with a trough in European equity markets. Since then, as our Fund Managers suggested (or hoped) would be the case, European share prices have recovered. Why? Because they simply became too cheap, judging by historical precedents and economies have proven more robust than expected. Whilst the ongoing war in Ukraine continued to have a major impact on supply shortages, higher food and energy prices, the mild weather over the winter proved a blessing. For many companies and households – more so for those on the Continent than here in the UK – the outcome in terms of pressure on revenues and margins or general 'cost of living' has been less pronounced than feared.

Moreover, the unthinkable has happened, at least in the eyes of the professional investors who allocate assets across global equity markets: Europe has outperformed the US, and by some margin. On a common currency basis, the European index has seen a good 20% outperformance compared with the S&P500, Dow Jones and the technology-heavy Nasdaq. That is not to say the trend – if we dare to tempt fate by labelling it such – has not been tested. The US Federal Reserve had to act quickly to avert contagion from a very specific banking crisis at Silicon Valley Bank in California, but not before banks globally came under the spotlight. Unfortunately, it highlighted the ongoing travails at Credit Suisse in Switzerland, requiring the Swiss National Bank to find a domestic solution in the guise of UBS and prompting a flight to quality in European banking shares. Somewhat surprisingly, however, equity markets shrugged it off relatively quickly to recoup these short-term losses, ending the period with healthy double-digit increases.

Performance

In the six months to 31 March 2023, the Company's NAV total return per ordinary share rose by 22.8%, outperforming the Company's benchmark, the FTSE World Europe ex UK index by 1.1%. Our NAV performance was just above both the average of our closed-ended peers in the AIC Europe sector (+22.3%) and also above that of the IA OEIC Europe ex UK sector average (+21.7%).

The Company's share price total return saw a greater rise of 28.3%, mostly due to a narrowing of the discount at which the shares trade relative to the underlying NAV from 14.0% as at 30 September 2022 to 10.4% at 31 March 2023.

The existence of such a level of discount to NAV, given the strength of our performance track record, is rather confounding but seems to be a trait of our high-performing Europe sector where the average discount was 10.9% at the end of March 2023. It is a source of frustration and discussion for the Board. Buybacks have been – and will be – used judiciously to manage liquidity, but we would much rather encourage new shareholders onto the register now that European markets may be coming into vogue, than shrink the assets of the Company.

Dividend

I am pleased to announce that the Company will pay an increased interim dividend of 1.30p per ordinary share on 27 June 2023 to shareholders on the register on 2 June 2023; this compares to 1.20p for the six months ending 31 March 2022. Note that as for last year, this reflects an element of rebalancing between the interim and final dividend payments and should not be taken as a proxy for the full-year dividend increase. The shares will be quoted ex-dividend on 1 June 2023.

Loan notes and gearing

Net gearing was at 6.8% at 31 March 2023 (vs 1.9% at 30 September 2022), having approached 11% during the period, with our Fund Managers holding some cash on a short-term tactical basis if they anticipate better buying opportunities ahead. Use of leverage made a small positive contribution to NAV performance in this six-month period. Net gearing is 7.0% at 18 May 2023, and as you will see from the Fund Managers' Report, is expected to be further deployed in a considered manner over time.

Board changes

As indicated in the 2022 Annual Report, Eliza Dungworth will retire from the Board with effect from 31 May 2023. I would like to thank Eliza for her many years of service and wise counsel on the Company's affairs, and particularly for her skilful and incisive chairmanship of the Audit and Risk Committee. In line with our long-term succession planning, the Board is currently engaged in a recruitment exercise. Meanwhile, I am pleased to announce that Robin Archibald will be assuming the role of Chair of the Audit and Risk Committee, in addition to his current role as Senior Independent Director, from 1 June 2023.

Outlook

The swift recovery has not been without its nuances. At the time of writing, the market is in the throes of a ‘defensives vs cyclicals’ tug of war, as markets struggle to contend with a potential recession. We are cognisant of the near-term risks to our ‘quality cyclicals’, but we must not take our eye off the long-term opportunities for those with the luxury of long-term capital to deploy – ‘global champions’ that live in Europe. This includes companies which are highly competent in providing tangible goods and services which have taken on renewed strategic importance in an increasingly multi-polar world: clean-energy generation, onshore digital automated factories, smart infrastructure, and their myriad components and raw materials. These are companies and investment opportunities which, critically, in the eyes of our valuation-conscious Fund Managers, come at reasonable valuations. As they elucidate in their commentary, if the last decade was about owning ‘asset-light’, the next will be ‘asset-heavy’. Mean reversion is alive and well.

Vicky Hastings
Chair of the Board
22 May 2023

FUND MANAGERS' REPORT

Even by recent historical standards, the half year ending 31 March 2023 was eventful. While the collapse of Silicon Valley Bank and the fire sale of Credit Suisse grabbed the headlines, there were a number of other significant developments, including: 1) the emergence of a 'bull market' (say it quietly) in European equities, which, at the time of writing, remains intact despite the banking sector wobble; 2) a surprise OPEC oil supply cut which provided further proof, if any were needed, that the era of US hegemony is over and with it a 30 plus year project of ever greater globalisation; and 3) the entrance into public consciousness, via ChatGPT, of the profound potential of artificial intelligence ("AI") to transform society and the economic activities which underpin it. These paradigm shifts – of a macroeconomic, geopolitical and technological nature – guarantee that the coming decade will not look like the last one. They also guarantee that winners and losers will abound. It remains our firm conviction that Europe will have its fair share of winners and we are resolutely focused on finding them and backing them.

Performance

From the close of our last financial year at the end of September 2022 until 31 March 2023, the total return NAV increased by 22.8%, 1.1% ahead of the benchmark. On a one-year basis, NAV total return increased by 10.8%, 2.1% ahead of the benchmark gain of 8.7%. Whether we have underperformed, or in this case, outperformed the benchmark during the period under review, we always advise caution; markets can be erratic over short periods. Short-termism drives much of the trading activity by market participants who are doing something very different to deploying your long-term capital. Companies rapidly find themselves in and out of favour from one week to the next, often with no news. Fundamentally, however, companies need longer than this to deliver value to equity holders. Therefore, we ascribe higher value to our performance figures, over three years and beyond, which are in good shape.

Key contributors over the half-year included our semiconductor exposure (BE Semiconductor, ASM International, STMicroelectronics), Holcim and Kion, with the latter recovering from a particularly punishing end to the last financial year following a profit warning. That said, it remains a top-ten contributor over three years. Our semiconductor, materials and cyclicals exposures were major recipients of capital when we concluded that Europe had become too cheap in September 2022 and we were thus rewarded.

Key detractors included Dutch insurer ASR Nederland – part of the collateral damage of the 'banking crisis' – along with UPM-Kymmene and our oil exposures (Shell and Aker BP), which trailed an emergent European bull market intent on rewarding the prior year's laggards and duly punishing the leaders.

Activity

We added the world's biggest and most profitable brewer, Belgium-listed Anheuser-Busch Inbev ("AB Inbev"), attracted to the organic growth and debt-reduction strategy of its new CEO. The company has a long history of being an over-indebted industry consolidator, which fostered a reputation for brand-neglect with investors. Moreover, the inflationary backdrop and corresponding end of the free-money era does not just have implications for over-hyped tech valuations; in the brewing industry it significantly undermines the competitive position of those thousands of low-margin 'craft' entrants, which were lavished with easy funding over the last 10 to 15 years and which smartly exploited the complacent brand strategies of the majors. With many small breweries now falling by the wayside and those that do cling on forced to rapidly raise prices in order to maintain any sort of margin, the brewing industry is a tangible example of our 'Big is beautiful' sub-thesis (which pertains to the tangible implications of the change in the price of money). AB Inbev, which boasts an industry-leading gross margin of 55% even after facing a commodity price squeeze, can simply raise prices more slowly than craft players and regain market share. Correspondingly we exited Carlsberg, which remains a leading company in a clearly attractive industry. But, having been a long-term contributor to the Company and following the exit of the management team which led us to invest in the stock over five years ago, we felt now was the right time to recycle capital into the opportunity taking shape at AB Inbev.

Siemens was another notable addition to the Company, complementing our existing position in Schneider Electric. Both are global champions at the heart of a number of the next decade's mega-themes, including the onshoring of supply chains, electrification, digitalisation and automation. As already mentioned, the pace of investment by corporates big and small in optimising their operations has really struck us over recent months. Our own meetings with management teams offered up some illuminating examples. Premier Foods, a UK food producer, is allocating one third of its capital investment into 'cost out' activities – automation projects with payback periods now as low as 2.5 years given the rising labour and energy costs which they help to mitigate. Marks and Spencer, that charmingly inert stalwart of the UK high street, has 'near-shored' manufacturing of certain garments to Eastern Europe, away from China, in order to improve supply chain resilience and also to enable it to be more reactive to customer trends. As the world re-tools and re-calibrates, a more streamlined and focused Siemens – now with 'only' around 300 thousand employees compared to the half-a-million-strong blob of bureaucratic complexity that we avoided for years – is set to be a critical enabler.

Elsewhere we returned to Adidas, another great franchise, but one which was in urgent need of the fresh wind of management change. This has duly arrived in the form of Bjorn Gulden, former CEO of Puma. We exited Amadeus IT, the airline booking system software provider, as we chose to concentrate our 'travel recovery' exposure on aerospace names such as Airbus and Safran.

Outlook

At the time of writing the market is moving to price recession. Stocks with defensive qualities such as food, beverages and healthcare are back in vogue, while those of a more cyclical nature – such as chemicals, materials and certain industrials – are given short shrift. You can, as always, expect us to navigate the short-term tumult to the best of our abilities, while firmly remaining focused on the profound long-term opportunities for the long-term capital that we deploy on your behalf. Our net gearing intentions are consistent with this: careful in the near term, but with the expectation that we will further deploy over time to maximise value for shareholders.

At the risk of testing our readers' patience with repetition, it remains our view that we are unlikely to return to the madness of the free-money era, that inflation is likely to linger for longer, and that interest rates are more likely to plateau than to pivot. As a result, we believe that valuation – the price you pay for an asset – will regain its rightful place as the cornerstone of one's investment framework. It is worth reflecting for a moment on just how financially absurd recent history has been. The total value of negative yielding bonds (yes, you pay the borrower to take your money…) peaked at 18 trillion dollars in 2020. The amount as of today is negligible. The withdrawal of silly money has seismic consequences for the investment regime, but it will take time to fully bear out.

Moreover, given the multi-polar geopolitical shifts now undoubtedly taking place, we believe tangible goods – the energy, infrastructure and supply chains that underpin a society's security and resilience – are to be desired over the many intangible winners of the last decade – think software, technology and other often over-hyped 'asset-light' business models. On this basis Europe, which has now outperformed the US over the last six months by over 20%, screens rather attractively; valuations are reasonable and the region – often dismissed as the 'museum continent' – actually excels at 'making stuff'. It is home to global champions whose competencies include renewable energy infrastructure, semiconductor manufacturing equipment, the provision of digital automated factories, not to mention the vast and varied skills, materials and components which they draw upon. It is no longer novel to suggest that the Western world is urgently moving to rebuild its strategic resilience, but what is still underappreciated by the market, in our opinion, is the speed with which these new long-duration capital investment cycles are emerging. A major takeaway from the full-year 2022 results season was the number of companies: 1) highlighting a tangible benefit to their orderbooks from these trends; and 2) taking action to improve their own supply-chain resilience through the onshoring of manufacturing activities, or the investment into automation.

'Asset-light' was a posterchild of the last decade, courtesy of monetary abundance, non-existent inflation and a still largely unipolar world order. 'Asset-heavy' will have renewed significance in the next. In this realm, Europe has winners.

Tom O'Hara and John Bennett
Fund Managers
22 May 2023

Investment portfolio at 31 March 2023

Company	Sector	Country of listing	Valuation £'000	% of portfolio
Novo-Nordisk	Pharmaceuticals and Biotechnology	Denmark	21,683	5.4
Shell	Oil, Gas and Coal	United Kingdom	19,724	4.9
UPM-Kymmene	Industrial Materials	Finland	18,998	4.7
TotalEnergies	Oil, Gas and Coal	France	15,741	3.9
LVMH Moët Hennessy Louis Vuitton	Personal Goods	France	15,693	3.9
STMicroelectronics	Technology Hardware and Equipment	Switzerland	15,027	3.7
Saint-Gobain	Construction and Materials	France	14,573	3.6
BP	Oil, Gas and Coal	United Kingdom	14,174	3.5
BE Semiconductor	Technology Hardware and Equipment	Netherlands	13,902	3.5
ASR Nederland	Non-life Insurance	Netherlands	13,558	3.4
10 largest			**163,073**	**40.5**
Safran	Aerospace and Defence	France	12,954	3.2
Airbus	Aerospace and Defence	France	12,534	3.1
Adidas	Personal Goods	Germany	11,452	2.8
Hugo Boss	Personal Goods	Germany	10,898	2.7
Holcim	Construction and Materials	Switzerland	10,825	2.7
Schneider Electric	Electronic and Electrical Equipment	France	10,815	2.7
Linde	Chemicals	Germany	9,985	2.5
Solvay	Chemicals	Belgium	9,686	2.4
Arkema	Chemicals	France	9,498	2.4
Siemens	General Industrials	Germany	9,488	2.4
20 largest			**271,208**	**67.4**
Nordea Bank	Banks	Finland	9,068	2.2
Koninklijke Ahold Delhaize	Personal Care, Drug and Grocery Stores	Netherlands	8,898	2.2
Euronext	Investment Banking and Brokerage Services	Netherlands	8,604	2.1
ASM International	Technology Hardware and Equipment	Netherlands	8,537	2.1
Aker BP	Oil, Gas and Coal	Norway	7,745	1.9
Sandvik	Industrial Engineering	Sweden	7,586	1.9
L'Oréal	Personal Goods	France	7,524	1.9
Deutsche Boerse	Investment Banking and Brokerage Services	Germany	7,455	1.8
Sanofi	Pharmaceuticals and Biotechnology	France	7,151	1.8
Metso Outotec	Industrial Engineering	Finland	6,885	1.7
30 largest			**350,661**	**87.0**
Interpump	Industrial Engineering	Italy	6,605	1.6
Universal Music	Media	France	5,905	1.5
BNP Paribas	Banks	France	5,894	1.5
Anheuser-Busch InBev	Beverages	Belgium	5,699	1.4
Siemens Healthineers	Medical Equipment and Services	Germany	5,107	1.3
UCB	Pharmaceuticals and Biotechnology	Belgium	4,977	1.2
Essilor Luxottica	Medical Equipment and Services	France	4,839	1.2
Unicredit	Banks	Italy	3,817	0.9
ING	Banks	Netherlands	3,749	0.9
Grifols	Pharmaceuticals and Biotechnology	Spain	3,726	0.9
40 largest			**400,979**	**99.4**
Danone	Food Producers	France	2,233	0.6
Total investments at fair value			**403,212**	**100.0**

Country of listing *(as a percentage of the portfolio excluding cash)*

	31 March 2023	31 March 2022
	%	%
France	31.1	25.2
Netherlands	17.9	17.9
Germany	13.5	13.1
Finland	8.7	8.3
UK	8.4	-
Denmark	5.4	7.0
Belgium	5.0	2.9
Switzerland	2.7	12.2
Italy	2.6	1.6
Norway	1.9	2.7
Sweden	1.9	5.1
Spain	0.9	4.0
	100.0	100.0

Sector exposure *(as a percentage of the portfolio excluding cash)*

	31 March 2023	31 March 2022
	%	%
Industrials	22.9	16.8
Energy	14.2	5.7
Financials	12.9	14.2
Consumer discretionary	12.7	12.5
Basic materials	12.0	12.9
Health care	11.8	16.2
Technology	9.3	8.0
Consumer staples	4.2	13.7
	100.0	100.0

PRINCIPAL RISKS AND UNCERTAINTIES

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

- Market
- Investment performance
- Business strategy and market rating
- Gearing
- Operational
- Regulatory and reporting

Information on these risks and how they are managed is given in the Annual Report for the year ended 30 September 2022. In the view of the Board, with the rising interest-rate environment clearly noted, these principal risks and uncertainties at the year-end remain and are as applicable to the remaining six months of the financial year as they were to the six months under review.

RELATED-PARTY TRANSACTIONS

The Company's transactions with related parties in the period under review were with the directors and the Manager, Janus Henderson. There have been no material transactions between the Company and its directors during the period other than amounts paid to them in respect of remuneration and expenses, for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there have been no material transactions with the Manager affecting the financial position of the Company during the period under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (as listed in note 14) confirm that, to the best of their knowledge:

(a) the condensed financial statements for the half-year ended 31 March 2023 have been prepared in accordance with FRS 104 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) the Interim Management Report and condensed financial statements include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related-party transactions and changes therein).

On behalf of the Board
Vicky Hastings
Chair of the Board
22 May 2023

CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 31 March 2023			(Unaudited) Half-year ended 31 March 2022			(Audited) Year ended 30 September 2022		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Gains/(losses) on investments held at fair value through profit or loss	**-**	**70,132**	**70,132**	-	(15,878)	(15,878)	-	(55,148)	(55,148)
Exchange losses on currency transactions	**-**	**(361)**	**(361)**	-	(164)	(164)	-	(1,142)	(1,142)
Income from investments (note 2)	**3,195**	**-**	**3,195**	4,565	-	4,565	12,529	-	12,529
Other income	**55**	**-**	**55**	1	-	1	25	-	25
Gross revenue and capital gains/(losses)	**3,250**	**69,771**	**73,021**	4,566	(16,042)	(11,476)	12,554	(56,290)	(43,736)
Management fees (note 7)	**(290)**	**(870)**	**(1,160)**	(290)	(871)	(1,161)	(548)	(1,642)	(2,190)
Other fees and expenses	**(331)**	**-**	**(331)**	(321)	-	(321)	(561)	-	(561)
Net return/(loss) before finance costs and taxation	**2,629**	**68,901**	**71,530**	3,955	(16,913)	(12,958)	11,445	(57,932)	(46,487)
Finance costs	**(68)**	**(205)**	**(273)**	(33)	(86)	(119)	38	(272)	(234)
Net return/(loss) before taxation	**2,561**	**68,696**	**71,257**	3,922	(16,999)	(13,077)	11,483	(58,204)	(46,721)
Taxation on net return	**(135)**	**-**	**(135)**	(245)	-	(245)	(570)	(137)	(707)
Net return/(loss) after taxation	**2,426**	**68,696**	**71,122**	3,677	(16,999)	(13,322)	10,913	(58,341)	(47,428)
Return/(loss) per ordinary share (note 3)	**1.14p**	**32.28p**	**33.42p**	1.72p	(7.96p)	(6.24p)	5.11p	(27.32p)	(22.21p)

The total columns of this statement represent the Income Statement of the Company prepared in accordance with FRS 104.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement and the Statement of Changes in Equity.

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 March 2023 (Unaudited)	**Called-up share capital £'000**	**Share premium account £'000**	**Capital reserve £'000**	**Revenue reserve £'000**	**Other reserves £'000**	**Total shareholders' funds £'000**
At 30 September 2022	10,819	41,995	151,154	13,840	96,611	314,419
Net return after taxation	-	-	68,696	2,426	-	71,122
Ordinary dividend paid	-	-	-	(7,766)	-	(7,766)
Buyback of ordinary shares for treasury	-	-	(183)	-	-	(183)
At 31 March 2023	10,819	41,995	219,667	8,500	96,611	377,592

Half-year ended 31 March 2022 (Unaudited)	Called-up share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Other reserves £'000	Total shareholders' funds £'000
At 30 September 2021	10,819	41,995	210,819	10,492	96,611	370,736
Net return after taxation	-	-	(16,999)	3,677	-	(13,322)
Ordinary dividend paid	-	-	-	(5,019)	-	(5,019)
Costs relating to sub-division of shares	-	-	(17)	-	-	(17)
Buyback of ordinary shares for treasury	-	-	(427)	-	-	(427)
At 31 March 2022	10,819	41,995	193,376	9,150	96,611	351,951

Year ended 30 September 2022 (Audited)	Called-up share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Other reserves £'000	Total shareholders' funds £'000
At 30 September 2021	10,819	41,995	210,819	10,492	96,611	370,736
Net return after taxation	-	-	(58,341)	10,913	-	(47,428)
Ordinary dividend paid	-	-	-	(7,565)	-	(7,565)
Buyback of ordinary shares for treasury	-	-	(1,324)	-	-	(1,324)
At 30 September 2022	10,819	41,995	151,154	13,840	96,611	314,419

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 March 2023 £'000	(Unaudited) 31 March 2022 £'000	(Audited) 30 September 2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	**403,212**	365,817	320,289
Current assets			
Debtors	**11,606**	3,866	7,355
Cash at bank	**15**	14,510	21,272
	11,621	18,376	28,627
Creditors: amounts falling due within one year	**(6,653)**	(2,838)	(3,949)
Net current assets	**4,968**	15,538	24,678
Total assets less current liabilities	**408,180**	381,355	344,967
Creditors: amounts falling due after one year	**(30,588)**	(29,404)	(30,548)
Net assets	**377,592**	351,951	314,419
Capital and reserves			
Called-up share capital	**10,819**	10,819	10,819
Share premium account	**41,995**	41,995	41,995
Capital reserve	**219,667**	193,376	151,154
Revenue reserve	**8,500**	9,150	13,840
Other reserves (note 5)	**96,611**	96,611	96,611
Total shareholders' funds	**377,592**	351,951	314,419
Net asset value per ordinary share (note 6)	**177.47p**	164.80p	147.67p

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

CONDENSED CASH FLOW STATEMENT

	(Unaudited) Half-year ended 31 March 2023 £'000	(Unaudited) Half-year ended 31 March 2022 £'000	(Audited) Year ended 30 Sept 2022 £'000
Cash flows from operating activities			
Net return/(loss) before taxation	71,257	(13,077)	(46,721)
Add back: finance costs	273	119	234
(Gains)/losses on investments held at fair value through profit or loss	(70,132)	15,878	55,148
Losses on foreign exchange	361	164	1,142
Taxation paid	(118)	(181)	(780)
Increase in debtors	(824)	(1,339)	(87)
Increase/(decrease) in creditors	122	(97)	(144)
Net cash inflow from operating activities	939	1,467	8,792
Cash flows from investing activities			
Sales of investments held at fair value through profit or loss	163,809	115,341	277,186
Purchases of investments held at fair value through profit or loss	(179,585)	(115,681)	(273,147)
Net cash (outflow)/inflow from investing activities	(15,776)	(340)	4,039
Cash flows from financing activities			
Buyback of shares for treasury	(183)	(427)	(1,324)
Costs relating to subdivision of shares	-	(17)	-
Equity dividends paid (net of refund of unclaimed distributions)	(7,766)	(5,019)	(7,565)
Drawdown/(repayment) of bank overdraft	2,095	(10,558)	(10,558)
Issue of unsecured loan notes	-	29,275	29,275
Costs relating to issue of unsecured loan notes	-	(173)	(173)
Interest paid	(243)	(35)	(271)
Net cash (outflow)/inflow from financing activities	(6,097)	13,046	9,384
Net (decrease)/increase in cash and equivalents	(20,934)	14,173	22,215
Cash and cash equivalents at beginning of period	21,272	199	199
(Losses)/gains on foreign exchange	(323)	138	(1,142)
Cash and cash equivalents at end of period	15	14,510	21,272
Comprising:			
Cash at bank	15	14,510	21,272

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

Notes to the condensed financial statements

1. Accounting policies

The condensed set of financial statements has been prepared in accordance with: FRS 104, Interim Financial Reporting; FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", which was updated by the Association of Investment Companies in July 2022.

For the period under review, the Company's accounting policies have not varied from those described in the Annual Report for the year ended 30 September 2022. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditor.

2. Income from investments

	(Unaudited) Half-year ended 31 March 2023 £'000	(Unaudited) Half-year ended 31 March 2022 £'000	(Audited) Year ended 30 September 2022 £'000
Listed investments:			
Overseas dividends	**2,533**	4,565	12,181
UK dividends	**662**	-	348
	3,195	4,565	12,529

3. Return/(loss) per ordinary share

	(Unaudited) Half-year ended 31 March 2023 £'000	(Unaudited) Half-year ended 31 March 2022 £'000	(Audited) Year ended 30 September 2022 £'000
The return per ordinary share is based on the following figures:			
Net revenue return	**2,426**	3,677	10,913
Net capital return/(loss)	**68,696**	(16,999)	(58,341)
Net capital return/(loss)	**71,122**	(13,322)	(47,428)
Weighted average number of ordinary shares in issue for each period	212,784,056	213,607,908	213,530,236
Revenue return per ordinary share	1.14p	1.72p	5.11p
Capital return/(loss) per ordinary share	32.28p	(7.96p)	(27.32p)
Total return/(loss) per ordinary share	33.42p	(6.24p)	(22.21p)

The Company has no securities in issue that could dilute the return per ordinary share. Therefore, the basic and diluted returns per share are the same.

4. Called-up share capital

At 31 March 2023, there were 216,389,910 shares in issue, of which 3,621,788 were held in treasury. During the half-year period ended 31 March 2023, 145,000 shares were repurchased for treasury at a cost of £183,000 (half-year ended 31 March 2022: 260,300 at a cost of £427,000, and year ended 30 September 2022: 912,658 shares at a cost of £1,324,000). No shares have been issued or repurchased since 31 March 2023. As at 18 May 2023, 212,768,122 shares were entitled to a dividend.

5. **Other reserves**

	31 March 2023 £'000	31 March 2022 £'000	30 Sept 2022 £'000
Special distributable reserve	**25,846**	25,846	25,846
Merger reserve	**61,344**	61,344	61,344
Capital redemption reserve	**9,421**	9,421	9,421
Total	**96,611**	96,611	96,611

6. **Net asset value per share – basic and diluted (excluding treasury shares)**

The net asset value per ordinary share is based on the 212,768,122 shares (excluding treasury shares) in issue at 31 March 2023 (half year ended 31 March 2022: 213,565,480 shares; year ended 30 September 2022: 212,913,122 shares).

7. **Management fees**

Janus Henderson Fund Management UK Limited ("JHFMUK Ltd") is appointed to act as the Company's alternative investment fund manager. JHFMUK Ltd delegates investment management services to Janus Henderson Investors UK Limited ("JHIUK Ltd"). References to 'Janus Henderson' or the 'Manager' within these results refer to the services provided by both JHFMUK Ltd and JHIUK Ltd.

Management fees are charged in accordance with the terms of the management agreement. The Manager receives a fee of 0.65% per annum of net assets up to £300m and 0.55% of net assets above £300m. Any holdings in funds managed by Janus Henderson are excluded from the calculation of the management fee. There is no performance fee.

Management fees and finance costs are allocated 25% to revenue and 75% to capital in the Condensed Income Statement.

8. **Investments held at fair value through profit or loss**

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

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Financial assets held at fair value through profit or loss at 31 March 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Quoted equities	403,212	**-**	**-**	403,212
Total	403,212	**-**	**-**	403,212

Financial assets held at fair value through profit or loss at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equities	365,817	-	-	365,817
Total	365,817	-	-	365,817

Financial assets held at fair value through profit or loss at 30 September 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equities	320,289	-	-	320,289
Total	320,289	-	-	320,289

There have been no transfers between levels of fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note 1(c) in the Company's Annual Report for the year ended 30 September 2022.

9. Borrowings

As at 31 March 2023, the Company's bank overdraft included in "Creditors: amounts falling due within one year" was £2,095,000 (31 March 2022: £nil; 30 September 2022: £nil).

On 31 January 2022, the Company issued €35m long term fixed-rate unsecured loan notes in two tranches:

- €25m unsecured loan notes maturing on 31 January 2047 with a fixed coupon of 1.53%; and
- €10m unsecured loan notes maturing on 31 January 2052 with a fixed coupon of 1.66%.

Total proceeds from the issue of the notes were £29,275,000 less £173,000 issue costs.

The unsecured loan notes are carried in the Statement of Financial Position at par less the issue costs which are amortised over the life of the notes. In order to comply with fair value accounting disclosures only, the fair value of the unsecured loan notes has been estimated to be £19,918,000 (31 March 2022: £26,854,000; 30 September 2022: £20,774,000) and is categorised as Level 3 in the fair value hierarchy. However, for the purpose of the daily NAV announcements, the unsecured loan notes are valued at par in the NAV because they are not traded and the directors expect them to be held to maturity and, accordingly, the directors have assessed that this is the most appropriate value to be applied for this purpose.

10. Changes in net debt

The following table shows the movements during the period of net debt in the statement of financial position:

	At 1 October 2022 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange movements £'000	At 31 March 2023 £'000
Financing activities					
Bank overdraft	-	(2,095)	-	-	(2,095)
Unsecured loan notes	(30,548)	-	(2)	(38)	(30,588)
	(30,548)	**(2,095)**	**(2)**	**(38)**	**(32,683)**
Non-financing activities					
Cash and cash equivalents	21,272	(20,934)	**-**	(323)	15
	21,272	**(20,934)**	-	(323)	15
Total	**(9,276)**	**(23,029)**	**(2)**	**(361)**	**(32,668)**

	At 1 October 2021 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange movements £'000	At 31 March 2022 £'000
Financing activities					
Bank overdraft	(10,558)	10,558	**-**	**-**	**-**
Unsecured loan notes	-	(29,102)	**-**	(302)	(29,404)
	(10,558)	**(18,544)**	**-**	**(302)**	**(29,404)**
Non-financing activities					
Cash and cash equivalents	199	14,173	-	138	14,510
	199	**14,173**	**-**	**138**	**14,510**
Total	**(10,359)**	**(4,371)**	**-**	**(164)**	**(14,894)**

	At 1 October 2021 £'000	Cash flows £'000	Amortisation of issue costs £'000	Foreign exchange movements £'000	At 30 Sept 2022 £'000
Financing activities					
Bank overdraft	(10,558)	10,558	-	-	-
Unsecured loan notes	-	(29,102)	(4)	(1,442)	(30,548)
	(10,558)	**(18,544)**	**(4)**	**(1,442)**	**(30,548)**
Non-financing activities					
Cash and cash equivalents	199	22,215	-	(1,142)	21,272
	199	**22,215**	**(4)**	**(1,142)**	**21,272**
Total	**(10,359)**	**3,671**	**(4)**	**(2,584)**	**(9,276)**

11. Going concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. Having assessed these factors and the principal risks, as well as considering geopolitical risks and macroeconomic factors, the directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

12. Dividends

The directors have declared an interim dividend of 1.30p per ordinary share (2022: 1.20p), payable on 27 June 2023 to shareholders who are on the register of members on 2 June 2023. The shares will be quoted ex-dividend on 1 June 2023. Based on the 212,768,122 shares in issue (excluding treasury shares) at 18 May 2023, the cost of this dividend will be £2,766,000 (2022 interim dividend: £2,563,000).

13. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial information for the half years ended 31 March 2023 and 31 March 2022 has not been audited nor reviewed by the Company's auditor. The figures and financial information for the year ended 30 September 2022 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either s498(2) or s498(3) of the Companies Act 2006. A glossary of terms and details of alternative performance measures can be found in the Annual Report for the year ended 30 September 2022.

14. General information

Company status

Henderson European Focus Trust plc is registered as an investment company in England and Wales (no. 00427958), has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange.

SEDOL/ISIN: BLSNGB0/GB00BLSNGB01
London Stock Exchange ("TIDM") code: HEFT
Global Intermediary Identification Number ("GIIN"): THMNPN.99999.SL.826 Legal Entity Identifier ("LEI") number: 213800GS89AL1DK3IN50

Directors and secretary

The directors of the Company are Vicky Hastings (Chair), Eliza Dungworth (Chair of the Audit and Risk Committee), Robin Archibald (Senior Independent Director), Stephen Macklow-Smith and Marco Bianconi. The corporate secretary is Janus Henderson Secretarial Services UK Limited.

Website

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

15. Half-year report

The half-year report will shortly be available at www.hendersoneuropeanfocus.com or from the Company's registered office. An abbreviated version, the 'Update', will be posted to shareholders in June 2023.

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