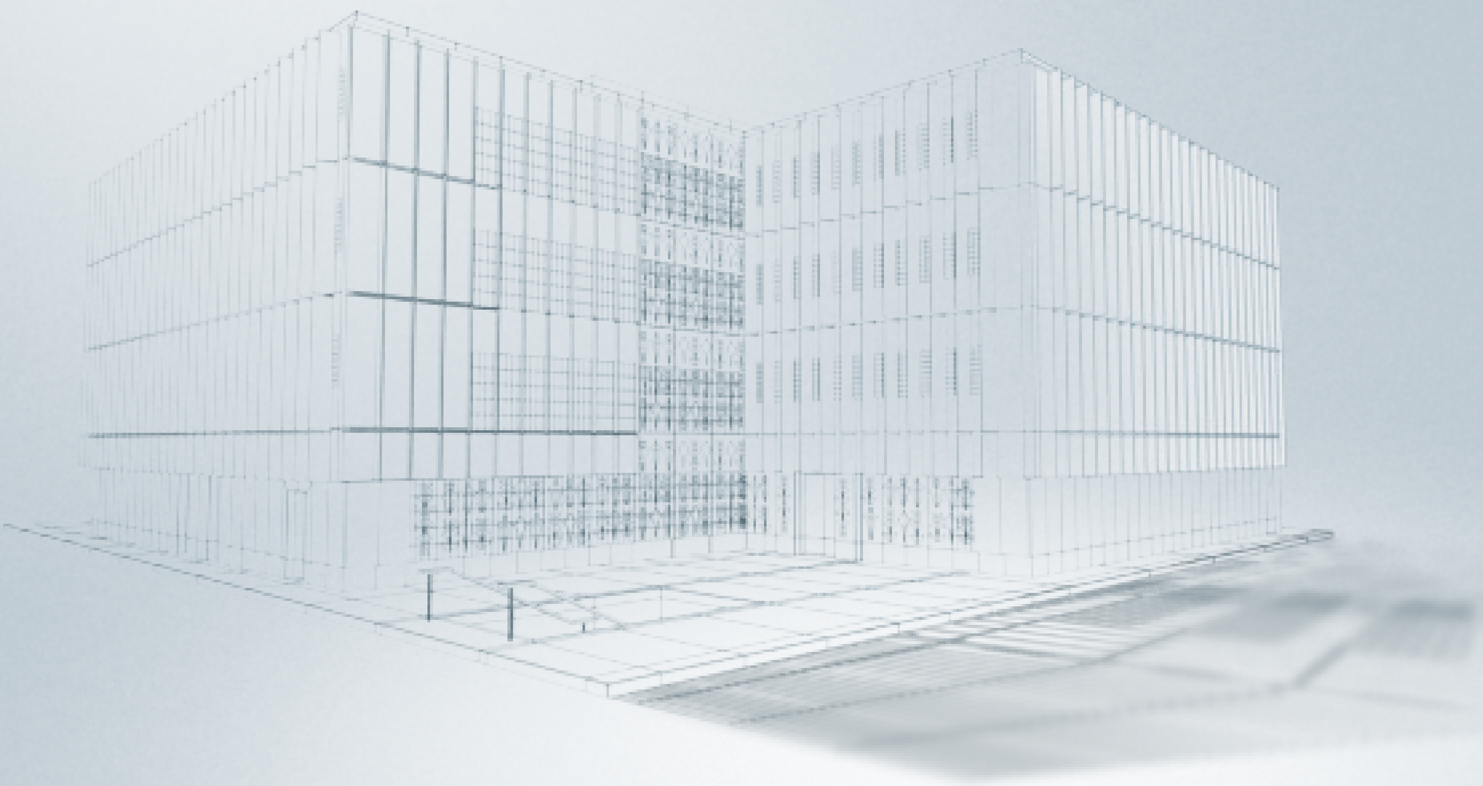
HENDERSON OPPORTUNITIES TRUST PLC

Annual Report for the year ended 31 October 2015



MANAGED BY
Henderson
GLOBAL INVESTORS

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The image on the front cover is based on the biochemistry department at Oxford University. The Company's portfolio includes several biochemistry and technology stocks which started life as university research projects.

Strategic Report

"The NAV total return was 13.5% in the year. Our benchmark, the FTSE All Share returned 2.9%. Over the long term the NAV total return and share price performance continue to be excellent. The proposed final dividend is 13.0p giving a total for the year of 18.0p, an increase of 44%.

In the currently volatile market conditions, we will continue to focus on a diverse portfolio of strong companies whose valuations do not reflect their potential, an approach that has served us well over many years."

George Burnett, Chairman

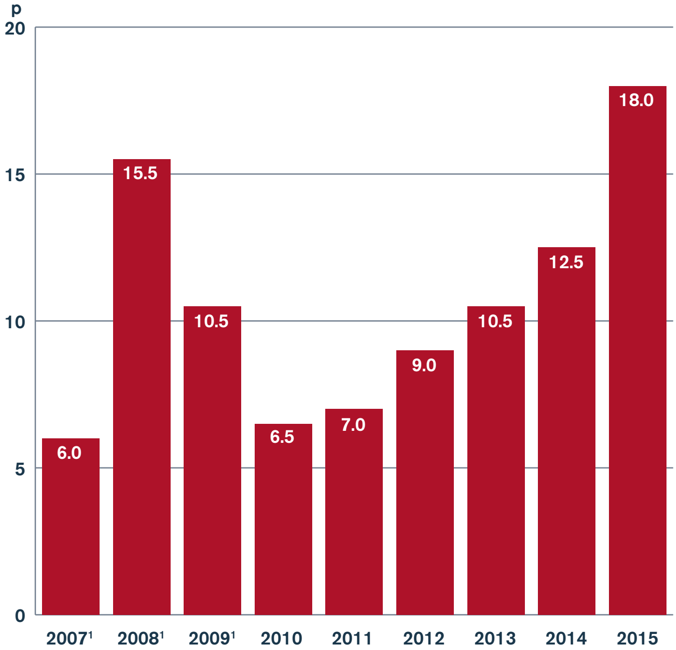
Total return performance (including dividends reinvested)

	1 year %	3 years %	5 years %
Share Price[1]	6.3	98.6	129.1
Net asset value per ordinary share[2]	13.5	72.7	102.8
AIC UK All Companies Sector (Peer Group) Average – net asset value[3]	15.4	58.9	82.6
FTSE All-Share Index	2.9	27.4	40.9

1 Source: Morningstar for the AIC
2 Source: Morningstar for the AIC using cum income fair value NAV
3 Size weighted average (shareholders' funds)

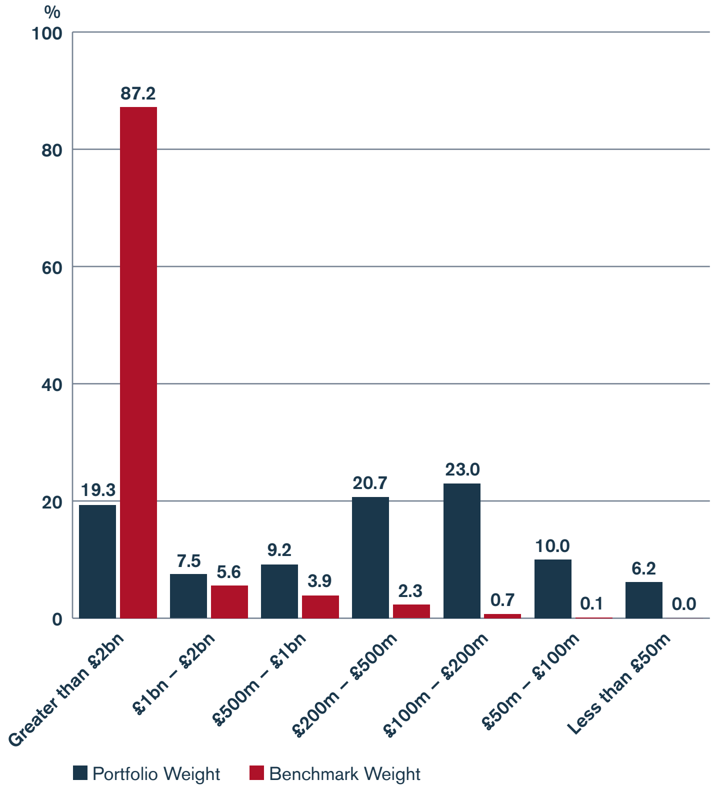
Strategic Report: Performance Highlights

Historical dividend

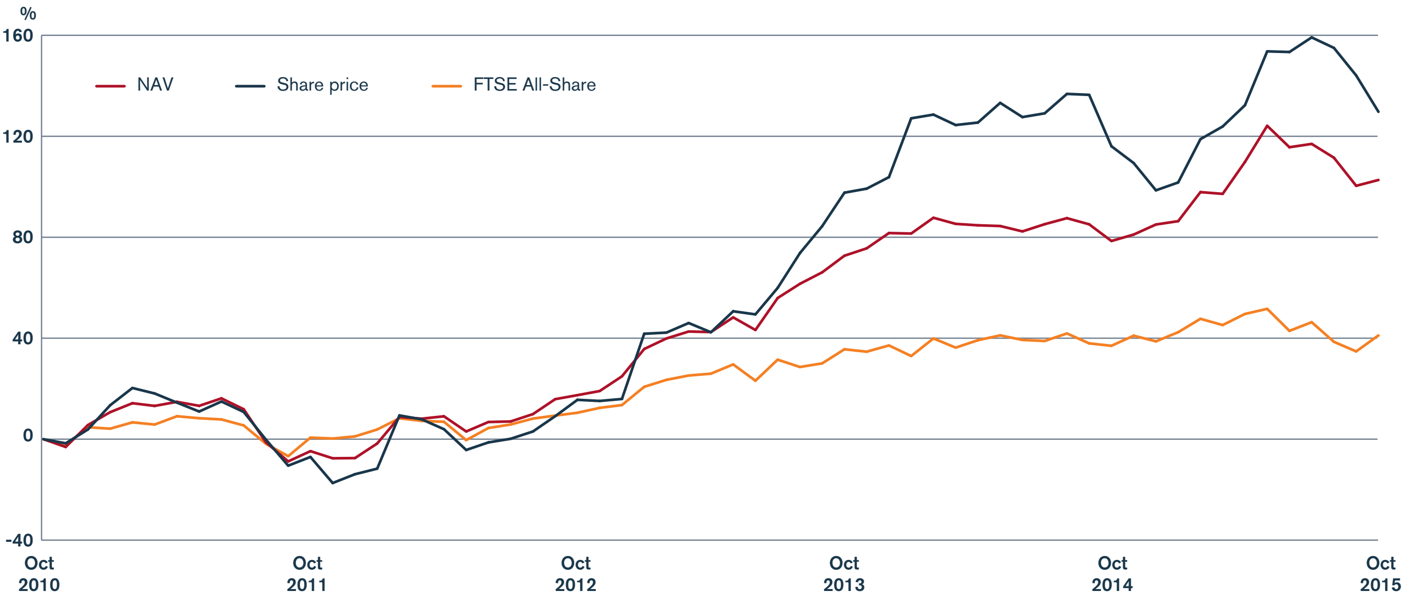


1 These distributions included exceptional VAT refunds

Market capitalisation of the portfolio at 31 October 2015



Share price, net asset value and the FTSE All-Share Index (total return) over 5 years (rebased to 100)



Source: Henderson, Datastream

Strategic Report: Performance Highlights (continued)

Measure	2015	2014
Share price total return[1]	6.3%	9.3%
Share price at year end	910.3p	869.5p
NAV per share at year end	1,012.5p	903.7p
Total return per share	122.6p	30.2p
Dividend for year[2]	18.0p	12.5p
Dividend yield[3]	2.0%	1.4%
Net gearing at year end	18.3%	14.3%
Discount at year end[4]	10.1%	3.8%
Ongoing charge for year excluding the performance fee	1.02%	1.02%
Ongoing charge for the year including the performance fee	1.96%	1.22%

1 Share price total return using mid-market closing price
2 2015 final dividend is subject to approval at the AGM on 17 March 2016
3 Based on the share price at the year end
4 Calculated using published daily NAVs including current year revenue
A glossary of terms is available on page 21
Sources: Morningstar for the AIC, Henderson, Datastream

Strategic Report: Chairman's Statement

Review of Performance

The Net Asset Value ('NAV') total return for the year ended 31 October 2015 was 13.5%, while the FTSE All-Share, our benchmark, returned 2.9%. On page 11, we show the major stock contributors and detractors as well as how the largest 20 holdings performed. As in the previous year, the Company had a stronger first half than second, as a result of market volatility. In both six month periods the Company outperformed the benchmark. The share price total return in the year under review was 6.3%, which, while comfortably ahead of our benchmark, lagged the NAV total return as discounts widened across the sector, reflecting general investor uncertainty. Over the longer term, the NAV and share price total return performance has continued to be excellent, as shown in the table below:

	3 Years	5 Years
FTSE All-Share (total return)	27.4%	40.9%
NAV (total return)	72.7%	102.8%
Share price (total return)	98.6%	129.1%

Earnings & Dividends

The revenue return was 22.51p compared with 15.17p last year. The final dividend, subject to shareholder approval, of 13.0p will be payable on 24 March 2016 to Shareholders on the Register of Members on 12 February 2016. The shares will be marked ex-dividend on 11 February 2016. The total dividend for the year is 18.0p an increase of 44% on the previous year. Dividends received have been increasing as a result of the improved profits and strong balance sheets of the companies in the portfolio and it is expected that this good dividend growth will continue. In consequence, the Board is optimistic that our progressive dividend policy seen in recent years can be maintained.

Fees & Expenses

The ongoing charge excluding the performance fee for the year is 1.02% of the daily average net assets over the year. This is the same as in 2014. The ongoing charge including the performance fee is 1.96%, compared with 1.22% in 2014. The performance fee payable to Henderson is £765,000 which equates to 0.94% of average net assets, reflecting performance that was comfortably ahead of the benchmark. This is the maximum allowed under the current agreement.

Following a review, the Board and Henderson have agreed a revised, and reduced, fee basis effective from 1 November 2015. The base management fee will now be charged at a rate of 0.55% of net assets per annum (previously 0.60% per annum on the first £100 million of net chargeable assets – effectively gross assets – and 0.50% per annum thereafter). The existing performance fee arrangements have been retained. The cap on total fees that can be earned in any financial year is now 1.5% of the average net assets over the year (previously capped at 1.65%). Although this is a related party transaction, under the Listing Rules (11.1.10) it is not necessary to seek shareholder approval for the change in fees, given the nature of the transaction. Full details of the fee arrangements can be found on page 6.

Continuation Vote

On 29 April 2014 the continuation vote was passed by a large majority. The next one will be in 2017 in line with our three year cycle.

Buy-Backs and Share Issuance

There were no buy-backs carried out during the year nor were any shares issued.

AGM

Our Annual General Meeting will be held at 2.30pm on 17 March 2016 at the registered office, 201 Bishopsgate, London EC2M 3AE. The Notice of Meeting is set out in the separate circular to shareholders that accompanies this Annual Report. The Directors will vote their own shareholdings in favour of all the resolutions to be put to the AGM and the Directors recommend that shareholders support all the resolutions. In addition to the formal business of the meeting, the Fund Managers, James Henderson and Colin Hughes, will give a presentation following which afternoon tea will be served.

Investment Strategy

The objective of our Fund Managers is to find and hold stocks that are good businesses with attractive valuations, diverse customer bases and sound prospects, capable of delivering substantial growth over time. These companies will be found across the market capitalisation range but there will usually be a focus on smaller companies, many of which are overlooked or under researched and therefore offer greater potential for performance in the longer term.

Your Board believes that a major contributor to the strong performance over the last five years has been the effectiveness of the Fund Managers' stock picking and the fact that they spend a great deal of time researching and meeting with investee companies, which includes 400-500 face to face meetings each year.

Strategic Report: Chairman's Statement (continued)

Gearing

The net gearing has been in the range from 13%-20% of net assets during the year. At the year end, the net gearing was 18.3%. The intention is to retain a reasonable level of gearing while there are good investment opportunities and valuations are undemanding. The make-up of borrowings is shown on page 17. Although the bias of the portfolio is to smaller and medium sized companies, we monitor the relative liquidity of the portfolio to ensure that gearing levels can be quickly adjusted whether for opportunistic or defensive reasons.

The Board

As part of our succession planning, we welcomed Frances Daley to the Board in June 2015. Frances comes with a wealth of knowledge gained in the financial and commercial sectors, as well as current investment trust experience. I have indicated to the Board my intention to stand down as Chairman with effect from the conclusion of the upcoming AGM. I am pleased to report that my colleagues have chosen Peter Jones to succeed me as Chairman and I wish Peter every success in his new role. On my departure the Board will revert to having five Directors.

I should like to place on record my appreciation of my Board colleagues for their diligence, their independence of thought and their consistent focus on the best interests of the Company. It has been a pleasure to work with them.

Outlook

The macroeconomic picture is being fiercely debated by investors. Some see the first signs of inflation picking up and the need for interest rates to rise, while others hold the opposite view that over capacity will ensure inflation remains subdued and corporate profit margins will fall. Our Fund Managers do not think they can add value by debating economics and believe their time is better spent focussing on individual strong companies with excellent technology, products and services which will be navigated through any economic turbulence by their good management. We believe that companies with these attributes are well represented in the portfolio and their valuations do not reflect their potential.

This approach will mean that the portfolio is never immune from bouts of relative weakness as a combination of disappointing performance by a handful of companies in our relatively long list and macro-economic worries make investors risk averse. We have since the year end experienced such a period with the NAV falling 10.3% from 31 October 2015 to 1 February, while the FTSE All Share has fallen 4.1%. However, it is an approach that has served shareholders well over many years and we believe will continue to do so as good corporate results in aggregate come through.

I commend to you our Fund Managers James and Colin, whose enthusiasm and dedication to the Company's interests, combined with their excellent, often contrarian, stock picking skills have produced such strong long term performance.

In conclusion, I should like to thank you, our shareholders, for your support, and I wish you and the Company well.

George Burnett
Chairman
4 February 2016

Strategic Report: Business Model

Strategy

The Company's strategy is to achieve its investment objective through the appointment of external management which operates in accordance with the Company's investment policy.

Investment Objective

The Company's objective is to achieve above average capital growth from investment in a portfolio of predominantly UK listed companies. The Company pursues that objective by operating as an investment trust company.

Investment Policy

Asset Allocation

The strategy is to invest in a concentrated portfolio of shares on an unconstrained basis across the whole range of market capitalisations. The investment portfolio is characterised by focus on growth, recovery and 'special opportunities' company shares which the Fund Manager believes should achieve the investment objective.

Dividend

The Company aims to provide shareholders with dividend growth. However, the key objective of the portfolio is to achieve above average capital growth.

Gearing

The Company will borrow money for investment purposes, if the Board considers that circumstances warrant this. Net gearing (defined as all borrowings less cash balances and investments in cash funds) is limited by the Board to a maximum of 25% of the Company's net assets, calculated on a fully diluted basis. Other than in exceptional circumstances the exposure to equity investments will not fall below 70% of net assets.

In the event that the investment outlook becomes unfavourable, the Board may reduce the gearing to nil; indeed, it may hold net cash balances; however, it expects most of the shareholders' funds to remain invested in equities in all but unusual circumstances.

General

It is the stated investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts). In practice, the Company does not normally invest in other listed investment companies.

Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). The Company has appointed Henderson Investment Funds Limited ('HIFL') to act as its Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited. The agreement is terminable on six months' notice. Both entities are authorised and regulated by the Financial Conduct Authority. References to Henderson within this report refer to the services provided by both entities. The investment management agreement with Henderson is reviewed annually.

The Board is independent of the management company.

Management Fee

The management agreement provides for the payment of a composite management fee which is calculated and paid quarterly in arrears. The following details the fee arrangements for the year under review. The management fee is calculated as 0.60% per annum on the first £100 million of net chargeable assets and as 0.50% per annum thereafter. (The net chargeable assets are defined as total assets less the value of any investment in a collective investment scheme from which Henderson receives a fee for providing management services. The values of any investments in funds managed by Henderson are excluded from the management fee calculations by deducting them from the total of net chargeable assets).

Performance Fee

The management agreement also provides for the payment of a performance fee, calculated as 15% of any outperformance of the Net Asset Value over the benchmark, subject to a limit on the total management and performance fees payable in any one year of 1.65% of the average value of the net assets during the year. No performance fee will be payable if on the last day of the Company's accounting year the Company's share price is lower than the share price at the preceding year end. No performance fee will be payable if on the last day of the Company's accounting year the Company's Net Asset Value per share is lower than its value at the preceding year end. Any underperformance relative to the benchmark, or any unrewarded outperformance (for example, as a result of the cap), will be carried forward and set against any outperformance or underperformance respectively in subsequent years. The first period covered by these arrangements began on 19 January 2007, at which date the opening Net Asset Value per share was 779.44p. A performance fee of £765,000 is payable for the year ended 31 October 2015.

New Fee Arrangements

With effect from 1 November 2015 the base management fee is charged at 0.55% of net assets per annum payable quarterly at a rate of 0.1375% based on net assets at the end of the previous quarter. The existing performance fee arrangements, including the absolute return floor and no hurdle, remain unchanged. The cap on total fees that can be earned in any financial year is now 1.5% of the average net assets (calculated quarterly) over that year. It is not necessary to seek shareholder approval for the change in fees.

Strategic Report: Fund Managers' Report

Investment Background

The UK economy is growing at around 2.5% per annum yet many major UK companies are having a difficult time with a diverse range of the major UK companies having cut or at risk of cutting their dividends. From the FTSE 100, there have been cuts from 8 stocks in 2015 including Tesco, Glencore and Rolls Royce. These are very different businesses; all three were considered very successful a few years ago but all three have seen their share price fall by more than 50% in recent years. The reason for this in a period of reasonable economic growth lies in the rapid nature of change. The life cycle of companies is getting shorter and the need for them to reinvent themselves to meet changing demand patterns requires a fast moving, flexible culture. The seeds for future decline often lie in the reasons for their current successes. In corporate life, it is difficult to abandon an approach that has worked well and face up to change before the approach becomes outdated.

The global economy is expanding at a slower pace than previously expected, especially in China where the economy has been important in fuelling output growth in recent years. Financial markets have rapidly discounted these concerns as investors may be over reacting as the Chinese growth drivers in the medium term remain in place.

Valuation over Time

The chart below illustrates the view that, overall, equity valuations are still reasonable by historical standards.

FTSE All-Share 12 month forward price/earnings ratio

Source: Datastream, as at 31 October 2015

Performance

The Company has had another good year with the Net Asset Value ('NAV') returning 13.5% and the share price rising by 6.3% while, our benchmark index, the FTSE All-Share Index returned 2.9%. As in 2014, the two halves of our financial year have produced very different returns, owing to volatile markets. In the six months to 30 April 2015, the NAV rose by 17.6%, the share price by 7.5% and the benchmark by 9.2%. In the second half-year, as market sentiment cooled towards some of the higher risk holdings, our strong positioning in that segment of the market saw the NAV fall by 4.1% and the share price by a more modest 1.1%. Our benchmark index fell by 5.7% as large consumer staples like the tobacco companies performed well whereas cyclicals like global miners performed poorly.

For the five years from 31 October 2010 the NAV has risen by 102.8%, the share price by 129.1% and our benchmark by 40.9%.

Investment Approach

As long term investors, we spend a considerable amount of time researching and meeting companies in whom we may or may not invest on your behalf. This long term approach is reflected in a holding period of typically between three and five years; however, we do remain open to shorter term opportunities. These are more likely to arise when investors' confidence levels are high. Our typical holding period not only reflects our approach but also an appreciation that the cycle for any business to grow and mature is not necessarily easily reconciled with the volatility of a stock market which can be subject to external macro shocks in combination with its own cycle of fads and fashions.

The portfolio is a mixture of large, medium and small companies. We employ a number of valuation techniques but are not slavishly reliant upon any one methodology in arriving at our portfolio selections. We enjoy building relationships with the senior executive teams of our portfolio companies and will meet with them a number of times during the course of a typical year. This will include formal results presentations as well as informal discussions and site visits where appropriate. Over the course of the last three years, we have had in excess of 1,250 face to face meetings and company visits.

The number of holdings increased marginally over the year from 89 to 92, including one unlisted investment which we describe later in this report. In 2011, it was 82, but fell slightly the following year to 77 before rising to 86 in 2013. We believe that this range is about right for a portfolio of this value, providing enough diversification to mitigate risk while providing enough concentration to make the winners pay. Having moved up the market capitalisation scale over the last few years we eased back in both 2014 and 2015 finishing the year with 29.6% in FTSE 100 and FTSE 250 stocks. Nevertheless, we have maintained exposure to stocks with over £1 billion in market capitalisation at 26.8%. Therefore, the most liquid part of the portfolio comfortably exceeds our typical gearing levels (13%-20% over the last year) should we need to reduce borrowings of the company quickly. This provides us with the flexibility to react promptly to changing market conditions.

Strategic Report: Fund Managers' Report (continued)

Portfolio Activity

During the year, we have been active in 76 companies, starting new positions in 22 and selling out completely in 20. Our new investments included 10 Initial Public Offerings (IPOs) of which we continued to hold 7 at the year end. Our top ten holdings represented 29.1% of the portfolio compared with 26.6% the year before. There have been two new entrants to our top ten list, both of which we have held for a number of years. **IP** was a top ten holding in previous years and enjoyed a robust year with good momentum in its portfolio and **Assura** enjoyed a good year and raised new equity for expansion from shareholders, an issue in which we participated. We have generally maintained our key sector exposures to industrials and technology, with some profit taking where appropriate. We have also defined a category of investment which is not readily apparent from a glance at a traditional sector distribution as it crosses traditional sector categories. We describe it as 'early stage development companies' which encompass emerging technologies or services, including healthcare, that are not yet sustainably cash generative but have robust and highly differentiated intellectual property. This category amounted to 16.3% (2014: 13.1%) of the portfolio at year end of which 7.1% were pre-revenue.

The largest of our disposals was **Advanced Computer Software ('ACS')**, the software and services group focussed on healthcare and business services which was acquired by a US based private equity group looking to act as a sector consolidator on an international basis. This type of buyer had become an active competitor to the likes of **ACS** in M&A with an ability to deploy levels of gearing public traded companies would find hard to justify to shareholders. **ACS** in our view sensibly recommended the takeover when they received the inevitable knock on the door.

Betfair, the online sports betting company which pioneered the betting exchange in 2000, entered the portfolio in 2010 after a failed bid and management changes. Since that time, the business has gone from strength to strength and profit forecasts have seen consistent upgrades. In the summer of 2015 the group agreed a merger with Paddy Power, a highly successful Irish betting company, and the enlarged group will be an immediate candidate for the FTSE100. So why did we sell? Both companies are now highly rated but our view is that, although the new group will be headed by **Betfair's** CEO who previously worked for Paddy Power, it is unlikely that the enlarged group can sustain their organic growth rates in the future and, despite a close cultural fit, mergers of such highly individualistic companies rarely run smoothly.

Our third largest disposal remains our largest investment and was the best contributor to NAV growth in the year. **4D Pharma**, which focuses on the development of live bio-therapeutics, enjoyed another exceptional year in share price performance as it continued developing its product pipeline ahead of the competition. We took profits in order to manage the risk exposure and crystallised cash profits in excess of our acquisition costs. During the year, a competitor company listed on NASDAQ at a significant premium to **4D's** market capitalisation despite being at an earlier stage in its development pipeline and with fewer targets.

Last year, we held onto our position in **Latchways**, the safety equipment developer, despite a difficult period of delayed contracts and missed profit forecasts. We did so as we were confident in their market position and sound finances. This year, we were vindicated in taking a longer term view as MSA Safety, a USA company made a recommended bid for the company at a significant premium. Whilst we are always sorry to see innovative UK companies lose their independence to overseas buyers, the premium offered was a reasonable price for the medium term prospects for the company as a standalone business.

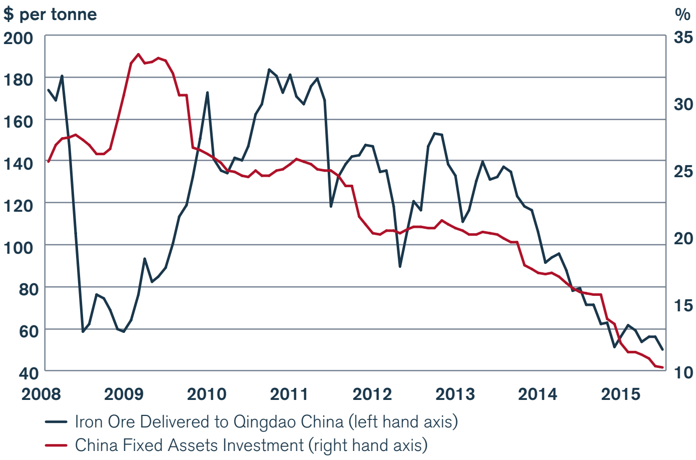
Finally, we became increasingly concerned about the ability of **Aviva**, the FTSE100 listed international insurance group, to maintain adequate regulatory capital for the insurance operations while delivering returns for shareholders. So we decided to sell out. We were partially vindicated by their subsequent acquisition of Friends Life which was seen as a mechanism to address capital adequacy fears.

Our two largest purchases were in companies that have been adversely affected by slowing or falling Chinese consumption of imported commodity metals. We invested in both **Glencore**, a commodity trader and miner headquartered in Switzerland, and UK based **Rio Tinto**, both FTSE100 constituents. We have taken the view that whilst the demand backdrop is currently poor it is likely that the sheer weight by number of the world's largest population aspiring to live a better urbanised life will lead to a revival in time. The collapse in the price of iron ore is very important for **Rio Tinto**, but so is the fact that **Rio** is among the lowest cost producers in the world and so it should be a long term winner. **Glencore,** on the other hand, is part trader and part producer. The trading arm has suffered in the downturn with fewer trades at lower value as has the copper biased mining operation. **Glencore**, has been financially geared so recently had to raise $2.5bn from new shares with Directors and management contributing around $550m, which is encouraging. Both share prices have been volatile in a sharply downwards trend and our purchases have not contributed to NAV growth yet. In fact they have been negative. However, we remain of the view that the multi-year bear market in commodities and the share prices of producers will bottom out. The following chart on page 9 shows the drop in both demand and pricing in recent years.

Our next largest purchase was **HSBC**, the global bank, headquartered in the UK but with a major presence in the Far East as well as a successful UK operation. **HSBC** has been under a cloud as it has been re-organising itself after the financial crisis, which it weathered well with no Government assistance. It is seeking a higher

Strategic Report: Fund Managers' Report (continued)

Iron ore delivered versus China fixed asset investment



Source: Bloomberg, as at 19 November 2015

return on its capital and simultaneously trying to shrink its operating network. Add to this the current state of confusion over the bank's future domicile and it is easy to see why the shares have been lacklustre performers in the year but it offers an attractive valuation for those willing to be patient.

We have added a direct investment in **Ilika** to the indirect one we own via **IP**. This company is an innovator in advanced materials for the electronics and energy industries and has developed world leading processes in solid state battery technology, working with Toyota since 2008. In 2014, the company announced a world first in producing a multi layered stacked lithium battery, suitable for the consumer electronics market, which would allow rapid re-charge, extended life and reduced size. This is, a very attractive proposition for the mobile phone industry. **Ilika** and **4D Pharma** are among our Early Stage Development Companies.

We added to our position in **Royal Dutch Shell**, the global integrated oil major. The energy sector has been in a major downturn for the last year with the oil price falling from over $100 to under $40 per barrel. **Royal Dutch Shell** has the financial resources not only to weather this storm but also to prosper by deploying capital into well targeted acquisitions. In that context, the company is proposing to acquire BG Group which, if completed, will represent the largest M&A deal this year. Elsewhere, costs are falling quickly and efficiency is rising which will allow a return to prior profit levels even without a full recovery in the price of oil.

Exceptionally, we also invested in a unique unlisted business, **Oxford Sciences Innovation**. This company has an initial 15 year agreement with Oxford University as its preferred intellectual property partner for all science departments and will have a significant stake in every spin out company. **IP** is a co-investor. The company has committed to an IPO within eight years.

Portfolio Attribution Analysis

The table on page 11 lays out the top five and bottom five contributors to the Company's absolute performance in growth in NAV and their contribution relative to benchmark.

Our largest individual contributor to NAV growth was **4D Pharma** which both started and ended the year as our largest holding even though we took significant profits during the year. The shares rose over 130% during the year peaking at just over £10 before closing the year at £7.60. This was largely driven by investor appreciation of the potential scale of the prize the company is working towards and confirmation through the NASDAQ listing of a near competitor of just how valuable the company could be. Of course, the valuation demands that the company continues to make progress towards that goal. **4D** recently announced that it had received regulatory approval to begin a phase 1 trial in Paediatric Crohn's Disease with its lead product Thetanix. This has orphan drug status, and trials have commenced, somewhat earlier than planned.

Our next major contributor was **Redde**, previously known as Helphire, which provides car hire and repair services in 'not at fault' motoring accidents. This company has turned the corner from an adversarial relationship with major insurance groups, which had a significant negative effect on working capital, to one of near partnership with those same insurers where the common goal of cost reduction throughout the claims management process has led to significantly improved cash flow and rising profits. Combined with an attractive dividend policy, this led to the shares returning over 140% in the year. The company has recently made an earnings enhancing acquisition extending its reach in the corporate car repair market.

Johnson Service is a long term favourite of ours which has gone about its business of linen rental and laundry services in a quietly efficient manner and made well thought out earnings-enhancing acquisitions to add to organic growth. We have taken some profit here as the share rating now more adequately reflects group prospects.

Betfair, as previously mentioned, was sold, having been our best individual share in the year rising some 170% and, enjoying multiple profit upgrades. e2v is a company that we had always believed had great products such as imaging sensors for space missions but had failed to generate consistent profitability. Having gained the benefits of the renewed management team's focus to drive core profits harder, we sold.

As ever, not everything worked so well. **Velocys**, the developer of gas to liquids technology, our fifth largest holding last year, suffered from the sharp fall in oil price which resulted in a much slower sign up of new contracts. It also suffered from the inevitable disruption resulting from an internal dispute with its CEO who has now left. The company has a robust, cash-rich balance sheet and can withstand short-term

Strategic Report: Fund Managers' Report (continued)

pressures. We are hopeful of a more settled period going forward. The technology is still very relevant and world leading but it will require a stable oil price environment to really prosper. The shares fell by more than 60% in the period. The drop in the oil price also hit **Premier Oil** hard with the shares falling over 70% in the year. The company has continued to develop new production assets in the North Sea, namely Solan and Catcher. A final decision on the Falkland Islands development is still awaited and material cost savings are being made but falling revenues from the low oil price means the company is proceeding with caution and looking for additional partners for that asset. The company is one of the most geared plays to a recovery in the oil price. Self-inflicted problems were the major reason behind **Tribal's** share price fall. As a software company, albeit in education, it still has a business model which relies on new licence sales. These did not materialise as hoped and the company warned on profits more than once. In addition the CEO stepped down and the management team under a new chairman will undergo further restructuring to put the company back on a growth path. **Oxford Instruments**, a fallen star of the FTSE250 now in the small cap index, had a horrible year as demand from emerging markets in Russia and China evaporated. The market place for research instruments and tools has been difficult for all competitors over the last year but most recently **Oxford** announced an uptick in its order book and we are hopeful that the company's fortunes are on the turn. **WANdisco**, a big data software supplier, is transitioning its product from initial trial licences in a test environment to a live production environment. This has delayed take up as customers are rightly cautious when new elements are introduced into core business infrastructure. Sign up momentum has improved in recent quarters.

The Board

We would like to thank George Burnett for his enormous contribution to the Company over the last 20 years he has been on the Board, during which he has been Chairman for 11 years. During difficult periods and good times, he has been a steady source of good sense. As Fund Managers, we have learnt a great deal from him.

Outlook

The UK economy is performing well with strong job growth and inflation nearly absent. Consumers have finally seen some benefits from the recovery with disposable incomes rising in real terms. Nevertheless, many areas of the economy are still subject to intense competition and finding companies with highly differentiated products and services that can rise above the norm is difficult. Europe is slowly recovering while China and other emerging markets are sluggish at best, as strength in the US dollar in anticipation of rising interest rates has drained these markets of important flows of finance. Recent conflicts in multiple geographies will add another layer of caution. In these circumstances we will remain focussed on the fundamentals we look for in our companies; strong business franchises, whether gained through innovative products or superior cost profiles, strong balance sheets and the potential for strong growth delivered organically, and enhanced by acquisitions, where appropriate, over multiple years.

James Henderson and Colin Hughes
Fund Managers
4 February 2016

Strategic Report: Fund Managers' Report (continued)

Portfolio Attribution Analysis

The table below shows the top five active contributors to and the bottom five detractors from the Company's relative performance.

Top five contributors to relative performance	Share price return %	Relative contribution %	Top five detractors from relative performance	Share price return %	Relative contribution %
4D Pharma	131.8	4.8	WANdisco	-68.1	-0.5
Redde	141.6	1.2	Oxford Instruments	-50.9	-0.6
Johnson Service	51.7	1.1	Tribal	-47.1	-0.6
Betfair	167.8	1.0	Premier Oil	-73.4	-0.7
e2v technologies	49.5	1.0	Velocys	-64.5	-1.4

Twenty Largest Holdings

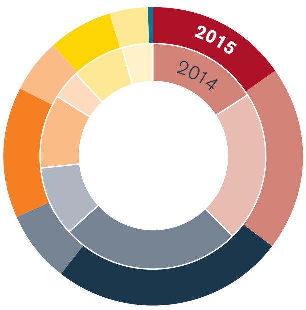
at 31 October 2015

Rank 2015	Rank 2014	Company	Valuation 2014 £'000	Purchases £'000	Sales £'000	Appreciation/ (depreciation) £'000	Valuation 2015 £'000
1	(1)	4D Pharma	3,494	–	(1,293)	4,184	**6,385**
2	(4)	Ricardo	2,178	–	–	809	**2,987**
3	(3)	HSBC	2,238	1,208	–	(654)	**2,792**
4	(8)	e2v technologies	1,853	–	–	851	**2,704**
5	(2)	hVIVO	2,586	–	–	55	**2,641**
6	(16)	Assura	1,246	881	(121)	281	**2,287**
7	(10)	Vertu Motors	1,757	–	–	527	**2,284**
8	(7)	Johnson Service	1,978	–	(772)	966	**2,172**
9	(12)	IP	1,722	–	–	257	**1,979**
10	#	Redde	824	–	–	1,034	**1,858**
11	#	Oxford Pharmascience	600	713	–	517	**1,830**
12	(9)	XP Power	1,774	–	–	38	**1,812**
13	#	NAHL	825	217	–	746	**1,788**
14	#	Rio Tinto	743	1,371	–	(345)	**1,769**
15	(6)	Senior	2,006	–	–	(305)	**1,701**
16	#	Royal Dutch Shell 'B' shares	1,156	1,052	–	(508)	**1,700**
17	(11)	St Modwen Properties	1,722	–	(437)	365	**1,650**
18	#	Ebiquity	1,087	240	–	318	**1,645**
19	#	Conviviality Retail	443	821	–	319	**1,583**
20	(20)	Tracsis	1,180	–	–	314	**1,494**
Total			**31,412**	**6,503**	**(2,623)**	**9,769**	**45,061**

At 31 October 2015 these investments totalled £45,061,000 or 46.6% of the portfolio

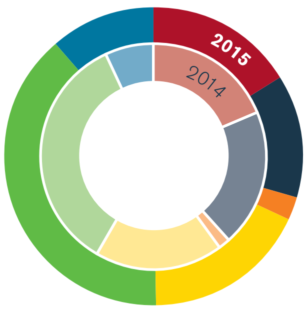
Not in the top 20 largest holdings last year

Portfolio by Sector



	2015 %	2014 %
Financials	**15.3**	16.0
Consumer Services	**20.2**	21.5
Industrials	**25.1**	25.9
Technology	**7.9**	10.2
Health Care	**14.1**	10.3
Oil & Gas	**5.9**	4.4
Basic Materials	**6.8**	7.3
Consumer Goods	**4.2**	4.4
Telecommunications	**0.5**	–

Portfolio by Index



	2015 %	2014 %
FTSE 100	**16.3**	18.8
FTSE 250	**13.3**	19.7
FTSE FLEDGLING	**2.4**	1.5
FTSE SMALLCAP	**17.8**	18.6
FTSE AIM	**39.0**	34.5
OTHER[1]	**11.2**	6.9

Source: Henderson Global Investors Limited

1 Other also includes AIM investments outside the FTSE AIM Index

Strategic Report: Investment Portfolio

at 31 October 2015

Position	Company	Main Activity	Valuation £'000
1	4D Pharma[1]	drug development platform	6,385
2	Ricardo	automotive technology consultancy	2,987
3	HSBC	banking	2,792
4	e2v technologies	electronic components	2,704
5	hVIVO[1]	bio medical services	2,641
6	Assura	healthcare property	2,287
7	Vertu Motors[1]	motor retailer	2,284
8	Johnson Service[1]	textile rental and drycleaning	2,172
9	IP	research funding	1,979
10	Redde[1]	support services	1,858
10 largest			**28,089**
11	Oxford Pharmascience[1]	drug development	1,830
12	XP Power	electrical power components	1,812
13	NAHL[1]	legal services marketing	1,788
14	Rio Tinto	general mining	1,769
15	Senior	aerospace and automotive products	1,701
16	Royal Dutch Shell 'B' shares	integrated oil and gas	1,700
17	St Modwen Properties	property developer	1,650
18	Ebiquity[1]	media and marketing analytics	1,645
19	Conviviality Retail[1]	food retailers and wholesalers	1,583
20	Tracsis[1]	logistics software and services	1,494
20 largest			**45,061**
21	RWS[1]	patent translation services	1,462
22	Cohort[1]	geotechnical services to the military	1,365
23	Clinigen[1]	speciality pharmaceuticals	1,345
24	BHP Billiton	general mining	1,301
25	Micro Focus	software application management	1,292
26	ITV	television broadcaster and programme producer	1,262
27	Safestyle[1]	upvc windows and doors	1,253
28	Glencore	commodity trading and mining	1,227
29	Johnson Matthey	advanced materials technology	1,163
30	Jupiter Fund Management	fund management	1,127
30 largest			**57,858**
31	Ilika[1]	advanced materials	1,125
32	SDL	software and translation services	1,099
33	Lakehouse	asset support services	1,067
34	Creston	marketing services	1,050
35	Tarsus	international exhibitions and conferences	1,016
36	Quantum Pharma[1]	specialist medicines	972
37	Aveva	software services for engineering designers	963
38	Barclays	banking	957
39	Benchmark[1]	animal health	930
40	Horizon Discovery[1]	drug development and diagnostic services	851
40 largest			**67,888**
41	Flowtech[1]	water services and boosters	806
42	Dairy Crest	dairy products	805
43	Faroe Petroleum[1]	oil and gas exploration and production	803
44	UTV Media	TV and radio broadcaster	796
45	Keywords Studios[1]	business support services	792
46	Fidessa	financial software	784
47	IG	investment services	755
48	Gateley[1]	corporate lawyer	750
49	Ted Baker	clothing designer and retailer	748
50	Character[1]	toys and games	747
50 largest			**75,674**

1 Listed on the Alternative Investment Market ('AIM')

Strategic Report: Investment Portfolio (continued)

at 31 October 2015

Position	Company	Main Activity	Valuation £'000
51	Goals Soccer Centres[1]	five-a-side soccer centres	734
52	Revolution Bars	premium bars	727
53	Velocys[1]	oil equipment and services	726
54	GKN	engineering	718
55	Tribal	educational sector software and services	697
56	Boohoo.com[1]	online clothing retailer	688
57	Rolls Royce	aero engines and power systems	687
58	Hill and Smith	galvanised steel and automotive products	682
59	Eurocell	extruded plastic products	665
60	Burberry	clothing designer and retailer	664
60 largest			**82,662**
61	Pearson	educational and media publishing	646
62	Xaar	ink jet printing technology	639
63	Servelec	technology services	634
64	WYG[1]	engineering consultancy	630
65	Ubisense[1]	location solutions	600
66	SCS	furniture retailer	558
67	International Personal Finance	consumer loans in emerging markets	555
68	Vodafone	mobile phone operator	536
69	Plexus[1]	oil and gas equipment rental	536
70	Atlantis[1]	tidal power projects	534
70 largest			**88,530**
71	Oxford Instruments	scientific instruments	519
72	CML Microsystems	semi conductor manufacturers	510
73	Serica Energy[1]	oil and gas exploration	487
74	Digital Barrier[1]	security services	478
75	RPS	environmental and safety consultants	470
76	Electric Word[1]	mixed media information provider	465
77	Sportech	gaming and betting website	463
78	DX[1]	freight and logistics	455
79	Miton[1]	fund management	455
80	On the Beach	online travel retailer	432
80 largest			**93,264**
81	1Spatial[1]	business support services	431
82	Flybe	airline	429
83	Victoria[1]	carpet manufacturer	385
84	Anglo American	mining	383
85	Snoozebox[1]	mobile hotels	346
86	Oxford Sciences Innovation[2]	research funding	333
87	Premier Oil	oil and gas exploration and production	274
88	Weir	industrial engineering solutions	267
89	WANdisco[1]	software development	242
90	Circle Oil[1]	oil and gas exploration	190
90 largest			**96,544**
91	Rockhopper Exploration[1]	offshore oil exploration	64
92	Kenmare Resources	heavy minerals mining	36
Total Investments			**96,644**

1 Listed on the Alternative Investment Market ('AIM')
2 Unlisted

Historical Record

Historical Record

Year ended 31 October	Total net assets £'000	Net asset value per ordinary share pence	Net revenue return per ordinary share pence	Dividend pence
2006	58,223	709.3	5.29	nil
2007[1]	62,283	758.8	7.08	6.00
2008[1]	26,248	319.8	17.72	15.50
2009[1]	35,889	437.2	11.38	10.50
2010	42,898	532.0	7.40	6.50
2011	40,408	501.0	7.94	7.00
2012	48,490	608.8	10.92	9.00
2013	70,434	884.3	12.53	10.50
2014	72,302	903.7	15.17	12.50
2015	**81,007**	**1,012.5**	**22.51**	**18.00**

1 Distributions in these years included exceptional VAT refunds

History and Background

The Company was incorporated and was listed in 1985 as Strata Investments plc. In January 1992 the name was changed to Henderson Strata Investments plc and in January 2007 to Henderson Opportunities Trust plc. The Company is now a constituent of the AIC UK All Companies sector.

The Company's original mandate was to invest in smaller companies across the international markets, and the benchmark was the FTSE SmallCap (excluding investment companies) Index. On 10 February 2005 the investment policy was changed to focus on UK micro cap companies and the benchmark was changed to the FTSE Fledgling (excluding investment companies) Index. On 19 January 2007 the objective was changed to investment in shares on an unconstrained basis across the UK market and the benchmark became the FTSE All-Share Index. At that date the ordinary shareholders received a bonus issue of one subscription share for every five ordinary shares. The Annual General Meeting in 2014 was the final conversion opportunity of the subscription shares. After 29 April 2014 the subscription shares no longer carried any rights. 35,670 subscription shares were converted into ordinary shares following the conclusion of the 2014 Annual General Meeting. A Trustee was appointed over the remaining subscription shares, which were repurchased by the Company for a nominal amount and cancelled.

Shareholders have the opportunity to vote every three years on the continued life of the Company: the next vote is scheduled for the AGM in 2017.

Strategic Report: Corporate Information

Directors

The Directors appointed to the Board at the date of this report are:

George Burnett
Position: Chairman
Date of appointment: 28 June 1995

George retired as Chief Executive of Ashtead Group plc in 2006. Until 2008 he was Chairman of the Governors of the University for the Creative Arts. He is Chairman of the English Concert, having been on the Board since 2013. He is a Chartered Accountant (CA). He became Chairman in 2004.

Frances Daley
Position: Director
Date of appointment: 18 June 2015

Frances is a chartered accountant (FCA) with significant financial and commercial experience having held several senior finance and general management positions in accountancy, investment banking and corporate sector companies over the last 27 years. She is a non-executive Director and Audit Committee Chairman of Baring Emerging Europe PLC, an emerging markets investment trust listed on the London Stock Exchange.

Chris Hills
Position: Director
Date of appointment: 17 June 2010

Chris is Chief Investment Officer of Investec Wealth and Investment Limited, a position he has held (originally with Carr Sheppards) for nineteen years. He was formerly a Director of Baring Fund Management. He is a non-executive Director of Invesco Income Growth Trust plc. He was appointed to the Board of the Association of Investment Companies (AIC) in January 2015.

Peter Jones
Position: Director
Date of appointment: 12 December 2011

Peter was Chief Executive of Associated British Ports for six years up to March 2013, and has served as the Chairman of the Port of Milford Haven since August 2013. He is also a non-executive Director of SKIL Ports & Logistics Ltd, and Hargreaves Services PLC.

Malcolm King (known as Max)
Position: Director
Date of appointment: 16 June 2005

Max has over 25 years' experience in fund management, including investment in UK smaller companies. He works at Investec Asset Management Limited as a fund manager and is a Chartered Accountant (ACA).

Peter May
Position: Audit Committee Chairman
Date of appointment: 10 June 2004

Peter is a Chartered Accountant (ACA). His background is in corporate finance, including 17 years spent at Charterhouse and 9 years at MacArthur. He became Audit Committee Chairman in 2006.

All Directors are non-executive. All are members of the Audit Committee, chaired by Peter May, and the Management Engagement Committee and Nominations Committee, both chaired by George Burnett.

Further information on the Directors fees and interests can be found on pages 26 and 27.

Management

Fund Manager
James Henderson became Fund Manager in 2007. He joined Henderson in 1984 and has been involved with investment trusts throughout his career. He has been the Fund Manager of Lowland Investment Company plc since 1990 and has been responsible for the investment portfolio of The Law Debenture Corporation plc since 2003. He also manages the Henderson UK Equity Income & Growth Fund.

(James Henderson)

Fund Manager
Colin Hughes has been involved in the management of the Company's portfolio since 2002. Since January 2007 he has assisted James Henderson with the management of the small company investments. He joined Henderson in 1998 to manage UK smaller companies portfolios, prior to which he was with London Life and AMP Asset Management.

Investment Analyst
Laura Foll joined Henderson Global Investors in 2009 as part of the Graduate Scheme. During this time, she worked in various teams including fixed income, performance, marketing and equities. Laura then became a global analyst in the Value and Income team and later an assistant Fund Manager. In 2013 she became Deputy Fund Manager for Lowland Investment Company plc. She was then appointed as Co-Manager of the Henderson UK Equity Income & Growth Fund in 2014.

Strategic Report: Corporate Information (continued)

Registered Office

201 Bishopsgate
London EC2M 3AE

Service Providers

Alternative Investment Fund Manager

Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

Henderson Secretarial Services Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818
Email: trusts@henderson.com

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Stockbrokers

JP Morgan Cazenove
25 Bank Street
London E14 5JP

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1059

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Financial Calendar

Annual results	announced February 2016
Ex dividend date	11 February 2016
Dividend record date	12 February 2016
Annual General Meeting*	17 March 2016
Final dividend payable on	24 March 2016
Half year results	announced June 2016

Information Sources

For more information about Henderson Opportunities Trust plc, visit the website at **www.hendersonopportunitiestrust.com**.

HGi

HGi is a content platform provided by Henderson that offers 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/rb

Follow Henderson Investment Trusts on Twitter, YouTube and Facebook

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holding shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone 0345 722 5525, email **henderson@halifax.co.uk** or visit their website **www.halifax.co.uk/sharedealing**.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman.

Investors in Halifax Share Dealing receive all shareholder communications. A voting instruction form is provided to facilitate voting at general meetings of the Company.

*held at the Company's registered office at 2.30pm

Strategic Report: Corporate Information (continued)

Status

The Company is an investment company as defined in Section 833 of the Companies Act 2006 ('the Act') and is registered in England. It operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'), 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.

Performance Measurement and Key Performance Indicators ('KPIs')

In order to measure the success of the Company in meeting its targets and to evaluate Henderson's performance, the Directors take into account the following key performance indicators.

KPI	Action
Absolute performance	The Board reviews, at each of its meetings, the performance of the portfolio, gearing levels, the net asset value per share and the Company's share price.
Performance measured against the benchmark	The Board reviews, at each of its meetings, the performance of the portfolio, the net asset value per share and the share price and compares them with the performance of the Company's benchmark, the FTSE All-Share Index ('benchmark')
Discount/premium to the net asset value per share ('NAV')	The Board monitors the level of the discount to the NAV at which the Company's shares trade and reviews the average discount for the AIC UK All Companies sector. The Board considers whether to use share buy-backs to enhance shareholder value. Shares are only bought back at a price below the prevailing NAV, thereby increasing the NAV for the remaining shareholders. The Company publishes a NAV figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula.
Performance measured against the Company's peer group	The Company is included in the AIC's UK All Companies sector, which represents the Company's peer group. In addition to comparison against the benchmark, the Board also considers the performance against the peer group.

Ongoing Charges

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. Ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company on a regular basis.

For the year ended 31 October 2015 the ongoing charge was 1.96% (2014: 1.22%) including performance fees. Excluding performance fees the ongoing charge was 1.02% (2014: 1.02%).

Borrowing

The Company has a loan facility in place which allows it to borrow as and when appropriate. £20 million (2014: £17 million) is available under the facility. Net gearing is limited by the Board to 25% of net assets. The maximum amount drawn down in the period under review was £16.97 million (2014: £15.35 million), with borrowing costs for the year totalling £234,000 (2014: £237,000). £15.4 million (2014: £11.8 million) of the facility was in use at the year end. Net gearing at 31 October 2015 was 18.3% (2014: 14.3%) of net asset value.

Future Developments

While the future performance of the Company is mainly dependent on the performance of financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objective and strategy explained earlier. The Chairman's Statement and Fund Managers' Report provide commentary on the outlook for the Company.

Corporate Responsibility

Responsible investment

Henderson is responsible for reporting on its work on corporate governance and corporate responsibility (or social, environmental and ethical ('SEE') issues) in the companies in which it invests on its clients' behalf, across all funds as part of its management duties. 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

Strategic Report: Corporate Information (continued)

and indirectly. An investee company's policy on social responsibility and the environment is therefore considered as part of the investment risk decision; however, an investment may not necessarily be ruled out on social and environmental grounds only.

Voting policy and the UK stewardship code

Henderson's responsible investment policy sets out its 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 the policy and has delegated responsibility for voting to Henderson. The Board receives regular reports on the voting undertaken by Henderson on behalf of the Company. The Board and Henderson believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on Board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution the Fund Manager will give specific instructions on voting non-routine and unusual or controversial resolutions. Decisions not to support resolutions and the rationale therefore are fed back to the investee company prior to voting.

Practical difficulties may prevent Henderson 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 and further details of Henderson's responsible investment activities can be found on the Henderson website, **www.henderson.com**.

Employees, 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**. In 2012 it was granted CarbonNeutral Company status which it has committed to maintain at least until the end of 2018. The Company's Annual Report is printed on paper produced using 50% recycled post-consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council, the printing company used is certified as CarbonNeutral®.

Board Diversity

As set out on page 15, five of the Company's Directors are male and one is female. Their appointment to the Board was based on their skills and experience. The Company has no employees and therefore, there is nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

George Burnett
Chairman
4 February 2016

Strategic Report: Corporate Information (continued)

Principal Risks and Uncertainties

The Board, with the assistance of Henderson, has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency and liquidity. The principal risks and uncertainties facing the Company relate to investing in the shares of companies that are listed in the United Kingdom, including small companies. Although the Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly, whether upwards or downwards, and it may not be possible to realise an investment at Henderson's assessment of its value. Falls in the value of the Company's investments can be caused by unexpected external events. The companies in which investments are made may operate unsuccessfully, or fail entirely, such that shareholder value is lost. The Company is also exposed to the operational risk that one or more of its contractors or sub-contractors may not provide the required level of service.

The Board considers regularly the principal risks facing the Company in order to mitigate them as far as practicable. The Board has drawn up a risk map which identifies the cardinal risks to which the Company is exposed. These principal risks fall broadly under the following categories:

Risk	Controls and Mitigation
Investment activity and strategy	Henderson provides the Directors with management information including performance data reports and shareholder analyses on a monthly basis. The Board monitors the implementation and results of the investment process with the Fund Managers, who attend all Board meetings, and reviews regularly data that monitors risk factors in respect of the portfolio. Henderson operates in accordance with investment limits and restrictions determined by the Board; these include limits on the extent to which borrowings may be used. The Board reviews its investment limits and restrictions regularly and Henderson confirms its compliance with them each month. The Board reviews investment strategy at each Board meeting. An inappropriate investment strategy (for example, in terms of asset allocation, stock selection, failure to anticipate external shocks or the level of gearing) may lead to a reduction in NAV, underperformance against the Company's benchmark index and the Company's peer group; it may also result in the Company's shares trading on a wider discount to NAV. The Board seeks to manage these risks by ensuring a diversification of investments through regular meetings with the Fund Managers with measurement against performance indicators and by reviewing the extent of borrowings.
Financial instruments and the management of risk	By its nature as an investment trust, the Company is exposed in varying degrees to market risk, interest rate risk, liquidity risk, currency risk and credit and counterparty risk. Market risk arises from uncertainty about the future prices of the Company's investments. An analysis of these financial risks and the Company's policies for managing them are set out in note 15 on pages 49 to 53.
Operational	Disruption to, or failure of, Henderson's accounting, dealing or payment systems or the Custodian or the Depositary's records could prevent the accurate reporting and monitoring of the Company's financial position. Henderson has contracted some of its operational functions, principally those relating to trade processing, investment administration and accounting, to BNP Paribas Securities Services. Details of how the Board monitors the services provided by Henderson and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal control section of the Corporate Governance Statement on pages 30 to 31.
Accounting, legal and regulatory	In order to qualify as an investment trust the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'), to which reference is made on page 17 under the heading 'Status'. A breach of Section 1158 could result in the Company losing investment trust status and, as a consequence, capital gains realised within the Company's portfolio would be subject to Corporation Tax. The Section 1158 criteria are monitored by Henderson and the results are reported to the Directors at each Board meeting. The Company must comply with the provisions of the Companies Act 2006 ('the Act') and, as the Company's shares are listed for trading on the London Stock Exchange, the Company must comply with the UK Listing Authority's Listing Rules and Disclosure Rules ('UKLA Rules'). A breach of the Act could result in the Company and/or the Directors being fined or becoming the subject of criminal proceedings. Breach of the UKLA Rules could result in the suspension of the Company's shares which would in turn lead to a breach of Section 1158. The Board relies on Henderson Secretarial Services Limited, its corporate company secretary and its professional advisers to ensure compliance with the Act and the UKLA Rules.

Strategic Report: Corporate Information (continued)

Risk	Controls and Mitigation
Liquidity	In line with the Company's investment strategy the Fund Manager can invest in a concentrated portfolio of shares on an unconstrained basis across the whole range of market capitalisations. This includes investing in smaller, early stage development companies. The market for these shares is less liquid than for those stocks which have a larger market capitalisation. The Board monitors the Company's exposure to these smaller companies on a monthly basis and reviews this in detail at Board meetings. The liquidity of the whole portfolio is also considered at Board meetings.
Net Gearing	The ability to borrow money for investment purposes is a key advantage of the investment trust structure. A failure to maintain a bank facility would prevent the Company from gearing. A breach of the Company's borrowing covenants or the gearing range determined by the Board could lead to the Company becoming a forced seller of shares with possible losses for shareholders. The Board reviews the level of net gearing at each Board meeting in light of the liquidity of the portfolio.
Failure of Henderson	A failure of Henderson's business, whether or not as a result of regulatory failure, cyber risk or other failure would result in Henderson being unable to meet their obligations and their duty of care to the Company. The Board meets regularly with representatives of Henderson's Investment Management, Risk and Assurance, Compliance and Investment Trust teams and reviews internal control reports from Henderson on a quarterly basis. The failure of Henderson might not necessarily lead to a loss of the Company's assets, however, this risk is mitigated by the Company's ability to change its investment manager if necessary, subject to the terms of its investment management agreement.

Viability Statement

The Company is a long term investor; the Directors believe it is appropriate to assess the Company's viability over a five year period.

The assessment considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular Investment and Strategy, Market, Liquidity, Gearing and Financial risks, in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors took into account the liquidity of the portfolio and the gearing in place when considering the viability of the Company over the next five years and its ability to meet liabilities as they fall due. This included consideration of the duration of the Company's loan facilities and how a breach of the loan facility covenants could impact on the Company's net asset value and share price.

The Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. Only a substantial financial crisis affecting the global economy could have an impact on this assessment. The Directors conducted this review for a period of five years because they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

For and on behalf of the Board

George Burnett
Chairman
4 February 2016

Glossary

Alternative Investment Fund Managers Directive ('AIFMD')

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ('AIFs') and requires them to appoint an Alternative Investment Fund Manager ('AIFM') and Depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Association of Investment Companies ('AIC')

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

Benchmark

An index against which performance is compared. For the Company this is the FTSE All-Share Index.

Custodian

The Custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are effected in an accurate and timely manner.

Depositary

With effect from 22 July 2014 all AIFs were required to appoint a Depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation. The Depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The Depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

Dividend Dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Dividend Yield

The annual dividend expressed as a percentage of the share price.

Gearing

The net gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) the Company has used to invest in the market less cash and investment in cash funds, divided by net assets.

Investment Trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market Capitalisation ('market cap')

The market value of a company, calculated by multiplying the price per share by the number of shares in issue.

Net Asset Value ('NAV') per ordinary share

The value of the Company's assets (i.e. investments, cash held and debtors) less any liabilities (i.e. bank borrowings, debt securities and creditors) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as shareholders' funds on the Balance Sheet. The NAV is published daily.

Ongoing Charges

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. Ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs, in accordance with methodology prescribed by the AIC and is the annualised ongoing charge expressed as a percentage of the average aggregate NAV in the period.

Premium/Discount

The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

Total Return Performance

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

Corporate Report

Report of the Directors

The Directors present the audited financial statements of the Company and their report for the year from 1 November 2014 to 31 October 2015. Henderson Opportunities Trust plc ('the Company') (registered and domiciled in England & Wales with company registration number 1940906) was active throughout the year under review and was not dormant.

The Corporate Governance Statement on pages 28 to 31 forms part of the Report of the Directors.

Directors' Remuneration and Shareholdings

The Directors' Remuneration Report on pages 26 and 27 provides information on the remuneration and interests of the Directors.

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 system it has in place for reporting and considering situational conflicts continues to operate effectively.

Related Party Transactions

The Company's transactions with related parties in the year were with the Directors, and Henderson. There have been no material transactions between the Company and its Directors during the year other than the amounts paid to them which were in respect of expenses and remuneration. There were no outstanding amounts payable at the year end. Directors' shareholdings are disclosed on page 26. In relation to the provision of services by Henderson, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services there have been no material transactions with Henderson affecting the financial position of the Company during the year under review. More details on transactions with Henderson, including amounts outstanding at the year end, are given in note 22 on page 55.

Share Capital

The Company's share capital comprises ordinary shares with a nominal value of 25p 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 or voting rights, no shares which carry specific rights with regard to the control of the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue and capital reserves) are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares.

At 31 October 2014, there were 8,000,858 shares in issue. The number of ordinary shares in issue on 31 October 2015 was 8,000,858, with 8,000,858 voting rights. As at 4 February 2016 the total voting rights were unchanged.

The Directors seek annual authority from the shareholders to allot new shares, to disapply pre-emption rights and to buy back shares for cancellation or to be held in Treasury. At the AGM held in March 2015 the Directors were granted authority to buy back 1,199,328 shares. At 31 October 2015 no shares had been bought back from this authority. The Directors have remaining authority to purchase 1,199,328 shares. This authority will expire at the conclusion of the 2016 AGM. The Directors intend to renew this authority subject to shareholder approval.

Fund Manager's Interests

James Henderson, the Fund Manager, has a beneficial interest in 80,950 (2014: 80,950 ordinary shares of the Company) and a non beneficial interest in 243,129 (2014: 340,770) Ordinary Shares.

Holdings in the Company's Shares

As at 31 October 2015, the following had declared a notifiable interest in the voting rights of the Company.

Shareholder	% of voting rights
1607 Capital Partners	9.4%
Prudential plc group of companies	3.8%

No changes have been notified in the period 1 November 2015 to 4 February 2016.

At 31 October 2015, 16.8% of the issued ordinary shares were held on behalf of participants in Halifax Share Dealing products. The participants in these schemes are given the opportunity to instruct the relevant nominee company to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company. They will do so by voting for or against all resolutions to be put at all general meetings of the Company (or by withholding votes on such resolutions) on a one for one basis.

Annual General Meeting

The AGM will be held on Thursday 17 March 2016 at 2.30 pm. at the Company's registered office. The Notice and details of the resolutions to be put to the AGM are contained in the separate letter being sent to shareholders with this report.

Report of the Directors (continued)

Directors' Statement as to Disclosure of Information to Auditors

Each of the Directors who were members of the Board at the date of approval of this Report confirms that to the best of his or her knowledge and belief, there is no information relevant to the preparation of the Annual Report of which the Company's Auditors are unaware and he or she has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditors are aware of that information.

Global Greenhouse Gas Emissions

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations for the year to 31 October 2015 (2014: same), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The only item of information set out in Listing Rule 9.8.4 which is applicable to the Company is in relation to the inclusion of a statement of the amount of interest capitalised by the Company during the period under review, with an indication of the amount and treatment of any related tax relief. This is disclosed in note 7 to the accounts on page 46.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
4 February 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report which must be fair, balanced and understandable including 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 prepared the Company financial statements in accordance with UK Accounting Standards. 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 net return or loss of the Company for that year. 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; and
- prepare the financial statements on a 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 and the Directors' Remuneration Report 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.

The Directors consider that the Annual Report, 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.

Statement Under DTR 4.1.12

Each of the Directors, who are listed on page 15, confirms that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK Accounting Standards on a going concern basis, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report and financial statements include 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

George Burnett
Chairman
4 February 2016

The Annual Report is published on **www.hendersonopportunitiestrust.com** which is a website maintained by Henderson.

The maintenance and integrity of the website is the responsibility of Henderson; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Annual Report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of 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 the report will be proposed at the Annual General Meeting on 17 March 2016. The Company's remuneration policy was approved by shareholders at the AGM in April 2014 in accordance with section 439A of the Act. No changes to the policy are currently proposed.

The Company's Auditors are 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 and 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. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board as a whole considers the Directors' remuneration. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors review annually the fees paid to the Boards of Directors of other comparable investment trust companies).

Remuneration Policy

Directors are remunerated in the form of fees, payable quarterly in arrears to the Director personally. The Company's Articles of Association limit the fees payable to the Directors in aggregate to £150,000 per annum. Subject to the overall limit, the Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and be sufficient to promote the long-term success of the Company.

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 policy is to review fee rates annually, although such review will not necessarily result in any change to the rates, and account is taken of fees paid to the Directors of other investment trust companies.

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

No Director has a service contract with the Company. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

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.

In respect of the year under review no feedback has been received from shareholders.

There are no long-term incentive schemes, share option schemes or pension arrangements provided by the Company and no performance fees are paid to Directors.

This remuneration policy has been in place since 1 November 2012 and will remain in place until the Annual General Meeting in 2017 unless it is amended by way of ordinary resolution put to shareholders at a general meeting. The Board may amend the level of remuneration paid to individual Directors within the parameters of the remuneration policy.

Annual Statement

As Chairman, George Burnett reports on the decisions on Directors' remuneration taken in the year under review.

Following a review of the fees paid to directors within the peer group and in line with the Company's remuneration policy the fees paid to Directors were increased with effect from 1 April 2015, as detailed on page 27. The fees were increased by 2.9%, which is in line with the market. The Board continue to believe that fees paid to Directors should be commensurate with the need to attract and retain candidates of a suitable calibre to govern the company effectively.

There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

Annual Report on Remuneration

Directors' interests in shares (audited)

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the table below.

	Ordinary shares of 25p	
	31 October 2015	1 November 2014
George Burnett	20,289	20,289
Frances Daley[1]	2,000	–
Chris Hills	2,000	2,000
Peter Jones	6,000	5,000
Malcolm King	3,200	3,200
Peter May	10,540	10,540

1 Appointed on 18 June 2015

Since the year end, Peter Jones has purchased a further 1,500 shares.

In accordance with the Company's Articles of Association no Director is required to hold any shares of the company by way of qualification.

Directors' Remuneration Report (continued)

Directors' Remuneration (audited)

The remuneration paid to the Directors who served during the years ended 31 October 2015 and 31 October 2014 was as follows:

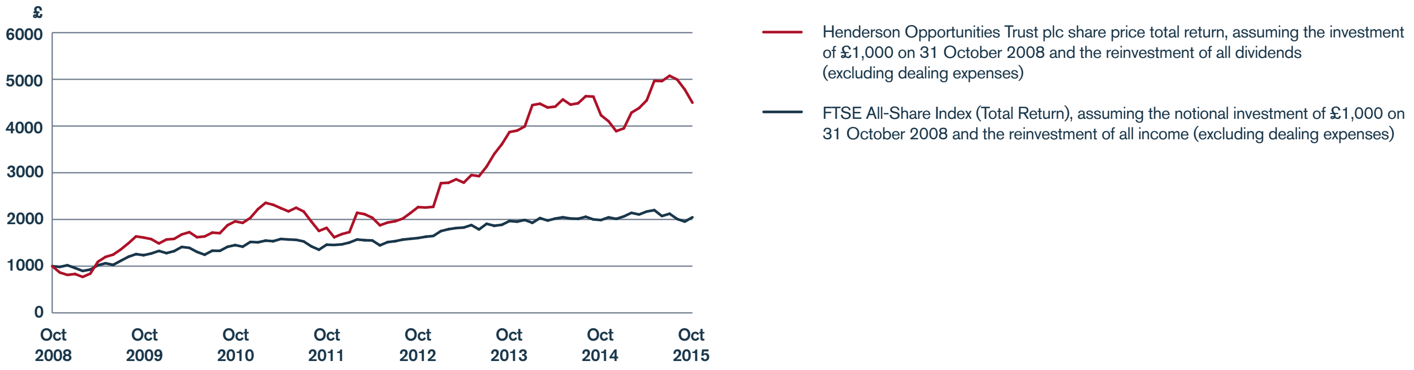
	Year ended 31 October 2015 Total salary and fees £	Year ended 31 October 2014 Total salary and fees £	Year ended 31 October 2015 Taxable benefits £	Year ended 31 October 2014 Taxable benefits £	Year ended 31 October 2015 Total £	Year ended 31 October 2014 Total £
George Burnett[1]	26,688	24,413	–	–	26,688	24,413
Frances Daley[2]	6,635	–	–	–	6,635	–
Chris Hills	17,792	16,275	–	–	17,792	16,275
Peter Jones	17,792	16,275	–	–	17,792	16,275
Malcolm King	17,792	16,275	–	–	17,792	16,275
Peter May[3]	22,240	20,343	–	–	22,240	20,343
Total	**108,939**	**93,581**	**–**	**–**	**108,939**	**93,581**

Notes:
The table above omits other columns set out in the relevant regulations because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made
1 Chairman and highest paid Director
2 Appointed on 18 June 2015
3 Chairman of the Audit Committee

The annual fees paid to the Directors are: Chairman £27,000, Audit Committee Chairman £22,500 and Directors £18,000, with effect from 1 April 2015. Previously the fees were: Chairman £26,250, Audit Committee Chairman £21,875 and Directors £17,500. 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.

Performance

The graph below compares the mid-market price of the Company's ordinary shares over the seven year period ended 31 October 2015 with the return from the FTSE All-Share Index (Total Return) over the same period.



Source: Datastream

Relative Importance of Spend on Pay

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

	2015 £	2014 £	Change £
Total remuneration paid to Directors	108,939	93,581	15,358
Ordinary dividend paid during the year	1,104,118	869,525	235,593

Statement of Voting at Annual General Meeting ('AGM')

At the 2015 AGM 2,051,737 votes (98.0%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 39,002 (1.9%) were against, 2,000 (0.1%) were discretionary and 5,763 were withheld; the percentage of votes excludes votes withheld. The Remuneration Policy was last voted on at the 2014 AGM. 2,886,748 votes (98.0%) were received voting for the resolution seeking approval of the Remuneration Policy, 53,914 (1.8%) were against, 4,925 (0.2%) were discretionary and 16,357 were withheld; the percentage of votes excludes votes withheld.

For and on behalf of the Board

George Burnett
Chairman
4 February 2016

Corporate Governance Statement

This Corporate Governance Statement forms part of the Report of the Directors.

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. Therefore not all the provisions of the UK Corporate Governance Code (the 'UK Code') issued by the Financial Reporting Council ('FRC') in September 2014 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 2015 (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 set out in the UK Code 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** and **www.frc.org.uk**.

Statement of Compliance

The Directors believe 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 thereby the provisions of the UK Code except as set out below.

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 position of the Company as it is an externally managed investment company. In addition, all of the Company's day to day management and administrative functions are outsourced to third parties. The Company has no executive Directors, employees or internal operations.

All the Directors are non-executive, and as there is a Chairman and a Chairman of the Audit Committee amongst them, the appointment of a Senior Independent Director is considered to be superfluous.

Directors

Terms of appointment

The Board has set, and each Director has agreed to adopt, generic terms and conditions of appointment of non-executive Directors of the Company, a copy of which is available for inspection at the Company's registered office during normal business hours and at the Company's AGM.

Directors' appointment and retirement

The Board may appoint Directors to the Board without shareholder approval. Any Director so appointed must stand for appointment by the shareholders at the next AGM in accordance with the Articles of Association. Accordingly, Frances Daley, who was appointed to the Board in June 2015 will be standing for election at the forthcoming AGM.

The Directors' biographies, set out on page 15, demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors. The Board believes that retaining Directors with sufficient experience of both the Company and the markets is of great benefit to shareholders.

The Board believes that each of the Directors exercises independent judgement and that length of service does not diminish the contribution from a Director; indeed, a Director's experience and extensive knowledge of the Company can be a positive benefit to the Board. Further, the Board is conscious of the need to maintain continuity, particularly given the cyclical nature of the Company's markets. It believes that retaining some Directors with experience of past cycles, of both the Company and the markets, is of great benefit to shareholders. This view is supported by the AIC Code. There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a service contract with the Company.

No Director is entitled to compensation for loss of office on the takeover of the Company or otherwise.

The AIC Code states that any Director who has served for more than nine years is subject to annual re-appointment. The Directors who have served more than nine years and offer themselves for re-appointment at this year's AGM are Peter May and Max King. George Burnett will be retiring from the Board at the forthcoming AGM. Peter Jones will take over as Chairman of the Company with effect from the conclusion of the 2016 AGM. He was last elected by shareholders in 2015. The Board would like to thank George for his enormous contribution to the Company over the last twenty years.

The Company's Articles of Association and also the AIC Code require all Directors to retire at intervals of not more than three years. Chris Hills will be standing for re-appointment at the 2016 AGM, in accordance with retirement by rotation provisions.

The contribution and performance of each of the Directors seeking re-appointment was reviewed by the Nominations Committee at its meeting in December 2015, which recommended to the Board the continuing appointment of each of those Directors.

Under the Articles of Association shareholders may remove a Director before the end of their term by passing a special resolution at a meeting. A special resolution is passed if more than 75% of the votes cast, in person or by proxy, are in favour of the resolution.

Directors' independence

All Directors have a wide range of other interests and are not dependent on the Company itself. At the Nominations Committee meeting in December 2015, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of Henderson. The Board believes that length of service does not diminish the contribution from a Director as experience and knowledge of the Company are positive factors and should not impact a Director's independence. It believes that longer serving Directors are less likely to take a short-term view, which belief is supported by the AIC Code. The Board has determined that all Directors are independent in character and judgement and that their individual

Corporate Governance Statement (continued)

skills, broad business experience and high degree of knowledge and understanding of the Company are of great benefit to shareholders.

Directors' professional development

When a new Director is appointed he or she is offered an induction seminar which is held by Henderson at the request of the Chairman. 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.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover was in place in respect of the Directors throughout the financial year and remains in place at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court.

The Board

Board composition

The Board currently consists of six non-executive Directors and the biographies of those holding office at the date of this report are included on page 15. Those details demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors. All Directors served throughout the year with the exception of Frances Daley who was appointed on 18 June 2015. All Directors are resident in the UK.

Responsibilities of the Board and its Committees

The Board, which is chaired by George Burnett who is an independent non-executive Director, meets formally at least five times a year, with additional Board or Committee meetings arranged when required. The Directors have regular contact with the Fund Managers and representatives of the Corporate Secretary between formal meetings. The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings including strategy, management and structure, financial reporting and other communications, Board membership and other appointments, internal control and corporate governance.

The Board is responsible for the approval of annual and half year results 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 are satisfied that the Annual Report for the year ended 31 October 2015, 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.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's net asset value ('NAV'), share price, discount, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which Henderson 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, the Chairman ensures that 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. The terms of reference for these Committees are available on the website **www.hendersonopportunitiestrust.com** or via the Corporate Secretary.

A separate remuneration committee has not been established as the Board consists of only non-executive Directors. The whole Board is responsible for setting Directors' fees in line with the remuneration policy set out on page 26, which is subject to periodic shareholder approval.

Audit Committee

The Audit Committee comprises all of the Directors and is chaired by Peter May, who is a chartered accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Committee's members has recent and relevant financial experience. All members of the Audit Committee are independent. The Report of the Audit Committee which forms part of the Corporate Governance Statement, can be found on pages 32 and 33.

Nominations Committee

All Directors are members of the Nominations Committee, which is chaired by the Chairman of the Board (who would not chair the Committee when the Chairman's successor was being considered). The Committee is responsible for reviewing Board succession planning and tenure policy, the performance of the Board as a whole and the Board Committees and the recommendation to the Board on the appointment of new Directors through an established formal procedure.

When considering succession planning, the Committee bears in mind the balance of skills, knowledge, experience, gender and diversity existing on the Board. The Nominations Committee considers diversity as part of the annual performance evaluation and it is considered that there is a range of backgrounds, and each Director brings different qualities to the Board and its discussions.

Given the small size of the Board, it is not considered appropriate for the Company to have set targets in relation to gender diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment. The Nominations Committee will recommend 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 Company may use external agencies as and when the requirement to recruit an additional Board member becomes necessary. Trust Associates were engaged in relation to the appointment of Frances Daley. All appointments to the Board are based on merit and the skills needed to fill any gaps.

George Burnett will stand down as Chairman of the Company with effect from the conclusion of the AGM. The Nominations Committee,

Corporate Governance Statement (continued)

chaired by Mr Chris Hills, considered the replacement of the Chairman and made a recommendation to the Board. George Burnett was not present for the discussions. Following detailed consideration, the Committee recommended that Peter Jones take over as Chairman of the Company with effect from the conclusion of the AGM. Peter Jones was not present for the discussion.

The Committee also reviews and recommends to the Board the Directors seeking re-appointment. 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 mix of skills and experience 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 or her contribution.

The Committee met in December 2015 to carry out its annual review of the Board, its composition and size and its Committees. The results of the performance evaluation are detailed below.

Management Engagement Committee

All Directors are members of the Management Engagement Committee, which is chaired by the Chairman of the Board.

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.

The Committee met in September 2015 to carry out its annual review of Henderson, the results of which are detailed on page 31.

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. All Directors attended the AGM in March 2015 with the exception of Frances Daley who was appointed in June 2015.

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

	Board	AC	MEC	NC
Number of meetings	**5**	**3**	**1**	**1**
George Burnett	5	3	1	1
Frances Daley[1]	2	1	1	–
Chris Hills	5	3	1	1
Peter Jones	5	3	1	1
Malcolm King	5	3	1	1
Peter May	5	3	1	1

1 Appointed on 18 June 2015

AC: Audit Committee. MEC: Management Engagement Committee

NC: Nominations Committee

Performance evaluation

The performance of the Company is considered in detail at each Board meeting. During the year, the Board has conducted a review of its own performance, together with that of its Committees, the Chairman and each individual Director. This was conducted by the Chairman having a private discussion with each Director and the Audit Committee Chairman speaking to each Director about the performance of the Chairman. It was concluded that each was satisfactory and the Board has a good balance of skills and experience. In particular, it is considered that each of the Directors makes a significant contribution to the affairs of the Company and the Chairman continues to display effective leadership and that Directors seeking re-appointment at the Company's AGM merit re-appointment by shareholders.

Internal controls

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Company. The process accords with Guidance and Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC in September 2014 and is subject to regular review by the Board. 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 Board, with support from Henderson, has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 October 2015. During the course of its review the Board has not identified or been advised of any failings or weaknesses that have been determined as significant. All business risks faced by the Company are recorded in a risk map which is reviewed periodically.

Henderson has established an internal control 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 Henderson's Compliance, Internal Audit and Risk departments on a continuing basis. The Board receives a formal report on a quarterly basis which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of Henderson, and which reports the details of any known internal control failures. The Board receives a report on Henderson's internal controls each year which includes a report from Henderson's Auditors on the control policies and procedures in operation.

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

The ongoing process for identifying, evaluating and managing significant risks faced by the Company has been in place throughout the year under review and up to the date of this report. Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable. As all of the Company's management functions are delegated to third parties, and the Board monitors the controls in place through Henderson's internal audit department, the Board feels that there is currently no need for the Company to have its own internal audit function.

Corporate Governance Statement (continued)

Accountability and relationship with Henderson

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 25, the Independent Auditors' Report on pages 34 to 38 and the Viability Statement on page 20.

The Board has delegated either directly or indirectly to external third parties, including Henderson, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets which is delegated through the appointment of the Depositary as explained on page 21), 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 provision of day-to-day accounting services by BNP Paribas Securities Services, was moved from London to the larger centralised accounting team in Dundee during 2015. The Board has been advised by Henderson that the process went smoothly and the Dundee office has the same control procedures and processes as the London office and considerable investment trust accounting experience.

The Board receives and considers regular reports from Henderson 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 Henderson which provide a forum to discuss industry matters which are then reported to the Board.

Henderson takes decisions as to the purchase and sale of individual investments. Henderson also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of Henderson 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 Corporate 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 Board and Henderson operate in a supportive, co-operative and open environment.

The Corporate Secretary, Henderson Secretarial Services Limited, is a subsidiary of Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that their is a clear distinction between the two entities, particularly when dealing with any conflicts or issues between the Company and Henderson. Any correspondence from shareholders addressed to the Chairman or the Company received at Henderson's offices is forwarded to the Chairman of the Company in line with the audited procedures in place. Any correspondence is submitted to the next Board meeting.

Henderson and BNP Paribas Securities Services have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to 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 received 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 Henderson

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with Henderson are contained on page 6.

In addition to the monitoring of investment performance at each meeting, through the Management Engagement Committee, an annual review of the Company's investment performance over both the short and longer terms, together with the quality of other services provided by Henderson, including company secretarial and accounting is undertaken.

It is the Directors' opinion that the continuing appointment of Henderson on the existing terms is in the interests of the Company and its shareholders as a whole.

Share Capital

Please see the Report of the Directors on page 23.

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 which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service and a monthly fact sheet which is available on the website.

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 and the Fund Managers 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 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 Chairman at the registered office address given on page 16 of this report.

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

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
4 February 2016

Report of the Audit Committee

Meetings

The Audit Committee met three times during the year under review. The Company's auditors are invited to attend meetings as necessary. Representatives of Henderson and BNP Paribas Securities Services may also be invited.

Role and Responsibilities

The role of the Audit Committee is to assist the Board in applying the financial reporting and internal control principles and to maintain an appropriate relationship with the Auditors. The responsibilities are set out in formal terms of reference which are regularly reviewed. In the year under review the main duties undertaken were:

- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- consideration of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Henderson;
- consideration of the appropriate level of dividend to be paid by the Company;
- consideration of the management fee and performance fee calculations;
- consideration of the internal controls in place at Henderson and BNP Paribas Securities Services as administrator and Henderson's policies in relation to cyber risk and business continuity, meeting with representatives of Henderson's Internal Audit and Risk departments periodically;
- consideration of the key risks, risk management systems in place and the Company's risk map;
- consideration of the Company's anti-bribery policy;
- consideration of the nature and scope of the external audit and the findings therefrom;
- annual consideration of whether there is a need for an internal audit function;
- consideration of the appointment of the auditors and their performance and remuneration, including the consequences of the appointment of PricewaterhouseCoopers LLP ('PwC') as auditor to Henderson (see page 33);
- consideration of the Auditors' independence, effectiveness and objectivity and the provision of any non-audit services (as explained further on page 33); and
- consideration of the whistle blowing policy that Henderson has put in place for its staff to raise concerns about possible improprieties, including in relation to the Company, in confidence. The policy includes the necessary arrangements for independent investigation and follow up action.

Annual Report for the Year Ended 31 October 2015

In relation to the Annual Report for the year ended 31 October 2015 the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The Directors have appointed Henderson to perform the valuation of the assets of the Company in accordance with its responsibilities under the AIFMD rules. As required under the AIFMD rules, Henderson has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third party pricing vendors in line with the accounting policy set out on page 43. Investments that are unlisted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed and approved by the Directors. Ownership of investments is verified by reconciliation to the custodian's records.
Recognition of income	Income received is accounted for in line with the Company's accounting policies, as set out on page 43, and is reviewed by the Committee at each meeting.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times receiving supporting documentation from Henderson and BNP Paribas Securities Services.
Performance fee	The calculation of the performance fee payable to Henderson is reviewed by the Audit Committee before being approved by the Board.

Report of the Audit Committee (continued)

Significant issue	How the issue was addressed
Maintaining internal controls	The Committee receives regular reports on internal controls from BNP Paribas Securities Services, HSBC and Henderson and its representatives and has access to the relevant personnel of Henderson who have a responsibility for risk management and internal audit.
Resource risk	The Company has no employees and its day-to-day activities are delegated to third parties. The Board monitors the performance of third party suppliers on an ongoing basis.

Policy on Non-Audit Services

The provision of non-audit services by the Company's Auditors is considered and approved by the Audit Committee on a case by case basis. The policy set by the Audit Committee, which is kept under review, ensures that consideration is given to the following factors when considering the provision of non-audit services by the Auditors:

- whether the audit firm is the most suitable supplier of non-audit services;
- the impact on the Auditors' independence and objectivity and what safeguards can be put in place to eliminate or reduce any threat in this regard; and
- the cost-effectiveness of the services.

The Board has determined that the Auditors will never be considered for the provision of services related to accounting and preparation of the financial statements, internal audit and custody.

Auditors' Appointment

The Audit Committee has considered the implications of PwC being appointed as auditors of Henderson. The Audit Committee is satisfied that the Auditors are independent of the Company as the audit teams for Henderson and the Company are independent of each other and strong controls are in place to ensure such independence. The Audit Committee reviews the effectiveness of the audit provided by PwC on an annual basis and remains satisfied with the Auditors effectiveness based on their performance.

PwC or their predecessor have been the Company's Auditors since inception. The appointment of the Auditors is not regularly put out to tender and as the Company is not in the FTSE 350 it is not required to do so on a regular basis. However, performance is regularly reviewed by the Audit Committee. The Company will be subject to the EU's audit tendering and rotation requirements from 2016, which is expected to mean that the Company needs to tender the external audit at least every ten years and change auditors at least every twenty years. Under the new legislation PwC will not be eligible to be reappointed as auditors six years after 16 June 2014 (i.e. 2020).

On the basis of the Auditors' performance the Audit Committee recommended their continuing appointment to the Board. The Auditors have indicated their willingness to continue in office. Accordingly, resolutions to confirm the appointment of PwC as auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the AGM.

Fees paid or payable to the Auditors are detailed in note 6 on page 46.

For and on behalf of the Board

Peter May
Audit Committee Chairman
4 February 2016

Independent auditors' report to the members of Henderson Opportunities Trust plc

Report on the financial statements

Our opinion

In our opinion, Henderson Opportunities Trust plc's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 October 2015 and of its net return and cash flows 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 October 2015;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview

- Overall materiality: £810,000 which represents 1% of net assets.

- The Company is a standalone Investment Trust Company and engages Henderson Investment Funds Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements using information from BNP Paribas Securities Services (the 'Administrator') to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

- Valuation and existence of investments.
- Dividend income.
- Performance fee.

Independent auditors' report to the members of Henderson Opportunities Trust plc (continued)

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)').

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as 'areas of focus' in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
Valuation and existence of investments Refer to page 32 (Report of the Audit Committee), page 43 (Accounting policies) and page 48 (Notes to the Financial Statements). The investment portfolio at the year-end principally comprised listed equity investments valued at £96.3m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified by our testing which required reporting to those charged with governance. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from HSBC Bank plc. No differences were identified by our testing which required reporting to those charged with governance.
Dividend income Refer to page 32 (Report of the Audit Committee), page 43 (Accounting policies) and page 45 (Notes to the Financial Statements). We focused on the accuracy and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP'). This is because incomplete or inaccurate dividend income could have a material impact on the Company's net asset value and dividend cover.	We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. In addition, we tested dividend receipts by agreeing the dividend rates from investments to independent third party sources. No misstatements were identified which required reporting to those charged with governance. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared by investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP. We then tested the validity of revenue and capital special dividends to independent third party sources. We did not find any special dividends that were treated incorrectly in accordance with the AIC SORP.

Independent auditors' report to the members of Henderson Opportunities Trust plc (continued)

Area of focus	How our audit addressed the area of focus
Performance fee Refer to page 32 (Report of the Audit Committee), page 44 (Accounting policies) and page 45 (Notes to the Financial Statements). A performance fee is payable for the year of £765,000. We focused on this area because the performance fee is calculated using a complex methodology as set out in the Investment Management Agreement between the Company and the Manager.	We tested the performance fee of £765,000 and agreed the inputs to the calculation, including the benchmark data, to independent third party sources, where applicable. We tested the allocation of the performance fee between the revenue and capital return columns of the Income Statement with reference to the accounting policy as set out on page 44. We found that the allocation of the performance fee was consistent with the accounting policy.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the Company, the involvement of the Manager and Administrator, the accounting processes and controls, and the industry in which the Company operates.

The Company's accounting is delegated to the Administrator who maintain the Company's accounting records and controls and report to the Manager and the Directors.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment involved obtaining and reading the relevant control reports, issued by the independent auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work, to gain an understanding of both the Manager's and Administrator's control environment and to consider the operating and accounting structure at both the Manager and the Administrator. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£810,000 (2014: £723,000).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £40,000 (2014: £36,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 43, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are also required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

Independent auditors' report to the members of Henderson Opportunities Trust plc (continued)

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & 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 – otherwise misleading.	We have no exceptions to report.
▪ the statement given by the Directors on page 25, in accordance with provision C.1.1 of the UK Corporate Governance Code (the 'Code'), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company's performance, business model and strategy is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.	We have no exceptions to report.
▪ the section of the Annual Report on pages 32 and 33, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee	We have no exceptions to report.

The directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

▪ the directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
▪ the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
▪ the directors' explanation in the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and the directors' statement in relation to the longer-term viability of the Company, set out on page 20. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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 are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Henderson Opportunities Trust plc (continued)

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 25, the Directors are responsible for the preparation of the 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 financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 February 2016

Income Statement

Notes		Year ended 31 October 2015 Revenue return £'000	Year ended 31 October 2015 Capital return £'000	Year ended 31 October 2015 Total £'000	Year ended 31 October 2014 Revenue return £'000	Year ended 31 October 2014 Capital return £'000	Year ended 31 October 2014 Total £'000
2	Gains from investments held at fair value through profit or loss	–	9,340	9,340	–	1,869	1,869
3	Income from investments held at fair value through profit or loss	2,302	–	2,302	1,697	–	1,697
4	Other interest receivable and other income	14	–	14	18	–	18
	Gross revenue and capital gains	**2,316**	**9,340**	**11,656**	**1,715**	**1,869**	**3,584**
5	Management and performance fee	(173)	(1,168)	(1,341)	(151)	(502)	(653)
6	Other administrative expenses	(272)	–	(272)	(282)	–	(282)
	Net return on ordinary activities before finance charges and taxation	**1,871**	**8,172**	**10,043**	**1,282**	**1,367**	**2,649**
7	Finance charges	(70)	(164)	(234)	(71)	(166)	(237)
	Net return on ordinary activities before taxation	**1,801**	**8,008**	**9,809**	**1,211**	**1,201**	**2,412**
8	Taxation	–	–	–	–	–	–
	Net return on ordinary activities after taxation	**1,801**	**8,008**	**9,809**	**1,211**	**1,201**	**2,412**
9	Return per ordinary share – basic and diluted	22.51p	100.09p	122.60p	15.17p	15.04p	30.21p

The total columns of this statement represent the Profit and Loss Account of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. No operations were acquired or discontinued during the year. The Company had no recognised gains or losses other than those disclosed in the Income Statement. There is no material difference between the return on ordinary activities before taxation and the return for the financial year stated above and their historical cost equivalents.

The notes on pages 43 to 55 form part of these financial statements

Reconciliation of Movements in Shareholders' Funds

Notes	Year ended 31 October 2015	Called up share capital £'000	Share premium account[1] £'000	Capital redemption reserve[1] £'000	Other capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
	At 1 November 2014	2,000	14,838	2,431	51,290	1,743	72,302
10	Dividends paid on the ordinary shares	–	–	–	–	(1,104)	(1,104)
	Net return on ordinary shares after taxation	–	–	–	8,008	1,801	9,809
	At 31 October 2015	**2,000**	**14,838**	**2,431**	**59,298**	**2,440**	**81,007**

	Year ended 31 October 2014	Called up share capital £'000	Share premium account[1] £'000	Capital redemption reserve[1] £'000	Other capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
	At 1 November 2013	2,007	14,522	2,415	50,089	1,401	70,434
10	Dividends paid on the ordinary shares	–	–	–	–	(869)	(869)
	Net return on ordinary activities after taxation	–	–	–	1,201	1,211	2,412
	Issue of ordinary shares following conversion of subscription shares	9	325	–	–	–	334
	Costs in respect of shares issued	–	(9)	–	–	–	(9)
	Expiry of subscription shares	(16)	–	16	–	–	–
	At 31 October 2014	**2,000**	**14,838**	**2,431**	**51,290**	**1,743**	**72,302**

1 Distributions can be made from the 'revenue reserve' and from realised gains in 'other capital reserves'. Distributions cannot be made from the 'share premium account' or the 'capital redemption reserve'

The notes on pages 43 to 55 form part of these financial statements

Balance Sheet

Notes		31 October 2015 £'000	31 October 2014 £'000
11	**Investments held at fair value through profit or loss**		
	Listed at market value	50,984	49,740
	Listed on AIM at market value	45,327	32,579
	Unlisted at market value	333	–
		96,644	**82,319**
	Current assets		
12	Investment held at fair value through profit or loss	2	2
13	Debtors	265	806
	Cash at bank and in hand	508	1,490
		775	**2,298**
14	**Creditors: amounts falling due within one year**	(16,412)	(12,315)
	Net current liabilities	**(15,637)**	**(10,017)**
	Net assets	**81,007**	**72,302**
	Capital and reserves		
16	Called up share capital	2,000	2,000
	Share premium account	14,838	14,838
17	Capital redemption reserve	2,431	2,431
17	Other capital reserves	59,298	51,290
	Revenue reserve	2,440	1,743
	Total shareholders' funds	**81,007**	**72,302**
18	**Net asset value per ordinary share (basic and diluted)**	1,012.5p	903.7p

These financial statements on pages 39 to 55 were approved and authorised for issue by the Board of Directors on 4 February 2016 and were signed on their behalf by:

George Burnett
Chairman

The notes on pages 43 to 55 form part of these financial statements

Cash Flow Statement

Notes		Year ended 31 October 2015 £'000	Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000	Year ended 31 October 2014 £'000
19	**Net cash inflow from operating activities**		**1,254**		**908**
	Servicing of finance				
	Interest paid	(225)		(237)	
	Net cash outflow from servicing of finance		**(225)**		**(237)**
	Financial investment				
	Purchases of investments	(25,616)		(23,815)	
	Sales of investments	21,184		21,951	
	Net cash outflow from financial investment		**(4,432)**		**(1,864)**
	Equity dividends paid		(1,104)		(869)
	Net cash outflow before management of liquid resources and financing		**(4,507)**		**(2,062)**
	Financing				
	Proceeds from issue of ordinary shares	–		334	
	Expenses paid in respect of ordinary share issue	–		(4)	
	Net draw down of loans	3,525		2,990	
	Net cash inflow from financing		**3,525**		**3,320**
	(Decrease)/increase in cash		**(982)**		**1,258**

Reconciliation of net cash flow to movement in net debt

Notes		Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000
	(Decrease)/increase in cash as above	(982)	1,258
	Net cash inflow from increase in loans	(3,525)	(2,990)
	Movement in net debt	**(4,507)**	**(1,732)**
	Net debt at the start of the year	(10,345)	(8,613)
20	**Net debt at the end of the year**	**(14,852)**	**(10,345)**

The notes on pages 43 to 55 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of investments at fair value through profit or loss. The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under the standards and with the Statement of Recommended Practice ('SORP') for investment trusts issued by the Association of Investment Companies ('the AIC') in January 2009. The Company's accounting policies are consistent with the prior year.

b) Going concern

The Company's Articles of Association require that at the Annual General Meeting of the Company held in 2008, and every third year thereafter, an ordinary resolution be put to approve the continuation of the Company. The resolutions put to the Annual General Meetings in 2011 and in 2014 were duly passed. The next triennial continuation resolution will be put to the Annual General Meeting in 2017. The assets of the Company consist almost entirely of securities that are listed (or listed on AIM) and, accordingly, the Directors believe that the Company has adequate resources to continue in existence for the foreseeable future. The Board has also assessed the principal risks other matters in connection with the Viability Statement. For these reasons, the Board has decided that it is appropriate for the financial statements to be prepared on a going concern basis.

c) Investments held at fair value through profit or loss

Listed investments and investments listed on AIM have been designated by the Board as held at fair value through profit or loss. Investments are recognised at fair value on acquisition and are measured thereafter at fair value. Fair value is deemed to be the bid price or the last trade price, depending on the convention of the exchange on which the investment is listed.

Unlisted investments have also been designated as held at fair value through profit or loss and are valued by the Directors using primary valuational techniques such as recent transactions and net assets.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'gains or losses from investments held at fair value though profit or loss'. Transaction costs incurred on the purchase and disposal of investments are included within the cost or deducted from the proceeds of the investments. All purchases and sales are accounted for on a trade date basis.

d) Foreign currency

The results and financial position of the Company are expressed in sterling, which is the functional currency and presentation currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities and equity investments held at fair value through profit or loss, which are denominated in foreign currencies at the balance sheet date, are translated into sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital return or to the revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

e) Income

Dividends receivable from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of the Directors, the dividend is capital in nature, in which case it is taken to the capital return. Income from fixed interest debt securities and preference shares is recognised using the effective interest rate method in accordance with the SORP. The ordinary element of scrip dividends received in lieu of cash dividends is recognised as revenue. Any enhancement above the cash dividend is treated as capital. Interest income is accrued on a time apportionment basis, by reference to the principal outstanding at the effective interest rate applicable.

Where the Company enters into a commitment to sub-underwrite an issue of securities, in exchange for the receipt of commission, a derivative financial instrument is recognised initially at fair value. The derivative is re-measured subsequently at fair value, with the related gains and losses being reflected in the Income Statement. Net losses arising from these derivatives, where the actual or expected loss from taking up the securities underwritten exceeds the commission income, are allocated to the capital return.
Net gains are allocated to the revenue return.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

f) Management fees, administrative expenses and finance charges

All expenses and finance charges are accounted for on an accruals basis.

The Board has determined that the capital return should reflect the indirect costs of earning capital returns. Since 1 November 2013, the Company has allocated 70% of its management fees and finance charges to the capital return of the Income Statement with the remaining 30% being allocated to the revenue return. Previously this was 50% to the capital return and 50% to the revenue return.

The management fee is calculated quarterly in arrears, as 0.60% per annum of the net chargeable assets, with assets in excess of £100 million charged at 0.50% per annum. A performance fee of £765,000 was earned in the period, (2014: £149,000). Performance fees payable are allocated 100% to the capital return.

All other administrative expenses are charged to the revenue return of the Income Statement.

Expenses which are incidental to the purchase or sale of an investment are recognised immediately in the capital return of the Income Statement, and are included within the gains/losses from investments held at fair value through profit or loss.

g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the effective rate of corporation tax for the accounting period.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred to the capital return column.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

h) Bank borrowings

Interest bearing bank loans and overdrafts are recorded initially at fair value, being the proceeds received, less direct issue costs. They are subsequently remeasured at amortised cost. Finance charges, including interest payable, premiums on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

i) Cash and liquid resources

For the purposes of the cash flow statement, cash comprises bank deposits that are repayable on demand and bank overdrafts. Liquid resources comprise readily disposable shares of value that do not qualify as cash, and include investments in money market funds as explained more fully in note 12.

j) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders.

k) The issue and repurchase of ordinary shares and the associated costs

The proceeds from the issue of new ordinary shares (including those relating to the sale of shares out of treasury), the proceeds of conversion of subscription shares into ordinary shares and the aggregate cost of repurchasing ordinary shares (including those to be held in treasury) are taken directly to the equity. Issue costs incurred in respect of new ordinary shares are offset against the proceeds received and dealt with in the share premium account. Issue costs incurred in respect of shares sold out of treasury are offset against proceeds received and dealt with in the share premium account. Share issue and repurchase transactions are accounted for on a trade date basis.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

l) Capital reserves

Capital reserve arising on investments sold

The following are accounted for in this reserve:

- gains and losses on the disposals of investments;
- expenses and finance costs allocated to capital net of tax relief;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

Capital reserve arising on revaluation of investments held

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

2 Gains on investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Gains on the sale of investments based on historical cost	8,397	9,374
Revaluation gains recognised in previous years	(3,786)	(6,292)
Gains on investments sold in the year based on carrying value at previous balance sheet date	**4,611**	**3,082**
Revaluation gains/(losses) on investments held at 31 October	4,729	(1,213)
	9,340	**1,869**

3 Income from investments held at fair value through profit or loss

	2015 £'000	2014 £'000
UK:		
Dividends from listed investments	1,617	1,173
Dividends from AIM investments	471	321
	2,088	**1,494**
Non-UK:		
Dividends from listed investments	214	203
	2,302	**1,697**

4 Other interest receivable and other income

	2015 £'000	2014 £'000
Underwriting commission (allocated to revenue)[1]	14	18

1 During the year the Company was not required to take up shares; no commission was taken to capital (2014: no shares taken up and no commission taken to capital)

5 Management and performance fee

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Management fee[1]	173	403	576	151	353	504
Performance fee	–	765	765	–	149	149
	173	**1,168**	**1,341**	**151**	**502**	**653**

1 The 2015 management fee is net of £nil (2014: £4,500) paid by Henderson on behalf of the Company in respect of audit fees (see Note 6)

The basis on which the management fee is calculated is set out on page 6 in the Strategic Report. The allocation between revenue return and capital return is explained in note 1(f) on page 44

Notes to the Financial Statements (continued)

6 Other administrative expenses (all charged to revenue)

	2015 £'000	2014 £'000
Auditors' remuneration for audit services[1]	22	26
Directors' fees (see the Directors' Remuneration Report on page 27)	109	94
Directors' and officers' liability insurance	4	5
Listing and regulatory fees	13	19
Custody fees	6	9
Depositary fees[2]	8	3
Printing and postage	18	29
Registrar's fees	7	11
Marketing expenses payable to Henderson	28	20
Bank facilities: non-utilisation fees	5	22
Other expenses	31	24
Irrecoverable VAT	21	20
	272	**282**

All transactions with Directors are disclosed in the Directors' Remuneration Report and are related party transactions.

1 Of the total audit fees for 2015, £nil (2014: £4,500) was paid by Henderson, on behalf of the Company via a reduction in the management fee
2 Depositary appointed on 22 July 2014 to meet the requirements of AIFMD

7 Finance charges

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
On bank loans and overdrafts	70	164	234	71	166	237

The allocation between revenue return and capital return is explained in note 1(f) on page 44.

8 Taxation

a) Factors affecting the tax charge for the year

Approved investment trusts are exempt from tax on realised capital gains.

The tax assessed for the year is lower (2014: lower) than the effective rate of corporation tax in the UK for the year ended 31 October 2015 of 20.42% (2014: 21.83%).

The tax charge for the year ended 31 October 2015 is £nil (2014: £nil).

The differences are explained below:

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Net return on ordinary activities before taxation	**1,801**	**8,008**	**9,809**	**1,211**	**1,201**	**2,412**
Corporation tax at 20.42% (2014: 21.83%)[1]	368	1,635	2,003	264	262	526
Non-taxable UK dividends	(421)	–	(421)	(326)	–	(326)
Non-taxable overseas dividends	(49)	–	(49)	(44)	–	(44)
Expenses not utilised in the year	374	–	374	252	–	252
Capital expenses available to be utilised	(272)	272	–	(146)	146	–
Capital gains not subject to tax	–	(1,907)	(1,907)	–	(408)	(408)
Current tax charge	**–**	**–**	**–**	**–**	**–**	**–**

1 The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 20.42%

Notes to the Financial Statements (continued)

8 Taxation (continued)

b) Provision for deferred taxation

Because of the Company's status as an investment trust, and the intention that it will continue to meet the conditions required to maintain approval as such in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

c) Factors that may affect future tax charges

The Company has not recognised a potential deferred tax asset of £3,331,000 (2014: £2,964,000), arising as a result of unutilised management expenses and non trade loan relationship deficits. These expenses could only be utilised if the Company were to generate taxable profits in the future. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

9 Return per ordinary share

The total return per ordinary share is based on the total return attributable to the ordinary shares of £9,809,000 (2014: £2,412,000) and on 8,000,858 ordinary shares (2014: 7,983,365) being the weighted average number of shares in issue during the year.

The return per ordinary share can be further analysed as follows:

	2015 £'000	2014 £'000
Revenue return	1,801	1,211
Capital return	8,008	1,201
Total return	**9,809**	**2,412**
Weighted average number of ordinary shares	**8,000,858**	**7,983,365**

	2015	2014
Revenue return per ordinary share	22.51p	15.17p
Capital return per ordinary share	100.09p	15.04p
Total return per ordinary share	**122.60p**	**30.21p**

10 Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 October 2014 of 8.8p (2013: 7.2p)	704	573
Interim dividend for the year ended 31 October 2015 of 5.0p (2014: 3.7p)	400	296
	1,104	**869**

The final dividend of 8.8p per ordinary share in respect of the year ended 31 October 2014 was paid on 31 March 2015 to shareholders on the register of members at the close of business on 20 February 2015.

The interim dividend of 5.0p per ordinary share in respect of the year ended 31 October 2015 was paid on 25 September 2015 to shareholders on the register of members at the close of business on 21 August 2015.

Subject to approval at the Annual General Meeting, the proposed final dividend of 13.0p per ordinary share will be paid on 24 March 2016 to shareholders on the register of members at the close of business on 12 February 2016.

Notes to the Financial Statements (continued)

10 Dividends (continued)

The total dividends payable in respect of the financial year, which form the basis of the test under Section 1158 of the Corporation Tax Act 2010, are set out below:

	Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000
Revenue available for distribution by way of dividends for the year	1,801	1,211
Interim dividend for the year ended 31 October 2015: 5.0p (2014: 3.7p)	(400)	(296)
Proposed final dividend for the year ended 31 October 2015: 13.0p (based on the 8,000,858 ordinary shares in issue at 4 February 2016) (2014: 8.8p on 8,000,858 ordinary shares)	(1,040)	(704)
Undistributed revenue for section 1158 purposes[1]	**361**	**211**

1 Undistributed revenue comprises 14.2% of income from investments (2014: 11.8%)

11 Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Valuation at 1 November	82,319	80,430
Investment holding gains at 1 November	(20,431)	(27,936)
Cost at 1 November	**61,888**	**52,494**
Purchases at cost	25,616	22,452
Sales at cost	(12,234)	(13,058)
Cost at 31 October	**75,270**	**61,888**
Investment holding gains at 31 October	21,374	20,431
Valuation of investments at 31 October	**96,644**	**82,319**

All the investments were equity investments, with the exception of Kenmare Resources warrants with a value of £nil (2014: Kenmare Resources and Snoozebox warrants £9,000).

Total transaction costs amounted to £68,000 (2014: £77,000) of which purchase transaction costs for the year ended 31 October 2015 were £49,000 (2014: £56,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the year ended 31 October 2015 were £19,000 (2014: £21,000). These comprise mainly commissions.

Substantial interests in investments

As at 31 October 2015 the Company held an interest in 3% or more of any class of share capital in Electric Word (2014: same). This investment is not considered material in the context of these financial statements for either year.

12 Current asset investment

The Company has a holding in Deutsche Global Managed Platinum Income Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be place on short term deposit. At 31 October 2015 this holding had a value of £2,000 (2014: £2,000).

13 Debtors

	2015 £'000	2014 £'000
Sales for future settlement	–	553
Prepayments and accrued income	264	252
Tax recoverable	1	1
	265	**806**

Notes to the Financial Statements (continued)

14 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Unsecured sterling loans (see note 15.6)	15,362	11,837
Taxation and social security	3	6
Issue costs payable	5	5
Loan interest payable	25	16
Other creditors	1,017	451
	16,412	**12,315**

15 Financial risk management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective and policy as stated on page 6. In pursuing its investment objective and policy, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks: market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk and the Directors' approach to the management of these risks, are set out below and have not changed from the previous accounting period. The Board and Henderson co-ordinate the Company's risk management and there are various risk management systems in place as detailed below.

- straight-through processing via a deal order and management system ('OMS') is utilised for listed securities.
- portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine.
- fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas Securities Services) which utilises HiPortfolio software.
- the IT tools to which the Henderson risk, compliance and operations teams have access for independent monitoring and risk measurement purposes include:
  – Charles River Compliance module for investment restrictions monitoring;
  – Arc Logics operational risk database;
  – Riskmetrics, UBS Delta, Style Research, Finanalytica and Barra Aegis for market risk measurement;
  – Bloomberg for market data and price-checking; and
  – HiPortfolio for portfolio holdings and valuations.

These are supplemented by in-house developments: derivatives risk and compliance database ('DRAC') and counterparty exposure ('CER') reports.

15.1 Market risk

The fair value of a financial instrument held by the Company will fluctuate due to changes in market prices. This market risk comprises market price risk (see note 15.1.1), currency risk (see note 15.1.2) and interest rate risk (see note 15.1.3). The Board reviews and agrees policies for managing these risks. The Fund Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

15.1.1 Market price risk

Market price risk (i.e. changes in market prices other than those arising from interest rate risk or currency risk) will affect the fair value of investments.

The Company's exposure to market price risk at 31 October 2015 and at 31 October 2014, is represented by the investments it holds, as shown on the Balance Sheet on page 41 under the heading 'Investments held at fair value through profit or loss'.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.1.1 Market price risk (continued)

Management of the risk

The Board manages the risks inherent in the investment portfolio by ensuring full and timely access to relevant information from Henderson. The Board meets regularly and at each meeting reviews investment performance. The Board monitors Henderson's compliance with the Company's objective and is responsible for investment strategy and asset allocation.

Concentration of exposure to market price risks

An analysis of the Company's investment portfolio is shown on pages 12 and 13. This shows that the value of the investments is primarily in companies that are listed in the UK. Accordingly, there is a concentration of exposure to market price risk in the UK, although it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the total return after taxation for the year and the net assets to an increase or decrease of 40% in the fair values of the Company's investments. This level of change is considered to be reasonable based on historic market conditions.

Sensitivity analysis – market prices if prices change by 40%

	2015		2014	
	If prices go up £'000	If prices go down £'000	If prices go up £'000	If prices go down £'000
Investments (excluding investments in money market funds)	96,644	96,644	82,319	82,319
Impact on the income statement:				
Revenue return	(59)	69	(55)	59
Capital return	38,520	(38,496)	32,800	(32,790)
Impact on net assets and total return	**38,461**	**(38,427)**	**32,745**	**(32,731)**

15.1.2 Currency risk

A small proportion of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and presentation currency). As a result, movements in exchange rates may affect the sterling value of those items. The Company had £nil cash at bank at 31 October 2015 (2014: £nil) denominated in foreign currency. This is not material to the Company.

Management of the risk

Henderson monitors the Company's exposure to foreign currencies and reports any significant changes to the Board. Henderson measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure and sensitivity

The Company's investments are predominantly in sterling-based securities and its exposure to currency risk is not considered material.

15.1.3 Interest rate risk

Interest rate movements may affect:

- the level of income receivable from interest-bearing securities, money market funds and cash at bank and on deposit
- the interest payable on the Company's variable rate borrowings.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowing under the Company's bank loan facility. The Company, generally, may make use of money market fund placings and does not hold significant cash balances; it uses short term borrowings when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board. Derivative contracts are not used to hedge against the exposure to interest rate risk.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.1.3 Interest rate risk (continued)

Interest rate exposure

The Company's exposure at 31 October 2015 and at 31 October 2014 of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be reset.

	2015 Within one year £'000	2014 Within one year £'000
Exposure to floating interest rates:		
Cash at bank	508	1,490
Money market funds	2	2
Creditors – within one year:		
Borrowings under loan facility	(15,362)	(11,837)
Total exposure to interest rates	**(14,852)**	**(10,345)**

Interest receivable and finance costs are at the following rates:

- interest received on cash balances and money market funds, or paid on bank overdrafts, is at a margin linked to LIBOR (2014: same)
- interest paid on borrowings under the loan facility is at a margin over LIBOR for the type of loan. The weighted average interest rate of these is 1.6% as at 31 October 2015 (2014: 1.6%).

Interest rate risk sensitivity

The Company is exposed to interest rate risk primarily through its loan facility with National Australia Bank and money market funds balances. The sensitivity is as follows: borrowings vary throughout the year as a result of the Board's borrowing policy. Net borrowings at the year end were £14,852,000 (2014: £10,345,000) and if that level of borrowings was maintained for a full year, then a 200 basis points change in LIBOR (up or down) would decrease or increase total net return on ordinary activities after taxation and shareholders' funds by £297,000 (2014: £207,000).

15.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in listed securities that are readily realisable. The Company had unsecured sterling loan facilities totalling £20,000,000 (2014: £17,000,000) and an overdraft facility with the Custodian, the extent of which is determined by the Custodian on a regular basis by the value of the securities held by it on behalf of the Company. The facilities are subject to regular review.

The Board gives guidance to Henderson as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company's assets should generally remain fully invested in equities. Any short term cash requirements will generally be met by short term borrowings.

The contractual maturities of the financial liabilities at 31 October based on the earliest date on which payment can be required are as follows:

	2015		2014	
	Due within one month £'000	Due between one and three months £'000	Due within one month £'000	Due between one and three months £'000
Bank overdrafts, loans and interest	5,532	9,888	4,817	7,060
Other creditors	1,025	–	462	–
	6,557	**9,888**	**5,279**	**7,060**

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.3 Credit and counterparty risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standard is reviewed regularly by Henderson, and limits are set on the amount that may be due from any one broker
- cash at bank is held only with reputable banks with high quality external credit ratings or through a money market fund that uses such banks.

In summary, the exposure to credit risk at 31 October 2015 was to cash at bank and money market funds of £510,000 (2014: £1,492,000) and to debtors of £265,000 (2014: £806,000) (see note 13).

15.4 Fair values of financial assets and financial liabilities

The financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (sales for future settlement, dividends and interest receivable, purchases for future settlement, accruals, cash at bank, bank overdrafts and amounts due under the loan facility).

15.5 Fair value hierarchy disclosures

The tables below set out fair value measurements using the FRS 29 fair value hierarchy.

Fair value hierarchy at 31 October 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	96,311	–	333	96,644
Current asset investments	2	–	–	2
	96,313	**–**	**333**	**96,646**

Fair value hierarchy at 31 October 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	82,319	–	–	82,319
Current asset investments	2	–	–	2
	82,321	**–**	**–**	**82,321**

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

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

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

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

A reconciliation of movements within Level 3 is set out below:

	2015 £'000	2014 £'000
Opening balance at 1 November 2014	–	–
Purchases	333	–
Closing balance at 31 October 2015	**333**	**–**

The Company's holding in Oxford Sciences Innovation was not revalued during the year.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.6 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the revenue and capital returns to its equity shareholders through an appropriate balance of equity capital and debt.

The Company's capital at 31 October 2015 comprised its equity share capital, reserves and loans (as shown in note 14) that are included in the balance sheet at a total of £96,369,000 (2014: £84,139,000).

The Board, with the assistance of Henderson, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account Henderson's view on the market
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium) as well as the discount of the peer group and the level of the equity market
- the need for new issues of equity shares, including allotments from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company is subject to several externally imposed capital requirements:

- borrowings under the current loan facility must not exceed 35% of the adjusted net asset value (as defined by the bank providing the loan facility) and the adjusted net asset value must not be less than £30 million at any time
- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet the capital restriction tests imposed on investment companies by company law.

The Company has complied with these requirements.

In September 2014 the Company negotiated a three year revolving credit facility of £20 million ('the Facility') with National Australia Bank.

16 Called up share capital

	2015 £'000	2014 £'000
Allotted, issued and fully paid:		
8,000,858 ordinary shares of 25p each (2014: 8,000,858)	2,000	2,000

There were 1,639,652 subscription shares of 1p each in issue at 31 October 2013. The subscription shares were issued, as a bonus issue to the ordinary shareholders, on 19 January 2007. During the year ended 31 October 2014, 35,670 of the Company's subscription shares were converted into ordinary shares. The remaining 1,603,982 subscription shares were subsequently cancelled.

Notes to the Financial Statements (continued)

17 Capital redemption reserve and other capital reserves

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Other capital reserves total £'000
At 1 November 2014	2,431	30,859	20,431	51,290
Transfer on disposal of investments	–	3,786	(3,786)	–
Net gains on investments	–	4,611	4,729	9,340
Expenses and finance charges allocated to capital	–	(1,332)	–	(1,332)
At 31 October 2015	**2,431**	**37,924**	**21,374**	**59,298**

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Other capital reserves total £'000
At 1 November 2013	2,415	22,153	27,936	50,089
Transfer on disposal of investments	–	6,292	(6,292)	–
Net gains on investments	–	3,082	(1,213)	1,869
Expenses and finance charges allocated to capital	–	(668)	–	(668)
Expiry of subscription shares	16	–	–	–
At 31 October 2014	**2,431**	**30,859**	**20,431**	**51,290**

18 Net asset value per ordinary share (basic and diluted)

The net asset value per ordinary share at the year end was 1,012.5p (2014: 903.7p). The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £81,007,000 (2014: £72,302,000) and on the 8,000,858 ordinary shares in issue at 31 October 2015 (2014: 8,000,858).

The movements during the year of the assets attributable to the ordinary shares were as follows:

	2015 £'000	2014 £'000
Total net assets at 1 November	72,302	70,434
Total net return	9,809	2,412
Dividends paid in the year	(1,104)	(869)
Shares issued (after costs)	–	325
Total net assets at 31 October	**81,007**	**72,302**

19 Reconciliation of net return on ordinary activities before taxation to net cash flow from operating activities

	2015 £'000	2014 £'000
Net return on ordinary activities before finance charges and taxation	10,043	2,649
Less: capital return on ordinary activities before finance charges and taxation	(8,172)	(1,367)
Net revenue return on ordinary activities before finance charges and taxation	**1,871**	**1,282**
Increase in prepayments and accrued income	(12)	(108)
Increase in other creditors	563	237
Management and performance fees charged to capital return	(1,168)	(502)
Taxation suffered	–	(1)
Net cash inflow from operating activities	**1,254**	**908**

Notes to the Financial Statements (continued)

20 Analysis of changes in net debt

	1 November 2014 £'000	Cash Flow £'000	31 October 2015 £'000
Cash at bank	1,490	(982)	508
Liquid resources	2	–	2
Bank loans falling due within one year	(11,837)	(3,525)	(15,362)
Net debt	**(10,345)**	**(4,507)**	**(14,852)**

	1 November 2013 £'000	Cash Flow £'000	31 October 2014 £'000
Cash at bank	232	1,258	1,490
Liquid resources	2	–	2
Bank loans falling due within one year	(8,847)	(2,990)	(11,837)
Net debt	**(8,613)**	**(1,732)**	**(10,345)**

21 Capital commitments and contingent commitments

Capital commitments
There were no capital commitments at 31 October 2015 (2014: £nil).

Contingent commitments
At 31 October 2015 there were no commitments in respect of sub-underwriting (2014: £nil).

22 Transactions with Henderson

Under the terms of the management agreement, the Company has appointed Henderson to provide investment management, accounting, administrative and company secretarial services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administrative services.

Details of the fee arrangements with Henderson for these services are given on page 6 in the Business Model section in the Strategic Report. The fees payable under these arrangements are shown in note 5 on page 45. The other fees payable to Henderson are shown in note 6 on page 46.

The management fees payable to Henderson under this agreement in respect of the year ended 31 October 2015 were £576,000 (2014: £504,000) of which £191,000 was outstanding at 31 October 2015 (2014: £167,000). A performance fee of £765,000 is payable to Henderson in respect of the year ended 31 October 2015 (2014: £149,000).

In addition to the above services, Henderson has provided the Company with sales and marketing services. The total fees payable for these services for the year ended 31 October 2015 were £28,000 excluding VAT (2014: £20,000), of which £3,000 was outstanding at 31 October 2015 (2014: £10,000).

General Shareholder Information

AIFMD
Periodic disclosures required in accordance with the Alternative Investment Fund Managers Directive are included within a Key Investor Information Document (KIID) which can be found on the Company's website **www.hendersonopportunitiestrust.com**

BACS
Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Computershare Investor Services PLC (the Registrar). Alternatively, shareholders can write to the Registrar (the address is given on page 16) 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.

Equality Act 2010
Copies of this report 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, including Braille or larger type as appropriate.

You can contact the Registrar, 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 0370 707 1059. 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.

Non-mainstream Pooled Investment (NMPI) Status
The Company currently conducts its affairs so that its ordinary shares of 25p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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

Share price listings
The market price of the Company's ordinary shares is published daily in The Financial Times. The Financial Times also shows figures for the estimated NAV and the discount.

The market prices of the Company's shares and can be found in the London Stock Exchange Daily Official List.

Performance details/share price information
Details of the Company's share price and NAV can be found on the website. The address is **www.hendersonopportunitiestrust.com**. The Company's NAV is published daily.

Shareholder details
Shareholders who hold their shares in certificated form can check their shareholding with the Registrar via **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.

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

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

If you are in any doubt about the veracity of an unsolicited phone call, please call the Company Secretary at the number provided on page 16.

Henderson Opportunities Trust plc
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Registered office: 201 Bishopsgate, London EC2M 3AE

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London Stock Exchange (TIDM) Code: HOT
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Telephone: **020 7818 1818**
Email: **trusts@henderson.com**

www.hendersonopportunitiestrust.com

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