Henderson Opportunities Trust plc

Report and Financial Statements for the year ended 31 October 2009

Henderson Opportunities Trust plc

Background

Prior to 19 January 2007 the name of the Company was Henderson Strata Investments plc and its policy was to achieve above average capital growth from investment in a portfolio of UK micro cap companies. The name and investment policy were changed at an Extraordinary General Meeting of the Company held on 19 January 2007.

Objective

The Company's investment objective is to provide shareholders with higher than average growth of capital over the medium to long term from a portfolio of predominantly UK companies. 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 Portfolio Manager believes should achieve the investment objective.

Manager

Henderson Global Investors Limited

The appointed Portfolio Manager is James Henderson, assisted at Henderson Global Investors by Colin Hughes.

Benchmark

The FTSE All-Share Index

Financial Highlights

	Year ended 31 October 2009	Year ended 31 October 2008
Net asset value per ordinary share	**437.2p**	319.8p
Ordinary share price	**361.5p**	241.25p
Subscription share price	**6.5p**	10.5p
Discount	**17.3%**	24.6%
"Package" discount (A)	**17.0%**	23.9%
Total return/(loss) per ordinary share	**131.89p**	(429.02)p
Revenue return per ordinary share	**11.38p**	17.72p
Dividends per ordinary share in respect of the year	**10.50p**	15.50p
Gearing (B)	**15.3%**	10.5%

(A) Calculated on the "package" of five ordinary shares and one subscription share.

(B) Defined here as the total market value of the investments (excluding the quoted cash fund) less shareholders' funds as a percentage of shareholders' funds.

Performance

to 31 October 2009

	6 months %	1 year %	2 years %	Since 19.01.07 %	3 years %
Net asset value per share total return (1)	40.3	47.1	(38.7)	(40.9)	(34.9)
FTSE All-Share Index total return (1)(2)	21.2	23.5	(19.0)	(10.9)	(7.9)
Ordinary share price total return (1)	47.4	61.3	(40.5)	(43.8)	(38.5)

Total return assumes net dividends are reinvested and excludes transaction costs.

(1) Source: Datastream.
(2) The Company's benchmark from 19 January 2007.

Chairman's Comment

The net asset value total return for the year was 47.1%, while the FTSE All-Share Index returned 23.5%. The liquidity of the underlying holdings in the portfolio has been substantially increased, with the most illiquid holdings having been either sold or reduced. Our portfolio is diverse and focused on businesses that are structured soundly and positioned to grow their revenues from a leaner base. These provide the opportunity for the relative outperformance of the past year to be continued.

George Burnett, Chairman

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Directors

George Burnett*† (age 63) retired as Chief Executive of Ashtead Group plc in 2006. He is Chairman of Hydrex Holdings Limited. Until 2008 he was Chairman of the Governors of the University for the Creative Arts. He joined the Board in 1995 and became Chairman in 2004.

Hamish Bryce* (age 68) is a former Chairman of TLG plc, Heywood Williams plc and Norcros plc. He was formerly Chairman of the Business Committee of the London Resilience Forum and Chairman of IndependentAge. He joined the Board in 1993.

Malcolm King*† (known as Max, age 52) was appointed to the Board in 2005. He has 25 years' experience in fund management, including investment in UK smaller companies. He works currently at Investec Asset Management, is a consultant at Eden Financial and also writes on investment and personal finance matters.

Peter May*† (age 55) was appointed to the Board in 2004 and as Chairman of the Audit Committee in 2006. His background is in corporate finance. He spent 17 years at Charterhouse and is currently Deputy Chairman of Nirah Holdings Limited.

Richard Smith (age 58) is a senior investment consultant with Smith & Williamson Financial Services Limited and a non-executive director of Nirah Holdings Limited. He was previously a senior investment manager at Henderson Global Investors and from 1985 to 2005 led the management team responsible for the Company's investments. He joined the Board in 1985.

*Independent director and a member of the Management Engagement Committee.
†Member of the Audit Committee.
All the directors are members of the Nomination Committee.
Mr May is Chairman of the Audit Committee. Mr Burnett is Chairman of the other two committees.
For further information about the directors, see also page 16.

Management Team

James Henderson became Portfolio manager on 19 January 2007. He joined Henderson Global Investors in 1984 and has been involved with investment trusts throughout his career. He has been the Portfolio Manager of Lowland Investment Company plc since 1990 and has been responsible for the investment portfolio of The Law Debenture Corporation p.l.c. since 2003. He also manages the Henderson UK Equity Income Fund.

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

Geoffrey Rice ACIS has acted as company secretary since 1997. He is an authorised representative of Henderson Secretarial Services Limited, the corporate company secretary.

Chairman's Statement

Review of performance

The net asset value total return for the year was 47.1%, while the FTSE All-Share Index returned 23.5%. This outcome is attributable mainly to stock selection but the gearing was a strong contributor to performance. The further recovery of VAT on management fees helped to reduce the costs of managing the Company.

The areas of the portfolio that experienced the most substantial falls during 2008, notably smaller companies, saw the largest bounce this year. Therefore, the Portfolio Manager has been in no hurry to increase weightings in FTSE 350 companies. Despite this, the liquidity of the underlying holdings in the portfolio has been substantially increased, with the most illiquid holdings having been either sold or reduced.

Borrowing

The attribution referred to above shows the benefit the Trust had from being geared through the year. In September the Board renewed the borrowing facility, at £7 million, for the forthcoming year.

Earnings and dividends

The revenue return for the year was 11.38p per share, compared with the exceptionally high figure of 17.72p achieved in 2008. This reduction was predicted in last year's annual report and results primarily from the fact that some of the underlying holdings in the portfolio, such as banks, either cut or passed their dividends in order to conserve cash. The companies that were likely to cut or pass their dividends have now done so and it is expected that dividend growth will resume in 2010. However, in 2010 the Income Statement will not benefit from the refunds of VAT, together with interest, that increased the returns both this year and last year, by a total of £328,000 and £230,000 respectively (equivalent to 4p and 2.8p per share).

The total dividend for the year has been reduced from 15.5p to 10.5p per share. We paid an interim dividend of 3.0p per share in September. We propose to distribute less than the full revenue return for the year, in view of the exceptional nature of some of this year's income. Accordingly, we propose a final dividend of 7.5p per ordinary share, payable on 26 March 2010. The resulting revenue reserve will amount to 4.4p per share. This will help us to fund a progressive dividend policy in future years.

Refund of VAT on management fees

During the year we received from HM Revenue & Customs all the VAT on management fees borne by the Trust in the periods 1990 to 1996 and 2000 to 2007, amounting in total to £690,000. We also received simple interest of £216,000 on this amount. In summary, the total recognised over three years in the Income Statement, and now received in full, amounts to £906,000, of which £328,000 was included in the year under review.

Continuation vote

The continuation vote put to the Annual General Meeting on 19 March 2009 received the support of a substantial majority of the shareholders. I am pleased to report that, over the period from the vote on 19 March 2009 to the financial year end on 31 October 2009, the net asset value per share rose by 88% and the share price rose by 96%. As a result of an undertaking given by the Board in January 2009, there will be a further continuation vote at the Annual General Meeting to be held on 18 March 2010 and the Board recommends shareholders to vote in favour. There will be a further opportunity to vote in 2011, in accordance with the triennial cycle of continuation votes required by the Company's Articles of Association.

Chairman's Statement

continued

Going concern

The assets of the Company consist almost entirely of listed investments. In practice it would not be possible to realise the entire portfolio quickly at fair value. However, the liquidity of the investments has increased significantly over the past year as a result of improved market conditions and the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, and in the light of my comments above about continuation, we have prepared the financial statements on a going concern basis.

Articles of Association

We propose to adopt revised Articles of Association and a resolution to this effect will be put to the forthcoming Annual General Meeting. The revised Articles, summarised on pages 55 and 56, incorporate the changes required to bring the Company's constitution into line with the Companies Act 2006 and the recent enactment of the Shareholder Rights Directive.

AGM

Our Annual General Meeting will be held at 2.30 pm on Thursday 18 March 2010 at the Registered Office, 201 Bishopsgate, London EC2M 3AE. The notice of meeting is set out on pages 50 to 56 and the directors recommend that the shareholders support all the resolutions. The directors will vote their own shareholdings in favour of all the resolutions to be put at the AGM. In addition to the formal business, James Henderson will give a presentation and afternoon tea will be served.

Investment strategy

It remains our policy to increase the liquidity of the portfolio so that the Portfolio Manager can be as responsive as possible to the changes in the investment environment. However, the Portfolio Manager continues to find some of the best opportunities in smaller companies. Typically these are companies that can control their own destiny as they have the skills, products and commitment to innovation that will allow them to grow strongly in coming years. This means that the portfolio reflects a significant exposure to smaller companies.

Outlook

The recovery in share prices since March 2009 has been impressive and the outlook for corporate profits has improved significantly. Volatility and risk aversion are likely to continue and this, together with continuing significant economic uncertainties, could hold markets back. At the individual company level the outlook is much better. Our portfolio is diverse and focused on businesses that are structured soundly and positioned to grow their revenues from a leaner base. These provide the opportunity for the relative outperformance of the past year to be continued.

G B Burnett
Chairman
28 January 2010

Portfolio Manager's Review

The economy

The UK economy by the second half of 2008 was operating well below optimum capacity. The authorities' action was therefore correct in attempting to stimulate demand. The fiscal easing, the reduction in interest rates and most radically the Quantitative Easing (QE) have helped to stabilise the economy during the second half of 2009. The stabilisation of the economy is resulting in an improvement in operating conditions for companies. This can be seen from the number of stock analysts' recent upgrades of profit expectations. The second chart on the opposite page (page 7) illustrates this. The recovery in the medium term will depend on a return to sound and prudent banking. At the moment there are clear signs that this is beginning to happen after a period when the banks in the UK were unwilling to take on new lending at a sensible margin.

The concerns about the building of inflationary pressures will prove unduly pessimistic. The industrial base in the UK remains disciplined and the growth in demand will be met by increased capacity utilisation rather than price increases.

Our approach

Every holding in the portfolio has been bought for its individual merits rather than a general view about the area it operates in. The reason for the success of a company is a mixture of factors coming together at the right time, the most important being the management's skill and vision. Those management skills include the ability to ensure the company can innovate rapidly, a particularly important attribute during a period of economic turbulence. The good or service that is being provided has to be the one the customer really needs. Successful innovation will give the necessary competitive edge. In looking at potential investments for the portfolio this is an important area for consideration.

Portfolio review and activity

The portfolio is a mix of good quality companies from a wide range of industries. The diversity of activities should reduce the volatility of performance. This has not been the case as regards share price performance over the last couple of years. When investors' risk appetite contracted, medium and smaller companies were sold down mercilessly, regardless of the long term profit outlook. However, with the economic background being so testing the benefit of the diversity has been witnessed during this year. For instance, the portfolio has exposure to general insurance with a holding in **Hiscox**. Companies such as this have had a year of record profits as insurance premiums went up and the claims experience was benign. The insurance industry is on a different cycle to industrial companies. Some companies have produced good results in spite of the industry they are in because of the quality of the service or product they provide. An example of this is **Fidessa**, one of the largest holdings in the portfolio, which provides software for the financial services sector. The downturn in the sector has not stopped the company achieving record profits. However, other companies that appeared to be more insulated from the downturn experienced disappointing profits performance as they proved to be more economically sensitive than originally thought.

Overall the operating performance of the majority of the holdings has been better than might have been expected, given the contraction of the overall economy over the last year. The main reason has been the speed with which companies have reduced their cost base. This has been done with a determination that has not been witnessed before. Not all these cost reductions will be permanent but, when the sales line returns to growth, the generally lower cost base will lead to enhanced profit margins. This has been seen in recent months with corporate earnings forecasts being raised. It is particularly true of manufacturing companies, some of whom are also benefiting from sterling's weakness against the euro: examples of this in the portfolio are **Senior** and **Hill & Smith**. The rapidly improving earnings will inspire support for equities as an asset class.

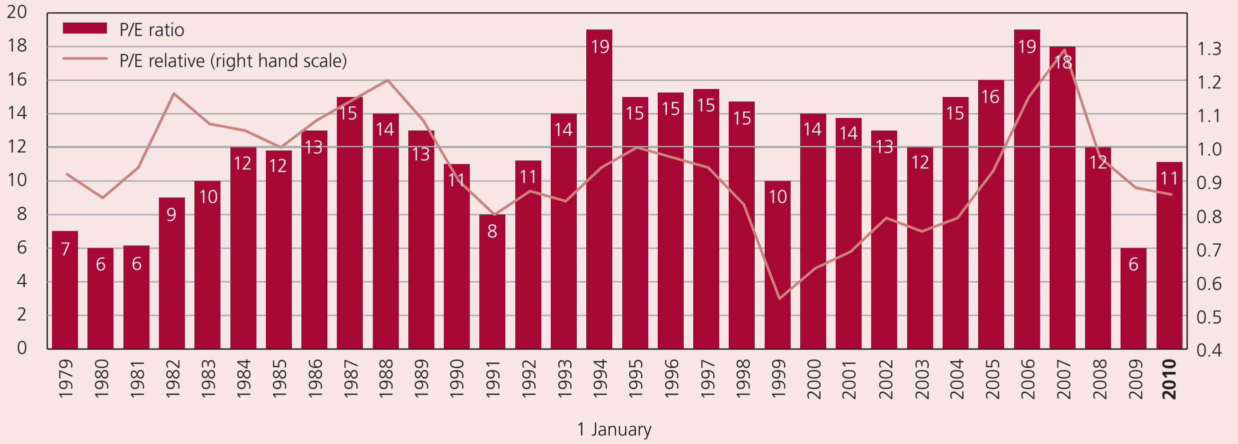
The year under review started with the aftermath of the collapse of Lehman's and the near collapse of the global financial system. As stated elsewhere, and well documented through the press, the various government interventions through emergency liquidity support to asset purchases succeeded in stabilising the situation by around Easter last year. The first half of our financial year was spent with markets cascading to lower and lower levels. These falls ended only when the "medicine" being applied at least stopped the situation from getting worse. Stock markets globally touched bottom at the beginning of March. Our general tactic during this period was firstly not to panic and secondly to take advantage of very low prices to buy selectively among our

Portfolio Manager's Review

continued

The chart below shows how the stock market has valued companies (including loss making companies) over the last 30 years. The price/earnings ratio is a commonly used measure. This particular ratio shows that currently the market for smaller companies is lowly valued, as shown by the bar chart; the line chart shows the relative valuation against the whole market.

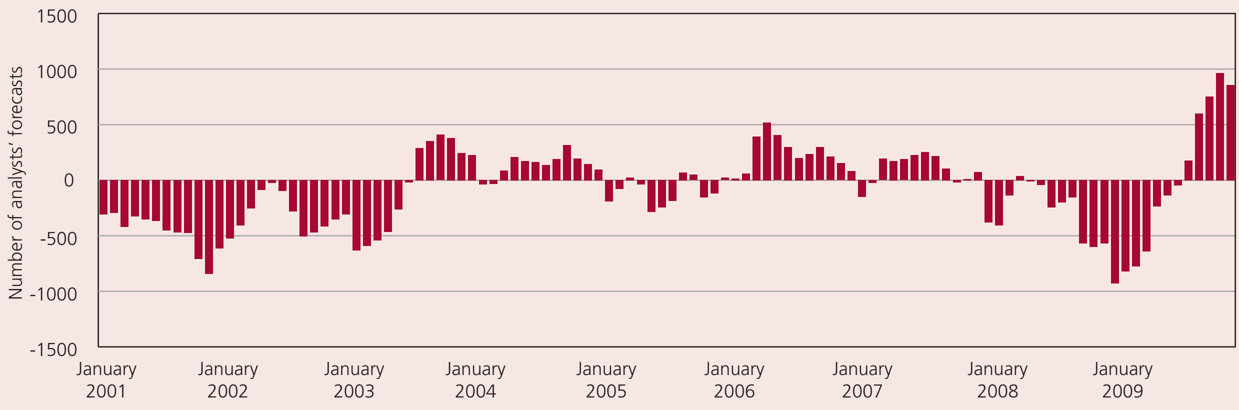
Price/earnings ratio of the Hoare Govett Smaller Companies (excluding investment companies) Index



Source: E Dimson and P Marsh, ABN AMRO

For the calendar year 2010, Factset/Investec estimate that earnings per share growth for FTSE All-Share companies (excluding investment companies) will be 27%. The chart below shows individual analysts' changes to their forecasts for companies. It shows that upgrades are now running substantially ahead of downgrades in contrast to this time last year.

FTSE All-Share Consensus EPS Upgrades less Downgrades



Source: Factset/Investec Securities

existing portfolio and add new holdings in proven businesses. We also cleared out some of the dead wood in the portfolio where we believed the business had limited recovery appeal. Whilst this latter process was at times painful, we have been proved correct in most of our decisions.

During the year we started new positions in **Clarksons**, the ship broker, where we bought on a 10% yield basis in a cash rich company, and **Johnson Service**, the drycleaner and textile services business, where we are supportive of the turnaround team who are now producing good results. In addition we added **Interserve**, the international building services group on an 8½% yield, which remains unloved by the market for spurious reasons. We also bought **HSBC**, the global bank, to increase our exposure to the growth of emerging economies, and **Reed Elsevier**, a publisher of legal

Portfolio Manager's Review
continued

and scientific information, which we believe is misunderstood by the market.

Merger and acquisition activity was, understandably, at a low ebb in the first half of our year but we did see the completion of the acquisition of **Abacus** and **RDF Media**, both for cash, and this was followed in the second half by the culmination of long drawn out talks for the takeover of **Concateno**.

We supported a number of portfolio companies that raised new capital from shareholders during the year to repair their balance sheets, for example **St Modwen Properties**, **Xstrata**, the mining company, and **Redrow**, the house builder. We also used this route to start new holdings in **Low & Bonar**, a producer of technical textiles, and **UK Coal**. In addition we supported the continuing growth of **Goals Soccer Centres**, **Vertu Motors** and **Zetar**, a producer of confectionery, in small capital raisings.

We did go "bottom fishing" in the earlier part of the year, notably by adding to **Hill & Smith**, **Senior**, **Carluccio's** and **Meggitt**, as well as others. We also undertook some profit taking from among our key long term names, in particular **Fidessa** and **Alterian** where share prices rose from trough to peak by nearly 200% and 300% respectively during the year.

We have added some very interesting new names to the portfolio in addition to those already mentioned. Of note is **IP Group**, which partners with universities in the commercialisation of their research results, and **Avanti Communications**, which will launch its first satellite this year to deliver broadband services to remote locations.

When looking at share price performance, the most significant positive contributions to net asset value have come from **Fidessa**, **Alterian**, and **Alliance Pharma**, which has seen a vindication of its business model during the year. Those stocks that most negatively impacted on performance included **E2V**, an electronic components company where we are now supporting a fund raising to repair the balance sheet, **Hampson Industries**, which has suffered from delays to key aerospace projects such as the Boeing 787, and **Begbies Traynor**, an insolvency practitioner.

Outlook

There are serious issues facing the UK economy that are well documented, stretching from the need to reduce the budget deficit to the growing problem of unemployment. However, our portfolio of holdings is not a proxy for the UK economy but rather a collection of diverse stocks, each of which will have improving profits growth in spite of the difficult economic backdrop. Our policy will be to remain opportunistic in buying new holdings when our criteria are met and this activity will be funded by recycling money out of holdings where the valuation has become demanding or that are failing to meet the expectations we had for them.

Analysis of the portfolio by market index at 31 October 2009 (by value)

	31 October 2009 %	31 October 2008 %
FTSE 100 Index	**11.5**	8.3
FTSE 250 Index	**15.9**	16.4
FTSE SmallCap Index	**30.8**	28.6
FTSE All-Share Index	**58.2**	53.3
FTSE Fledgling Index	**3.8**	9.5
FTSE AIM All-Share Index	**30.6**	32.8
other Official List	**5.4**	2.7
other AIM	**2.0**	1.7
	100.0	100.0

J H Henderson and C M Hughes
28 January 2010

Portfolio Information

Analysis of the equity portfolio by sector at 31 October 2009

	%	**31 October 2009 %**	30 April 2009 %	31 October 2008 %
Oil & Gas		**4.0**	3.7	3.3
Oil & Gas Producers	2.3			
Oil Equipment & Services	1.7			
Basic Materials		**9.0**	7.9	7.8
Forestry & Paper	2.0			
Mining	6.4			
Chemicals	0.6			
Industrials		**31.4**	35.0	37.9
Construction & Materials	4.6			
Aerospace & Defence	4.9			
Electronic & Electrical Equipment	2.1			
Industrial Engineering	1.6			
Industrial Transportation	1.3			
Support Services	16.9			
Consumer Goods		**4.7**	7.5	7.4
Food Producers	1.8			
Household Goods & Home Construction	2.9			
Healthcare		**1.2**	2.8	2.3
Pharmaceuticals & Biotechnology	1.2			
Consumer Services		**15.6**	11.1	10.3
General Retailers	4.3			
Media	8.8			
Travel & Leisure	2.5			
Telecommunications		**1.5**	0.4	0.9
Mobile Telecommunications	1.5			
Financials		**16.0**	14.1	12.6
Banks	2.5			
Non-Life Insurance	1.4			
Life Insurance	2.2			
Equity Investment Instruments	2.7			
Real Estate	4.3			
General Financial	2.9			
Technology		**16.6**	17.5	17.5
Software & Computer Services	15.2			
Technology Hardware & Equipment	1.4			
		100.0	100.0	100.0

The investments at 31 October 2009 were either listed or quoted in the United Kingdom (with one minor exception, Adamind, which is suspended).

Investment Portfolio

at 31 October 2009

Company	Main activity	Valuation as at 31 October 2009 £'000	% of portfolio
Alterian	database analytics software	**1,242**	3.00
St Modwen Properties	property developer	**1,178**	2.84
Hill & Smith	galvanised steel products	**1,154**	2.79
Fidessa	financial software	**1,075**	2.60
SDL International	software and translation services	**990**	2.39
Hyder Consulting	infrastructure consultancy	**985**	2.38
Aviva	insurance	**959**	2.32
Senior	aerospace and automotive products	**919**	2.22
***Johnson Service**	textile rental and drycleaning	**899**	2.17
Xstrata	mining	**882**	2.13
10 largest		10,283	24.84
*Vertu Motors	motor retailer	868	2.10
Kewill	logistics software and services	866	2.09
*Murgitroyd	patent attorney	847	2.05
Mondi	packaging and paper	843	2.04
*Goals Soccer Centres	five-a-side soccer centres	776	1.87
Anglo American	mining	775	1.87
*Zetar	confectionery and snack foods	743	1.79
WSP	engineering consultancy	741	1.79
Bellway	housebuilding	731	1.77
Hampson Industries	aerospace components	725	1.75
20 largest		18,198	43.96
+Latchways	safety products	702	1.70
*Velosi	quality control and assurance services	680	1.64
HSBC	banking	674	1.63
*eServGlobal	telephony infrastructure	672	1.62
+Irish Life & Permanent	retail financial services	663	1.60
*RWS	patent translation services	641	1.55
Savills	property consultancy	640	1.55
Creston	marketing services	637	1.54
*Majestic Wine	wine warehouse	632	1.53
Pearson	educational and media publishing	624	1.51
30 largest		24,763	59.83
*IQE	compound semiconductors	620	1.50
*Ebiquity	media and marketing analytics	569	1.37
XP Power	electrical power supplies	567	1.37
IP Group	research funding	560	1.35
Kofax	electronic data capture	546	1.32
UK Coal	coal mining	538	1.30
Ricardo	automotive technology consultancy	537	1.30
Interserve	building services and maintenance	532	1.28
*Brulines	liquid control systems	529	1.28
*Valiant Petroleum	oil and gas exploration	521	1.26
40 largest		30,282	73.16

Investment Portfolio
continued

Company	Main activity	Valuation as at 31 October 2009 £'000	% of portfolio
*Alliance Pharma	pharmaceuticals	503	1.22
*Dealogic	financial software and data	499	1.20
Phoenix IT	IT services and business recovery	487	1.18
*Faroe Petroleum	oil and gas exploration	465	1.12
Reed Elsevier	scientific, legal and business publishing	462	1.12
*AssetCo	managed services to the emergency services	457	1.10
T Clarke	electrical contractor	437	1.06
Redrow	housebuilding	434	1.05
UTV Media	TV & radio broadcaster	430	1.04
Meggitt	aerospace and defence engineering	429	1.04
50 largest		34,885	84.29
*Begbies Traynor	corporate insolvency	424	1.02
*Avanti Communications	satellite communications	418	1.01
Clarksons	ship broking and management	412	1.00
Royal Bank of Scotland	retail bank	382	0.92
Low & Bonar	technical textiles	361	0.87
Hiscox	insurance underwriter	320	0.77
+Pinewood Shepperton	film studios	318	0.77
+Tarsus	international exhibitions and conferences	306	0.74
*Avocet	gold mining	273	0.66
Chaucer	insurance underwriter	273	0.66
60 largest		38,372	92.71
*Oxford Catalysts	speciality catalysts for clean fuel	265	0.64
*Carluccio's	Italian style restaurant and deli	264	0.64
*Electric Word	specialist information to sport and education	254	0.61
Tribal	public sector consultancy	248	0.60
+Kenmare Resources	heavy minerals mining	248	0.60
e2v	electronic components	241	0.58
Waterman	engineering consultancy	224	0.54
Findel	multi-channel retailer	224	0.54
*WIN	mobile telephone services	215	0.52
Havelock Europa	educational and retail interiors	144	0.35
70 largest		40,699	98.33
Yell	yellow pages	128	0.31
*Autologic	automotive logistics	122	0.29
*Driver	construction industry dispute resolution	114	0.28
*Datong Electronics	covert surveillance products	101	0.24
*SciSys	IT services	98	0.24
JJB Sports	sports equipment and clothing retailer	83	0.20
†Adamind	cash shell	25	0.06
*Clerkenwell Ventures	leisure sector consolidator	21	0.05
TOTAL INVESTMENTS		**41,391**	**100.00**

*Quoted on the Alternative Investment Market ("AIM")
+Other Official List (see page 8)
†Suspended

Report of the Directors

The directors present the audited financial statements of the Company and their report for the year ended 31 October 2009.

Activities and business review
A review of the business is given in the Chairman's Statement on pages 4 and 5, in the Portfolio Manager's Review on pages 6 to 8 and in the business review section below.

Business review
This section of the directors' report provides a review of the Company's business.

Performance measurement and key performance indicators
In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Manager, the directors take into account the following key performance indicators:

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).

Discount 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 Company's relevant AIC (Association of Investment Companies) sector (the UK Growth 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 per share figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula (and since 1 June 2008 includes current financial year revenue items).

Performance measured against the Company's peer group
The Company is included in the AIC's UK Growth 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.

Total expense ratio ("TER")
The TER is a measure of the total expenses incurred by the Company. The Board reviews the TER and monitors the Company's expenses.

Investment policy
The Company's investment objective is to provide shareholders with higher than average growth of capital over the medium to long term from a portfolio of predominantly UK companies. 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 Portfolio Manager believes should achieve the investment objective.

The Company's portfolio is managed within a framework of investment limits and restrictions determined by the Board, the primary purpose of which is to spread and mitigate investment risk. It is intended that the Company will continue to be managed so as to satisfy each year the conditions for approval by HM Revenue & Customs as an investment trust.

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

The Company will not invest more than 15 per cent of its gross assets in the shares of other listed investment companies, including investment trusts. The Company will not invest more than 5 per cent of its net assets, calculated at the time of investment, in the securities of any one issuer (with the exception of cash funds) and will not hold more than 10 per cent of the issued share capital of any one company unless, exceptionally, the Board gives approval to the Manager to do otherwise. The portfolio will comprise not less than 50 investments.

During the year the Company invested its assets with a view to spreading investment risk. Since the change of investment policy on 19 January 2007, the Company has invested in accordance with its investment policy as set out above. In particular it has maintained a diversified portfolio, of which the analyses on pages 9 to 11 provide illustration. The portfolio has been actively managed by the Manager, which provides regular reports on investment activity and portfolio construction to the directors at and between Board meetings.

Objective and principal activity
The Company's objective is to achieve above average capital growth from investment in a portfolio of UK companies. The principal activity of the Company is to pursue that objective by

Report of the Directors

continued

operating as an investment trust company. The investment trust company structure allows the shareholders, whether institutions or private investors, to access a diversified portfolio of investments that is professionally managed. The principal activity remained unchanged throughout the year ended 31 October 2009. The objective was approved by the shareholders on 19 January 2007 (prior to which date the Company had invested in UK micro cap companies only).

Strategy

The Company has appointed Henderson Global Investors Limited ("Henderson") to manage the investments and to provide the related administrative services. Henderson provides a specialist fund manager whose role it is to pursue the Company's objective within parameters determined by the Board. These parameters reflect the investment policy (as set out in the circular to shareholders dated 21 December 2006) and the Board's assessment of the risks facing the Company, including the importance of retaining the Company's taxation status as an investment trust. As an investment company the Company invests its shareholders' funds in the securities of other companies.

In addition it has the ability to borrow money (termed "gearing") in order to increase the funds available for investment. It does this by means of short term borrowings (drawn down from a £7 million facility currently provided by ING Bank N.V., London Branch), subject to a limit of 25% of total 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.

Capital

At 31 October 2009 the Company had in issue 8,208,582 ordinary shares of 25p each. The market price per share at that date was 361.5p, giving the Company a market capitalisation of £29.7 million. Shareholders' funds totalled £35.9 million, the net asset value per share at that date being 437.2p per share (inclusive of retained revenue for the year). Accordingly, the market price per share stood at a discount of 17.3% to the net asset value (inclusive of retained revenue for the year). The Company seeks shareholder authority annually to buy back its shares in the market. During the year the Company did not buy back any of either its ordinary shares or its subscription shares.

Performance

The Company had a good year in terms of both absolute and relative performance. The stockmarket fell to a low in March 2009 but recovered strongly thereafter and the Company outperformed its benchmark, the FTSE All-Share Index on a total return basis. However, the revenue return was much lower than that for the previous year; this is attributable primarily to a fall in the income from investments as companies have cut or passed their dividend payments but also reflected an increase in the proportion of management fees and finance costs allocated to the revenue return. The following table sets out, with comparatives, key indicators of performance:

	At 31 October 2009	At 31 October 2008	% Change
Shareholders' funds	**£35,889,000**	£26,248,000	+36.7%
Net asset value per ordinary share	**437.2p**	319.8p	+36.7%
Market price per ordinary share	**361.5p**	241.25p	+49.8%
	Year ended 31 October 2009	Year ended 31 October 2008	% Change
Revenue return per ordinary share	**11.38p**	17.72p	-35.8%
Capital return per ordinary share	**120.51p**	(446.74)p	
Total return per ordinary share	**131.89p**	(429.02)p	

On a total return basis the benchmark index returned 23.5% over the year ended 31 October 2009. By comparison the Company's net asset value total return was 47.1% (source: Datastream).

Assets

The Company's net assets increased during the year from £26.2 million to £35.9 million. The net asset value per ordinary share increased during the year from 319.8p to 437.2p. The main reason for this increase was the rise in the market value of the Company's investments over the full year.

The Company has no employees and no premises or physical assets of its own.

Costs

The Company's most significant items of recurring expenditure are the management fees payable to the Manager and the costs of borrowing money for investment (the costs of gearing). Other expenses include investment transaction costs, the directors' fees and insurance, the fees of professional advisers and regulators, marketing, and the production and issue of reports to shareholders. In the year under review borrowing costs totalled £202,000, the management fee totalled £188,000 and all other expenses totalled £184,000. These figures include VAT where applicable. Included in the

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Income Statement as a deduction from expenses is a further recovery of £182,000 in respect of prior years' VAT recovered from HM Revenue & Customs. The transaction costs, which include stamp duty and totalled £38,000, are included within the gains or losses from investments held at fair value through profit or loss.

The total expense ratio ("TER") is a measure of the Company's running costs. The definition used for the figures below is "the total of the management fees and other administrative expenses as a percentage of the average of shareholders' funds at the beginning and end of the year". This definition excludes borrowing costs and transaction costs and the write-back of VAT. For the year ended 31 October 2009 the TER was 1.20% (2008: 1.02%).

Revenue and dividend

The Company's investment income and other revenue totalled £1,136,000 (2008: £1,620,000). After deducting expenses and taxation the net revenue profit for the year was £934,000 (2008: £1,455,000).

The Board proposes a final dividend of 7.50p per ordinary share in respect of the year ended 31 October 2009, which, added to the interim dividend of 3.00p per ordinary share paid on 25 September 2009, makes a total dividend for the year of 10.50p. If approved at the Annual General Meeting on 18 March 2010, the final dividend will be paid on 26 March 2010 to shareholders on the register at close of business on 26 February 2010. The amount available for distribution represents the investment income of the Company less the borrowing costs and management fees that are allocated to revenue, together with all other administrative expenses and taxation. The difference between the totals of income and expenditure may vary from year to year, not least because the Company's most significant costs are not closely related to the investment income. Since 1 November 2008, 50% of borrowing costs and management fees have been allocated to capital in order to reflect the Board's latest assessment of the expected long-term split of returns. Between 1 November 2005 and 31 October 2008 the allocation of borrowing costs and management fees to capital was 80%.

Related party transactions

Investment management, together with investment administration, company secretarial and accounting services, are provided to the Company by wholly-owned subsidiary companies of Henderson Global Investors (Holdings) plc ("Henderson") and by BNP Paribas Securities Services. Custody services are provided to the Company by JPMorgan Chase Bank N.A.

These are the only related party arrangements currently in place. Other than fees payable by the Company in the ordinary course of business, there have been no material transactions with these related parties affecting the financial position or performance of the Company during the year under review.

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the activity of investing in the shares of companies that are listed (or quoted) in the United Kingdom, including small companies. Although the Company invests almost entirely in securities that are quoted on recognised markets, share prices may move rapidly, whether upwards or downwards, and it may not be possible to realise an investment at the Manager's assessment of its value. 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 suppliers may not provide the required level of service. A further risk is that the Company could become too small to remain viable, perhaps because of the reduction in the capital base as a result of share buy-backs. The Board considers regularly the principal risks facing the Company in order to mitigate them as far as practicable.

A fuller description of the principal risks and uncertainties follows.

With the assistance of the Manager, the Board has drawn up a risk matrix which identifies the key risks to the Company. These key risks fall broadly under the following categories:

Investment activity and strategy

An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may lead to underperformance against the Company's benchmark index and the companies in its peer group; it may also result in the Company's shares trading on a wider discount. The Board seeks to manage these risks by ensuring a diversification of investments and a regular review of the extent of borrowings. The Manager 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 the Manager confirms its compliance with them each month. The Manager provides the directors with management information, including performance data and reports and shareholder analyses. The Board monitors the implementation and results of the

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investment process with the Portfolio Manager, who attends all Board meetings, and reviews regularly data that monitors risk factors in respect of the portfolio. The Board reviews investment strategy at each Board meeting.

Portfolio and market
Market risk arises from uncertainty about the future prices of the Company's investments. This is commented on in note 15 on pages 42 to 46.

Accounting, legal and regulatory
In order to qualify as an investment trust the Company must comply with section 842 of the Income and Corporation Taxes Act 1988 ("section 842"), to which reference is made below under the heading "Status". A breach of section 842 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 842 criteria are monitored by the Manager 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 842. The Board relies on its corporate company secretary and its professional advisers to ensure compliance with the Act and the UKLA Rules.

Corporate governance and shareholder relations
Details of the Company's compliance with corporate governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement on pages 19 to 23.

Operational
Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the Custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Manager 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 the Manager 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 22 and 23.

Financial
The directors have reviewed the Manager's statements on the financial risks associated with the Company and concur with their opinion on these risks. Further analysis of these risks can be found in note 15 on pages 42 to 46.

Status
Henderson Opportunities Trust plc ("the Company") is incorporated in England and Wales and domiciled in the United Kingdom. It is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988. HM Revenue & Customs has approved the Company's status as an investment trust in respect of the year ended 31 October 2008, although approval for that year may be subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment. The Company will continue to seek approval under section 842 of the Income and Corporation Taxes Act 1988 each year.

ISAs
The Company intends to continue to manage its affairs so that its investments fully qualify for the stocks and shares component of an ISA.

Life of the Company
On 19 March 2008 the shareholders agreed, at the annual general meeting held on that date, that the Company should continue in existence. The Company's articles of association specify that at the first annual general meeting convened for a date on or after 1 January 2011, and at every third annual general meeting thereafter, the members will be asked to approve the continuation of the Company by ordinary resolution. If any such ordinary resolution is not passed, the directors will convene an extraordinary general meeting within three months at which proposals for the liquidation or reconstruction of the Company will be put forward.

The Board agreed in 2008 that it would put an additional continuation vote in 2009, outwith the triennial cycle. Accordingly, a resolution that the Company continue as an investment trust was put to the annual general meeting held in March 2009. Similarly, the Board agreed in 2009 that it would put an additional continuation vote to the annual

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general meeting to be held in March 2010. Thereafter, a continuation vote will be put to the annual general meeting in 2011 and in every third year thereafter.

Directors

The directors of the Company at the date of this report are listed on page 3. Further details about them are given below.

At the forthcoming annual general meeting, Mr G B Burnett, Mr R D H Bryce and Mr R W Smith, all of whom have served as directors for more than nine years, will retire in accordance with the Company's articles of association and, being eligible, offers themselves for re-election.

Mr Smith was until 2005 an executive of Henderson Global Investors (Holdings) plc and its subsidiaries ("Henderson") and in prior years was remunerated by Henderson in respect of services provided to Henderson Opportunities Trust plc under the management agreement.

As indicated on page 3, the Board considers Mr Burnett, Mr Bryce, Mr King and Mr May to be independent directors. With the exception of Mr Smith, all the directors are independent of Henderson Global Investors ("the Manager").

The Board considers that all the current directors contribute effectively and that all have skills and experience which is relevant to the leadership and direction of the Company. Mr Bryce and Mr Burnett have experience of various industrial and commercial sectors, with backgrounds in the management of operating companies. Mr Burnett is a Chartered Accountant and until recently had business responsibilities in both the UK and North America. Mr King has wide experience of the investment management industry and is a Chartered Accountant. Mr Smith, also an investment manager, has particular experience in the UK market, covering large and medium-sized companies as well as smaller ones. Mr May has a strong background in corporate finance and is a Chartered Accountant.

There were no contracts during or at the end of the year in which a director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No director has a contract of service with the Company.

Directors' interests

The interests of the directors in the Company's ordinary share capital were as follows:

	31 October 2009	1 November 2008
Beneficial interest:		
R D H Bryce	**29,532**	23,108
G B Burnett	**18,588**	18,588
M R King	**1,000**	1,000
P N J May	**–**	–
R W Smith	**30,350**	30,350
Non-beneficial interest:		
R W Smith	**15,100**	15,100

No changes to the directors' interests have been notified since the year end.

The interests of the directors in the Company's subscription share capital were as follows:

	31 October 2009	1 November 2008
Beneficial interest:		
R D H Bryce	**3,490**	3,490
G B Burnett	**1,701**	1,701
M R King	**200**	200
P N J May	**–**	–
R W Smith	**5,410**	5,410
Non-beneficial interest:		
R W Smith	**3,020**	3,020

No changes to these directors' interests have been notified since the year end.

The Board is aware that the individual members of the management team at Henderson hold both ordinary and subscription shares in the Company. The Portfolio Manager has family interests, both beneficial and non-beneficial, in the holdings of the Lord Faringdon 1977 Assigned Trust (as listed in the table of substantial share interests on page 21).

Directors' fees

A report on the directors' remuneration is set out on pages 25 and 26.

Directors' conflicts of interest

Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. With effect from 1 October 2008, the Companies Act 2006 (the "Act") has allowed directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the articles of association contain a provision to this effect. The Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. There are two circumstances in which a conflict of interest can be permitted: either the situation cannot reasonably be

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regarded as likely to give rise to a conflict of interest or the matter has been authorised in advance by the directors. The Company's articles of association, which were adopted by shareholders on 17 October 2008, give the directors the relevant authority required to deal with conflicts of interest. Each of the directors has provided a statement of all conflicts of interest and potential conflicts of interest, if any, applicable to the Company. A register of conflicts of interest has been compiled and approved by the Board. The directors have also all undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that need to be approved by the Board and added to the Register, which is reviewed annually by the Board. It has also been agreed that directors will advise the Chairman and the company secretary in advance of any proposed external appointment and new directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the Act in advance of joining the Board. The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board. Only directors who have no interest in the matter being considered would be able to participate in the Board approval process. In deciding whether to approve a conflict of interest, directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision. The Board can impose limits or conditions when giving authorisation if the directors consider this to be appropriate. The Board believes that its powers of authorisation of conflicts has operated effectively since they were introduced on 1 October 2008. The Board also confirms that its procedures for the approval of conflicts of interest have been followed by all the directors.

Directors' indemnity

Directors' and officers' liability insurance cover is in place in respect of the directors. The Company's articles of association provide, subject to the provisions of UK legislation, an indemnity out of the assets of the Company for every director or other officer of the Company against any liability which he or she may incur as a director or other officer of the Company in defending any proceedings (whether civil or criminal) in which judgement is given in his or her favour, or he or she is acquitted, or in connection with any application under the Companies Act in which he or she is granted relief by the court.

Financial instruments and the management of risk

By its nature as an investment trust, the Company is exposed to market price risk, interest rate risk, liquidity risk and credit risk. The Company's policies for managing these risks are outlined in note 15 on pages 42 to 46.

Manager

Investment management, accounting, administrative and company secretarial services are provided to the Company by Henderson Global Investors (Holdings) plc and its subsidiaries ("Henderson") and by BNP Paribas Securities Services (formerly BNP Paribas Fund Services UK Limited). In October 2007 the Board appointed JPMorgan Chase Bank N.A. as the Company's global custodian, in place of BNP Paribas Fund Services UK Limited.

The management agreement between the Company and Henderson provides for the payment of a composite management fee which is calculated and paid quarterly in arrears. The fee is calculated as a percentage of the value of the Company's net chargeable assets as at the last day of each calendar quarter. (The net chargeable assets are defined as total assets less current liabilities before deducting prior charges; prior charges include any short term borrowings to be used for investment purposes). The Company's holding in Henderson Liquid Assets Fund plc is made through a class of shares that does not bear management fees. With the exception of Henderson Liquid Assets Fund plc, 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.

The current fee arrangements took effect from 19 January 2007. The fee arrangements were subject to review before 31 October 2008 but no changes have been made to them; thereafter they will be reviewed every three years.

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. Prior to 19 January 2007 the rate was 0.85% per annum on the first £100 million. The percentage actually applicable throughout the year ended 31 October 2009 was 0.60% (2008: 0.60%).

Arrangements for a performance fee were introduced with effect from 19 January 2007. The performance fee is calculated as 15% of any outperformance of the benchmark, on a net asset value total return fully diluted basis, over the Company's accounting year, subject to a limit on the total management 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

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Company's share price is lower than the share price as at the preceding year end. If on the last day of the Company's accounting year the net asset value per share, calculated in accordance with the Company's accounting policies, net of costs (including any performance fee), is equal to or lower than the net asset value per share as at the preceding year end, the performance fee payable will be restricted to such amount, if any, as will result in the net asset value per share being higher than the net asset value per share 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. No performance fees were paid or payable under these arrangements in respect of either the year ended 31 October 2009 or the period ended 31 October 2008.

The management agreement may be terminated by either party but in certain circumstances the Company will be required to pay compensation to the Manager. If the termination is the result of the appointment by the Company of a replacement manager the compensation payable will be the equivalent of six months' management fees. If the Company is wound up voluntarily the compensation payable will be the equivalent of three months' management fees. If the Company is wound up voluntarily within four months of the continuation vote scheduled for 2011, and every third year thereafter, no compensation will be payable, although the Company would then be bound to negotiate with Henderson for the payment of a reasonable amount, in lieu of compensation otherwise payable, to cover expenses incurred in relation to matters likely to be involved following the start of the liquidation.

In the opinion of the directors the continuing appointment of the Manager on the terms agreed is in the interests of the Company's shareholders as a whole. The main reasons for this opinion are the extensive investment management resources of the Manager and its experience in managing and administering investment trust companies.

During the year under review the Manager used certain services which were paid for, or provided by, various brokers. In return it placed business, which may have included transactions relating to the Company, with such brokers. Since 1 January 2006 revised commission sharing arrangements have been put in place by the Manager in line with new regulations.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, resolutions to re-appoint PricewaterhouseCoopers LLP as auditors to the Company, and to authorise the directors to determine their remuneration, will be proposed at the annual general meeting.

The payment of creditors

It remains the Company's policy for the forthcoming financial year to obtain the best terms for all business and therefore there is no single policy as to the terms used. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms. At 31 October 2009 the Company had no trade creditors.

Going concern

The Company's articles of association require that at the annual general meeting of the Company to be held in 2008, and every third year thereafter, an ordinary resolution be put to approve the continuation of the Company. The resolution put to the annual general meeting in 2008 was duly passed but the Board decided to offer the shareholders further opportunities to vote, first in 2009 and then in 2010. The directors are recommending the Company's shareholders to vote in favour of the second additional continuation resolution that will be put to the annual general meeting in March 2010.

The assets of the Company consist almost entirely of listed (or quoted) investments and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

For these reasons, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council.

Directors' statement as to the disclosure of information to the auditors

The directors who were members of the Board at the time of approving this Report are listed on page 3. Each of those directors confirms that:

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- to the best of his 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 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.

Corporate Governance Statement

Background

The UK Listing Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code on Corporate Governance ("the Code"). (The Code is accessible at www.frc.co.uk.)

Throughout the year under review the Code in force was the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2008. In addition, the AIC Code of Corporate Governance, issued by the Association of Investment Companies in March 2009 ("the AIC Code"), applies to the Company. (The AIC Code, and the related Corporate Governance Guide for Investment Companies, are accessible at www.theaic.co.uk.)

Statement of compliance

The directors consider that the Company has complied during the year ended 31 October 2009 with all the relevant provisions set out in the Code, with the exception that the Board has not appointed a senior independent director. The directors consider that the Company has complied throughout the year ended 31 October 2009 with the AIC Code.

Application of the Principles of the Code

The Company is committed to high standards of corporate governance and the Board attaches importance to the matters set out in the Code and applies its principles. However, as an investment trust company, most of the Company's day to day responsibilities are delegated to third parties and the directors are all non-executive. Thus not all of the provisions of the Code are directly applicable to the Company.

The Board of directors

The Board is collectively responsible for the success of the Company. Its role is to provide leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board is responsible for setting the Company's standards and values and for ensuring that its obligations to its shareholders and others are understood and met. The Board sets the Company's strategic aims (subject to the Company's articles of association, and to such approval of the shareholders in general meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met.

The Board currently consists of five non-executive directors, four of whom are independent of the Company's Manager (Henderson Global Investors Limited). Their biographical details, set out on page 3 and expanded on page 16, demonstrate a breadth of investment, industrial, commercial and professional experience with an international perspective.

The Board meets at least five times a year and deals with the important aspects of the Company's affairs, including the setting of parameters for and the monitoring of investment strategy and the review of investment performance. The Board sets limits on the size and concentration of new investments, on the use of derivatives and on the extent to which borrowings may be used. The application of these and other restrictions, including those which govern the Company's tax status as an investment trust, are reviewed regularly at meetings of the Board. The Manager takes decisions as to the purchase and sale of individual investments and is responsible for effecting those decisions on the best available terms. The Chairman is responsible for leading the Board and for ensuring that it continues to deal effectively with all the aspects of its role. In particular, he ensures that the Manager provides the directors, in a timely manner, with management, regulatory and financial information that is clear, accurate and relevant. Representatives of the Manager attend each Board meeting, enabling the directors to seek clarification on specific issues or to probe further on matters of concern. Matters specifically reserved for decision by the full Board have been defined and there is an agreed procedure for directors, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense. The directors have access to the advice and services of the corporate company secretary, through its appointed representative, who is responsible to the Board for ensuring that Board procedures are followed.

When a director is appointed he or she is offered a tailored introductory programme organised by the Manager. Directors are also provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the Board as they arise. Directors are encouraged to attend suitable training courses on an ongoing basis at the Company's expense.

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Directors are appointed for specified terms, subject to re-election and to the provisions of the Companies Act. In accordance with the Company's articles of association, new directors stand for election at the first annual general meeting following their appointment. The Board has agreed that every director will stand for re-election at intervals of not more than three years. In accordance with the Code, directors who serve for more than nine years stand for re-election annually.

The Board's tenure and succession policy seeks to ensure that the Board is well balanced and refreshed regularly by the appointment of new directors with the skills and experience necessary, in particular, to replace those lost by directors' retirements. Directors must be able to demonstrate their commitment, including in terms of time, to the Company. The Board is of the view, however, that length of service does not of itself impair a director's ability to act independently. Rather, a long-serving director can offer a perspective that adds value to the deliberations of a well-balanced investment trust company board. Accordingly, the Board does not consider that directors lose their independence solely by virtue of length of service but the roles and contributions of long-serving directors will be subject to particularly rigorous review every year. The Board expects to appoint a new director in the coming year.

The Board's procedure in the current year for evaluating the performance of the Board, its Committees and the individual directors has been by means of discussion. The evaluation process is designed to show whether individual directors continue to contribute effectively to the Board and to clarify the strengths and weaknesses of the Board's composition and processes. The Chairman takes the lead in acting on the results of the evaluation process, mindful in the current context of the changes to the Company's investment policy. In respect of the Chairman, a meeting of the directors was held, without the Chairman present, to evaluate his performance.

The Chairman of the Company is an independent director. A senior non-executive director has not been identified as the Board considers that all the directors have different qualities and areas of expertise on which they may lead when issues arise. Accordingly, concerns can be conveyed to the director most qualified to address the subject.

Board committees

The Board has established Audit, Management Engagement and Nomination Committees with defined terms of reference and duties (copies of which are available from the Manager's website www.itshenderson.com or on request from the company secretary). All three committees comprise non-executive directors appointed by the Board; the Board also appoints the Chairmen. The membership of these Committees is set out on page 3. A record of the meetings held during the year is set out below.

Audit Committee

The three members of the Audit Committee are by profession chartered accountants and several of the directors, including the Chairman of the Audit Committee, have recent and relevant financial experience from their senior management roles elsewhere. The Audit Committee's programme is to meet at least twice a year, in advance of the publication of both the annual and the half year results.

The role of the Audit Committee is to assist the Board in applying financial reporting and internal control principles and to maintain an appropriate relationship with the auditors. The Audit Committee is responsible for the review of the annual report and the half year report and for monitoring the integrity of the Company's financial statements generally, including consideration of the Company's accounting policies and significant financial reporting judgements. It reviews the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them. It also monitors the auditors' independence and objectivity and the effectiveness of the audit process. The Audit Committee remains satisfied with the effectiveness of the audit provided by PricewaterhouseCoopers LLP. The Audit Committee undertook a review of the audit appointment, including an independent tender process, in 2006 and does not consider it necessary to repeat this at present. The auditors are required to rotate the audit partner every five years and this is the first year that the current partner has been in place. It meets with representatives of the Manager and receives reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company. It is responsible to the Board for monitoring the Company's internal control and risk management procedures. The Audit Committee met three times during the year to carry out these duties.

Management Engagement Committee

The Management Engagement Committee is responsible for the regular review of the terms of the management contract with the Manager, although in practice this function may be undertaken by the Board. The Committee did not meet formally during the year.

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Nomination Committee
The Nomination Committee is responsible for making recommendations on the appointment of new directors. Each director is invited to submit nominations and external advisers may be used to identify potential candidates. The nominations list is considered by the Board as a whole in accordance with its agreed procedures, although the Chairman would not expect to be involved in the selection of his successor. The Board has determined that a majority of the members of the Nomination Committee should be independent non-executive directors. The Committee did not meet formally during the year.

The number of full meetings during the year of the Board and its committees, and the attendance of the individual directors, is shown in the table below. All the directors attended the Annual General Meeting.

Attendance

	Board	Audit Committee
Number of meetings[1]	7	3
R D H Bryce[2]	6	3
G B Burnett	6	3
M R King	6	3
P N J May	7	3
R W Smith[2]	6	3

[1] The Board held five full meetings, which were attended by all the directors, and two additional meetings. The directors also held two informal meetings to discuss investments and investment policy.
[2] Not a member of the Audit Committee but in attendance by invitation.

The Nomination and Management Engagement Committees did not meet during the year, such business as there was within their remit being conducted at Board level.

Directors' remuneration
The Board as a whole considers the directors' remuneration; therefore it has not appointed a separate remuneration committee for this purpose. Because the Company is an investment trust company and all its directors are non-executive, the Company is not required to comply with the provisions of the Code in respect of the remuneration of executive directors. The directors' fees are detailed in the Directors' Remuneration Report on pages 25 and 26.

Share capital
The Company's share capital comprises:

a) ordinary shares of 25p nominal value each ("shares")
The voting rights of the shares on a poll are one vote for each share held. At 31 October 2009 there were 8,208,582 shares in issue and thus the number of voting rights was 8,208,582.

b) subscription shares of 1p nominal value each ("subscription shares")
The subscription shareholders have no rights to attend and vote at general meetings. At 31 October 2009 there were 1,641,258 subscription shares in issue. Further details on the subscription shares are given in note 16 on page 46.

During the year 289 subscription shares were converted into 289 ordinary shares. There were no other changes to either the issued share capital or the voting rights of the share capital during the year. Since the year end 145,000 ordinary shares have been bought back for cancellation.

There are no restrictions on the transfer of the Company's share capital and there are no shares or stock which carry specific rights with regards to control of the Company.

Substantial share interests
As at 28 January 2010 the following had declared an interest in 3% or more of the voting rights of the Company:

Shareholder	% of voting rights 28 January 2010	29 January 2009
Lowland Investment Company plc (direct)	**3.57**	3.51
Other discretionary managed clients of Henderson Global Investors Limited and its associated companies (direct)	**10.47**	10.28
	14.04	13.79
M&G Investment Management Limited (direct)	**7.42**	7.31
Apollo Fund plc (direct)	**–**	3.05
Lord Faringdon 1977 Assigned Trust (direct)	**3.53**	3.47

The above percentages are calculated by applying the shareholdings as notified to the Company to the issued ordinary share capital as at 28 January 2010 (the shareholdings being the voting rights).

The Board is aware that, as at 31 October 2009, 22.4% of the issued ordinary share capital was held on behalf of participants in Halifax Share Dealing Products (run by Halifax Share Dealing Limited ("HSDL") which is now part of Lloyds Banking Group) who transferred from the products managed by Henderson Global Investors Limited ("Henderson") or who have subsequently been introduced to HSDL via Henderson. In accordance with the arrangements made between HSDL and Henderson, these participants in the Halifax Share Dealing Products are given the opportunity to instruct the nominee company of HSDL to exercise the voting rights appertaining to their shares in

Report of the Directors
continued

respect of all general meetings of the Company. HSDL has undertaken to instruct its nominee company to exercise the voting rights of any such shares held through the Halifax Share Dealing Products that have not been exercised by the individual participants in them. It 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) pro rata to the aggregate voting instructions for each resolution received from those participants who have chosen to exercise their voting rights.

Relations with shareholders

It is the Chairman's role to ensure effective communication with the Company's shareholders and it is the responsibility of the Board to ensure that satisfactory dialogue takes place, based on the mutual understanding of objectives.

The Board seeks to develop an understanding of the views of the major shareholders by receiving reports from the Manager on meetings it has with shareholders and analysts and from the Company's stockbrokers on contact it has with shareholders and with potential investors. The Chairman, and other members of the Board if requested, are available to talk to major shareholders if asked to do so.

The Board considers that the annual general meeting should provide an effective forum for individual investors to communicate with the directors. The annual general meeting is chaired by the Chairman of the Board who is also the Chairman of the Management Engagement and Nomination Committees. The Chairman of the Audit Committee also attends. Details of the proxy votes received in respect of each resolution are made available to shareholders. Representatives of the Manager make a presentation to the meeting. The Company has adopted a nominee share code which is set out on page 60.

Accountability and audit

The directors' statement of responsibilities in respect of the financial statements is set out on page 27. The responsibilities of the independent auditors are set out on page 28. The directors' report that the business is a going concern is set out on page 18.

The Board has delegated contractually to external agents, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day to day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required. In addition, either the Chairman or another director attends meetings of all the chairmen of the investment trust companies managed by the Manager; these meetings provide a forum to discuss industry matters and the Chairman reports on them to the Board.

Internal control

The Manager has established an internal control framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the Manager's internal audit and compliance and risk departments on an ongoing basis.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process is subject to regular review by the Board and accords with the Turnbull guidance. The process was fully in place during the year under review and up to the date of this Annual Report. In addition, the Board has conducted its annual review of the effectiveness of the Company's system of internal control, covering all the controls, including financial, operational and compliance controls and risk management systems. This review took into account points raised during the year in the Board's regular appraisal of specific areas of risk. No significant failings or weaknesses in respect of the Company were identified in the year under review. The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objective and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted originally by the Manager, undertook a full review of the Company's business risks and these are analysed and recorded in a risk map. The Board receives each quarter from the Manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. The Board receives each year from the Manager a report on its internal controls (an AAF 01/06 report) which includes a report from the Manager's auditors on the control policies and procedures in operation.

Report of the Directors

continued

The Company does not have an internal audit function; it delegates to third parties most of its operations and does not employ any staff. Accordingly, in practice the Board must place reliance on the Manager and its other contractors to ensure that they operate effective internal audit functions. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended and the directors review at least annually whether a function equivalent to an internal audit is needed.

Environmental and human rights policy and the exercise of voting powers

The Code emphasises that the way in which institutional investors use their power to influence the standards of corporate governance is of fundamental importance and their readiness to do this turns on the degree to which they see it as their responsibility as owners, and in the interest of those whose money they are investing, to bring about changes in companies when necessary.

In this regard, the Company's Manager follows a responsible investment policy covering the UK requirements of the Code in full. The Manager votes with this policy in mind and enjoys the benefits of having its own socially responsible investment and corporate engagement teams. The Board has approved a corporate governance voting policy for the United Kingdom which accords with current best practice whilst maintaining a primary focus on financial returns.

Annual General Meeting ("AGM")

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your voting rights in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The AGM will be held on Thursday 18 March 2010 at 2.30pm. The formal notice of the AGM is set out on pages 50 to 56. Resolutions relating to the following items of special business will be proposed at the AGM, for which shareholder approval is required in order to comply with the Companies Act 2006.

Life of the Company

Resolution 9 – Continuation of the Company (ordinary resolution)

The Board agreed in January 2009 that it would put an additional continuation vote to the shareholders at the annual general meeting in 2010. The resolution gives the shareholders the opportunity to determine whether the Company should continue.

Issues of new shares

Resolution 10 – Authority to allot shares (ordinary resolution) and Resolution 11 – Power to disapply pre-emption rights (special resolution)

The directors have not used the powers granted to them at the annual general meeting in March 2009 to allot new ordinary shares for cash on a non pre-emptive basis. The directors wish to renew these powers at the forthcoming annual general meeting. Accordingly, resolutions to give the Board authority to allot shares for cash, whether from treasury or otherwise, on a non pre-emptive basis will be proposed and are set out in full in the Notice of Annual General Meeting on pages 50 to 56.

The resolutions, if passed, will give the directors authority to issue ordinary shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £100,794 (equivalent to 403,176 ordinary shares of 25p each and five per cent of the Company's existing issued ordinary share capital as at the date of this report). The directors intend to use the authority to issue ordinary shares only if or when they believe it to be advantageous to the Company's existing shareholders to do so. In particular, shares, whether new ordinary shares or ordinary shares held in treasury, will never be allotted or sold at other than a premium to the net asset value per ordinary share. The authority will lapse unless renewed at the annual general meeting in 2011.

Share buy-back facility

Resolution 12 – Authority to make market purchases of the Company's own ordinary shares (special resolution)

The Company's articles of association permit the Company to purchase its own shares and to fund any such purchases from its accumulated realised capital profits.

During the year ended 31 October 2009 the Company did not purchase any of its own issued shares.

At the annual general meeting in March 2009 a special resolution was passed giving the Company authority, until the conclusion of the annual general meeting in 2010, to make

Report of the Directors

continued

market purchases, either for cancellation or to hold in treasury, of the Company's own ordinary shares up to a maximum of 1,230,423 shares (being 14.99% of the issued ordinary share capital as at 29 January 2009). This authority was not used during the year ended 31 October 2009 but 145,000 ordinary shares were bought back after the year end.

Accordingly, as at 31 October 2009 the Company had valid authority, outstanding until the conclusion of the annual general meeting in 2010, to make market purchases of 1,230,423 shares and as at 28 January 2010 the Company had authority to buy back 1,085,423 shares. No shares were held in treasury at either the year end or the date of this report.

The Board considers that the Company should continue to have authority to make market purchases of its own ordinary shares, either for cancellation or to hold in treasury with a view to possible re-allotment in the future. Accordingly, a special resolution will be proposed at the forthcoming annual general meeting to authorise the Company to make market purchases, either for cancellation or to hold in treasury, of up to 14.99% of the ordinary shares in issue, excluding treasury shares, at the date of the annual general meeting (equivalent to 1,208,730 ordinary shares if there is no change in the issued ordinary share capital, excluding treasury shares, between the date of this report and the annual general meeting). Under the Listing Rules of the UK Listing Authority, this is the maximum percentage of its equity share capital that a company may purchase through the market pursuant to such authority.

The directors do not intend to use this authority unless to do so would result in an increase in the net asset value per share and would be in the best interests of the shareholders generally. Shares will not be bought at a price that is less than 25p (the nominal value) or more than 5% above the average middle market price of the shares over the preceding five business days. The directors intend to seek a fresh authority at the annual general meeting in 2011.

Resolution 13 – Authority to make market purchases of the Company's own subscription shares (special resolution)

At the annual general meeting in March 2009 a special resolution was passed giving the Company authority, until the conclusion of the annual general meeting in 2010, to make market purchases for cancellation of the Company's own subscription shares up to a maximum of 14.99% of those in issue. This authority has not been used.

Accordingly, as at 31 October 2009 the Company had valid authority, outstanding until the conclusion of the annual general meeting in 2010, to make market purchases for cancellation of 246,067 subscription shares. No subscription shares were bought back between the year end and the date of this report.

The Board considers that the Company should continue to have authority to make market purchases of its own subscription shares for cancellation. Accordingly, a special resolution will be proposed at the forthcoming annual general meeting to authorise the Company to make market purchases for cancellation of up to 14.99% of the subscription shares in issue at the date of the annual general meeting (equivalent to 246,024 subscription shares if there is no change in the issued subscription share capital between the date of this report and the annual general meeting).

The directors do not intend to use this authority unless, in their view, to do so would be in the best interests of the shareholders generally. Shares will not be bought back at a price that is less than 1p (the nominal value) or more than 5% above the average middle market price of the shares over the preceding five business days. The directors intend to seek a fresh authority at the annual general meeting in 2011.

Resolution 14 – Revision of the Articles of Association (special resolution)

Those sections of the Companies Act 2006 that had not been applied earlier came into force on 1 October 2009. In addition, the Companies (Shareholders' Rights) Regulations 2009 were issued, applying the requirements of the Shareholder Rights' Directive with effect from 3 August 2009. The Articles of Association have been revised to reflect these changes, including the transfer of the provisions of the Memorandum of Association to the Articles of Association. The changes are summarised on pages 55 and 56.

Recommendation

The Board considers that the resolutions relating to the above items of special business are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM.

By order of the Board

G S Rice
For and on behalf of
Henderson Secretarial Services Limited,
Secretary
28 January 2010

Directors' Remuneration Report

Introduction

The Directors' Remuneration Report ("the Report") is prepared, in accordance with the Listing Rules of the Financial Services Authority and with sections 420 to 422 of the Companies Act 2006 ("the Act"), in respect of the year ended 31 October 2009. An ordinary resolution to approve the Report will be put to the annual general meeting on 18 March 2010. The Act requires the auditors to report to the Company's members on certain information contained within the Report and to state whether in their opinion those parts of the Report have been properly prepared in accordance with the Act. Therefore the Report has been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Consideration by the directors of matters relating to directors' remuneration

The Board as a whole considered the directors' remuneration. The Board has not appointed a committee to consider matters relating to 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 expect from time to time to review the fees paid to the boards of directors of other investment trust companies, as it did during 2006).

Statement of the Company's policy on directors' remuneration

The Board consists entirely of non-executive directors who meet at least four times a year to deal with the important aspects of the Company's affairs. Directors' appointments are reviewed formally every three years by the Board as a whole. None of the directors has a contract of service or a contract for services and a director may resign by notice in writing to the Board at any time; there are no set notice periods. The Company's policy is for the directors to be remunerated in the form of fees, payable quarterly in arrears, to the director personally or to a third party specified by him or her. There are no long term incentive schemes and the fees are not specifically related to the directors' performance, either individually or collectively.

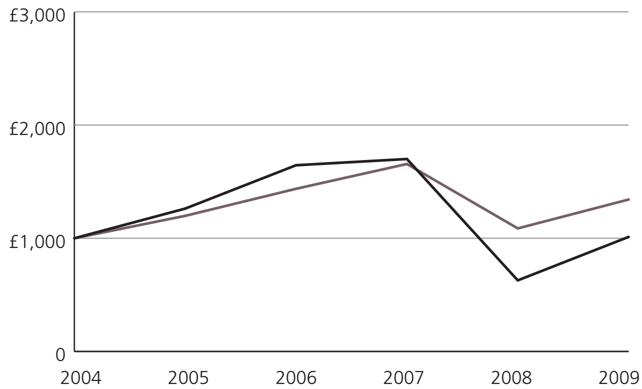
The Company's policy is that the fees payable to the directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the directors and should be sufficient to enable candidates of high calibre to be recruited. The policy is for the Chairman of the Board and the Chairman of the Board's Audit Committee to be paid higher fees than the other directors in recognition of their more onerous roles.

The Company's articles of association limit the total fees payable to the directors to £75,000 per annum. The directors' fees were last increased with effect from 1 July 2006, as follows: the Chairman from £12,500 to £15,000 per annum, the Chairman of the Audit Committee (a position until March 2006 held by the Chairman) from £8,000 to £12,500 per annum and the other directors from £8,000 to £10,000 per annum. The policy is to review these rates from time to time, although such review will not necessarily result in any change to the rates.

Directors' and officers' liability insurance cover is held by the Company in respect of the directors.

Performance graph

The FTSE All-Share Index has been selected because it is the Company's current benchmark.



Henderson Opportunities Trust plc share price total return, assuming the investment of £1,000 on 31 October 2004 and the reinvestment of all dividends (excluding dealing expenses).

FTSE All-Share Index, assuming the notional investment of £1,000 into the Index on 31 October 2004 and the reinvestment of all income (excluding dealing expenses).

Source: Datastream

Directors' Remuneration Report

continued

AUDITED INFORMATION

Amount of each director's emoluments

The fees payable in respect of each of the directors who served during the year, and during 2008, were as follows:

	2009 **£**	2008 £
R D H Bryce	**10,000**	10,000
G B Burnett	**15,000**	15,000
M R King	**10,000**	10,000
P N J May	**12,500**	12,500
R W Smith	**10,000**	10,000
TOTAL	**57,500**	57,500

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

By order of the Board

G S Rice
For and on behalf of
Henderson Secretarial Services Limited,
Secretary

28 January 2010

Statement of Directors' Responsibilities

in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the Company's financial statements.

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.

Statement under DTR 4.1.12

Each of the directors, who are listed on page 3, confirm that, to the best of their knowledge:

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

For and on behalf of the Board
G B Burnett
Chairman
28 January 2010

The financial statements are published on the www.itshenderson.com website, which is a website maintained by the Company's Manager, Henderson Global Investors Limited ("Henderson"). The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

to the members of Henderson Opportunities Trust plc

We have audited the financial statements of Henderson Opportunities Trust plc for the year ended 31 October 2009 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 27, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with sections 495 to 497 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2009 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 18, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Brian C Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 January 2010

Henderson Opportunities Trust plc
Income Statement

for the year ended 31 October 2009

Notes		Year ended 31 October 2009 Revenue return £'000	Year ended 31 October 2009 Capital return £'000	Year ended 31 October 2009 Total £'000	Year ended 31 October 2008 Revenue return £'000	Year ended 31 October 2008 Capital return £'000	Year ended 31 October 2008 Total £'000
2	Gains/(losses) from investments held at fair value through profit or loss	**–**	**10,087**	**10,087**	–	(36,026)	(36,026)
3	Income from investments held at fair value through profit or loss	**888**	**–**	**888**	1,528	–	1,528
4	Interest on VAT refunds	**146**	**–**	**146**	70	–	70
4	Other interest receivable and similar income	**102**	**–**	**102**	22	–	22
	Gross revenue and capital gains/(losses)	**1,136**	**10,087**	**11,223**	1,620	(36,026)	(34,406)
5	Management fee	**(94)**	**(94)**	**(188)**	(58)	(230)	(288)
5	Write-back of prior years' VAT	**182**	**–**	**182**	160	–	160
6	Other administrative expenses	**(184)**	**–**	**(184)**	(163)	–	(163)
	Net return/(loss) on ordinary activities before finance charges and taxation	**1,040**	**9,993**	**11,033**	1,559	(36,256)	(34,697)
7	Finance charges	**(101)**	**(101)**	**(202)**	(104)	(414)	(518)
	Net return/(loss) on ordinary activities before taxation	**939**	**9,892**	**10,831**	1,455	(36,670)	(35,215)
8	Taxation on net return on ordinary activities	**(5)**	**–**	**(5)**	–	–	–
	Net return/(loss) on ordinary activities after taxation	**934**	**9,892**	**10,826**	1,455	(36,670)	(35,215)
9	**Return/(loss) per ordinary share**	**11.38p**	**120.51p**	**131.89p**	17.72p	(446.74)p	(429.02)p

The total columns of this statement represent the Income Statement 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. All revenue and capital items in the above statement derive from continuing operations. 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.

The notes on pages 33 to 49 form part of these financial statements.

Henderson Opportunities Trust plc
Reconciliation of Movements in Shareholders' Funds

for the year ended 31 October 2009

Notes	**Year ended 31 October 2009**	**Called up share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
	At 31 October 2008	**2,068**	**14,505**	**2,354**	**6,105**	**1,216**	**26,248**
	Net return on ordinary activities after taxation	**–**	**–**	**–**	**9,892**	**934**	**10,826**
17	Conversion of subscription shares	**–**	**3**	**–**	**–**	**–**	**3**
10	Dividends paid on the ordinary shares	**–**	**–**	**–**	**–**	**(1,188)**	**(1,188)**
	At 31 October 2009	**2,068**	**14,508**	**2,354**	**15,997**	**962**	**35,889**

Notes	Year ended 31 October 2008	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 October 2007	2,068	14,505	2,354	42,775	581	62,283
	Net (loss)/return on ordinary activities after taxation	–	–	–	(36,670)	1,455	(35,215)
10	Dividends paid on the ordinary shares	–	–	–	–	(820)	(820)
	At 31 October 2008	2,068	14,505	2,354	6,105	1,216	26,248

The notes on pages 33 to 49 form part of these financial statements.

Henderson Opportunities Trust plc
Balance Sheet
at 31 October 2009

Notes		2009 £'000	Restated* 2008 £'000
11	**Investments held at fair value through profit or loss**		
	Listed at market value	**27,901**	19,205
	Quoted on AIM at market value	**13,490**	9,812
		41,391	29,017
	Current assets		
12	Investment held at fair value through profit or loss	**1,076**	3,140
13	Debtors	**194**	865
	Cash at bank	**12**	1
		1,282	4,006
14	**Creditors:** amounts falling due within one year	**(6,784)**	(6,775)
	Net current liabilities	**(5,502)**	(2,769)
	Total net assets	**35,889**	26,248
	Capital and reserves		
16	Called up share capital	**2,068**	2,068
17	Share premium account	**14,508**	14,505
18	Capital redemption reserve	**2,354**	2,354
18	Other capital reserves	**15,997**	6,105
19	Revenue reserve	**962**	1,216
	Shareholders' funds	**35,889**	26,248
20	**Net asset value per ordinary share**	**437.21p**	319.77p

These financial statements were approved and authorised for issue by the Board of directors on 28 January 2010 and were signed on their behalf by:

G B Burnett
Chairman

The notes on pages 33 to 49 form part of these financial statements.

*See note 12 on page 41.

Henderson Opportunities Trust plc
Cash Flow Statement

for the year ended 31 October 2009

Notes		2009 £'000	2009 £'000	Restated* 2008 £'000	Restated* 2008 £'000
21	**Net cash inflow from operating activities**		**1,584**		1,005
	Servicing of finance				
	Interest paid	**(215)**		(490)	
	Net cash outflow from servicing of finance		**(215)**		(490)
	Taxation				
	Overseas withholding tax recovered	**58**		–	
	Net tax recovered		**58**		–
	Financial investment				
	Purchases of investments	**(9,261)**		(17,243)	
	Sales of investments	**6,047**		20,390	
	Net cash (outflow)/inflow from financial investment		**(3,214)**		3,147
	Net cash (outflow)/inflow before dividends paid, management of liquid resources and financing		**(1,787)**		3,662
	Equity dividends paid		**(1,188)**		(820)
	Management of liquid resources				
	Additions to money market funds	**(258)**		(16,399)	
	Withdrawals from money market funds	**2,322**		13,992	
	Net cash inflow/(outflow) from management of liquid resources		**2,064**		(2,407)
	Financing				
	Drawdown/(repayment) of short term loans	**490**		(401)	
	Conversion of subscription shares	**3**		–	
	Net cash inflow/(outflow) from financing		**493**		(401)
	(Decrease)/increase in cash		**(418)**		34

Reconciliation of net cash flow to movement in net debt

Notes		2009 £'000	2009 £'000	Restated* 2008 £'000	Restated* 2008 £'000
	(Decrease)/increase in cash as above		**(418)**		34
	Net cash (inflow)/outflow from (increase)/decrease in loans		**(490)**		401
	Movements relating to cash flows		**(908)**		435
	Net cashflow from movement in liquid resources		**(2,064)**		2,407
	Exchange movements		**(1)**		1
	Movement in net debt		**(2,973)**		2,843
	Net debt at the start of the year		**(2,379)**		(5,222)
22	**Net debt at the end of the year**		**(5,352)**		(2,379)

The notes on pages 33 to 49 form part of these financial statements.

*See note 12 on page 41.

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, as modified to include the revaluation of investments and derivative financial instruments. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice ("the SORP") for investment trust companies issued by the Association of Investment Companies ("the AIC") in January 2009. All of the Company's operations are of a continuing nature. The Company's accounting policies are consistent with the prior year, except for the restatement of the holding in a money market fund as a current asset investment and liquid resource (as explained more fully in note 1(i) and note 12).

b) Going concern

The Company's Articles of Association require that at the annual general meeting of the Company to be held in 2008, and every third year thereafter, an ordinary resolution be put to approve the continuation of the Company. The resolution put to the annual general meeting in 2008 was duly passed but the Board decided to offer the shareholders further opportunities to vote, first in 2009 and then in 2010. The directors are recommending the Company's shareholders to vote in favour of the second additional continuation resolution that will be put to the annual general meeting in March 2010. In addition, the assets of the Company consist almost entirely of securities that are listed (or quoted on AIM) and, accordingly, the directors believe that the Company has adequate resources to continue in existence for the foreseeable future. For these reasons the Board has decided that it is appropriate for the financial statements to be prepared on a going concern basis.

c) Valuation of fixed asset investments

Listed investments and investments quoted on AIM have been designated by the Board as held at fair value through profit or loss. Accordingly they are recognised initially at fair value, excluding transaction costs, and are subsequently measured at fair value, which is deemed to be bid price or the last trade price depending on the convention of the exchange on which the investment is quoted.

Unquoted investments have also been designated by the Board as held at fair value through profit or loss and are valued by the directors using primary valuation techniques such as earnings multiples, recent transactions and net assets. Where fair value cannot reliably be measured, the investment will be carried at the previous reporting date value unless there is evidence that the investment has since been impaired, in which case the value will be reduced.

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 on investments held at fair value though profit or loss". 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 presentational 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 overseas 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.

Notes to the Financial Statements

continued

1 Accounting policies (continued)

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 on cash balances and money market funds is accounted for on an accruals basis.

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 created. Any such derivatives are recognised initially at fair value. They are 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.

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. With effect from 1 November 2008, the Company allocates 50% of its management fees and finance charges to the capital return of the Income Statement with the remaining 50% being allocated to the revenue return. It had previously allocated 80% of its management fees and finance charges to the capital return and 20% to the revenue return. The comparative figures for the prior year were prepared on this basis. The Board monitors the assumptions that underpin the basis of allocation. It concluded from its most recent review that a greater proportion of the Company's investment returns will come from income than was previously expected. Although the ratio of income returns and capital returns will vary, perhaps considerably, over shorter periods of time, the Board expects that, over the long term, the future investment returns will be earned as income and as capital growth in approximately equal measure. This conclusion reflects both the characteristics of the portfolio and the changing nature of the UK stock market. The effect of this change is to reduce the net revenue return after taxation for the year ended 31 October 2009 by £117,000 and to increase the net capital return by the same amount; the total return is unaffected by the change. The comparative figures have not been restated.

The management fee is calculated, quarterly in arrears, as 0.60% per annum of the assets under management. No performance fee was earned or payable in the period, nor in the comparative period. The fee arrangements are unaffected by the allocation of costs described above.

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 effect of different items of expenditure is allocated between the capital return and revenue return using the Company's effective rate of tax for the year.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns 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.

Notes to the Financial Statements
continued

1 Accounting policies (continued)

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. Dividends are dealt with in the Reconciliation of Movements in Shareholders' Funds.

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 and dealt with in the Reconciliation of Movements in Shareholders' Funds. 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.

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.

Notes to the Financial Statements

continued

2	**Gains/(losses) from investments held at fair value through profit or loss**	**2009 £'000**	2008 £'000
	Losses on sale of investments based on historical cost	**(6,465)**	(2,261)
	Less: revaluation losses/(gains) recognised in previous years	**6,694**	(2,251)
	Gains/(losses) on investments sold in the year based on carrying value at previous balance sheet date	**229**	(4,512)
	Revaluation of investments held at 31 October	**9,859**	(31,515)
	Exchange (losses)/gains	**(1)**	1
		10,087	(36,026)

3	**Income from investments held at fair value through profit or loss**	**2009 £'000**	2008 £'000
	Franked:		
	Dividends from listed investments	**630**	966
	Dividends from AIM investments	**158**	290
		788	1,256
	Unfranked:		
	Dividends from listed investments	**100**	150
	Dividends from AIM investments	**–**	23
	Interest from unquoted investments	**–**	29
	Property income dividends	**–**	26
	UK stock dividends	**–**	44
		100	272
		888	1,528

4	**Other interest receivable and similar income**	**2009 £'000**	2008 £'000
	Deposit interest	**–**	8
	Income from underwriting	**102**	14
		102	22
	Interest on VAT repayment (see note 25 on page 49)	**146**	70
		248	92

Notes to the Financial Statements

continued

5	Management fee	Revenue return 2009 £'000	Capital return 2009 £'000	Total 2009 £'000	Revenue return 2008 £'000	Capital return 2008 £'000	Total 2008 £'000
	Management fee	**94**	**94**	**188**	58	230	288
	Write-back of prior years' VAT	**(182)**	**–**	**(182)**	(160)	–	(160)
		(88)	**94**	**6**	(102)	230	128

(i) The basis on which the management fee is calculated is set out on page 17 in the Report of the Directors.

(ii) The allocation between revenue return and capital return is explained in note 1f on page 34.

(iii) The background to the write-back of VAT is explained in note 25 on page 49.

6	**Other administrative expenses** (all charged to revenue)	2009 £'000	2008 £'000
	Auditors' remuneration for audit services	**23**	22
	Directors' fees (see the directors' remuneration report on pages 25 and 26)	**58**	58
	Directors' and officers' liability insurance	**9**	9
	Listing and regulatory fees	**10**	11
	Printing and postage	**29**	23
	Registrar's fees	**7**	9
	Marketing expenses payable to the Manager	**13**	–
	Other expenses	**26**	21
	Irrecoverable VAT	**9**	10
		184	163

7	Finance charges	Revenue return 2009 £'000	Capital return 2009 £'000	Total 2009 £'000	Revenue return 2008 £'000	Capital return 2008 £'000	Total 2008 £'000
	On bank loans and overdrafts repayable within one year	**101**	**101**	**202**	104	414	518

The allocation between revenue return and capital return is explained in note 1f on page 34.

Notes to the Financial Statements

continued

8 Taxation on net return on ordinary activities	**Revenue return 2009 £'000**	**Capital return 2009 £'000**	**Total 2009 £'000**	Revenue return 2008 £'000	Capital return 2008 £'000	Total 2008 £'000
(a) Analysis of the charge for the year						
UK corporation tax at 28% (2008: 28.83%)	**–**	**–**	**–**	–	–	–
Overseas taxation	**5**	**–**	**5**	–	–	–
Taxation on net return on ordinary activities (note 8(b))	**5**	**–**	**5**	–	–	–

(b) 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 than the effective rate of corporation tax in the UK for the year ended 31 October 2009 of 28% (2008: 28.83%). (The standard rate of corporation tax in the UK was 30% until 31 March 2008 and 28% from 1 April 2008, giving an effective rate for the prior year of 28.83%).

The differences are explained below:

	Revenue return 2009 £'000	**Capital return 2009 £'000**	**Total 2009 £'000**	Revenue return 2008 £'000	Capital return 2008 £'000	Total 2008 £'000
Net return/(loss) on ordinary activities before taxation	**939**	**9,892**	**10,831**	1,455	(36,670)	(35,215)
Corporation tax at 28% (2008: 28.83%)	**263**	**2,770**	**3,033**	419	(10,572)	(10,153)
Non-taxable UK dividends	**(221)**	**–**	**(221)**	(375)	–	(375)
Irrecoverable withholding tax	**5**	**–**	**5**	–	–	–
Non-taxable overseas dividends	**(8)**	**–**	**(8)**	–	–	–
Income taxable in different years	**15**	**–**	**15**	–	–	–
Utilisation of excess management expenses brought forward	**(49)**	**–**	**(49)**	–	–	–
Expenses not utilised in the year	**–**	**54**	**54**	(44)	185	141
Capital (gains)/losses not subject to tax	**–**	**(2,824)**	**(2,824)**	–	10,387	10,387
Current tax charge	**5**	**–**	**5**	–	–	–

Notes to the Financial Statements

continued

8 Taxation on net return on ordinary activities (continued)

(c) 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 obtain 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.

(d) Factors that may affect future tax charges

The Company has not recognised a potential deferred tax asset of £3,077,000 (2008: £3,064,000), arising as a result of unutilised management expenses and non trade loan relationship deficits, and £nil (2008: £156,000), arising as a result of eligible unrelieved foreign tax. 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/(loss) per ordinary share

The total return per ordinary share is based on the net return attributable to the ordinary shares of £10,826,000 (2008: net loss of £35,215,000) and on 8,208,439 ordinary shares (2008: 8,208,293) being the weighted average number of shares in issue during the year.

The total return/(loss) can be further analysed as follows:

	2009 £'000	2008 £'000
Revenue return	**934**	1,455
Capital return/(loss)	**9,892**	(36,670)
Total return/(loss)	**10,826**	(35,215)
Weighted average number of ordinary shares	**8,208,439**	8,208,293
Revenue return per ordinary share	**11.38p**	17.72p
Capital return/(loss) per ordinary share	**120.51p**	(446.74)p
Total return/(loss) per ordinary share	**131.89p**	(429.02)p

The Company has in issue 1,641,258 (2008: 1,641,547) subscription shares which are convertible into ordinary shares at a conversion price of 936p per share in any of the years 2009 to 2014 inclusive. The subscription shares were issued on 19 January 2007. There was no dilution of the return per ordinary share in respect of the conversion rights attaching to the subscription shares (year ended 31 October 2008: no dilution).

Notes to the Financial Statements

continued

10	**Dividends**	**2009 £'000**	2008 £'000
	Amounts recognised as distributions to equity holders in the year:		
	Final dividend for the year ended 31 October 2008 of 11.50p (2008: 6.00p)	**944**	492
	Interim dividend for the year ended 31 October 2009 of 3.00p (2008: 4.00p)	**246**	328
	Return of unclaimed dividends	**(2)**	–
		1,188	820

The final dividend of 11.50p per ordinary share in respect of the year ended 31 October 2008 was paid on 26 March 2009 to shareholders on the register of members at the close of business on 27 February 2009.

The interim dividend of 3.00p per ordinary share in respect for the year ended 31 October 2009 was paid on 25 September 2009 to shareholders on the register of members at close of business on 29 August 2009.

Subject to approval at the annual general meeting, the proposed final dividend of 7.50p per ordinary share will be paid on 26 March 2010 to shareholders on the register of members at the close of business on 26 February 2010.

The total dividends payable in respect of the financial year, which form the basis of the test under section 842 of the Income and Corporation Taxes Act 1988, are set out below:

	Year ended 31 October 2009 £'000
Revenue available for distribution by way of dividends for the year	**934**
Interim dividend for the year ended 31 October 2009: 3.00p	**(246)**
Proposed final dividend for the year ended 31 October 2009: 7.50p (based on the 8,063,582 ordinary shares in issue at 28 January 2010)	**(605)**
Undistributed revenue for section 842 purposes*	**83**

*Undistributed revenue comprises 9.3% of the income from investments of £888,000.

Notes to the Financial Statements

continued

11 Investments held at fair value through profit or loss

	£'000
Valuation at 1 November 2008	29,017
Investment holding losses at 1 November 2008	20,772
Cost at 1 November 2008	49,789
Purchases at cost	8,374
Sales at cost	(12,552)
Cost at 31 October 2009	45,611
Investment holding losses at 31 October 2009	(4,220)
Valuation of investments at 31 October 2009	**41,391**

All the investments were equity investments.

Purchase transaction costs for the year ended 31 October 2009 were £30,000 (2008: £104,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the year ended 31 October 2009 were £8,000 (2008: £22,000). These comprise mainly commissions.

Substantial interests in investments

The Company held interests in 3% or more of any class of share capital in two investee companies (2008: two).

12 Current asset investment

The Company has a holding in Henderson Liquid Assets Fund plc, 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 placed on short term deposit. At 31 October 2009 this holding had a value of £1,076,000 (2008: £3,140,000).

The holding in Henderson Liquid Assets Fund plc was previously shown within fixed asset investments but, having regard to the way in which this investment is viewed, the Board has decided that it would be more appropriate to present it on the balance sheet as a current asset investment, with changes in the amount invested being presented as part of the Company's management of liquid resources. This represents a change of accounting policy, and hence the prior year figures in the balance sheet and the cash flow statement have been restated. The amounts presented on the cash flow statement under the heading "management of liquid resources" would have been included in the cash flow statement as "financial investment" under the previous treatment. This restatement has no impact on either the Company's net assets or the net increase/decrease in the Company's cash and it has not affected the amounts presented in the Income Statement. The effect is to increase the investments held at fair value through profit or loss as current assets by £1,076,000 (2008: £3,140,000) and to reduce the investments held at fair value through profit or loss as non-current assets by £1,076,000 (2008: £3,140,000).

Henderson Liquid Assets Fund plc is managed by Henderson Global Investors Limited ("Henderson"). The Company's holding is made through a class of shares that does not bear management fees and, accordingly, it has no effect on the management fees payable by the Company to Henderson (which are based on the value of the total assets under management, wherever held).

Notes to the Financial Statements

continued

13	Debtors	2009 £'000	2008 £'000
	Sales for future settlement	**81**	41
	Prepayments and accrued income	**93**	233
	Taxation recoverable	**20**	83
	VAT recoverable	**–**	508
		194	865

14	Creditors: amounts falling due within one year	2009 £'000	2008 £'000
	Unsecured sterling loans	**6,000**	5,509
	Bank overdrafts	**440**	11
	Purchases for future settlement	**190**	1,077
	Other creditors	**154**	178
		6,784	6,775

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 12. 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. The Board and the Manager coordinate the Company's risk management.

The objectives, policies and processes for managing the risks, and the methods used to manage the risks that are set out below, have not changed from the previous accounting period.

15.1 Market risk

The fair value of a financial instrument held by the Company may 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 Portfolio 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 (ie changes in market prices other than those arising from interest rate risk or currency risk) may affect the fair value of investments.

The Company's exposure to market prices at 31 October 2009 on its investments can be found on the Balance Sheet on page 31.

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 the Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Manager's compliance with the Company's objectives, and is directly 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 9 to 11. This shows that the value of the investments is primarily in companies that are listed or quoted 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 reasonably possible based on observation of current market conditions.

Sensitivity analysis – market prices if prices change by 40%

	2009 If prices go up £'000	**2009 If prices go down £'000**	2008 If prices go up £'000	2008 If prices go down £'000
Investments (excluding investments in money market funds)	**41,391**	**41,391**	29,017	29,017
Impact on the income statement:				
Revenue return (0.6% management fee rate)	**(50)**	**50**	(14)	14
Capital return	**16,506**	**(16,506)**	11,551	(11,551)
Impact on assets (excluding gearing)	**16,456**	**(16,456)**	11,537	(11,537)

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 presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The Manager monitors the Company's exposure to foreign currencies and reports any significant changes to the Board. The Manager 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.

Notes to the Financial Statements

continued

15 Financial risk management policies and procedures (continued)

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, makes 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.

Interest rate exposure

The Company's exposure at 31 October 2009 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 re-set.

	2009 Within one year £'000	**2009 Total £'000**	2008 Within one year £'000	2008 Total £'000
Exposure to floating interest rates:				
Cash at bank	**12**	**12**	1	1
Money market funds	**1,076**	**1,076**	3,140	3,140
Creditors – within one year:				
Bank overdraft	**(440)**	**(440)**	(10)	(10)
Borrowings under loan facility	**(6,000)**	**(6,000)**	(5,510)	(5,510)
Total exposure to interest rates	**(5,352)**	**(5,352)**	(2,379)	(2,379)

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 (2008: 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 2.5% as at 31 October 2009 (2008: 7.3%).

Interest rate risk sensitivity

The Company is exposed to interest rate risk primarily through its loan facility with ING Bank and money market funds. 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 £5,352,000 (2008: £2,379,000) and if that level of borrowings was maintained for a full year, then a 200 basis points change in LIBOR (up or down) would increase or decrease total net return on ordinary activities after taxation and shareholders' funds by £107,000 (2008: £48,000).

Notes to the Financial Statements

continued

15 Financial risk management policies and procedures (continued)

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 quoted securities that are readily realisable. The Company has sterling loan facilities totalling £7,000,000 (2008: £8,000,000) and an overdraft facility with the Custodian, the extent of which is determined by the Custodian on a regular basis by reference to 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 the Manager as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short term borrowings be used to manage short term cash requirements.

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

	31 October 2009		31 October 2008	
	Due within one month £'000	**Due after more than one month £'000**	Due within one month £'000	Due after more than one month £'000
Bank overdrafts, loans and interest	**441**	**6,037**	10	5,611
Other creditors and accruals	**135**	**–**	1,222	–
	576	**6,037**	1,232	5,611

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 the Manager, 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 2009 was to cash at bank and money market funds of £1,088,000 (2008: £3,141,000) and to other receivables of £194,000 (2008: £865,000) (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 and derivatives) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and amounts due under the loan facility).

Notes to the Financial Statements

continued

15 Financial risk management policies and procedures (continued)

15.5 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 2009 comprises its share capital, reserves and loans (as shown in note 14) that are shown in the balance sheet at a total of £41,889,000 (2008: £31,757,000).

The Board, with the assistance of the Portfolio Manager, 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 the Manager'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 (ie 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

– 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 45% 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 £11.25 million at any time

– as a public company, the Company has a minimum share capital of £50,000

– 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.

In September 2009 the Company negotiated a one year revolving credit facility of £7 million ("the Facility") to replace the one year facility that expired in that month. At 31 October 2009 a sum of £6,000,000 was drawn down under the Facility. The Company was fully compliant with the terms of the Facility for the period from its inception in September 2009 to the date of this Annual Report.

16 Called up share capital

	2009 £'000	2008 £'000
Allotted, issued and fully paid:		
8,208,582 ordinary shares of 25p each (2008: 8,208,293)	**2,052**	2,052
1,641,258 subscription shares of 1p each (2008: 1,641,547)	**16**	16
	2,068	2,068

During the year the Company made no market purchases of its own issued shares (2008: none). Since the year end 145,000 ordinary shares have been bought back for cancellation.

There were 1,641,258 subscription shares of 1p each in issue at 31 October 2009 (31 October 2008: 1,641,547). The subscription shares were issued, as a bonus issue to the ordinary shareholders, on 19 January 2007. During the year ended 31 October 2009, 289 of the Company's subscription shares were converted into 289 ordinary shares. Subscription shareholders have an opportunity to convert their subscription shares into ordinary shares, at the conversion price of 936p per share, in each of the years 2009 to 2014 inclusive.

Notes to the Financial Statements

continued

17	**Share premium account**	**£'000**
	At 1 November 2008	14,505
	Conversion of subscription shares (see note 16)	3
	At 31 October 2009	**14,508**

18	**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 2008	**2,354**	26,877	(20,772)	**6,105**
	Transfer on disposal of investments	–	(6,694)	6,694	**–**
	Net gains on investments	–	229	9,858	**10,087**
	Expenses and finance charges allocated to capital	–	(195)	–	**(195)**
	At 31 October 2009	**2,354**	20,217	(4,220)	**15,997**

19	**Revenue reserve**	**£'000**
	At 1 November 2008	1,216
	Net revenue return for the year after tax	934
	Dividends paid (see note 10 on page 40)	(1,188)
	At 31 October 2009	**962**

20 Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £35,889,000 (2008: £26,248,000) and on the 8,208,582 ordinary shares in issue at 31 October 2009 (2008: 8,208,293). There was no dilution of the net asset value per ordinary share in respect of the conversion rights attaching to the subscription shares (31 October 2008: no dilution).

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

	£'000
Total net assets at 1 November 2008	26,248
Total net return	10,826
Dividends paid in the year	(1,188)
Conversion of subscription shares	3
Total net assets at 31 October 2009	**35,889**

Notes to the Financial Statements
continued

21	**Reconciliation of operating revenue to net cash flow from operating activities**	**2009 £'000**	2008 £'000
	Net total return/(loss) before finance charges and taxation	**11,033**	(34,697)
	Less: capital (return)/loss before finance charges and taxation	**(9,993)**	36,256
	Net revenue before finance charges and taxation	**1,040**	1,559
	Decrease/(increase) in accrued income	**140**	(143)
	Decrease/(increase) in other debtors	**508**	(160)
	(Decrease)/increase in other creditors	**(10)**	36
	Expenses charged to capital return	**(94)**	(230)
	Overseas withholding tax suffered	**–**	(13)
	Scrip dividends included in investment income	**–**	(44)
	Net cash inflow from operating activities	**1,584**	1,005

22	**Analysis of changes in net debt**	1 November 2008 £'000	Cash flow £'000	Exchange movements £'000	**31 October 2009 £'000**
	Cash at bank	1	12	(1)	**12**
	Bank overdrafts	(10)	(430)	–	**(440)**
	Liquid resources	3,140	(2,064)	–	**1,076**
	Bank loans falling due within one year	(5,510)	(490)	–	**(6,000)**
	Net debt	(2,379)	(2,972)	(1)	**(5,352)**

23 Capital commitments and contingent liabilities

Capital commitments

There were no capital commitments at 31 October 2009 (2008: £nil).

Contingent liabilities

There were contingent liabilities of £589,000 in respect of sub-underwriting participations at 31 October 2009 (2008: £320,000). Subsequent to the year end, the Company was not required to take up any shares in respect of these underwriting commitments.

Notes to the Financial Statements

continued

24 Transactions with the Manager

Under the terms of the management agreement, the Company has appointed wholly owned subsidiary companies of Henderson Global Investors (Holdings) plc ("Henderson") to provide investment management, accounting, administrative and company secretarial services (and with BNP Paribas Securities Services to provide residual UK custodial services). Henderson has contracted with BNP Paribas Securities Services to provide accounting and administrative services. During 2007 JPMorgan Chase Bank N.A. was appointed as the Company's global custodian and assumed most of the custodial responsibilities previously carried out by BNP Paribas Securities Services.

Details of the fee arrangements with the Manager for these services are given on page 17 in the Report of the Directors. The fees payable under these arrangements are shown in note 5 on page 37. The other fees payable to the Manager are shown in note 6 on page 37.

The management fees payable to Henderson under this agreement in respect of the year ended 31 October 2009 were £188,000 (2008: £288,000) of which £82,000 was outstanding at 31 October 2009 (2008: £71,000). VAT is no longer payable on management (including performance) fees. No performance fee was payable to Henderson in respect of the year ended 31 October 2009 (2008: £nil).

In addition to the above services, Henderson has provided the Company with marketing services. The total fees payable for these services for the year ended 31 October 2009 were £13,000 (excluding VAT) (2008: £nil), of which £1,000 was outstanding at 31 October 2009 (2008: £nil).

25 Value Added Tax

In 2004 the Association of Investment Companies (the "AIC"), together with JPMorgan Claverhouse Investment Trust plc, launched a case against HM Revenue & Customs ("HMRC") to challenge whether Value Added Tax ("VAT") should have been charged on fees paid for management services provided to investment trust companies. On 28 June 2007 the European Court of Justice delivered its judgement on the case in favour of the AIC.

Since then HMRC has accepted that the provision of investment management services to investment trust companies is VAT exempt and has acknowledged its liability to pay claims in respect of VAT borne by investment companies in respect of much, but not all, of the period from 1 January 1990 to the point in 2007 from which VAT ceased to be applied to investment management fees. Accordingly, the Manager (Henderson Global Investors Limited) has been able, on behalf of the Company, to reclaim from HMRC the VAT borne, together with simple interest thereon.

An aggregate amount of £508,000, in respect of the VAT on investment management fees borne by the Company in the period from October 2000 to October 2006, was written back in the years ended 31 October 2007 and 2008, in accordance with an agreement reached between the Manager and the Company. This estimate has been received in full by the Company.

During the year ended 31 October 2009, the Company received back the VAT on investment management fees borne by the Company in the period from 1 January 1990 to 4 December 1996. Accordingly, a further £182,000 has been written back in the current year. The VAT recovered has been written back to revenue return, in line with the allocation of the amounts originally paid.

The Company has also received from the Manager the interest paid by HMRC on the amounts of VAT recovered. Interest of £70,000 was recognised in the year ended 31 October 2008 and a further £146,000 has been recognised in the year ended 31 October 2009.

See also notes 4 and 5 on pages 36 and 37.

Notice of Annual General Meeting

Notice is hereby given that the twenty-fourth Annual General Meeting of Henderson Opportunities Trust plc will be held at 201 Bishopsgate, London EC2M 3AE on Thursday 18 March 2010 at 2.30 pm for the transaction of the following business of the Company:

Ordinary Business

1 To receive the Report and Financial Statements for the year ended 31 October 2009.

2 To approve the Directors' Remuneration Report for the year ended 31 October 2009.

3 To approve a final dividend.

4 To re-appoint Mr G B Burnett as a director of the Company.

5 To re-appoint Mr R D H Bryce as a director of the Company.

6 To re-appoint Mr R W Smith as a director of the Company.

7 To re-appoint PricewaterhouseCoopers LLP as Statutory Auditors to the Company.

8 To authorise the directors to determine the remuneration of the Statutory Auditors.

Special Business

To consider and, if thought fit, pass the following resolutions:

as an Ordinary Resolution

9 THAT the Company continue as an investment trust.

as an Ordinary Resolution

10 THAT the Board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 551 of the Companies Act 2006) up to an aggregate nominal amount of £100,794 (being 5% of the issued ordinary share capital, excluding shares held in treasury, at 28 January 2010) PROVIDED THAT this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

as a Special Resolution

11 THAT, subject to resolution 10 being passed, the Board be and it is hereby empowered pursuant to section 570 and/or section 573 of the Companies Act 2006 ("the Act") to allot equity securities (within the meaning of section 560 of the Act), and/or where such allotment constitutes an allotment of equity securities by virtue of section 560 of the Act, for cash pursuant to the authority conferred by resolution 10 as if section 561 of the Act did not apply to any such allotment and to sell relevant shares (within the meaning of section 560 of the Act) held by the Company immediately before the sale as treasury shares (as defined in section 724 of the Act) for cash as if section 561 of the Act did not apply to any such sale, PROVIDED THAT this power shall be limited:

(a) to the allotment of equity securities whether by way of a rights issue, open offer or otherwise in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever;

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £100,794 (being 5% of the issued ordinary share capital, excluding shares held in treasury, at 28 January 2010); and

(c) to the allotment of equity securities at a price of no less than the net asset value per share;

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

as a Special Resolution

12 THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 25p each in the capital of the Company ("Ordinary Shares"), provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 1,208,730 (representing approximately 14.99% of the Ordinary

Notice of Annual General Meeting

continued

Shares, excluding treasury shares, at 28 January 2010, the date of this Notice of Annual General Meeting);

(b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 25p;

(c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105% of the average middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased, or such other amount as may be specified by the UK Listing Authority from time to time;

(d) the authority hereby conferred will expire at the conclusion of the annual general meeting of the Company in 2011, or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract provided that all Ordinary Shares purchased pursuant to the said authority shall be either

(i) cancelled immediately upon completion of the purchase; or

(ii) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

as a Special Resolution

13 THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693 of the Act) of subscription shares of 1p each in the capital of the Company ("Subscription Shares"), provided that:

(a) the maximum aggregate number of Subscription Shares hereby authorised to be purchased shall be 246,024 (representing approximately 14.99% of the Subscription Shares at 28 January 2010, the date of this Notice of Annual General Meeting);

(b) the minimum price (exclusive of expenses) which may be paid for a Subscription Share is 1p;

(c) the maximum price (exclusive of expenses) which may be paid for a Subscription Share is an amount equal to 105% of the average middle market quotations for a Subscription Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Subscription Share is purchased, or such other amount as may be specified by the UK Listing Authority from time to time;

(d) the authority hereby conferred will expire at the conclusion of the annual general meeting of the Company in 2011, or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Subscription Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Subscription Shares pursuant to any such contract provided that all Subscription Shares purchased pursuant to the said authority shall be cancelled immediately upon completion of the purchase.

as a Special Resolution

14 THAT

(a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and

(b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

G S Rice
for and on behalf of
Henderson Secretarial Services Limited,
Secretary
28 January 2010

Notice of Annual General Meeting

continued

Notes:

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 14 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

1. Voting record date

Only those shareholders registered in the Register of Members of the Company at close of business on Tuesday 16 March 2010 shall be entitled to attend and vote at the meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after close of business on Tuesday 16 March 2010 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Rights to attend and vote

Holders of ordinary shares are entitled to attend and vote at the meeting or at any adjournment(s) thereof. On a poll each member has one vote for every one share held.

3. Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

A form of proxy is enclosed. The completion of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting.

Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

4. Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

5. Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006.

6. Receipt and termination of proxies

A form of proxy is enclosed and to be valid must be lodged with the Company's Registrar before 2.30pm on Tuesday 16 March 2010.

A member may terminate a proxy's authority at any time before the commencement of the meeting. Termination must be provided in writing and submitted to the Company's Registrar.

In accordance with the Company's articles of association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

7. Electronic receipt of proxies

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website (**www.euroclear.com/CREST**). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance

Notice of Annual General Meeting

continued

with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the Issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in note 6 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

8. Questions at the meeting

Section 319A of the Companies Act 2006 requires the directors to answer any question raised at the AGM which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered.

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter, relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time at which it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

9. Website

A copy of the notice of the meeting, including these explanatory notes, is included on the Company's website, www.hendersonopportunities.com

10. Total voting rights

As at 27 January 2010 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 8,063,582 ordinary shares of 25p each, carrying one vote each, and 1,641,258 subscription shares of 1p each, which do not carry voting rights at general meetings of the Company. Therefore, the total voting rights in the Company as at 27 January 2010 were 8,063,582.

11. Members' right to require circulation of resolution to be proposed at the meeting

Under section 338 of the Companies Act 2006, a member or members meeting the qualification criteria set out at note 13 below, may, subject to conditions, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting.

The conditions are that:

(i) The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise).

(ii) The resolution must not be defamatory of any person, frivolous or vexatious.

(iii) The request:

- (a) may be in hard copy form or in electronic form (see note 14 below);
- (b) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported;
- (c) must be authenticated by the person or persons making it (see note 14 below); and

Notice of Annual General Meeting

continued

(d) must be received by the Company not later than 6 weeks before the meeting.

(iv) In the case of a request made in hard copy form, such request must be:

(a) authenticated by signing, giving full name and address and providing evidence of the number of shares held; and

(b) sent to the Company Secretary, Henderson Opportunities Trust plc, 201 Bishopsgate, London EC2M 3AE.

(v) In the case of a request made in electronic form, such request must be:

(a) authenticated by signing and scanning a copy of the request, giving full name and address and providing evidence of the number of shares held; and

(b) sent to ITsecretariat@henderson.com.

12. Members' right to have a matter of business dealt with at the meeting

Under section 338A of the Companies Act 2006, a member or members meeting the qualification criteria set out in note 13 below, may, subject to conditions, require the Company to include in the business to be dealt with at the AGM a matter (other than a proposed resolution) which may properly be included in the business (a matter of business).

The conditions are that:

(i) The matter of business must not be defamatory of any person, frivolous or vexatious.

(ii) The request:

(a) may be in hard copy form or in electronic form (see note 14 below);

(b) must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported;

(c) must be accompanied by a statement setting out the grounds for the request;

(d) must be authenticated by the person or persons making it (see note 13 below); and

(e) must be received by the Company not later than 6 weeks before the AGM.

13. Members' qualification criteria

In order to be able to exercise the members' right to require:

(a) circulation of a resolution to be proposed at the AGM (see note 11); or

(b) a matter of business to be dealt with at the AGM (see note 12)

the relevant request must be made by:

(i) a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of the Company; or

(ii) at least 100 members have a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see notes 2 and 10 above.

14. Submission of hard copy and electronic requests and authentication requirements

Where a member or members wishes to request the Company to:

(a) circulate a resolution to be proposed at the AGM (see note 11); or

(b) include a matter of business to be dealt with at the AGM (see note 12);

such request be must be made in accordance with one of the following ways:

(i) a hard copy request, signed by the member, stating his or her full name and address and providing evidence of the number of shares held, sent to the Company Secretary, Henderson Opportunities Trust plc, 201 Bishopsgate, London EC2M 3AE.

(ii) a scanned copy of a request, signed by the member, stating his or her full name and address and providing evidence of the number of shares held, sent to ITsecretariat@henderson.com. Please state "HOT AGM" in the subject line of the e-mail.

15. Receipt of communications at the meeting

The attendance at the meeting of members and their proxies and representatives is understood by the Company to confirm their agreement to receive any communications made at the meeting.

16. Subscription shares

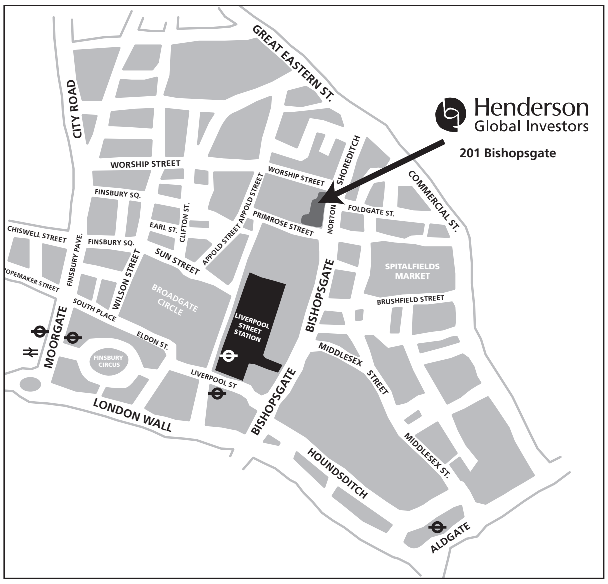
This notice is sent for information only to the subscription shareholders who are not entitled to attend or vote at the meeting.

Registered Office:
201 Bishopsgate, London EC2M 3AE

Notice of Annual General Meeting

continued

Annual General Meeting Venue



Henderson Global Investors is located in the City of London at 201 Bishopsgate. It is a few minutes walk from Liverpool Street Station and from Moorgate Underground Station.

Appendix Explanatory Notes to the Notice of Annual General Meeting of the principal changes to the Company's Articles of Association

It is proposed in Resolution 14 to adopt new articles of association (the "New Articles") in substitution for and in order to update the Company's current articles of association (the "Current Articles"), primarily to take account of changes in English company law brought about by the coming into force of the Shareholders' Rights Regulations and the implementation of the last parts of the Companies Act 2006.

A copy of the Current Articles and the New Articles that reflect these amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of Henderson Global Investors Limited, 201 Bishopsgate, London EC2M 3AE up until the close of the Meeting.

The principal changes introduced in the New Articles are summarised in this Appendix. Other changes, which are either of a minor, technical or clarifying nature or which merely reflect minor changes made by the Companies Act 2006 and the Shareholders' Rights Regulations, have not been noted in this Appendix.

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. From 1 October 2009, the objects clause and all other provisions which are contained in a company's memorandum, are deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further, the Companies Act 2006 states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause, together with all other provisions of its memorandum, which, by virtue of the Companies Act 2006, were treated as forming part of the Company's articles of association on 1 October 2009. Resolution 14 (a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

Notice of Annual General Meeting

continued

Appendix Explanatory Notes to the Notice of Annual General Meeting of the principal changes to the Company's Articles of Association (continued)

2. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company is able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes (which the Company neither has nor intends to have).

5. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it is no longer necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7. Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006 such authority is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one director in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors might approve.

8. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to treat physical illness in the same manner as mental illness.

9. Voting by proxies on a show of hands

The Shareholders' Rights Regulations amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands, unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the relevant resolution and by one or more members to vote against the resolution. The New Articles remove provisions in the Current Articles dealing with proxy voting, on the basis that these are dealt with in the Companies Act 2006, and contain a provision clarifying how the provision of the Companies Act 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

10. Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes, as under the Companies Act 2006, this is no longer permitted.

11. Adjournments for lack of quorum

Under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations) general meetings adjourned for lack of quorum must be held at least ten clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

12. General

Generally the opportunity has been taken to bring clearer language into the New Articles and, in some areas, to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovations and Skills.

Historical Record

Year ended 31 October	Total assets less current liabilities in £'000	Net asset value per ordinary share in pence[1]	Net asset value per warrant in pence[2]	Revenue return/ (loss) per ordinary share in pence[6]	Dividend per ordinary share in pence
1986	20,729	133.1	33.1	1.90[3]	0.50[4]
1987	19,790	127.4	27.4	0.75	0.58
1988	22,371	142.8	42.8	1.11	0.70
1989	25,829	163.5	63.5	1.67	1.15
1990	21,089	135.2	35.2	1.83	1.32
1991	29,480	185.3	85.3	1.56	1.40
1992	29,736	186.3	86.3	1.45	1.40
1993	45,315	271.0	–	1.36	1.40
1994	47,492	284.0	–	1.00	0.50
1995[5]	58,797	351.7	–	2.35	1.40
1996	78,255	453.8	–	1.72	1.40
1997	86,111	495.5	–	(0.43)	0.50
1998	86,596	492.8	–	(1.69)	nil
1999	125,696	715.3	–	(2.05)	nil
2000	179,499	1,021.5	–	(11.69)	nil
2001	85,645	486.0	–	(7.85)	nil
2002	53,499	308.2	–	(1.23)	nil
2003	76,002	442.2	–	2.61	nil
2004	80,879	472.9	–	3.41	nil
2005	60,840	540.3	–	1.48	nil
2006	58,223	709.3	–	5.29	nil
2007	62,283	758.8	–	7.08	6.00
2008	26,248	319.8	–	17.72	15.50
2009	**35,889**	**437.2**	**–**	**11.38**	**10.50**

(1) Assuming full subscription of the warrants in issue between 16 October 1985 and 31 January 1993. All warrants had been exercised as at 31 January 1993.

(2) On 19 January 2007 the Company made, to the then ordinary shareholders, a bonus issue of subscription shares on a one for five basis. At 31 October 2009 the net asset value attributable to each subscription share was nil.

(3) From commencement of business on 16 October 1985.

(4) A special dividend of 1.10p was also paid.

(5) Restated, where applicable, for the change in accounting policy made in the 1996 accounts in respect of the recognition of dividend income. Periods prior to 31 October 1995 have not been restated.

(6) The figures for the years 1986 to 2005 inclusive have not been adjusted for the change, with effect from 1 November 2005, in the allocation of management and finance costs.

Notes on the Bonus Issue of Subscription Shares

The calculation of capital gains

The Company made a bonus issue of Subscription Shares of 1p each on 19 January 2007 to the holders of the Company's Ordinary Shares of 25p each as at close of business on 19 January 2007.

Dealings in the Subscription Shares began on 22 January 2007. At close of business on that day the middle market prices of the Ordinary Shares and the Subscription Shares were as follows:

Ordinary Shares	708p
Subscription Shares	101p

Source: London Stock Exchange Daily Official List

Accordingly, an individual investor who on 19 January 2007 held five Ordinary Shares (or a multiple thereof) received a bonus issue of one Subscription Share (or the relevant multiple thereof) and will apportion the base cost of such existing holding 97.23% to the five Ordinary Shares (or the relevant multiple thereof) and 2.77% to the one Subscription Share (or the relevant multiple thereof).

Exercise

Each Subscription Share confers a right, exercisable by notice to the Company in the 30 days preceding the annual general meeting in any of the years 2009 to 2014 (inclusive) and upon payment of the conversion price, to convert on the date of the relevant annual general meeting into one Ordinary Share in the Company. The conversion price is 936p per Ordinary Share. The form of notice of exercise is set out on the reverse of the Subscription Share certificate (for those who hold Subscription Shares in certificated form). The rights attaching to the Subscription Shares are described in Part III of the Company's prospectus dated 21 December 2006 and are set out in the Articles of Association of the Company.

Glossary of Terms

AIC
The Association of Investment Companies (formerly the Association of Investment Trust Companies, abbreviated to the AITC).

Benchmark
The FTSE All-Share Index on a total return basis.

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

Gearing
The gearing percentage reflects the amount of net borrowings (ie bank loans and overdraft less money market fund holdings and cash balances) the Company has used to invest in the market. In a falling market, the gearing effect will make a negative contribution to performance, whereas in a rising market it will make a positive contribution.

There are several methods of calculating gearing and the following has been selected: the total market value of the investments (excluding the quoted cash fund) less shareholders' funds as a percentage of shareholders' funds.

Investment Trusts
Investment trusts are public limited companies, quoted 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 the realisation of investments. Most of the revenue, net of expenses and any tax, is distributed to shareholders as dividend.

Performance Attribution Analysis
Performance attribution analyses how the Company has achieved its recorded performance relative to its benchmark.

Net Asset Value (NAV) per Ordinary Share
The value of the Company's assets (investments and cash held) less any liabilities (including bank loans and overdraft) 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 per share is published daily.

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.

Total Expense Ratio
This is the total expenses incurred by the Company in the year expressed as a percentage of the average shareholders' funds over the year.

Total Return
This is the return on the share price or net asset value per share taking into account both the rise and fall of share prices and the dividends 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 net asset value total return).

General Shareholder Information

Release of results

Half year results are announced in June. Full year results are announced in December or January.

AGM

The annual general meeting is held in London in February or March.

Date of dividend payments

Ordinary shares: interim dividend announced in June and paid in September; final dividend announced in December or January and paid in March.

Final dividend warrants and tax vouchers

Dividend cheques and tax vouchers for the 2009 final dividend will be posted on 24 March 2010 to shareholders on the register on 26 February 2010. The dividend will be paid on 26 March 2010, subject to approval at the AGM.

Payment of dividends

Dividends can be paid to shareholders by means of BACS; mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 62 of this report) 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.

Information

The ordinary share price, net asset value, subscription share price and other information can be found on the Henderson website: **www.itshenderson.com**

The market price of the Company's ordinary shares is quoted in the Financial Times and other leading newspapers. The London Stock Exchange Daily Official List (SEDOL) Number is 0853657.

Shareholders who hold their shares on the register of members (whether or not in certificated form) can check their shareholding with the Registrar, Computershare Investor Services PLC, via **www-uk.computershare.com/investor**. Please note that to gain access to your details on the Computershare site you will need the shareholder reference number on the top left corner of your share certificate or on your tax voucher.

Disability Act

Copies of this annual 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, audio tape or larger type as appropriate.

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

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

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 meetings when invited to do so by the Chairman.

General Shareholder Information

continued

Those who invest through the Halifax Share Dealing Account or ISA receive all shareholder communications. A form of instruction is provided to facilitate voting at general meetings of the Company.

History and background

The Company was incorporated on 21 August 1985 as Trushelfco (No 840) Limited. Its name was changed on 14 November 1985 to Strata Investments plc, on 28 January 1992 to Henderson Strata Investments plc and on 19 January 2007 to Henderson Opportunities Trust plc.

Henderson Strata was established in 1985 to invest in smaller companies across the international markets. Until 10 February 2005 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 was changed to 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 Company is now a constituent of the UK Capital Growth sector.

Shareholders have the opportunity to vote every three years on the continued life of the Company. Additional votes were or will be held at the Annual General Meetings in 2009 and 2010; thereafter the next vote is scheduled for March 2011.

Ordinary shareholder analysis

	Number of ordinary shareholders	Number of ordinary shares held
Individuals	434	370,530
Nominee companies and other corporate holders*	262	7,838,052
	696	8,208,582

*includes investors through the Halifax Share Dealing Account and the Henderson ISAs as at 31 October 2009.

Source: Computershare Investor Services PLC.

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The Association of Investment Companies

Directors and other Information

Directors
G B Burnett* (Chairman)
R D H Bryce
M R King*
P N J May* (Chairman of the Audit Committee)
R W Smith
*Member of the Audit Committee

Manager
Henderson Global Investors Limited
201 Bishopsgate
London EC2M 3AE
represented by J H Henderson and C M Hughes
(Henderson Global Investors Limited is authorised and regulated by the Financial Services Authority)

Secretary
Henderson Secretarial Services Limited,
represented by G S Rice ACIS

Registered Office
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registered Number
Registered in England and Wales No. 1940906 as an investment company

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0870 703 0194

Statutory Auditors
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Hay's Galleria
1 Hay's Lane
London SE1 2RD

Stockbroker
JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Solicitors
Slaughter and May
One Bunhill Row
London EC1Y 8YY

Custodian
JPMorgan Chase Bank N.A.
125 London Wall
London EC2Y 5AJ

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Warning to Shareholders

Many companies have become 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 contact either the Company Secretary or the Registrar at the numbers provided on page 62.

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Printed by Leycol, London

HGI9216/2009