HENDERSON GLOBAL TRUST PLC

Annual Report 2015

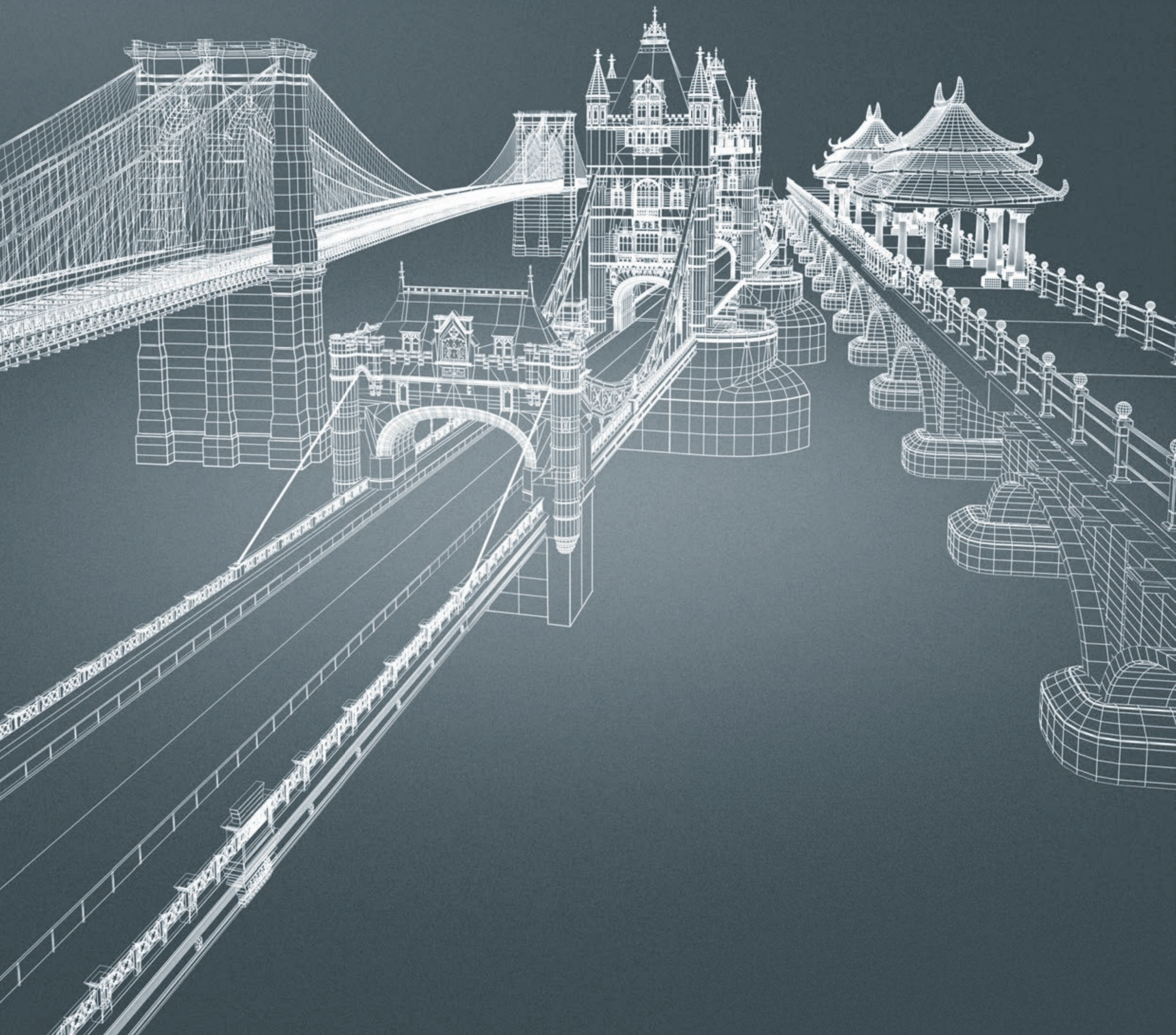
MANAGED BY
Henderson
GLOBAL INVESTORS

Contents

Strategic Report

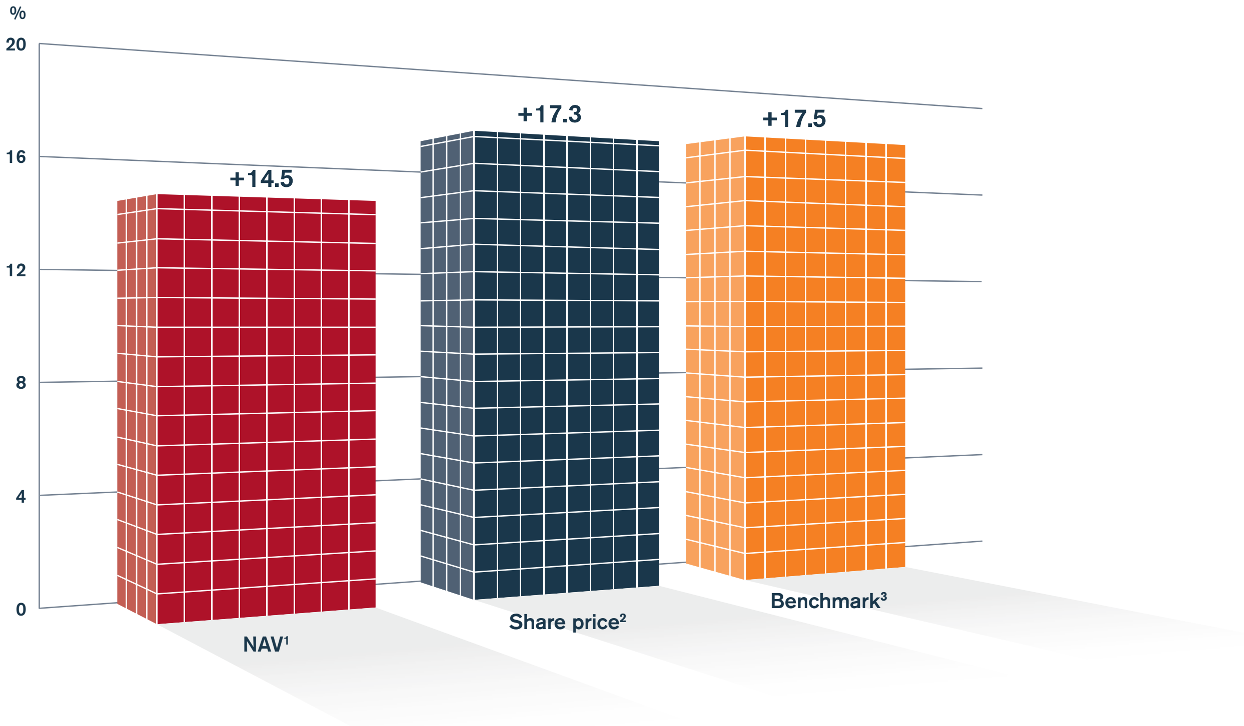
"I am delighted with the progress made by Wouter Volckaert in his first year as the Company's Fund Manager. Whilst the Company's performance was behind the benchmark, it represents a significant improvement relative to the Company's peers."

Richard Stone, Chairman

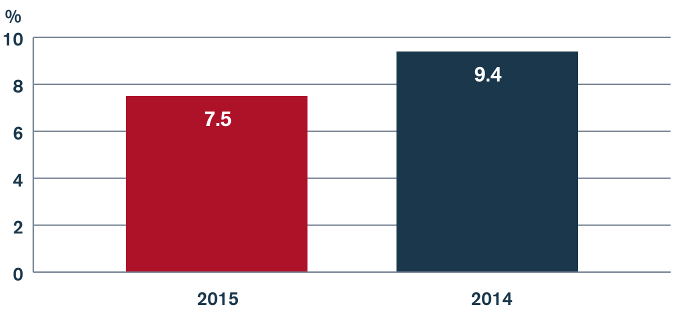


Strategic Report: Performance Highlights

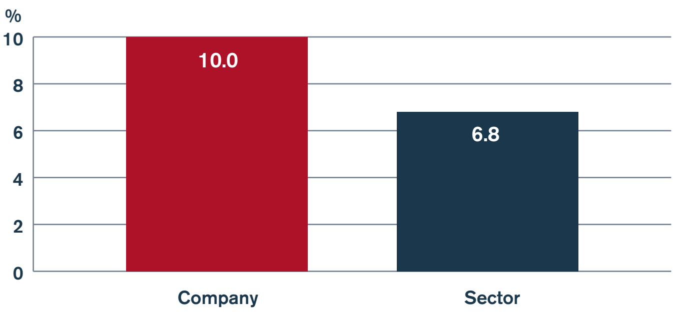
Total Return Performance for year to 31 January 2015



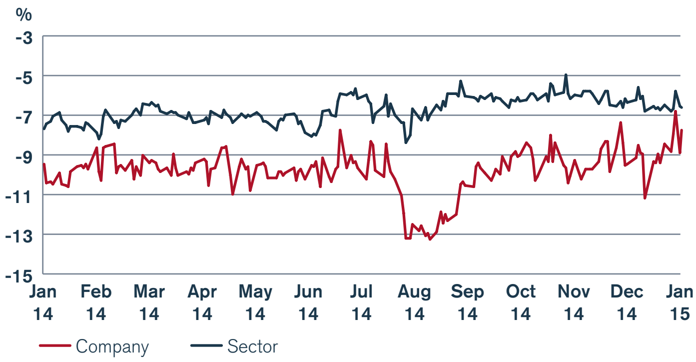
Discount at year end[4]



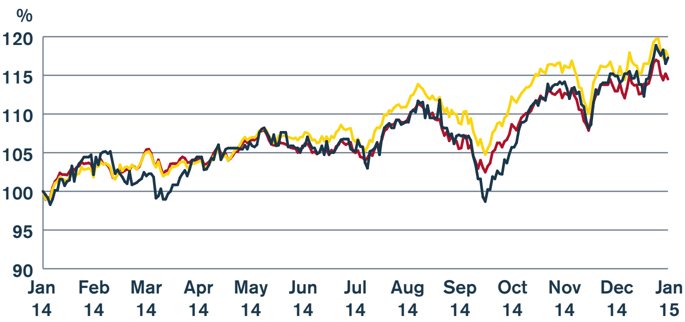
Average discount for year[5]



Discount[6]



NAV and share price performance versus the benchmark[7] (rebased to 100)



Source: Thomson Reuters Datastream

Strategic Report: Performance Highlights (continued)

NAV per share at year end (debt at par)[8]

2015 **431.3p**

2014 **385.8p**

NAV per share at year end (debt at fair value)

2015 **432.4p**

2014 **386.8p**

Share price at year end

2015 **399.0p**

2014 **349.5p**

Gearing at year end

2015 **0.6%**

2014 **0.7%**

Dividend for year

2015 **10.0p**[9]

2014 **10.0p**

Dividend yield[10]

2015 **2.5%**

2014 **2.7%**

Ongoing charge for year

2015 **0.85%**

2014 **0.92%**

Number of investments

2015 **71**

2014 **75**

1 Net asset value per ordinary share total return (including dividends reinvested) with debt at fair value. This is based on preliminary estimates made by Morningstar Funddata and does not reflect any subsequent change in the year end NAVs reflected in this report
2 Share price total return using mid-market closing price
3 MSCI All Country World Index (in sterling terms, total return)
4 Calculated using published daily NAVs with debt at par excluding current year revenue
5 Average discounts include revenue
6 Graph shows the Company's share price discount to NAV compared with the average discount of the AIC Global sector over the year to 31 January 2015
7 Graph shows the Company's net asset value total return and share price total return compared to the total return of the benchmark over the year to 31 January 2015
8 Debt comprises the Company's cumulative preference stock
9 This represents the four quarterly dividends paid for the year. See page 5 for more details
10 Based on the ordinary dividends paid for the year and the mid-market share price at the year end
Sources: Morningstar Funddata, Henderson, Thomson Reuters Datastream
A glossary of terms is included on pages 14 and 15

Strategic Report: Business Model

Strategy

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

Investment objective

The Company seeks long-term capital growth from a concentrated portfolio of international equities with a secondary objective to increase dividends over the longer term.

Investment policy

Asset allocation

The Manager generally holds stocks of large and medium sized companies listed on major equity markets and aims to outperform the Company's benchmark, which is the MSCI All Country World Index (in sterling terms, total return).

Risk diversification

The portfolio will typically comprise between 50 and 80 stocks. At least 60% by value of the portfolio must be comprised of holdings which do not individually exceed 5% of the value of total assets and no holdings, on acquisition, shall exceed 8% of the value of total assets. However, this limitation does not apply to gilts or, in limited circumstances, investment company holdings. In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 15% of its gross assets in other UK listed investment companies and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.

Gearing

The Company has the ability to gear up to 25% of the Group's net assets but in normal circumstances gearing would not be expected to exceed 15% of the Group's net assets.

The information contained within this Strategic Report demonstrates how the Group's assets have been invested with a view to spreading investment risk in accordance with the Group's published investment policy.

Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive. The Company has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager in accordance with an agreement which was effective from 22 July 2014 and is terminable on three months' notice.
HIFL delegates investment management services to Henderson Global Investors Limited. Prior to 22 July 2014 Henderson Global Investors Limited was appointed as Investment Manager. Both entities are authorised and regulated by the Financial Conduct Authority ("FCA"). References to Henderson within this report refer to the services provided by both entities.

The fund management team is led by Wouter Volckaert, who joined Henderson in September 2013 and was appointed as the Company's Fund Manager with effect from 1 February 2014.

Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of Henderson, by BNP Paribas Securities Services. Debbie Fish FCIS acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Henderson receives a fee calculated monthly at 0.05% (0.6% per annum) on the value of the Group's total assets. In determining the total assets on which the management fee is calculated, the value of any securities held by the Company in collective investment schemes managed by Henderson is excluded. Henderson previously received a separate company secretarial fee but this was abolished with effect from 1 February 2014.

Subsidiary

The Company has a wholly owned subsidiary undertaking, Engandscot Limited, which can be used for investment dealing. Together they are referred to as the "Group".

Strategic Report: Chairman's Statement

The Chairman of the Company, Richard Stone, reports on the year to 31 January 2015

Performance

During the year to 31 January 2015 the share price total return was 17.3%. The net asset value ("NAV") total return per ordinary share was 14.5%, while a narrowing of the discount to NAV contributed 2.6%.

While the Company's NAV performance was behind the benchmark total return of 17.5%, it represents a significant improvement relative to the Company's peers. The Company is ranked 12 out of 34 funds within the Company's AIC sector peer group for the year ended 31 January 2015 compared to 24 out of 30 for the year ended 31 January 2014. The improvement in performance was achieved by the Fund Manager's stock picking success and the increased geographical allocation to North America. It is also notable that this performance was achieved without excess risk and with virtually no gearing.

The Fund Manager's Report provides information on the factors which contributed to the Company's performance during the year. Changes made to the portfolio by Wouter Volckaert since his appointment are also commented upon.

Board changes

Having served on the Board for 13 years and as Chairman since 2012, I shall be standing down from the Board with effect from the close of the annual general meeting ("AGM"). There have been many changes during the course of my tenure, including the change in management company from Gartmore to Henderson in 2011, the change of benchmark in 2013 and the transition to a new Fund Manager last year. I am delighted with the progress made by Wouter in his first year and feel that I am leaving at a time when the Company is in a strong position. Richard Hills will replace me as Chairman of the Board and I wish him, and the Company, every success for the future.

Aidan Lisser was appointed to the Board with effect from 5 January 2015. Aidan has had many years' experience at a senior level, across international consumer and financial services organisations. He is chief marketing officer at Investec Wealth & Investment and was previously employed by Allianz Global Investors AG, Standard Chartered Bank plc and Unilever plc. The Directors are delighted to welcome Aidan to the Board.

Revenue and dividends

Your Board declared four interim dividends of 2.5p each, making a total for the year of 10.0p, the same as for the previous year. As per last year, the Board utilised a small amount of the Company's substantial revenue reserves to finance part of the dividend. The Group revenue return per ordinary share for the year to 31 January 2015 was 8.32p per ordinary share compared with 9.35p per ordinary share for 2014.

During 2013 the Company's benchmark was changed from a 50/50 UK/global focus to a 100% global focus. The resultant portfolio realignment led to a reduction in the income generated by the Company's investments as UK stocks pay a higher dividend on average than those seen elsewhere. However, this reduction in income has been more than compensated for by the greater capital return from non-UK stocks since then, as well as the strength of the US dollar, with the MSCI World Index delivering a total return of 19.5% (in sterling terms) over the period 1 June 2013 to 31 January 2015 compared to a total return of 9.9% for the FTSE All Share Index.

The Company's primary objective is to deliver the best possible total return to shareholders which we believe has been achieved through this transition. Generating a dividend is an important but secondary objective. Given the lower income derived from a global portfolio we do not expect to increase the dividend level for some time. However, because of the substantial revenue reserves, the Board remains confident that the current dividend can be maintained, which leaves the Company with one of the higher dividend yields in the sector.

Discount and share buy-backs

To ensure that shareholders do not suffer from excessive discount volatility, the Board keeps the absolute level of the discount in comparison to its peer group of investment trusts under regular review. The aim is to restrict the discount from rising much above 8% in normal market circumstances by buying back shares from time to time as necessary. Consequently, we are again seeking to renew the authority to buy back ordinary shares at the forthcoming annual general meeting. The Company bought back 1,154,711 shares in the year under review. All of the repurchased shares are held in treasury and we hope to be able to reissue them in due course. We are therefore seeking renewal of our authorisation from shareholders to re-issue shares bought into treasury at a discount, providing it is at a narrower discount than that at which the shares were previously bought in, and in any case at a discount of no more than 3%. I do encourage you to support these resolutions.

Annual general meeting

For the first time the Company's AGM will be broadcast live on the internet. If you are unable to attend in person you can watch the meeting as it happens by visiting www.henderson.com/trustslive.

Outlook

Six years into the market recovery that started in 2009, we retain our confidence in equities. Our view is supported by improving economic data, reasonable equity valuation levels in a number of regions and the attractive outlook for equities relative to other asset classes. Fixed income markets have come a long way and in many countries now offer negative real yields while facing the prospect of an interest rate hike at some point. The return on cash is low and again in some countries is negative, meanwhile the commodity cycle seems to have turned downwards. These factors increase the chance of equities receiving a larger part of future investor fund flows. That said, beyond the immediate future we recognise that there are signs that we are closer to the end of the current market cycle than the beginning and therefore your Fund Manager will continue to invest in a relatively conservative manner.

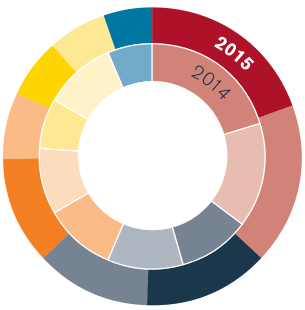
Strategic Report: Portfolio Information

Ten largest investments at 31 January 2015

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
1	–	Dollar General	General retailers	United States	5,427	3.3
2	2	Macy's	General retailers	United States	5,317	3.2
3	1	Novartis	Pharmaceuticals	Switzerland	5,069	3.1
4	50	Western Digital	Technology hardware & equipment	United States	4,571	2.8
5	4	Oracle	Software & computer services	United States	4,463	2.7
6	9	Crown Holdings	Diversified metals & mining	United States	4,362	2.6
7	–	Rexel	Electronic & electrical equipment	France	3,883	2.3
8	35	Apple	Technology hardware & equipment	United States	3,768	2.3
9	15	Lockheed Martin	Aerospace & defence	United States	3,738	2.3
10	7	Pfizer	Pharmaceuticals & biotechnology	United States	3,640	2.2
					44,238	**26.8**

Sector exposure at 31 January

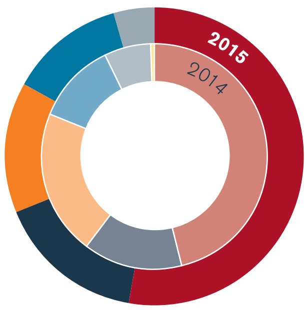
As a percentage of the investment portfolio excluding cash



	2015 %	2014 %
Financials	**19.5**	20.5
Consumer discretionary	**17.5**	14.8
Industrials	**13.6**	10.5
Information technology	**12.5**	10.6
Health care	**11.7**	10.4
Energy	**7.3**	9.4
Materials	**6.4**	7.4
Consumer staples	**6.3**	10.1
Telecommunication services	**5.2**	6.3

Geographic exposure at 31 January

As a percentage of the investment portfolio excluding cash



	2015 %	2014 %
North America	**53.0**	46.2
Continental Europe	**15.9**	14.3
United Kingdom	**14.4**	20.8
Pacific Rim	**12.3**	11.6
Japan	**4.4**	6.6
Other markets	**–**	0.5

Key performance influences over the year to 31 January 2015[1]

	%
Return of the portfolio of investments from sector allocation	-1.25
Return of the portfolio of investments from stock selection (including currency effect)	-0.52
Impact of gearing/cash (net)	-0.51
Impact of share buy-backs or issuance	+0.23
Impact of ongoing charges	-0.92
NAV total return relative to the benchmark	**-2.97**

1 Relative to the benchmark over the financial year to 31 January 2015

Strategic Report: Fund Manager's Report

The Fund Manager of the portfolio, Wouter Volckaert, reports on the year to 31 January 2015

2014 was another good year for equities with the Company seeing a share price total return of 17.3% in the year ended 31 January 2015. World markets benefited from a gradual economic recovery, which was originally limited to the US but spread to Europe and Japan in the second half of the year. However, the key driver for equities remained excess liquidity. Quantitative easing and low interest rates are creating surplus capital which is gradually being invested in various assets. We've come a long way since the market bottom of 2009, but equities currently stand out versus other asset classes such as fixed income, commodities, cash and London property, and therefore increasingly receive a larger portion of fund flows, which in turn drives up valuation multiples.

In my first year of managing the portfolio, I set a number of goals for the year, starting with a change in the regional allocation. More specifically, I wanted to reduce the exposure to the UK ahead of the upcoming elections and reinvest the proceeds in North America. Over the past year, I have indeed invested an extra 7% of the portfolio in North America, taking the regional weight to 53% of the portfolio. This has contributed to our performance as our North American stocks increased 22.7% on average through the year, partly on the back of a stronger US dollar. Likewise, the UK exposure has come down from 20% to 14% of the portfolio.

I also wanted to increase the level of conviction in the portfolio, which I did by reducing the number of stocks we invest in to 71. The top 10 holdings now represent 26.8% of the portfolio compared to 23.1% at the start of the year.

I introduced a number of new stocks to the portfolio which I believe offer attractive investment opportunities (Western Digital, Dollar General, Delphi Automotive, Flowers Foods, Rexel, CTT Correios, Citizens Financial, Grifols SA and BRP) and sold some stocks that either reached fair value or compared less favourably to new investment opportunities (Standard Chartered, Vodafone, Buru Energy, Kellogg, Legrand, PepsiCo, National Grid, Burberry, Walgreen, Contravir, Philip Morris, British American Tobacco, National Oilwell Varco, California Resources and Vale).

Of course, the ultimate goal of the various changes described above was to improve performance. The 17.3% share price total return over the past year was driven by both the NAV total return of 14.5% and a narrowing of the share price discount to NAV. And I am pleased to say that this does mark an improvement in performance versus the peers, from the 4th quartile in the year leading up to the change in the Fund Manager, to the high end of the 2nd quartile over the past year. Put differently, we performed better than roughly two thirds of global fund managers on an NAV basis in the period under review.

It is worth highlighting our three best performing stocks over the past year: United Continental, Limited Brands and Dollar General. Airline operator United Continental benefited from a fall in oil prices and the ongoing consolidation of the US airline sector, which both contributed to an improvement in profitability. Limited Brands is best known for its Victoria's Secret underwear, whose rapid expansion outside the US is helping the company beat market expectations. And Dollar General is a low end retailer in the US, similar to Aldi in the UK, which we bought at an attractive valuation level when investors were overly concerned about temporary headwinds for the business such as bad weather. The stock subsequently recovered on the back of an improving outlook for the US consumer and the likelihood of reduced competition as its two biggest rivals, Family Dollar and Dollar Tree, agreed to merge. Dollar General remains one of our highest conviction stocks.

Of course we also had some stocks that struggled, the worst being Rexel, a French distributor of electrical equipment which suffered on the back of a delayed European recovery. The stock did start to recover when European economic data began to improve in October and its share price is up around 30% since that time. We are therefore holding on to our investment and believe that it should start to generate positive investment returns over the coming year.

The biggest headwind in the period was the exceptional performance of a select number of very large companies. Our benchmark is market cap weighted, meaning that larger companies receive a bigger weight in the benchmark and therefore have a bigger impact on the overall performance. This explains why just five companies (Apple, Johnson & Johnson, Wells Fargo & Co, Microsoft and Novartis) were able to generate 1.9% of the benchmark's performance, or over 10% of the total 17.5% increase in the MSCI World All Country Index (in sterling terms, total return). Put differently, the average stock in the benchmark rose significantly less than the headline 17.5%. Fortunately we were overweight in large cap stocks and owned two of the three stocks described above, which helps explain why we did better than a lot of our peers. But even our performance lagged the benchmark somewhat. Narrow market leadership has been short lived

Strategic Report: Fund Manager's Report (continued)

throughout history and therefore we believe that the year was an exceptional period in this regard.

Looking forward, there are various signs that we are closer to the end than the beginning of the market rally that started in 2009: global stock markets are trading near record highs; equity leadership is narrowing as described earlier, a phenomenon which is typically associated with the end of a bull market (think technology stocks at the end of the 90s and emerging markets stocks in 2007); the IPO market has become very active and start-up internet companies can now be valued at $1bn in their first year of existence; and equity and credit markets are starting to provide conflicting signals.

On the other hand, it also feels like we are only at the start of an upturn when we focus on economic data. After five moderate years, we are finally seeing a more meaningful pick-up in corporate investment and credit growth. Unemployment has fallen to the level where we are starting to see wage growth and a lower oil price should provide a nice tailwind for oil importing countries.

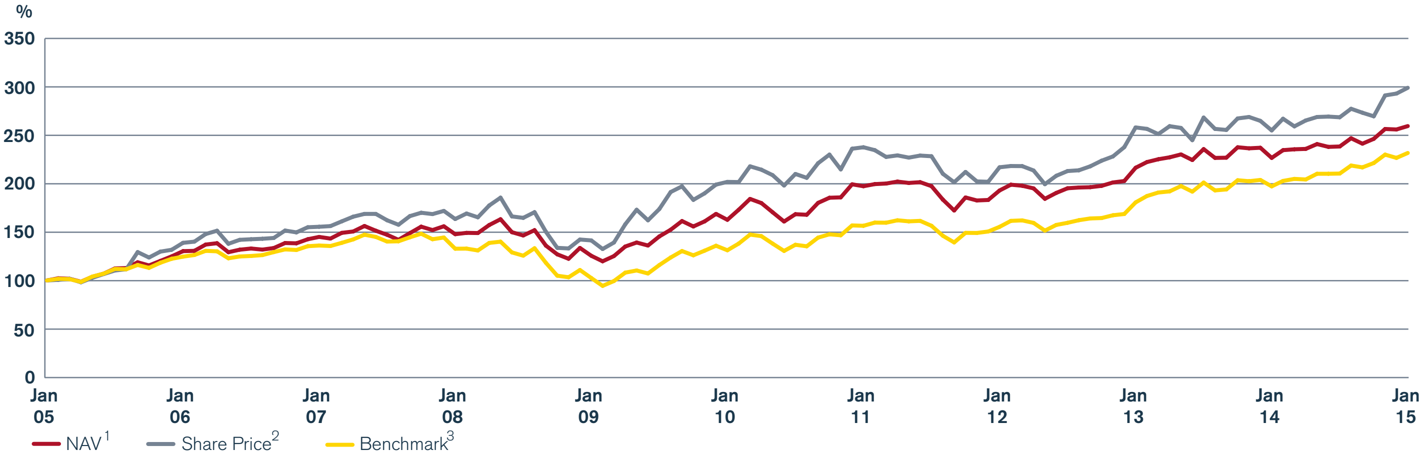
Bringing the two views together, I believe that the years of multiple expansion driving equity markets are over. Partly because we have come a long way and partly because we are facing the end of quantitative easing in the US and potentially interest rate hikes. Economic momentum and corporate earnings growth now need to take over as a driver for equity markets and as long as the current momentum continues equities should perform well. I expect market volatility to pick up, but see this as a positive for the Company as it will enable us to buy stocks at attractive valuation levels more frequently. Therefore, we remain fully invested, although we are not planning to use additional gearing at this advanced stage in the market cycle.

Strategic Report: Historical Performance and Financial Information

Total return performance for the year to 31 January 2015 (including dividends reinvested and excluding transaction costs)

	1 year %	3 years %	5 years %	10 years %
NAV[1]	14.5	34.5	59.6	162.0
Share price[2]	17.3	37.9	48.2	199.2
Benchmark index[3]	17.5	49.3	77.4	136.4
Average sector NAV[4]	14.0	45.8	71.8	148.7
Average sector share price	11.6	40.6	65.7	139.2

Total return performance over the 10 years to 31 January 2015 (rebased to 100)



Financial information

		NAV per ordinary share			Premium/(Discount)							
At 31 Jan	Net assets £'000	With debt at par p	With debt at market value p	Mid-market price per ordinary share p	With debt at par %	With debt at market value %	Profit/ (loss) for year £'000	Revenue return p	Capital return p	Total return p	Dividend p	Expenses[5] %
2006	137,106	273.8	264.2	239.25	(12.6)	(9.4)	32,082	5.33	56.84	62.17	4.4	1.01
2007	140,938	299.7	291.8	262.75	(12.3)	(10.0)	13,763	6.37	21.87	28.24	4.8	0.96
2008	129,079	301.3	302.1	271.50	(9.9)	(10.1)	1,874	6.63	(2.47)	4.16	5.5	0.94
2009	99,882	249.3	250.2	229.50	(7.9)	(8.3)	(19,775)	10.68	(58.19)	(47.51)	7.0[6]	0.89
2010	126,300	309.5	310.4	312.25	0.9	0.6	28,778	7.51	63.60	71.11	7.5	0.96
2011	150,009	367.6	368.4	359.50	(2.2)	(2.4)	26,835	7.87	57.63	65.50	8.0	0.92
2012	140,153	351.0	351.7	320.00	(8.8)	(9.0)	(3,693)	9.67	(18.79)	(9.12)	9.6	0.90
2013	150,098	378.0	378.8	363.63	(3.8)	(4.0)	16,350	9.57	31.55	41.12	10.0	0.98
2014	152,993	385.8	386.8	349.50	(9.4)	(9.6)	7,042	9.35	8.40	17.75	10.0	0.92
2015	**166,086**	**431.3**	**432.4**	**399.00**	**(7.5)**	**(7.7)**	**21,349**	**8.32**	**46.20**	**54.52**	**10.0**	**0.85**

1 Net asset value per ordinary share with debt at fair value; with income reinvested for 1, 3 and 5 years and capital NAV plus income reinvested for 10 years
2 Share price total return using mid-market closing price
3 Comprising 50% FTSE All-Share Index and 50% MSCI World Index ex UK (in sterling terms) to 31 May 2013 and the MSCI All Country World Index (in sterling terms, total return) thereafter
4 The sector is the AIC Global sector
5 Using total expense ratio methodology for 2011 and previous years; ongoing charge methodology thereafter
6 Excludes special non-recurring dividend of 4.0p
Sources: Henderson, Morningstar Funddata, Morningstar for the AIC, Thomson Reuters Datastream

Strategic Report: Key Information

Directors

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

Richard Stone

Position: Chairman of the Board and of the Nomination and Management Engagement Committees

Date of appointment: 26 March 2002 (Chairman in May 2012)

Richard is a chartered accountant and a former member of the global board of PricewaterhouseCoopers LLP. Prior to the merger with Price Waterhouse in 1998, he was deputy chairman of Coopers & Lybrand. He is chairman of Candover Investments plc and Chairman of the Company's subsidiary, Engandscot Limited. Richard will stand down from the Board on 3 June 2015.

Victoria Hastings

Position: Director

Date of appointment: 1 September 2012

Vicky has worked for over 25 years in the investment management industry. Her roles have included being a non-executive director of Charter European Trust, investment director at JO Hambro Capital Management, chief investment officer, private clients at Merrill Lynch Investment Managers (London) and a fund manager in the Merrill Lynch European equity team. She is a non-executive director of The Edinburgh Investment Trust plc and Impax Environmental Markets plc and a trustee of the Special Trustees of Moorfields Eye Hospital. Vicky will become Chairman of the Remuneration Committee with effect from 3 June 2015.

Richard Hills

Position: Senior Independent Director and Chairman of the Remuneration Committee. Richard will become Chairman of the Board when Richard Stone steps down on 3 June 2015 and will then cease to be Chairman of the Remuneration Committee and Senior Independent Director.

Date of appointment: 7 July 2004

Richard has substantial investment experience, having held senior positions at two major investment companies. He chairs the Aztec Group Ltd, which is one of the largest Channel Islands private equity fund administrators. He is currently Chairman of Strategic Equity Capital plc and a director of JP Morgan Income & Capital Trust plc.

Aidan Lisser

Position: Director

Date of appointment: 5 January 2015

Aidan has had many years' experience at a senior level, across international consumer and financial services organisations. He is chief marketing officer at Investec Wealth & Investment and was previously employed by Allianz Global Investors AG, Standard Chartered Bank plc and Unilever plc.

Lance Moir FCT

Position: Director and Chairman of the Audit Committee

Date of appointment: 30 January 2007

Lance has held a number of senior financial positions during his career, which has included CFO of WIN plc and executive director of IMImobile, group finance director and director of planning and business development for First Choice Holidays plc, director of corporate finance for Bass plc and also a similar position for Storehouse plc. He is a fellow of the Association of Corporate Treasurers, where he was a member of council. He is a Visiting Professor at Cranfield School of Management. He is also a director of the Company's subsidiary, Engandscot Limited. Lance will become the Senior Independent Director on 3 June 2015.

All Directors are independent of Henderson and are members of the Nomination, Remuneration and Management Engagement Committees.

All Directors other than Richard Stone are members of the Audit Committee.

Strategic Report: Key Information (continued)

Service providers

Alternative Investment Fund Manager
Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Depositary and custodian
HSBC Bank plc
8 Canada Square
London E14 5HQ

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

Stockbrokers
Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Corporate Secretary
Henderson Secretarial Services Limited
201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0871 384 2455
(or +44 121 415 7047 if calling from overseas)
Calls to this number cost 8p per minute plus network extras.
Lines are open 8.30am to 5.30pm, Monday to Friday.

There is a range of shareholder information online.

You can check your holding and find practical help on transferring shares or updating your details at **www.shareview.co.uk**.

Financial calendar

Annual results announced	April 2015
Fourth interim dividend payable[1]	1 April 2015
Annual general meeting[2]	3 June 2015
First interim dividend payable	1 July 2015
Half year results announced	September 2015
Cumulative preference stock dividend payable	30 September 2015
Second interim dividend payable	1 October 2015
Third interim dividend payable	4 January 2016
Cumulative preference stock dividend payable	31 March 2016

Information sources
For more information about the Company, visit the website at **www.hendersonglobaltrust.com**.

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

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Investing
Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holdings shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone 08457 22 55 25, email **Henderson@halifax.co.uk** or visit their website **www.halifax.co.uk/sharedealing**.

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

Nominee share code
Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman. Investors via Halifax Share Dealing receive all shareholder communications and a voting instruction form is provided to facilitate voting at general meetings of the Company.

1 This dividend will be paid to shareholders on the register on 6 March 2015
2 At the Company’s registered office at 2.30pm

Strategic Report: Corporate Information

Status

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

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

Principal risks and uncertainties

The Board policy on risk management has not materially changed from last year. The main areas of risk, in the opinion of the Board, are summarised below:

Market risk

Since the Company is an investment trust its performance is dependent on the performance of the companies and stock markets in which it invests and will also be affected by the strength of currencies in the regions in which it invests, relative to sterling. Although Henderson seeks to maintain a diversified portfolio, country and sector weightings may diverge significantly as the portfolio is not modelled on any particular investment index. The Company does not currently carry out currency hedging.

At their regular meetings, the Directors and the Fund Manager review the Company's activities and performance and determine investment strategy. Investment risk is spread by holding a diversified portfolio in line with the Company's investment objective and policy.

Performance risk

An inappropriate investment strategy (for example poor stock selection or asset allocation) may result in underperformance against the Company's peers or its benchmark. The Board monitors performance at each Board meeting.

Gearing

The Company has the ability under existing covenants to gear up to 25% of the Group's net assets, but in normal circumstances gearing would not be expected to exceed 15% and the overdraft facility currently available from HSBC Bank plc is limited to the lesser of £20 million and 25% of custody assets. In the event of a significant or prolonged fall in equity markets gearing would exacerbate the effect of the falling market on the Company's NAV per share and, consequently, its share price.

Other financial risks

The Company minimises its risk associated with a counterparty failing to deliver securities or cash by dealing through organisations that have undergone rigorous due diligence by Henderson. Liquid funds are held almost entirely in UK interest bearing bank accounts or on short-term deposit. This, together with the portfolio mainly comprising investments in large and medium sized companies quoted on major equity markets, mitigates the exposure to liquidity risk.

Internal control

The Board, in conjunction with the Audit Committee, regularly reviews the system of internal controls. These include controls to ensure that the Company's assets are safeguarded.

Operational risk

Disruption to, or failure of, Henderson'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 Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service. The Board monitors the services provided by Henderson and its other suppliers and receives reports on the key elements in place to provide effective internal control.

Discount control

The Board utilises the Company's buy-back powers to enhance NAV per share and seek to limit the risk to shareholders and potential investors of a volatile discount. The Board keeps the absolute level of the discount in comparison to its peer group of investment trusts under regular review, with the aim of restricting the discount from rising much above 8% in normal market circumstances.

Borrowing

The Company has a secured multicurrency overdraft arrangement with HSBC Bank plc that allows it to borrow up to the lesser of £20 million and 25% of custody assets as and when required. We made minimal use of the facility in the year under review. The Company has a small amount of long-term debt via 3.75% cumulative preference stock (see page 46 for more details), although cash balances are held to neutralise the gearing effect.

Future developments

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

Strategic Report: Corporate Information (continued)

Key performance indicators ("KPIs")

At each Board meeting the Directors consider a number of performance measures to assess the Company's success in meeting its objectives. The Directors consider that the key indicator of the Company's performance is the NAV per ordinary share total return, with debt at fair value, compared with the total return of the Company's benchmark index over both the short and long term. Performance in relation to the Company's peer group, the AIC Global sector, is also measured. Other factors that are considered by the Board include share price performance and, in particular, the level of discount or premium at which the ordinary shares trade relative to the NAV. The costs of running the Company, as calculated using the AIC ongoing charge methodology, is also regularly reviewed. The charts and tables on pages 2, 3 and 9 show how the Company has performed against these KPIs. The Chairman's Statement on page 5 and the Fund Manager's Report on pages 7 and 8 provide further information, including the Board's policy on discount management.

Corporate responsibility

Responsible investment

Henderson is responsible for reporting on its work on corporate governance and corporate responsibility (or social, environmental and ethical ("SEE") issues) in the companies in which it invests on its clients' behalf, across all funds as part of its management duties. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ("ESG") issues into mainstream investment decision-making and ownership practices.

The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is considered by Henderson's risk team but investments are not ruled out on social and environmental grounds only.

Voting policy and the UK stewardship code

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

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

The Henderson responsible investment policy and further details of Henderson's responsible investment activities can be found on the Henderson website, **www.henderson.com**.

Employees, social, community, human rights and environmental matters

The Company's core activities are undertaken by Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these, or social, community or human rights issues here; Henderson's policies are included in its annual report which can be found on the website **www.henderson.com**.

Henderson's corporate responsibility statement is included on the website detailed above. In 2012 it was granted CarbonNeutral Company status which it has committed to maintain at least until the end of 2015.

The Company's Annual Report is printed on paper produced using 50% recycled post-consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council; the printing company used is certified as CarbonNeutral®. Papers for the Company's Board meetings are now mainly circulated electronically rather than in paper form.

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

Board diversity

Currently, four of the Company's Directors are male and one is female. The Directors consider diversity when making appointments to the Board, taking into account relevant skills, experience, knowledge and gender. The Company has no employees and, therefore, there is nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

Lance Moir
Director
15 April 2015

Strategic Report: Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

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

Association of Investment Companies ("AIC")

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

Benchmark

An index against which performance is compared. For the Company this is the MSCI All Country World Index (in sterling terms, total return).

Custodian

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

Depositary

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

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

Dividend dates

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

Gearing

The gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) the Company has used to invest in the market and also takes into account the exposure to hedging and derivatives which have a gearing effect. This figure indicates the extra amount by which shareholders' funds would move if the Company's investments were to rise or fall. This is calculated by taking the difference between quoted and unquoted investments and equity shareholders' funds divided by equity shareholders' funds and multiplied by 100.

Investment trusts

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

Liquidity

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

Market capitalisation (market cap)

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

Strategic Report: Glossary (continued)

Net asset value ("NAV") per ordinary share

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

Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. The ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs, excluding any performance fees in accordance with the AIC methodology.

Premium/discount

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

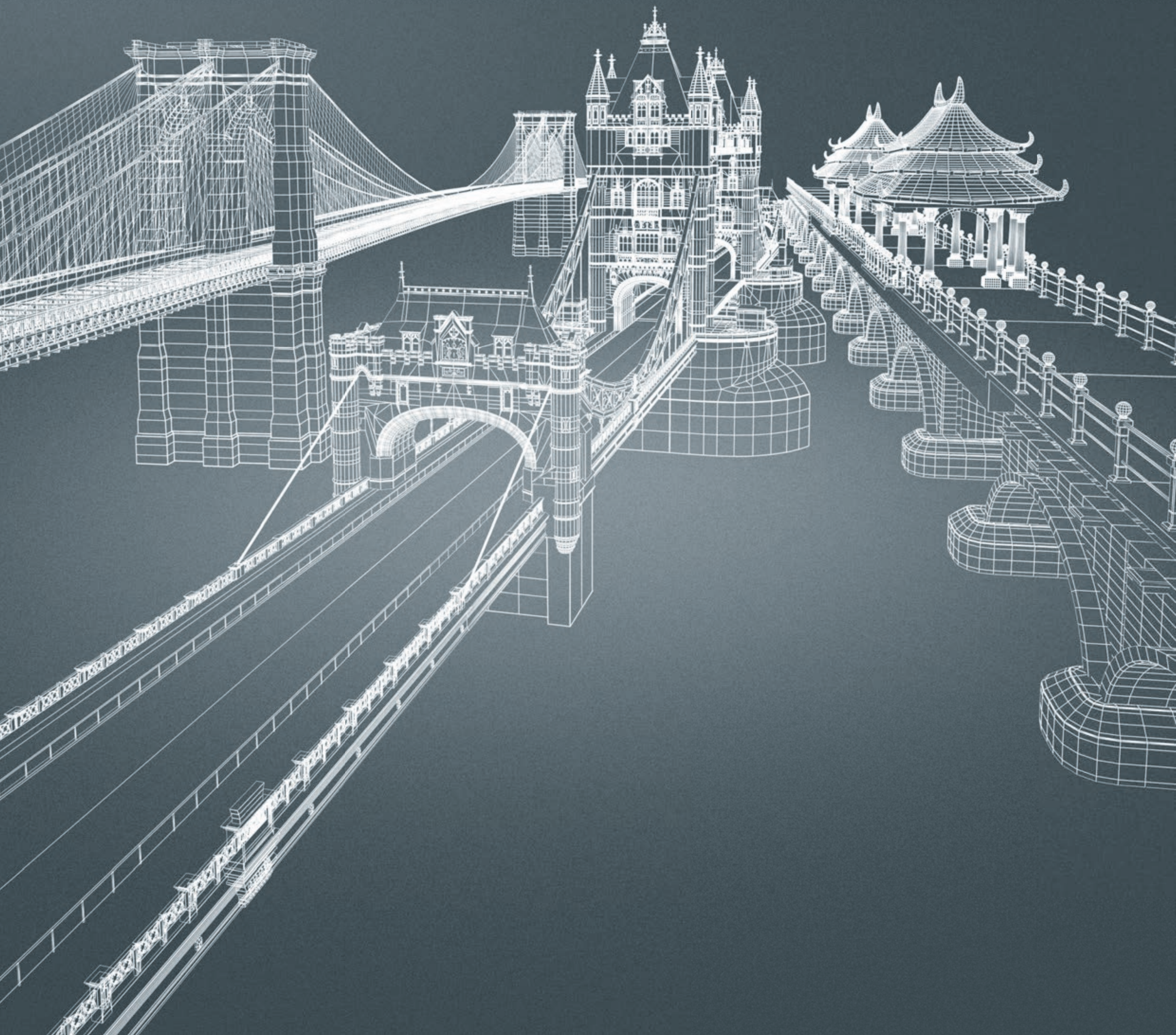
Total return performance

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

Yield

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

Corporate Report



Report of the Directors

The Directors present the audited financial statements of the Group and their report for the year from 1 February 2014 to 31 January 2015. The Group comprises Henderson Global Trust plc (the "Company") and its wholly owned subsidiary undertaking, Engandscot Limited (the "subsidiary"). The Company (registered in England & Wales on 8 February 1929 with company registration number 237017) was active throughout the year under review and was not dormant.

Directors' remuneration and shareholdings

The Directors' Remuneration Report on pages 20 and 21 provides information on the remuneration and share interests of the Directors.

Directors' conflicts of interest

The Company's articles of association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The Board has a formal system in place for Directors to declare situational conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted Directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the systems it has in place for reporting and considering situational conflicts continues to operate effectively.

Related party transactions

The Company's current related parties are its Directors, the subsidiary and Henderson. There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end. Directors' shareholdings are disclosed on page 20. There have been no material transactions with the subsidiary.

In relation to the provision of services by Henderson, other than fees payable by the Company in the ordinary course of business and the provision of marketing services there have been no material transactions with Henderson affecting the financial position of the Company during the year under review. More details on transactions with Henderson, including amounts outstanding at the year end, are given in note 25 on page 48.

Share capital

As at 31 January 2015 the Company's paid up share capital consisted of 41,557,163 ordinary shares of 25p each (38,505,670 shares in issue with full voting rights and 3,051,493 ordinary shares held in treasury) and 1,000,000 units of 3.75% cumulative preference stock of £1. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

The holders of the Company's ordinary shares are entitled to one vote for every eight shares and the holders of the 3.75% cumulative preference stock are entitled to one vote for every £10 of nominal capital held. Therefore, as at 31 January 2015 the voting rights were 4,813,208 votes for holders of the ordinary shares and 100,000 for the holders of the cumulative preference stock, giving total voting rights of 4,913,208. As at 13 April 2015 the total voting rights were 4,865,869.

The cumulative preference stock has no fixed redemption date and is redeemable at par. Fixed cumulative dividends are payable out of distributable reserves half yearly on 31 March and 30 September and are payable in priority to ordinary shareholders. The stockholders have a right to attend and vote at general meetings of the Company. In the event of a winding-up, the ordinary shareholders are entitled to all surplus assets of the Company after payments, including any arrears of dividend, due to holders of the cumulative preference stock. As such, the Company's cumulative preference stock is treated as a debt.

Subject to annual shareholder approval, the Company may purchase its own ordinary shares at a discount to net asset value ("NAV") per share. At the annual general meeting ("AGM") in May 2014 shareholders gave the Board authority to buy back 5,873,090 ordinary shares during the following 15 months to be either cancelled or held in treasury. During the year ended 31 January 2015 the Company repurchased 1,154,711 shares (equal to 2.9% of the ordinary shares in issue as at 31 January 2014), all of which have been put into treasury. Since the year end to 13 April 2015, 378,715 further ordinary shares have been repurchased by the Company.

The Company also seeks authority annually to allot shares and sell shares from treasury. The Board considers it desirable, in order to encourage liquidity in the ordinary shares, that the Company has the flexibility to sell treasury shares in the market at a discount to the latest published NAV per ordinary share. This power can only be used where the discount at which any shares are sold is narrower than the weighted average discount at which they were acquired and is not more than 3% and the price at which any shares are sold is not at a discount to the prevailing market price. The Board believes that the potential dilution effect on existing shareholders' interests would be minimal given the Company's discount control policy, since this means that any discount applied to reissue shares would be very narrow and the terms of the resolution put to shareholders limits the resulting dilution of the Company's NAV to 1%. No shares have been allotted or sold from treasury in the year under review.

Report of the Directors (continued)

Holdings in the Company's shares

Declarations of interests in the voting rights of the Company as at 31 January 2015 in accordance with the disclosure and transparency rules were as follows:

	Number of voting rights held	% of voting rights
Brewin Dolphin Limited	470,424	9.5

No changes have been notified in the period 1 February 2015 to 13 April 2015.

In accordance with section 793 of the Companies Act 2006, the Company is aware of the following substantial holdings in the Company's ordinary shares as at 31 January 2015:

	Number of ordinary shares held	% of ordinary shares in issue
Brewin Dolphin Limited[1]	5,235,451	13.5
Spiers & Jeffrey	4,971,819	12.8
Halifax Share Dealing	2,001,397	5.1
M&G Investment Management	1,387,807	3.6
Charles Stanley	1,338,958	3.4
Alliance Trust Savings	1,278,547	3.3

1 1,525,257 (3.9%) is held on behalf of non-discretionary clients of Brewin Dolphin

As detailed above, 5.1% of the issued ordinary shares are held on behalf of participants in Halifax Share Dealing products run by Halifax Share Dealing Limited ("HSDL"). In accordance with the arrangements made between HSDL and Henderson, the participants in this scheme are given the opportunity to instruct HSDL's nominee company to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company.

Going concern

The assets of the Company consist mainly of a portfolio of diversified securities that are readily realisable, and the Company has adequate financial resources to meet its liabilities and 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 "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" published by the Financial Reporting Council.

Annual general meeting

The AGM will be held on Wednesday 3 June 2015 at 2.30 pm at the Company's registered office. The notice and details of the resolutions to be put at the AGM are contained in the separate letter being sent to shareholders with this report.

Corporate governance

The Corporate Governance Statement set out on pages 22 to 26 forms part of the Report of the Directors.

Directors' statement as to disclosure of information to the auditor

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

Global greenhouse gas emissions

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

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
15 April 2015

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 Group and the Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Parent Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company's performance, business model and strategy.

Statement under DTR 4.1.12

Each of the Directors, who are listed on page 10, confirms that, to the best of his or her knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union on a going concern basis, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Lance Moir
Director
15 April 2015

The financial statements are published on **www.hendersonglobaltrust.com** which is a website maintained by Henderson.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 (the "Regulations"). The report also meets the relevant requirements of the Companies Act 2006 (the "Act") and the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration. As required by section 439 of the Act, an ordinary resolution to approve the report will be proposed at the annual general meeting ("AGM") on 3 June 2015. The Company's remuneration policy was approved by shareholders at the AGM in 2014 in accordance with section 439A of the Act. No changes to the policy are currently proposed.

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

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

All Directors are members of the Remuneration Committee. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors review annually the fees paid to the boards of directors of other comparable investment trust companies).

Remuneration policy

Directors are remunerated in the form of fees, payable quarterly in arrears. In accordance with the Company's articles of association the aggregate remuneration of the Directors may not exceed £150,000 per annum. Subject to this overall limit, the Board's policy is that remuneration should reflect the time spent on the Company's affairs and the responsibilities borne by the Directors. They should be comparable to that of other investment trusts of a similar size and with a similar capital structure and investment objective and should be of a sufficient level to promote the long term success of the Company. All Directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board and the Chairman of the Audit Committee who are paid a higher fee in recognition of their additional responsibilities. The level of remuneration paid to each Director is reviewed annually, although such review will not necessarily result in any change to the rate; any feedback from shareholders would be taken into account when setting remuneration levels. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

No Director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

No Director has a service contract with the Company. Directors' appointments may be terminated at any time by written notice with no compensation payable.

This policy has been in place since 1 February 2013 and will remain in place until the annual general meeting in 2017 unless it is amended by way of ordinary resolution put to shareholders at a general meeting. The Board may amend the level of remuneration paid to individual Directors within the parameters of the remuneration policy.

Annual statement

As Chairman of the Remuneration Committee, Richard Hills reports that there have been no decisions on remuneration levels or changes to the remuneration paid to each individual Director in the year under review.

Annual report on remuneration

Directors' interests in shares (audited)

	Ordinary shares of 25p	
	31 January 2015	1 February 2014
Richard Stone[1]	32,000	30,000
Miriam Greenwood[2]	n/a	3,097
Victoria Hastings	3,000	3,000
Richard Hills	25,000	15,000
Aidan Lisser[3]	–	n/a
Lance Moir	11,083	11,083

1 2,000 shares are held by Richard Stone's spouse
2 Retired from the Board on 13 May 2014
3 Appointed to the Board on 5 January 2015

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown in the preceding table. On 24 February 2015 Aidan Lisser purchased 2,450 ordinary shares. There have been no other changes to any of the Directors' holdings in the period 1 February to 13 April 2015.

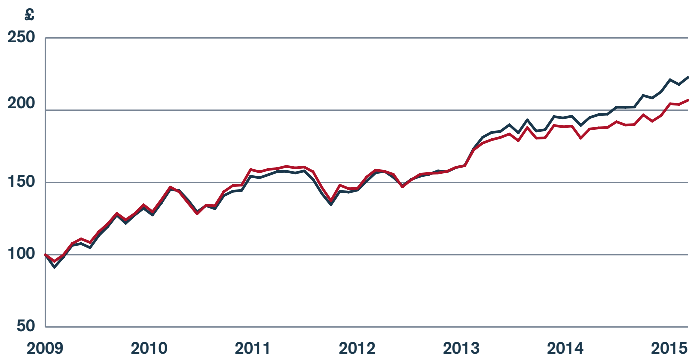
Directors' Remuneration Report (continued)

Performance

The graph compares the mid-market price of the Company's ordinary shares over the six year period ended 31 January 2015 with the return from the MSCI All Country World Index on a total return basis in sterling terms ("Index") over the same period.

Company's share price total return, assuming the investment of £100 on 31 January 2009 and the reinvestment of all dividends (excluding dealing expenses) (Source: Morningstar Funddata)

Index total return, assuming the notional investment of £100 on 31 January 2009 and the reinvestment of all income (excluding dealing expenses) (Source: Thomson Reuters Datastream)



Directors' fees and expenses (audited)

The fees and expenses paid to the Directors who served during the years ended 31 January 2015 and 31 January 2014 were as follows:

	2015 Total salary and fees £	2014 Total salary and fees £	2015 Taxable benefits £	2014 Taxable benefits £	2015 Total £	2014 Total £
Richard Stone[1]	35,000	35,000	–	–	35,000	35,000
Miriam Greenwood[2]	6,408	22,500	–	–	6,408	22,500
Victoria Hastings	22,500	22,500	–	–	22,500	22,500
Richard Hills[3]	22,500	22,500	–	240	22,500	22,740
Aidan Lisser[4]	1,573	n/a	–	n/a	1,573	n/a
Lance Moir[5]	26,000	26,000	–	207	26,000	26,207
Total	**113,981**	**128,500**	**–**	**447**	**113,981**	**128,947**

Notes:
The table above omits other columns set out in the relevant regulations because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made
1 Chairman and highest paid Director
2 Retired on 13 May 2014
3 Fees in 2014 were paid to Miton Optimal Portfolio Management (cl) Limited, of which he was an employee. In 2015 fees were paid to IFSD Limited
4 Appointed on 5 January 2015
5 Chairman of the Audit Committee

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

Since 1 October 2012 the fees paid to the Directors are: Chairman £35,000, Audit Committee Chairman £26,000 and Director £22,500.

Relative importance of spend on pay

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

	2015 £	2014 £	Change £
Total remuneration	113,981	128,947	-14,966
Ordinary dividends paid during the year	3,923,000	3,968,000	-45,000
Buy-backs of ordinary shares	4,333,000	179,000	+4,154,000

Statement of voting at AGM

At the 2014 AGM 1,249,389 votes (96.7%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 31,610 (2.4%) were against, 10,937 (0.9%) were discretionary and 185,737 were withheld; the percentage of votes excludes votes withheld. In relation to the approval of the remuneration policy, 1,246,119 votes (96.8%) were received voting for the resolution, 27,572 (2.1%) were against, 13,456 (1.1%) were discretionary and 190,526 were withheld.

For and on behalf of the Board

Lance Moir
Director
15 April 2015

Corporate Governance Statement

Applicable corporate governance codes

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

The Board has noted that the FRC and the AIC have issued revised Codes which the Company will be required to report against next year.

Copies of the AIC Code, the AIC Guide and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**.

Statement of compliance

The Directors believe that the Company has complied with the recommendations of the AIC Code that are applicable to smaller companies (those below the FTSE 350) during the year under review and up to the date of this report and thereby the provisions of the UK Code except as set out below.

The UK Code includes provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company. In particular, all of the Company's day to day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

Directors

Directors' appointment and retirement

The Board may appoint Directors to the Board without shareholder approval. Any Director so appointed must stand for election by the shareholders at the next annual general meeting ("AGM") in accordance with the articles of association. In accordance with this provision, Aidan Lisser will stand for election at the 2015 AGM.

The AIC Code states that any director who has served for more than nine years is subject to annual re-election. Richard Hills (who was appointed in 2004) is therefore required to seek re-election to the Board at the 2015 AGM. Richard Stone is also required to stand but will not offer himself for re-election.

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

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

Under the articles of association shareholders may remove a Director before the end of his term by passing an ordinary resolution at a general meeting. An ordinary resolution is passed if more than 50% of the votes cast, in person or by proxy, are in favour of the resolution.

Directors' independence

All Directors have a wide range of other interests and are not dependent on the Company itself. At the Nomination Committee meeting in November 2014, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of Henderson. Richard Stone and Richard Hills have served on the Board for more than nine years; in line with the AIC Code, the Board believes that length of service does not diminish the contribution from a Director as experience and knowledge of the Company is a positive factor and should not impact a Director's independence. It believes that longer serving Directors are less likely to take a short-term view, which belief is supported by the AIC Code. The Board has determined that all Directors are independent in character and judgement and that their individual skills, broad business experience and high degree of knowledge and understanding of the Company are of great benefit to shareholders.

Richard Hills is the Company's Senior Independent Director ("SID"). When Richard Stone retires he will become Chairman of the Board and Lance Moir will take on the role of SID with effect from 3 June 2015.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company and there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors' professional development

When a new Director is appointed he or she is offered an induction seminar which is held by Henderson at the request of the Chairman. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors'

Corporate Governance Statement (continued)

responsibilities are advised to the Board as they arise. Directors are also able to attend external training facilities and industry seminars at the expense of the Company and each Director's individual training requirements are considered as part of the annual performance evaluation.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover is in place which indemnifies the Directors against certain liabilities arising from the carrying out of their duties. Under the Company's articles of association and, subject to the provisions of UK legislation, a qualifying third party provision indemnity may be provided to Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

The Board

Board composition

The Board currently consists of five non-executive Directors and the biographies of those holding office at the date of this report are included on page 10. Those details demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors. All Directors served throughout the year, with the exception of Aidan Lisser who was appointed on 5 January 2015.

Responsibilities of the Board and its Committees

The Board, which is chaired by Richard Stone who is an independent non-executive Director, meets formally at least six times a year, with additional Board or committee meetings arranged when required. The Directors have regular contact with the Fund Manager and representatives of the Corporate Secretary between formal meetings. The Board has a formal schedule of matters specifically reserved for its decision, which include strategy, management and structure, financial reporting and other communications, Board membership and other appointments, internal control and corporate governance. Richard Hills will become Chairman of the Board when Richard Stone steps down on 3 June 2015.

The Board is responsible for the approval of annual and half year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects. The Directors confirm that they are satisfied that the Annual Report for the year ended 31 January 2015, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's net asset value ("NAV"), share price, discount, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which Henderson has discretion to act and regularly reviews investment strategy. It has adopted a procedure for Directors to take independent professional advice in the furtherance of their duties at the expense of the Company.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

Committees of the Board

The Board has four Committees: the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee. The terms of reference for these Committees are available on the website **www.hendersonglobaltrust.com** or via the Corporate Secretary.

Audit Committee

The Audit Committee comprises all of the Directors apart from the Chairman of the Board and is chaired by Lance Moir, who has held a number of senior financial positions during his career as detailed on page 10. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Committee's members has recent and relevant financial experience. All members of the Audit Committee are independent. The Report of the Audit Committee, which forms part of this Corporate Governance Statement, can be found on pages 27 and 28.

Nomination Committee

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

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

Given the small size of the Board, it is not considered appropriate for the Company to have set targets in relation to diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment. The Nomination Committee will make recommendations to the Board when the recruitment of additional non-executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up. The Company uses external agencies as and when the requirement to recruit an additional Board member becomes necessary and did so in relation to the appointment of Aidan Lisser when Trust Associates, which have not provided any other services to the Company, were appointed.

Corporate Governance Statement (continued)

The Committee also reviews and recommends to the Board the Directors seeking re-election. Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence. The Committee also takes into account the mix of skills and experience of the current Board members. In accordance with the UK Code any Director serving for longer than six years would be subject to particularly rigorous assessment of his or her contribution.

The Committee met in November 2014 to carry out its annual review of the Board, its composition and size and its Committees. The results of the performance evaluation are detailed below.

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

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

The Committee met in November 2014 to carry out its annual review of Henderson, the results of which are detailed on page 25.

Remuneration Committee
All Directors are members of the Remuneration Committee, which is chaired by Richard Hills. The Committee is responsible for monitoring the remuneration of the Directors. Directors' fee levels are set in line with the remuneration policy, as set out in the Directors' Remuneration Report on pages 20 and 21, which is subject to periodic shareholder approval. Victoria Hastings will become Chairman of the Committee when Richard Hills becomes Chairman of the Board on 3 June 2015.

Board attendance

The table below sets out the number of Board and Committee meetings held during the year under review and the number of meetings attended by each Director. All Directors apart from Aidan Lisser attended the AGM in May 2014.

	Board	AC	MEC	NC	RC
Number of meetings	**6**	**5**	**2**	**2**	**2**
Richard Stone[1]	5	5	2	2	2
Miriam Greenwood[2]	2	2	1	1	1
Victoria Hastings	6	5	2	2	2
Richard Hills	6	5	2	2	2
Lance Moir	6	5	2	2	2
Aidan Lisser[3]	1	–	–	–	–

AC: Audit Committee
MEC: Management Engagement Committee
NC: Nomination Committee
RC: Remuneration Committee

1 Richard Stone is not a member of the Audit Committee but attends meetings by invitation
2 Retired from the Board on 13 May 2014
3 Appointed to the Board on 5 January 2015

The Directors and committees of the Board also met during the year to undertake business such as the approval of the Company's results, dividends and documentation arising from the introduction of the Alternative Investment Fund Managers Directive.

Performance evaluation

The performance of the Company is considered in detail at each Board meeting. In the year under review the Board has conducted a review of its own performance, together with that of its Committees, the Chairman and each individual Director. This was conducted by regular and ongoing assessment and discussion between the Chairman and each individual Director and the Senior Independent Director speaking to each Director about the performance of the Chairman. The results were discussed by the Nomination Committee and it was concluded that each were satisfactory and the Board has a good balance of skills and experience. In particular, it is considered that each of the Directors makes a significant contribution to the affairs of the Company, the Chairman continues to display effective leadership and that Directors seeking re-election at the Company's AGM merit re-election by shareholders. The use of external parties to undertake the performance evaluation has been used on occasion historically and may be considered from time to time in the future.

Internal controls

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Group. The process accords with advice issued by the FRC and is subject to regular review by the Board. The Board has overall responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Group's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the Group's system of internal controls for the year ended 31 January 2015. During the course of its review the Board has not identified or been advised of any failings or weaknesses that have been determined as significant. All business risks faced by the Group are recorded in a detailed risk map which is reviewed periodically and a high level map which is reviewed at each Board meeting.

Henderson has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by Henderson's compliance, internal audit and risk departments on a continuing basis. The Board receives a formal report on a quarterly basis which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of Henderson, and which reports the details of any known internal control failures. The Board receives a report on Henderson's internal controls each year which includes a report from Henderson's auditor on the control policies and procedures in operation.

Twice a year the Audit Committee, on behalf of the Board, formally considers the effectiveness of the system of internal control.
The Directors take account of any risk management problems or compliance breaches identified previously. At the conclusion of that formal review, the Directors decide whether any changes to the

Corporate Governance Statement (continued)

systems of internal control are required. The review covers the key business, operational, compliance and financial risks facing the Company in seeking to achieve its objectives. In arriving at its judgement of what constitutes a sound system of internal control, the Directors considered the following factors:

- the nature and extent of risks which they regard as acceptable for the Group to bear within its overall business objective;
- the threat of such risks becoming a reality;
- the Group's ability to reduce the incidence and impact on its performance; and
- the costs and benefits to the Group, or third parties, of operating the relevant controls.

Against this background, the Board has split the review of risk and associated controls into five sections reflecting the nature of the risks being addressed as follows:

- corporate strategy;
- published information and compliance with laws and regulations;
- relationships with service providers;
- investment and business activities; and
- fraud and misappropriation.

In assessing internal controls, the Directors considered the following elements based on reports provided by third party suppliers:

- control environment;
- identification and evaluation of risks and control objectives;
- information and communication; and
- control procedures.

The Directors have reviewed the information provided to them. Whilst acknowledging their reliance in some respects on third parties, the Directors have reviewed the effectiveness of internal controls and are able to confirm that the internal controls in operation from 1 February 2014 to the date of this report are appropriate to the Group's business activities and methods of operation.

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

Accountability and relationship with Henderson

The Statement of Directors' Responsibilities in respect of the financial statements is set out on page 19, the Independent Auditor's Report on pages 29 and 30 and the statement of going concern on page 18.

The Board has delegated contractually to external third parties, including Henderson, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets which is delegated through the appointment of the depositary as explained on page 14), the day-to-day accounting, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

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

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

Henderson and BNP Paribas Securities Services, which acts for Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters.

Continued appointment of Henderson

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with Henderson are contained on page 4.

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

The Board is pleased with how the Company has performed over the first year of the current Fund Manager's tenure and it is the Directors' opinion that the continuing appointment of Henderson on the existing terms is in the interests of the Company and its shareholders as a whole.

Corporate Governance Statement (continued)

Share capital

Please see the Report of the Directors on page 17.

Relations with shareholders

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with its shareholders is through the half year results and Annual Report which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service and a monthly fact sheet which is available on the website. Henderson also provides information on the Company and Fund Manager videos on the website, via various social media channels and through its HGi content platform, more details of which are included on page 11.

The Board considers that shareholders should be encouraged to attend and participate in the AGM, which for the first time this year will also be available to watch live as it happens by visiting **www.henderson.com/trustslive**. Shareholders have the opportunity to address questions to the Chairman of the Board, the Chairman of the Audit Committee and all other Directors at the meeting and the Fund Manager will make a presentation to shareholders. A summary of the proxy votes received on the resolutions proposed is displayed at the meeting and each substantial issue is dealt with in a separate resolution. It is the intention of the Board that the Annual Report and notice of AGM be issued to shareholders so as to provide at least 20 working days' notice of the meeting. These documents are also included on the website. Shareholders wishing to lodge questions in advance of the meeting, or raise issues or concerns at any time, are invited to do so by writing to the Chairman at the registered office address given on page 11 of this report.

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

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
15 April 2015

Report of the Audit Committee

Meetings

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

Role and responsibilities

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

- consideration of the appropriateness of the Company's accounting policies;
- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy in order to make recommendations to the Board. In assessing whether the report is fair, balanced and understandable, each Director reviewed the disclosures made, applying their respective knowledge and expertise. The internal controls over financial reporting were also considered, together with feedback from the Company's auditors, the management company and the Corporate Secretary;
- consideration of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Henderson;
- consideration of the valuation of the Company's unquoted investments for recommendation to the Board;
- consideration of the appropriate level of dividend to be paid by the Company for recommendation to the Board;
- consideration of the internal controls in place at Henderson and BNP Paribas Securities Services as administrator and Henderson's policies in relation to cyber risk and business continuity, meeting with representatives of Henderson's internal audit and risk departments periodically;
- consideration of the key risks, risk management systems in place and the Company's risk maps;
- consideration of the Company's anti-bribery policy;
- consideration of the nature and scope of the external audit and the findings therefrom;
- consideration of whether there is a need for an internal audit function in order to make a recommendation to the Board, as described on page 25;
- consideration of the appointment of the auditor, and its performance and remuneration (see page 28);
- consideration of the auditor's independence and objectivity, the provision of any non-audit services (as explained further on page 28) and the reporting of the external auditor; and
- consideration of the whistle blowing policy that Henderson has put in place for its staff to raise concerns about possible improprieties, including in relation to the Company, in confidence. The policy includes the necessary arrangements for independent investigation and follow up action.

Audit for the year ended 31 January 2015

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

Significant issue	How the issue was addressed
Valuation and ownership of the Group's investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Investments that are unquoted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed by both Henderson's fair value pricing committee and by the Directors at least twice each year. Ownership of listed investments are verified by reconciliation to the custodian's records; for unquoted investments, verification is via reconciliation to the records of the investee entities.
Recognition of income	Income received is accounted for in line with the Company's accounting policy (as set out on page 36) and is reviewed by the Committee at each meeting.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times.
Maintaining internal controls	The Committee receives regular reports on internal controls from Henderson and its delegates and has access to the relevant personnel of Henderson who have a responsibility for risk management and internal audit.
Appointment of auditor	The Committee undertook an audit tender during the year and recommended a change to the Board, as detailed on page 28.

Report of the Audit Committee (continued)

Policy on non-audit services

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

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

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

Auditor's appointment

PricewaterhouseCoopers LLP ("PwC") was appointed as auditor to the Company until 26 November 2014. Ernst & Young LLP ("EY") was appointed in PwC's place following a tender process undertaken by the Audit Committee, which made a recommendation about EY's appointment to the Board. EY confirmed its independence as part of the tender process and has not been engaged to provide any non-audit services up to the date of this report. The Audit Committee is satisfied with the effectiveness of the audit provided and that EY is independent of the Company and recommend EY's appointment by shareholders. Accordingly, resolutions to confirm the appointment of EY as auditor to the Company and to authorise the Directors to determine its remuneration will be proposed at the annual general meeting.

In accordance with EU regulation on auditor rotation and FRC guidance on audit tendering, the Company will be required to put its audit contract out to tender at least every 10 years.

Fees paid or payable to the auditor are detailed in note 5 on page 41.

For and on behalf of the Board

Lance Moir
Audit Committee Chairman
15 April 2015

Independent Auditor's Report to the Members of Henderson Global Trust plc

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Company's affairs as at 31 January 2015 and of the Group's return for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Company's financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS regulation.

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 Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

What we have audited

We have audited the financial statements of Henderson Global Trust plc for the year ended 31 January 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 19 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Our assessment of risks of material misstatement

We identified the following risks of material misstatement that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The table also includes our responses to the risks:

Risk identified	Our response
The valuation of the assets held in the investment portfolio is the key driver of the Group's investment return. The portfolio is principally comprised of listed investments. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Group could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.	▪ We agreed 100% of the year end prices for listed investments to an independent source using our proprietary pricing tool operated by our team of pricing specialists. ▪ We agreed the number of shares held in each security to confirmations of legal title received from the Group's custodian and Depository.

Independent Auditor's Report to the Members of Henderson Global Trust plc (continued)

Risk identified	Our response
The investment income receivable by the Group during the year directly drives the Company's ability to make dividend payments to shareholders. If the Company is not entitled to receive the income recognised in the financial statements or the income recognised does not relate to the current financial year, this will impact the extent of the profits available to fund dividend distributions to shareholders.	▪ We agreed a sample of income receipts to supporting market data and bank statements and confirmed that income was recorded in accordance with the Group's accounting policy for revenue recognition on a basis consistent with International Financial Reporting Standards and AIC SORP.

Our application of materiality

We determined planning materiality for the Company to be £1.7 million which is 1% of total equity. This provided a basis for determining the nature, timing and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. We have derived our materiality calculation based on a proportion of total equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the Company.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 50% of planning materiality, namely £0.8 million. Our objective in adopting this approach was to ensure that total undetected and uncorrected audit differences in all accounts did not exceed our planning materiality level.

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate performance materiality of £183,000 for the revenue column of the Income Statement, being 5% of the return on ordinary activities before taxation.

We have reported to the Audit Committee all audit differences in excess of £83,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the qualitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

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

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Matthew Price (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
15 April 2015

Consolidated Statement of Comprehensive Income

Notes		Year ended 31 January 2015 Revenue return £'000	Year ended 31 January 2015 Capital return £'000	Year ended 31 January 2015 Total £'000	Year ended 31 January 2014 Revenue return £'000	Year ended 31 January 2014 Capital return £'000	Year ended 31 January 2014 Total £'000
2	Dividends and other income	4,461	82	4,543	4,736	–	4,736
3	Gains on investments held at fair value through profit or loss	–	18,783	18,783	–	3,843	3,843
	Net exchange (loss)/gain	–	(6)	(6)	–	239	239
13	Net dealing profit	–	–	–	126	–	126
	Total income	**4,461**	**18,859**	**23,320**	**4,862**	**4,082**	**8,944**
	Expenses						
4	Management fee	(321)	(642)	(963)	(314)	(627)	(941)
5	Other expenses	(401)	–	(401)	(508)	(53)	(561)
	Profit before finance costs and taxation	**3,739**	**18,217**	**21,956**	**4,040**	**3,402**	**7,442**
	Finance costs						
6	Interest payable and similar charges	(50)	(101)	(151)	(23)	(45)	(68)
7	Dividends on preference stock	(13)	(25)	(38)	(13)	(25)	(38)
	Total finance costs	(63)	(126)	(189)	(36)	(70)	(106)
	Profit before taxation	**3,676**	**18,091**	**21,767**	**4,004**	**3,332**	**7,336**
8	Taxation	(418)	–	(418)	(294)	–	(294)
	Net profit for the year and total comprehensive income	**3,258**	**18,091**	**21,349**	**3,710**	**3,332**	**7,042**
10	Return per ordinary share (basic and diluted)	8.32p	46.20p	54.52p	9.35p	8.40p	17.75p

The total column of this statement represents the Consolidated Statement of Comprehensive Income, prepared in accordance with IFRSs as adopted by the European Union.

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

The notes on pages 35 to 53 form part of these financial statements.

Consolidated and Parent Company Statements of Changes in Equity

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings: Capital reserves £'000	Retained earnings: Other revenue reserve[1] £'000	Total £'000
	Consolidated year ended 31 January 2015						
	Total equity at 1 February 2014	10,389	13,410	33,966	84,192	11,036	152,993
	Total comprehensive income:						
	Profit for the year	–	–	–	18,091	3,258	21,349
	Transactions with owners, recorded directly to equity:						
9	Equity dividends paid	–	–	–	–	(3,923)	(3,923)
18	Buy-backs of ordinary shares and held in treasury	–	–	–	(4,333)	–	(4,333)
	Total equity at 31 January 2015	**10,389**	**13,410**	**33,966**	**97,950**	**10,371**	**166,086**

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings: Capital reserves £'000	Retained earnings: Other revenue reserve[1] £'000	Total £'000
	Consolidated year ended 31 January 2014						
	Total equity at 1 February 2013	10,389	13,410	33,966	81,039	11,294	150,098
	Total comprehensive income:						
	Profit for the year	–	–	–	3,332	3,710	7,042
	Transactions with owners, recorded directly to equity:						
9	Equity dividends paid	–	–	–	–	(3,968)	(3,968)
18	Buy-backs of ordinary shares and held in treasury	–	–	–	(179)	–	(179)
	Total equity at 31 January 2014	**10,389**	**13,410**	**33,966**	**84,192**	**11,036**	**152,993**

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings: Capital reserves £'000	Retained earnings: Other revenue reserve[1] £'000	Total £'000
	Company year ended 31 January 2015						
	Total equity at 1 February 2014	10,389	13,410	33,966	85,209	10,019	152,993
	Total comprehensive income:						
	Profit for the year	–	–	–	18,091	3,258	21,349
	Transactions with owners, recorded directly to equity:						
9	Equity dividends paid	–	–	–	–	(3,923)	(3,923)
18	Buy-backs of ordinary shares and held in treasury	–	–	–	(4,333)	–	(4,333)
	Total equity at 31 January 2015	**10,389**	**13,410**	**33,966**	**98,967**	**9,354**	**166,086**

Notes		Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings: Capital reserves £'000	Retained earnings: Other revenue reserve[1] £'000	Total £'000
	Company year ended 31 January 2014						
	Total equity at 1 February 2013	10,389	13,410	33,966	81,930	10,403	150,098
	Total comprehensive income:						
	Profit for the year	–	–	–	3,458	3,584	7,042
	Transactions with owners, recorded directly to equity:						
9	Equity dividends paid	–	–	–	–	(3,968)	(3,968)
18	Buy-backs of ordinary shares and held in treasury	–	–	–	(179)	–	(179)
	Total equity at 31 January 2014	**10,389**	**13,410**	**33,966**	**85,209**	**10,019**	**152,993**

1 The revenue reserve represents the amount of reserves distributable by way of dividend

The notes on pages 35 to 53 form part of these financial statements.

Consolidated and Parent Company Balance Sheets

Notes		At 31 January 2015 Consolidated £'000	At 31 January 2014 Consolidated £'000	At 31 January 2015 Company £'000	At 31 January 2014 Company £'000
	Non-current assets				
11	Investments held at fair value through profit or loss	165,576	152,116	165,576	152,116
13	Investment in subsidiary	–	–	1,027	1,027
		165,576	**152,116**	**166,603**	**153,143**
	Current assets				
	Taxation recoverable	29	28	29	28
14	Other receivables	142	145	142	145
15	Cash and cash equivalents	2,086	2,188	1,361	1,463
		2,257	**2,361**	**1,532**	**1,636**
	Total assets	**167,833**	**154,477**	**168,135**	**154,779**
	Current liabilities				
16	Other payables	(747)	(484)	(1,049)	(786)
		(747)	**(484)**	**(1,049)**	**(786)**
17	**Non-current liabilities**				
	3.75% cumulative preference stock	(1,000)	(1,000)	(1,000)	(1,000)
	Net assets	**166,086**	**152,993**	**166,086**	**152,993**
	Equity attributable to equity shareholders				
18	Called-up share capital	10,389	10,389	10,389	10,389
19	Share premium account	13,410	13,410	13,410	13,410
20	Capital redemption reserve	33,966	33,966	33,966	33,966
21	Capital reserve	97,950	84,192	98,967	85,209
22	Revenue reserve	10,371	11,036	9,354	10,019
	Total equity	**166,086**	**152,993**	**166,086**	**152,993**
23	**Net asset value per ordinary share (basic and diluted)**	431.3p	385.8p	431.3p	385.8p

These financial statements were approved and authorised for issue by the Board of Directors on 15 April 2015 and signed on its behalf by:

Lance Moir
Director

The notes on pages 35 to 53 form part of these financial statements.

Consolidated and Parent Company Cash Flow Statements

Notes		Year ended 31 January Consolidated 2015 £'000	Consolidated 2014 £'000	Company 2015 £'000	Company 2014 £'000
	Operating activities				
	Profit before finance costs and taxation	21,956	7,442	21,956	7,442
	Increase in investments	(13,454)	(8,115)	(13,454)	(8,241)
	Decrease in receivables	3	70	3	70
	Increase/(decrease) in payables	263	(22)	263	(22)
	Taxation on investment income	(419)	(213)	(419)	(213)
	Net cash inflow/(outflow) from operating activities	**8,349**	**(838)**	**8,349**	**(964)**
	Financing activities				
	Buy-backs of ordinary shares and held in treasury	(4,333)	(179)	(4,333)	(179)
7	Cumulative preference stock dividends paid	(38)	(38)	(38)	(38)
	Equity dividends paid	(3,923)	(3,968)	(3,923)	(3,968)
	Overdraft arrangement fee and interest paid	(151)	(68)	(151)	(68)
	Net cash outflow from financing	**(8,445)**	**(4,253)**	**(8,445)**	**(4,253)**
	Decrease in cash and cash equivalents	(96)	(5,091)	(96)	(5,217)
	Cash and cash equivalents at the start of the year	2,188	7,040	1,463	6,441
	Effect of foreign exchange rate changes	(6)	239	(6)	239
15	**Cash and cash equivalents at the end of the year**	**2,086**	**2,188**	**1,361**	**1,463**

The notes on pages 35 to 53 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year, in the preparation of these financial statements, are set out below.

a) Basis of preparation

Henderson Global Trust plc (the "Company") is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (the "Act"). The consolidated financial statements of the Company for the year ended 31 January 2015 comprise the Company and its subsidiary, Engandscot Limited, together referred to as the "Group". The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 15.

The consolidated and Parent Company financial statements for the year ended 31 January 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and with those parts of the Act applicable to companies reporting under IFRSs and IFRIC guidance. These comprise standards and interpretations approved by the International Accounting Standards Board, together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Financial Reporting Standards Committee that remain in effect, to the extent that IFRSs have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, as modified by the revaluation of investments held at fair value through profit or loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the AIC SORP is consistent with the requirements of IFRSs, the Directors have sought to prepare the financial statements on a basis consistent with the recommendations of the AIC SORP.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The critical estimates and assumptions relate, in particular, to the valuation of unquoted investments, as summarised in d) on page 36.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Provisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting standards

i) New and amended standards adopted by the Company:

- IAS 12 (amendment), Income Taxes. No impact on the financial statements.
- IFRS 10 – Consolidated Financial Statements Investment Entities amendments (effective 1 January 2014) establish a single control model that applies to all entities including special purpose entities. The changes introduced by the Investment Entities amendments require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent. The Directors, having assessed the criteria, believe the Parent Company meets the criteria to be an investment entity under IFRS 10 and that this accounting treatment reflects the Company's activities as an investment trust. Therefore any investments in subsidiaries may be carried at fair value through profit and loss in accordance with IAS 39. However, the principal activity of the subsidiary, Engandscot Limited (which is controlled by the Company), is investment dealing activities and therefore this entity is considered to provide investment related services to the Company and is required to be consolidated under the Investment Entities amendment.

ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Company:

- IFRS 7 (amendment), Financial Instruments – Disclosures (effective for periods beginning on or after 1 January 2015, or otherwise when IFRS 9 is first applied) – amendments requiring disclosures about the initial application of IFRS 9.
- IFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018) – replaces IAS 39 – simplifies accounting for financial assets, replacing the current multiple measurement categories with a single principle-based approach to classification. All financial assets to be measured at either amortised cost or fair value. The Group will apply IFRS 9 from 1 February 2015, subject to endorsement by the EU.

iii) New standards, amendments and interpretations issued but not effective for the current financial year and not relevant to the Company's operations:

- IAS 1 – Disclosure Initiative

The following amendments to Standards are all effective for annual periods beginning on or after 1 January 2016:

- IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

a) Basis of preparation (continued)

In addition, under the Annual Improvements to IFRSs 2010 – 2012 and 2011 – 2013 Cycles, a number of Standards are included for annual periods beginning on or after 1 July 2014.

Under the Annual Improvements to IFRSs 2012 - 2014 Cycle, a number of Standards are included for annual periods beginning on or after 1 January 2016.

b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and of its sole wholly owned subsidiary undertaking, Engandscot Limited, drawn up to the balance sheet date. The inter-group balances and transactions are eliminated on consolidation. The investment in the subsidiary is recognised at fair value in the financial statements of the Company. The accounting policies of the subsidiary are changed where necessary to ensure consistency with the policies adopted by the Group. The Statement of Comprehensive Income is only presented in consolidated form as provided by section 408 of the Act.

An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated.

c) Going concern

The assets of the Group consist of securities that are readily realisable and, accordingly, the Directors believe that it has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

d) Investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments is based on their quoted bid price or, for SETS stocks, closing prices sourced from The London Stock Exchange at the balance sheet date, without deduction of the estimated future selling costs. SETS is the London Stock Exchange's electronic trading service for UK securities including all the FTSE All-Share Index constituents. Unquoted investments (including the Company's investment in its subsidiary) are valued by the Directors using primary valuation techniques such as earnings multiples, recent "arms length" transactions and net assets. Where fair value cannot be reliably 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 value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "gains or losses on investments held at fair value through profit or loss".

No provision for taxation is required in respect of any realised or unrealised appreciation of investments which arises as the Company expects to continue to qualify as an investment trust for tax purposes, thereby rendering capital profits exempt from tax.

e) Presentation of the Statement of Comprehensive Income

In accordance with the AIC SORP, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The net revenue is the measure the Directors believe appropriate in assessing the Group's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010 ("Section 1158").

f) Income

Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Special dividends are treated as revenue return or as capital return, depending on the facts of each individual case. Where the Company elects to receive dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as revenue in the Statement of Comprehensive Income. The trading profits of the subsidiary undertaking, which represent realised gains and losses on the sale of current asset investments, are dealt with in the revenue column of the Statement of Comprehensive Income as a revenue item. Bank deposit interest is accounted for on an accruals basis and is recognised when amounts fall due.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

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 Statement of Comprehensive Income. 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.

Other receivables do not carry any right to interest and are short-term in nature. Accordingly, they are stated at their nominal value (amortised cost), reduced by appropriate allowances for estimated irrecoverable amounts.

g) Expenses

All expenses and interest payable are accounted for on an accruals basis. Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, management fees and finance costs are allocated one-third to revenue and two-thirds to capital in order to reflect the Directors' expected long-term view of the nature of investment returns of the Group. Expenses which are incidental to the purchase or sale of an investment are charged to the capital column of the Statement of Comprehensive Income and allocated to the capital reserves. Other payables are stated at their nominal amount.

h) Taxation

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

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

In line with the recommendations of the AIC SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income 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 Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Investment trusts which have approval as such under Section 1158 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

i) Long-term borrowings

Long-term borrowings are stated initially at fair value, which is the amount of net proceeds on issue. They are subsequently recognised on an amortised cost basis. Finance costs are calculated over the term of the debt on the effective interest rate basis.

Where debt is issued at a premium, the premium is amortised over the term of the debt on the effective interest rate basis. The finance costs of servicing such borrowings, being the difference between the net proceeds of the borrowing and the total payments that may be required in respect of that borrowing, are allocated to periods over the term of the debt.

Finance costs are apportioned between revenue and capital in accordance with the policy set out above under g) "Expenses".

Gains and losses arising from the repurchase or early redemption of debt are taken to the capital column of the Statement of Comprehensive Income.

The Company's 3.75% cumulative preference stock is classified as a liability because the rights of the stockholders to receive dividend payments are not calculated by reference to the Company's profits.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

j) Foreign currency
For the purposes of the consolidated financial statements, the results and financial position of each entity is expressed in pounds sterling, which is the functional currency of the Company and of its subsidiary and the presentation currency of the Group. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company and its subsidiary operate.

Transactions recorded in overseas currencies during the year are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities and 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. Gains and losses arising on the retranslation of investments held at fair value through profit or loss are included within the "gains or losses on investments held at fair value through profit or loss".

k) Cash and cash equivalents
Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

l) Operating segments
Under IFRS 8, operating segments are considered to be components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Directors meet regularly to consider investment strategy and to monitor the Company's performance. The Fund Manager, who has been appointed to manage the Company's investments, attends all Board meetings at which investment strategy and performance are discussed.

The Directors consider that the Group has two operating segments, details of which are disclosed in note 26.

In accordance with IFRS 8, additional geographical information has been disclosed as follows:

- an analysis by country of income from investments is set out in note 2; and
- an analysis of the investments by way of country is set out in note 11.

Further analyses of expenses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

m) Dividends payable to shareholders
Dividends payable to ordinary shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders, and are dealt with in the Statement of Changes in Equity.

Dividends payable on the cumulative preference stock are split one-third to revenue and two-thirds to capital as they are considered to be finance costs of the Company.

n) Repurchase of ordinary shares (including those held in treasury)
The costs of repurchasing ordinary shares, including related stamp duty and transaction costs, are taken directly to equity and reported through the Statement of Changes in Equity, with the cost of the repurchase being charged to the capital reserve. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve in accordance with Section 733 of the Act. Where shares are repurchased and held in treasury the transfer to the capital redemption reserve is made if and when such shares are subsequently cancelled.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

o) Reserves

Share premium account

A non-distributable reserve which represents the amount by which the fair value of the consideration received exceeds the nominal value of shares issued.

Capital redemption reserve

The amount by which the nominal value of the Company's issued share capital is diminished when shares are purchased for cancellation out of the Company's profits are held in this reserve, which is non-distributable.

Capital reserve

This reserve comprises both gains and losses on disposals of investments and investment holding gains and losses. In accordance with the Company's articles of association, sums standing to the credit of the capital reserve are available for distribution only by way of the purchase of the Company's own shares. The Company may only distribute in this way "realised" profits which comprise net gains less losses on the realisation of investments together with changes in the fair value of investments that are considered to be readily convertible into cash without accepting adverse terms.

Revenue reserve

Comprises accumulated undistributed revenue profits available for distribution as dividends.

p) Current asset investments held for trading

Current asset investments held for trading are measured at fair value with gains and losses arising from changes in their fair value being included in the Statement of Comprehensive Income as a revenue item.

2 Dividends and other income

	2015 £'000	2014 £'000
Revenue		
Income from quoted investments:		
Franked UK dividends	824	1,695
UK property income distributions	69	75
Overseas dividends	3,565	2,963
	4,458	**4,733**
Other income:		
Interest on deposits	3	3
	4,461	**4,736**
Capital		
Distribution proceeds from liquidated stock	82	–

	2015 £'000	2014 £'000
Geographical analysis		
Income from investments analysed by country:		
United States	1,500	1,132
United Kingdom	893	1,770
Switzerland	471	515
France	305	139
Australia	294	293
Singapore	238	243
Japan	226	206
Hong Kong and China	172	166
Canada	133	124
Portugal	112	–
Germany	50	46
Brazil	49	43
Korea	15	–
Italy	–	33
Bermuda	–	23
	4,458	**4,733**

Notes to the Financial Statements (continued)

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

	2015 £'000	2014 £'000
Gains on disposal of investments	11,005	10,209
Fair value adjustments in earlier years	(9,898)	(7,520)
Net gains on fair values at the previous balance sheet date	**1,107**	**2,689**
Fair value adjustments arising during the year	17,676	1,154
	18,783	**3,843**
Attributable to:		
Quoted investments	18,783	3,932
Unquoted investments	–	(89)
	18,783	**3,843**
Geographical analysis		
The (losses)/gains on investments were attributable to the following geographical areas:		
United Kingdom	(2,254)	4,228
North America	15,932	3,049
Continental Europe	5,964	(5,211)
Pacific Rim	270	1,870
Japan	(847)	289
Other markets	(282)	(382)
	18,783	**3,843**

4 Management fee

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Management fee	321	642	963	314	627	941

A summary of the management agreement is given in the Strategic Report on page 4.

Management fees are allocated one-third to revenue and two-thirds to capital.

Notes to the Financial Statements (continued)

5 Other expenses

	2015 £'000	2014 £'000
Revenue		
Directors' fees (see the Directors' Remuneration Report on pages 20 and 21)	114	129
Company secretarial fees[1]	–	80
Auditor's remuneration:		
for audit of the Group financial statements	21	24
for audit of the subsidiary financial statements	1	1
Corporate broker fee	25	25
Other professional fees	19	23
Custody and other bank charges	22	22
Depositary charges[2]	20	–
Registration costs	26	26
Printing and postage	14	32
Expenses payable to the management company[3]	63	55
FCA and London Stock Exchange fees	16	15
AIC subscriptions	15	15
Insurances	7	6
Other expenses	38	55
	401	**508**
Capital		
Purchase transaction costs on non-current asset investments	33	53
Sales transaction costs on non-current asset investments[4]	39	22
	72	**75**

1 The Company Secretarial fee was abolished with effect from 1 February 2014
2 Depositary appointed on 22 July 2014 to meet the requirements of the Alternative Investment Fund Managers Directive
3 Other expenses payable to the management company relate to marketing services
4 In the Consolidated Statement of Comprehensive Income this is included in gains and losses on investments held at fair value

6 Interest payable and similar charges

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Bank overdraft interest and overdraft arrangement fee	50	101	151	23	45	68

7 Dividends on preference stock

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Non-equity dividends of 1.875p per stock unit payable half yearly	13	25	38	13	25	38

Notes to the Financial Statements (continued)

8 Taxation

a) Analysis of charge for the year

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Overseas tax suffered	418	–	418	294	–	294
Current and total tax charge for the year	**418**	**–**	**418**	**294**	**–**	**294**

b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2014: lower) than the standard rate of 21.33% (2014: 23.17%) of corporation tax in the UK for a medium or large company. The differences are explained below.

	2015			2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Net profit on ordinary activities before taxation	**3,676**	**18,091**	**21,767**	**4,004**	**3,332**	**7,336**
Corporation tax at 21.33% (2014: 23.17%)	784	3,859	4,643	928	772	1,700
Effects of:						
Capital profits not subject to corporation tax	–	(4,005)	(4,005)	–	(946)	(946)
Non-taxable income	(895)	(18)	(913)	(1,101)	–	(1,101)
Expenses not deductible for tax purposes	–	–	–	3	18	21
Current year revenue not utilised	111	164	275	170	156	326
Overseas tax suffered	418	–	418	294	–	294
Tax charge	**418**	**–**	**418**	**294**	**–**	**294**

c) Provision for deferred taxation

The deferred tax asset of £6,529,000 (2014: £6,298,000) in relation to unutilised expenses and non-trade loan relationship deficits of £32,645,000 (2014: £31,490,000) has not been recognised as it is unlikely that the Company will generate sufficient taxable profits in the foreseeable future to utilise these expenses.

Investment trusts are exempt from corporation tax on capital gains provided that they meet the tests under Section 1158.

Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to obtain approval of such status in the foreseeable future, the Company has not provided deferred tax on any capital gains arising on the revaluation or disposal of investments.

Notes to the Financial Statements (continued)

9 Equity dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year:		
Fourth interim dividend for the year ended 31 January 2014 of 2.50p (2013: 2.50p)	992	992
First interim dividend for the year ended 31 January 2015 of 2.50p (2014: 2.50p)	991	992
Second interim dividend for the year ended 31 January 2015 of 2.50p (2014: 2.50p)	971	992
Third interim dividend for the year ended 31 January 2015 of 2.50p (2014: 2.50p)	969	992
	3,923	**3,968**

The fourth interim dividend for the year ended 31 January 2015, which is in lieu of a final dividend, has not been included as a liability in these financial statements.

The total dividends payable in respect of the financial year which form the basis of the test under Section 1158 are set out below.

	2015 £'000
Revenue available for distribution by way of dividends for the year	3,258
First interim dividend of 2.50p paid on 1 July 2014 (based on 39,635,381 shares in issue)	(991)
Second interim dividend of 2.50p paid on 1 October 2014 (based on 38,809,752 shares in issue)	(971)
Third interim dividend of 2.50p paid on 2 January 2015 (based on 38,755,470 shares in issue)	(969)
Fourth interim dividend of 2.50p paid on 2 April 2015 (based on 38,447,522 shares in issue)	(961)
Undistributed revenue for section 1158 purposes	**(634)**

10 Return per ordinary share

The return per ordinary share figure is based on the net profit for the year of £21,349,000 (2014: profit of £7,042,000) and on 39,160,017 (2014: 39,686,814) ordinary shares, being the weighted average number of ordinary shares in issue during the year. There are no shares with a dilutive effect.

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

	2015 £'000	2014 £'000
Net revenue profit	3,258	3,710
Net capital profit	18,091	3,332
Net total profit	**21,349**	**7,042**
Weighted average number of ordinary shares in issue during the year	39,160,017	39,686,814

	2015 pence	2014 pence
Revenue return per ordinary share	8.32	9.35
Capital return per ordinary share	46.20	8.40
Total return per ordinary share	**54.52**	**17.75**

Notes to the Financial Statements (continued)

11 Investments held at fair value through profit or loss

a) Group

	2015 £'000	2014 £'000
Book cost brought forward	112,356	98,482
Acquisitions (excluding transaction costs)	22,637	53,147
Proceeds of disposals (net of transaction costs)	(27,960)	(49,482)
Net gains realised on disposals	11,005	10,209
Closing book cost	**118,038**	**112,356**
Fair value adjustment	47,538	39,760
Valuation at 31 January	**165,576**	**152,116**

Analysis of investments at fair value

	2015 £'000	2014 £'000
Quoted:		
United Kingdom	23,890	31,577
Overseas	140,910	119,693
	164,800	**151,270**
Unquoted:		
United Kingdom	–	106
Overseas	776	740
	776	**846**
	165,576	**152,116**

The Company's investments are registered in the names of nominees of, and held to the order of HSBC Bank plc, as custodian to the Company.

b) Company

2015	Portfolio investments £'000	Subsidiary undertaking £'000	Total £'000
Book cost brought forward	112,356	10	112,366
Investment holding gains brought forward	39,760	1,017	40,777
Valuation brought forward	**152,116**	**1,027**	**153,143**
Movements in the year:			
Acquisitions at cost	22,637	–	22,637
Disposals at cost	(16,955)	–	(16,955)
Movement in investment holding gains	7,778	–	7,778
Valuation at 31 January 2015	**165,576**	**1,027**	**166,603**
Closing book cost	118,038	10	118,048
Investment holding gains	47,538	1,017	48,555
Valuation at 31 January 2015	**165,576**	**1,027**	**166,603**

The subsidiary is included at fair value, which is considered to equate to its net asset value ("NAV").

c) Classification under fair value hierarchy

	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
2015				
Equity investments	**165,576**	**164,538**	**262**	**776**
2014				
Equity investments	**152,116**	**150,965**	**305**	**846**

Notes to the Financial Statements (continued)

11 Investments held at fair value through profit or loss (continued)

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

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

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

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

The valuation techniques used by the Company are explained in the accounting policies note on page 36.

There have been no transfers during the year between any of the levels. A reconciliation of fair value measurements in Level 3 is set out below.

d) Level 3 investments at fair value through profit or loss

	2015 £'000	2014 £'000
Opening balance	846	918
Total losses included in the Statement of Comprehensive Income:		
On investments held at the year end	(70)	(72)
Closing balance	**776**	**846**

A sensitivity analysis on investments contained in Level 3 to changes in unobservable inputs has not been prepared as these investments are cumulatively considered immaterial to these financial statements (2014: same).

e) Investments analysed by country

	2015 £'000	2014 £'000
United States	81,692	66,191
United Kingdom	23,890	31,683
Switzerland	12,579	12,340
Hong Kong and China	7,365	5,550
Japan	7,232	10,069
Singapore	6,871	5,587
France	6,817	5,023
Canada	6,067	4,085
Australia	4,212	5,203
Portugal	2,615	–
Germany	2,259	2,352
Spain	2,010	–
Korea	1,967	1,319
Italy	–	1,968
Brazil	–	746
	165,576	**152,116**

12 Significant interests

At 31 January 2015 the Company held interests amounting to 3% or more of any class of capital in the following investee companies.

	Valuation £'000	Cost £'000	% of voting rights
Motion Analysis	776	346	11.2
Powerstax Corporation	–	1,517	6.1

Notes to the Financial Statements (continued)

13 Subsidiary undertaking

The Company has an investment in the entire issued ordinary share capital, fully paid, in its wholly owned subsidiary undertaking, Engandscot Limited, which is registered in England and Wales and operates in the United Kingdom as an investment dealing company. The investment is stated in the Company's financial statements at NAV, which is considered by the Directors to equate to fair value. The financial statements of Engandscot Limited have been prepared to 31 January 2015.

	Company 2015 £'000	Company 2014 £'000
Book value brought forward	1,027	901
Dealing profit of subsidiary for the year	–	126
	1,027	**1,027**

14 Other receivables

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Prepaid expenses and other receivables	30	27	30	27
Accrued income	112	118	112	118
	142	**145**	**142**	**145**

The carrying amounts of other receivables approximate their fair value. None of the other receivables are past due or impaired.

15 Cash and cash equivalents

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Cash at bank	2,086	2,188	1,361	1,463
	2,086	**2,188**	**1,361**	**1,463**

16 Other payables

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Accrued expenses	472	465	472	465
Amount due to subsidiary undertaking	–	–	302	302
Amounts due to brokers relating to the repurchase of ordinary shares	234	–	234	–
Preference dividend payable	19	19	19	19
Other creditors	22	–	22	–
	747	**484**	**1,049**	**786**

The carrying amounts of other payables approximate their fair value.

17 Non-current liabilities (Group and Company)

	2015 £'000	2014 £'000
1,000,000 3.75% cumulative preference stock of £1	1,000	1,000
	1,000	**1,000**

The fair value of the cumulative preference stock at 31 January 2015 was £605,000 (2014: £605,000). This is calculated using the quoted mid-market price and is therefore classified as Level 1 under the fair value hierarchy.

Notes to the Financial Statements (continued)

18 Called-up share capital

	Shares	£'000
2015		
Ordinary shares of 25p each, allotted, called-up, issued and fully paid with full voting rights		
At 31 January 2014	39,660,381	9,915
Shares repurchased into treasury	(1,154,711)	(289)
At 31 January 2015	**38,505,670**	**9,626**
Ordinary shares of 25p each held in treasury with no voting rights		
At 31 January 2014	1,896,782	474
Shares repurchased into treasury	1,154,711	289
At 31 January 2015	**3,051,493**	**763**
Total ordinary shares in issue (including shares held in treasury)		
At 31 January 2015	**41,557,163**	**10,389**

During the year to 31 January 2015, the Company repurchased 1,154,711 (2014: 49,310) ordinary shares, to be held in treasury, at a cost of £4,333,000 (2014: £179,000), including £22,000 relating to stamp duty and other transaction costs (2014: £1,000). Since the year end the Company repurchased a further 378,715 ordinary shares, to be held in treasury, at a cost of £1,519,000, including £8,000 relating to stamp duty and other transaction costs.

	Shares	£'000
2014		
Ordinary shares of 25p each, allotted, called-up, issued and fully paid with full voting rights		
At 31 January 2013	39,709,691	9,927
Shares repurchased into treasury	(49,310)	(12)
At 31 January 2014	**39,660,381**	**9,915**
Ordinary shares of 25p each held in treasury with no voting rights		
At 31 January 2013	1,847,472	462
Shares repurchased into treasury	49,310	12
At 31 January 2014	**1,896,782**	**474**
Total ordinary shares in issue (including shares held in treasury)		
At 31 January 2014	**41,557,163**	**10,389**

19 Share premium account

	2015 £'000	2014 £'000
Balance brought forward	13,410	13,410
Balance at 31 January	**13,410**	**13,410**

20 Capital redemption reserve

	2015 £'000	2014 £'000
Balance brought forward	33,966	33,966
Balance at 31 January	**33,966**	**33,966**

The capital redemption reserve holds the amount by which the nominal value of the Company's issued share capital is diminished when shares are purchased for cancellation out of the Company's profits.

Notes to the Financial Statements (continued)

21 Capital reserve

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Balance brought forward	84,192	81,039	85,209	81,930
Profit for the year	18,091	3,332	18,091	3,458
Shares repurchased and held in treasury	(4,333)	(179)	(4,333)	(179)
Balance at 31 January	**97,950**	**84,192**	**98,967**	**85,209**

Under the terms of the Company's articles of association, sums standing to the credit of capital reserves are available for distribution only by way of redemption or purchase of any issue of the Company's own shares. The Company may only distribute accumulated realised profits.

22 Revenue reserve

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Balance brought forward	11,036	11,294	10,019	10,403
Net revenue return for the year	3,258	3,710	3,258	3,584
Equity dividends paid	(3,923)	(3,968)	(3,923)	(3,968)
Balance at 31 January	**10,371**	**11,036**	**9,354**	**10,019**

23 Net asset value per ordinary share (Group and Company)

The NAV per ordinary share is based on the net assets attributable to the ordinary shares of £166,086,000 (2014: £152,993,000) and on the 38,505,670 ordinary shares in issue at 31 January 2015 (2014: 39,660,381).

24 Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. However, the cash flows associated with these activities are presented below.

	2015 £'000	2014 £'000
Proceeds on disposal of fair value through profit and loss investments	27,960	49,550
Purchases of fair value through profit and loss investments	(22,637)	(53,636)

25 Transactions with the management company

Under the terms of an agreement effective from 22 July 2014 (which replaced the agreement dated 18 July 2011 in order to reflect the appointment of an Alternative Investment Fund Manager in accordance with the requirements of the Alternative Investment Fund Managers Directive), the Company has appointed wholly owned subsidiaries of Henderson Group plc ("Henderson") to provide investment management, accounting, secretarial and administrative services. Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services.

Details of the fee arrangements are given on page 4 in the Strategic Report. The total of the management fees paid or payable to Henderson under the management agreement in respect of the year ended 31 January 2015 was £963,000 (2014: £1,021,000). The amount outstanding at 31 January 2015 was £329,000 (2014: £344,000).

In addition to the above services, Henderson has provided the Company with sales and marketing services. The total fees paid or payable for these services for the year ended 31 January 2015 was £63,000, excluding VAT, (2014: £55,000) of which £26,000 was outstanding at 31 January 2015 (2014: £4,000).

Notes to the Financial Statements (continued)

26 Operating segments

The Directors consider that the Group has two operating segments, being the Parent Company, Henderson Global Trust plc, which invests in shares and securities for capital appreciation in accordance with the Company's published investment objective, and its wholly owned subsidiary, Engandscot Limited, which trades in securities to enhance Group returns. Discrete financial information for these sectors is reviewed regularly by Henderson and the Board who allocate resources and assess performance.

Segment financial information

	2015 £'000	2014 £'000
External revenues		
Parent Company	23,320	8,818
Subsidiary	–	126
Total income	**23,320**	**8,944**
Net profit		
Parent Company	21,349	6,916
Subsidiary	–	126
Total comprehensive income	**21,349**	**7,042**
Total assets		
Parent Company[1]	166,806	153,450
Subsidiary	1,027	1,027
Group total assets	**167,833**	**154,477**

1 The total assets of the Parent Company exclude the value of the subsidiary and an amount of £302,000 due to the subsidiary (2014: the total assets of the Parent Company excluded the value of the subsidiary, an amount of £302,000 due to the subsidiary and investments held by the subsidiary at the end of the year to the value of £nil)

27 Financial instruments: risk management

The Directors manage investment risk principally through setting an investment policy (that is approved by shareholders) which incorporates risk parameters (see page 4), by contracting management of the Group's investments to an investment manager (Henderson) under a contract which incorporates appropriate duties and restrictions and by monitoring performance in relation to these. The Board's relationship with Henderson is discussed on page 25 of this report. Internal control and the Board's approach to risk is discussed on pages 24 and 25. There have been no material changes to the management or nature of the Group's investment risks from the prior year.

The main risks arising from the Group's pursuit of its investment objective are market risk, credit risk and liquidity risk. The effects of these can also be increased by gearing.

The Board and Henderson coordinate the Company's risk management and there are various risk management systems in place as detailed below.

- Straight-through processing via a deal order and management system ("OMS") is utilised for listed securities, exchange-traded derivatives and OTC derivatives contracts with connectivity to third-party affirmation and trade repository services.
- Portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine.
- Fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas Securities Services) which utilises Hiportfolio software.
- The IT tools to which the Henderson risk, compliance and operations teams have access for independent monitoring and risk measurement purposes include:
  - Charles River Compliance module for investment restrictions monitoring;
  - ArcLogics operational risk database;
  - RiskMetrics, UBS Delta, Style Research, Finanalytica and Barra Aegis for market risk measurement;
  - Bloomberg for market data and price-checking; and
  - Hiportfolio for portfolio holdings and valuations.

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

a) Market risk

Market risk comprises three types of risk: market price risk, currency risk and interest rate risk.

Notes to the Financial Statements (continued)

27 Financial instruments: risk management (continued)

Market price risk

The Company is an investment trust and as such its performance is dependent on the valuation of its investments. Consequently market price risk is the most significant risk that the Group is exposed to. The fair value of the investments in the portfolio is normally their bid-market price. Market price of investee companies' shares is subject to their performance, supply and demand for the shares and investor sentiment regarding the companies, their industry sectors or countries in which they operate. Changes in the value of the portfolio will also have an effect on the revenue account since the management fee is calculated on the value of the assets under management. Higher levels of market price risk may be concentrated in particular market sectors or geographical areas. Exposures of the portfolio to different market sectors and geographical areas are shown on page 6.

The Company's trading subsidiary, Engandscot Limited, has similar risks in respect of its trading portfolio which is also valued at bid-market prices. Engandscot seeks to make returns from short-term positions and the exposure to market price risk is limited by this short-term nature of the holdings and because the trading subsidiary portfolio is limited to 15% of Group total assets with aggregate exposure to any sector limited by the Group's investment policy to 5% of Group total assets. The maximum value of Engandscot's portfolio during the year was £1,027,000 comprising cash at bank and other receivables (2014: £1,027,000).

At the year end the Group's assets subject to other price risk were as follows.

	Group/ Company 2015 £'000	Group/ Company 2014 £'000
Non-current asset investments at fair value through profit or loss	165,576	152,116

To illustrate the Group's sensitivity to market price risk using the Group's year end positions, an overall movement in the price of investments of 5% would cause a corresponding change in the NAV of approximately £8.3 million (2014: £7.6 million). The revenue return would not be materially affected. The effect on capital return would be materially the same as the effect on net assets.

Currency risk

A significant proportion of the Group's assets are denominated in currencies other than sterling so the Group's total return and NAV can be affected by currency fluctuations. No hedging of the currency exposure is currently undertaken. Whilst the Board and Henderson monitor geographical and currency exposure it is not a key determinant of investment decisions. At the year end approximately 86% (2014: 79%) of the Group's total assets were denominated in currencies other than sterling, the largest proportion being US dollars at 49% (2014: 45%) of Group total assets.

The table below shows, by currency, the split of the Group's non-sterling monetary assets and investments that are priced in currencies other than sterling.

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Monetary assets:				
Cash and short-term receivables:				
Swiss francs	–	28	–	28
US dollars	49	1,360	49	1,360
Japanese yen	48	28	48	28
Euros	28	–	28	–
Non-current asset investments held at fair value:				
US dollars	83,659	68,254	83,659	68,254
Euros	13,701	7,376	13,701	7,376
Swiss francs	12,579	12,340	12,579	12,340
Japanese yen	7,232	10,070	7,232	10,070
Singapore dollars	6,871	2,789	6,871	2,789
Hong Kong dollars	6,176	7,517	6,176	7,517
Canadian dollars	6,067	4,086	6,067	4,086
Australian dollars	4,212	8,001	4,212	8,001
Total	**140,622**	**121,849**	**140,622**	**121,849**

During the financial year sterling appreciated by 2.4%, 3.9% and 5.3% against the Australian dollar, Canadian dollar and Japanese yen respectively, and depreciated by 8.6%, 7.2% and 8.6% against the Hong Kong dollar, Swiss Franc and US Dollar respectively (2014: US dollar appreciated by 3.7%, Canadian dollar by 15.7%, Australian dollar by 23.9%, Hong Kong dollar by 3.8%, Japanese yen by 15.8% and Swiss Franc by 3.1%).

Notes to the Financial Statements (continued)

27 Financial instruments: risk management (continued)

The Group generally does not hedge its currency exposure and therefore net assets are exposed to changes in exchange rates. To illustrate the Group's sensitivity to currency fluctuations using the Group's year end positions, if sterling were to appreciate 10% compared with all of the other currencies held the value of Group net assets would reduce by approximately 8.0% (2014: 8.0%) or £14.2 million (2014: £12.2 million) and revenue return for the forthcoming financial year would reduce by approximately £359,000 (2014: £298,000). A 10% change in rate of the largest eight currency exposures would individually affect Group net assets and revenue return as follows (the effect on capital return would be materially the same as the effect on net assets).

	Net assets		Revenue return	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
US dollars	8,371	6,961	160	129
Euros	1,373	738	42	20
Swiss francs	1,258	1,237	43	45
Hong Kong dollars	737	752	17	14
Japanese yen	728	1,010	24	21
Singapore dollars	687	279	27	26
Canadian dollars	607	409	14	12
Australian dollars	421	800	30	31
Total	**14,182**	**12,186**	**359**	**298**

It should be noted that a number of investee companies derive a proportion of their profits from markets subject to currencies other than that in which their shares are denominated so changes in the relevant currency exchange rates relative to each other are also likely to have an indirect impact. Also, the above illustration is based on exposures at the year end. Exposures may be subject to change during the year as a result of investment decisions.

Interest rate risk

The Group has fixed coupon 3.75% cumulative preference stock in issue and can draw on its overdraft facility, the interest rate for which is set at the time of drawing. Since cash positions are constantly monitored and drawings on the overdraft would normally be for short rolling periods the risk of exposure to excessive interest costs is limited. There were minimal drawings on the overdraft facility during the year.

No hedging of the interest rates paid on the Group's financial liabilities is undertaken.

The Group also earns interest on its cash and short-term deposits. Deposits are normally placed on a one week rolling basis.

At the year end financial assets subject to interest rate risk were as follows (there were no liabilities subject to interest rate risk).

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Financial assets:				
Cash balances	2,086	2,188	1,361	1,463

The average rate of interest earned on short-term deposits during the year was 1.2% (2014: 1.2%). If the Company were to use its overdraft facility it would expect to pay interest on the drawings in the region of 1.75% per annum, based on rates ruling at the balance sheet date (2014: 1.75%).

Whilst, based on the above year end balances a change of 0.5% p.a. (which seems reasonable given current low levels of interest rate movements) in the rates of interest available for deposits would not affect Group revenue (2014: no affect), the year end amounts may not be representative of the exposure to interest rates in the year ahead since the level of borrowings and/or cash held during the year will be affected by the strategy being followed in response to the Board's and Henderson's perception of market prospects and the investment opportunities available at any particular time. The cost of borrowing compared with the anticipated returns from investment is considered as part of the investment management process.

b) Credit risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by Henderson and by dealing through Henderson with banks authorised by the Prudential Regulatory Authority ("PRA") and regulated by the Financial Conduct Authority and the PRA. The Board has set a limit of £5 million on the amount that can be placed on deposit with any one bank other than HSBC Bank plc where the limit is £10 million. Cash at bank and on deposit is held only with reputable banks with high quality external credit ratings.

Notes to the Financial Statements (continued)

27 Financial instruments: risk management (continued)

The maximum exposure to credit risk at 31 January 2015 was £2,198,000 (2014: £2,306,000), comprised as follows:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Accrued income	112	118	112	118
Cash at bank	2,086	2,188	1,361	1,463

All of the above financial assets are current, their fair values are considered to be the same as the values shown and the likelihood of a material credit default is considered to be low.

c) Liquidity risk

Liquidity risk is the possibility of failure of the Group to realise sufficient assets to meet its financial liabilities. The Group minimises this risk by mainly investing in securities of large and medium sized companies quoted on major equity markets which are readily realisable. The Group's liquidity is held primarily in sterling, almost entirely on interest-bearing current accounts or short-term deposits in the money market. Deposits are rarely fixed for terms in excess of one month. At the year end approximately 1% of the Company's net assets comprised cash and deposits (2014: 1%).

In addition to using equity to finance investments the Group can also invest funds available from the fixed coupon 3.75% cumulative preference stock and from drawings on its overdraft facility (gearing). The Group has a secured overdraft facility equal to the lesser of £20 million and 25% of custody assets that can be drawn to meet liquidity requirements arising either from operations or investment strategy. Cash requirements are monitored constantly.

At 31 January financial liabilities comprised as follows:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Due within 1 month:				
Accrued expenses	472	465	472	465
Amount due to subsidiary undertaking	–	–	302	302
Amounts due to brokers relating to the repurchase of ordinary shares	234	–	234	–
Other creditors	22	–	22	–
Due after 1 month and within one year:				
Preference dividend payable	19	19	19	19

The above liabilities due within one year are stated at fair value.

The above table excludes the 3.75% cumulative preference stock of £1,000,000 (2014: £1,000,000) as there is no contractual maturity date. The fair value of this cumulative preference stock is equivalent to its market value and is shown in note 17.

d) Gearing

Market risks can be amplified by gearing. As discussed above, in addition to using shareholders' funds to finance investments the Group can also invest funds available from the 3.75% cumulative preference stock and from drawings on its overdraft facility. For the purpose of the Group financial statements the cumulative preference stock is recognised as a non-current liability at its par value, which, at 31 January 2015, was £1,000,000 (2014: £1,000,000). The market value (fair value) as at 31 January 2015 was £605,000 (2014: £605,000). At the year end, at par value, this instrument represented gearing of 0.7% (ignoring cash) (2014: 0.7%). There were no other non-current liabilities at the year end. Such gearing will exaggerate the effect on NAV of a change in the value of the portfolio. If the Group's borrowing facilities were fully extended the gearing would amount to 14% of net assets and in those circumstances a change of 10% in the value of the portfolio would be expected to change the NAV by approximately 11%.

As noted above in the interest rate risk section, the level of borrowings and/or cash held during the year will be affected by the strategy being followed in response to the Board's and Henderson's perception of market prospects and the investment opportunities available at any particular time.

There was no effective gearing at the year end since the Company held net uninvested cash balances (2014: nil).

Notes to the Financial Statements (continued)

27 Financial instruments: risk management (continued)

e) Summary of financial assets and financial liabilities by category

The carrying amounts of the Group's financial assets and financial liabilities as recognised at the balance sheet date of the reporting periods under review are categorised as follows.

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Financial assets				
Financial assets at fair value through profit or loss:				
Non-current asset investments – designated as such on initial recognition	**165,576**	**152,116**	**166,603**	**153,143**
Loans and receivables				
Current assets:				
Other receivables	171	173	171	173
Cash at bank and short-term deposits	2,086	2,188	1,361	1,463
	2,257	**2,361**	**1,532**	**1,636**
Financial liabilities				
3.75% cumulative preference stock	1,000	1,000	1,000	1,000
Measured at amortised cost:				
Creditors: amounts falling due within one month:				
Accruals	728	465	728	465
Preference dividend payable	19	19	19	19
Amount due to subsidiary	–	–	302	302
	1,747	**1,484**	**2,049**	**1,786**

28 Capital management policies and procedures

The Company's capital is represented by its net assets, which are managed to achieve the Group's investment objective, set out on page 4.

The main risks to the Company's investments are shown in Note 27. Note 27 also explains that the Company is able to gear and that gearing will amplify the effect on equity of changes in the value of the investment portfolio.

The Board can also manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy-back shares and it also determines dividend payments.

The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends by section 1158 of the Corporation Tax Act 2010 and by the Companies Act 2006 respectively, and with respect to the availability of the overdraft facility, by the terms imposed by HSBC Bank plc. The overdraft limit is the lesser of £20 million and 25% of custody assets. Compliance with the externally imposed capital requirements is reviewed by the Board at each meeting. The total dividends payable in respect of the financial year which form the basis of the test under Section 1158 are set out in note 9 on page 43.

As described on page 5 the Board operates an active share buy-back policy and regularly monitors, and has complied with, the externally imposed capital requirements. This is unchanged from the prior year.

Total equity at 31 January 2015, the composition of which is shown on the Balance Sheet on page 33, was £166,086,000 (2014: £152,993,000).

General Shareholder Information

BACS
Dividends can be paid by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the registrar. Alternatively, shareholders can write to the registrar (the address is given on page 11) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Equality Act 2010
Copies of this report and other documents issued by the Company are available from the Corporate Secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

You can contact the registrar, Equiniti Limited, 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 0871 384 2455. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a "typetalk" operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

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

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

Share price listings
The market price of the Company's ordinary shares is published daily in The Financial Times, which also shows figures for the estimated net asset value ("NAV") per share and discount.

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

Shareholder details
Shareholders who hold their shares in certificated form can check their shareholding with the registrar, Equiniti Limited, via **www.shareview.co.uk**. Please note that to gain access to your details on the Equiniti site you will need the holder reference number shown on your share certificate.

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

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

If you are in any doubt about the veracity of an unsolicited phone call, please call the Corporate Secretary at the number provided on page 11.

Alternative Investment Fund Managers Directive

Henderson and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a Key Investor Information Document ("KIID") which can be found on the Company's website **www.hendersonglobaltrust.com**. There have been no material changes to the disclosures contained within the KIID since publication in July 2014.

The periodic disclosures to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report. A full list of portfolio holdings is included on pages 57 and 58;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report and note 27 to the accounts set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by Henderson; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. It is therefore anticipated that the Henderson Remuneration Policy and associated financial disclosures will be made with the Company's Annual Report from 2016 following its first full performance period after the introduction of the AIFMD.

Leverage

Although leverage is often used as another term for gearing, under the AIFMD regulations leverage is expressed as a ratio of the exposure of debt, non-sterling currency, equity or currency hedging and derivatives exposure against the net asset value ("NAV"). It defines two types of leverage, the gross method and the commitment method.

These are essentially the same other than the commitment method allows derivative instruments to be netted off to reflect "netting" or "hedging arrangements". Non-sterling cash is deemed to carry a currency exposure so is considered to be leverage. In accordance with the AIFMD the Company is obliged to disclose the maximum expected leverage levels under both methods and this is disclosed on page 56. In order to comply with the AIFMD the maximum leverage levels have been set in accordance with the maximum gearing allowable by the Company's Articles of Association. However, the day-to-day management of gearing and leverage levels will be conducted within the tighter limits set by the Company's investment policy.

Leverage may be applied to the portfolio by utilising financial gearing (such as bank borrowings and overdrafts) and synthetic gearing (through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes such as stock-lending). Typically, leverage will arise through the use of index futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as a margin against the current mark-to-market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited. The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of the Company through non-fully funded exposure to underlying markets or securities.

Leverage is considered in terms of the Company's overall "exposure" to financial or synthetic gearing and includes any method by which the exposure of the Company is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. Henderson is required, in accordance with the AIFMD, to calculate and monitor the level of leverage of the Company, expressed as the ratio between the total exposure of the Company and its NAV with exposure values being calculated by both the gross method and commitment method.

Exposure values under the gross method basis are calculated as the absolute value of all positions in the portfolio; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions, even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The gross method of exposure of the Company requires the calculation to:

- include the sum of all non-derivative assets (if applicable) held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Company, that are readily convertible to a known amount of cash, which are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- include derivative instruments which are converted into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and

Alternative Investment Fund Managers Directive
(continued)

- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements as applicable.

Exposure values under the commitment method basis are calculated on a similar basis to the above, but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalent items in line with regulatory requirements.

The calculation of leverage assumes that a leverage percentage of 100% equates to zero leverage. A percentage above 100% would mean that the portfolio had leverage equal to the percentage amount above 100%.

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	As a percentage of net asset value	
	Gross method %	Commitment method %
Maximum level of leverage	200	200
Actual	100	101

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement.

Changes to the information contained either within this Annual Report or the KIID in relation to any special arrangements in place, the maximum level of leverage which Henderson may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

Investment Portfolio as at 31 January 2015 (unaudited)

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
1	–	Dollar General	General retailers	United States	5,427	3.3
2	2	Macy's	General retailers	United States	5,317	3.2
3	1	Novartis	Pharmaceuticals	Switzerland	5,069	3.1
4	50	Western Digital	Technology hardware & equipment	United States	4,571	2.8
5	4	Oracle	Software & computer services	United States	4,463	2.7
6	9	Crown Holdings	Diversified metals & mining	United States	4,362	2.6
7	–	Rexel	Electronic & electrical equipment	France	3,883	2.3
8	35	Apple	Technology hardware & equipment	United States	3,768	2.3
9	15	Lockheed Martin	Aerospace & defence	United States	3,738	2.3
10	7	Pfizer	Pharmaceuticals & biotechnology	United States	3,640	2.2
		10 largest			**44,238**	**26.8**
11	14	DBS	Banks	Singapore	3,468	2.1
12	3	Japan Tobacco	Tobacco	Japan	3,466	2.1
13	36	United Continental	Airlines	United States	3,442	2.1
14	13	Singapore Telecom	Fixed line telecommunications	Singapore	3,402	2.1
15	17	Wharf Holdings	Real estate investment services	Hong Kong	3,398	2.1
16	11	Twenty First Century Fox	Media	United States	3,350	2.0
17	20	Rentokil Initial	Industrial transportation	United Kingdom	3,076	1.9
18	27	Bristol-Myers Squibb	Pharmaceuticals & biotechnology	United States	3,010	1.8
19	10	Google	Software & computer services	United States	2,998	1.8
20	53	Limited Brands	General retailers	United States	2,817	1.7
		20 largest			**76,665**	**46.5**
21	39	AIA Group	Life insurance	Hong Kong	2,778	1.7
22	32	Wells Fargo & Co	Banks	United States	2,711	1.6
23	5	Nestlé	Food producers	Switzerland	2,675	1.6
24	–	CTT Correios	Industrial transportation	Portugal	2,615	1.6
25	59	Flowers Foods	Food, beverage & tobacco	United States	2,575	1.6
26	30	Thomson Reuters	Media	Canada	2,557	1.5
27	21	JP Morgan Chase	Banks	United States	2,536	1.5
28	38	Telstra	Fixed line telecommunications	Australia	2,531	1.5
29	41	Zurich	Nonlife insurance	Switzerland	2,453	1.4
30	19	Syngenta	Chemicals	Switzerland	2,382	1.4
		30 largest			**102,478**	**61.9**
31	31	Citigroup	Banks	United States	2,345	1.4
32	18	Lloyds Banking Group	Banks	United Kingdom	2,278	1.4
33	22	Volkswagen	Automobiles & parts	Germany	2,259	1.4
34	24	GlaxoSmithKline	Pharmaceuticals & biotechnology	United Kingdom	2,201	1.3
35	23	GKN	Automobiles & parts	United Kingdom	2,195	1.3
36	25	IBM	Software & computer services	United States	2,174	1.3
37	37	General Electric	General industrials	United States	2,149	1.3
38	29	Royal Dutch Shell	Oil & gas producers	United Kingdom	2,105	1.3
39	42	Exxon Mobil	Oil & gas producers	United States	2,016	1.2
40	–	Grifols SA	Pharmaceuticals & biotechnology	Spain	2,010	1.2
		40 largest			**124,210**	**75.0**
41	16	Softbank	Mobile telecommunications	Japan	1,970	1.2
42	8	HSBC	Banks	United Kingdom	1,970	1.2
43	66	Samsung	Leisure goods	Korea	1,967	1.2
44	52	Cummins	Industrial engineering	United States	1,940	1.2
45	47	British Land	Real estate investment services	United Kingdom	1,893	1.1
46	45	Suncor Energy	Oil & gas producers	Canada	1,886	1.1
47	–	Delphi Automotive	Automobiles & parts	United States	1,830	1.1
48	49	Occidental Petroleum	Oil & gas producers	United States	1,800	1.1
49	26	Sumitomo Mitsui Financial	Banks	Japan	1,795	1.1
50	67	Altria	Tobacco	United States	1,768	1.1
		50 largest			**143,029**	**86.4**

Investment Portfolio as at 31 January 2015 (unaudited) (continued)

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
51	–	Citizens Financial	Banks	United States	1,733	1.0
52	43	BP	Oil & gas producers	United Kingdom	1,698	1.0
53	12	ANZ Banking	Banks	Australia	1,681	1.0
54	46	Rio Tinto	Mining	United Kingdom	1,661	1.0
55	60	Baxter International	Health care equipment & services	United States	1,638	1.0
56	–	BRP	Automobiles & parts	Canada	1,624	1.0
57	55	Sanofi	Pharmaceuticals	France	1,601	1.0
58	58	Deere & Co.	Industrial engineering	United States	1,593	1.0
59	6	BorgWarner	Automobiles & parts	United States	1,589	0.9
60	65	Total	Oil & gas producers	France	1,333	0.8
		60 largest			**159,180**	**96.1**
61	56	BHP Billiton	Mining	United Kingdom	1,215	0.7
62	63	BG Group	Oil & gas producers	United Kingdom	1,191	0.7
63	68	Industrial & Commercial Bank of China	Banks	China	1,189	0.7
64	51	Freeport-McMoRan Copper & Gold	Mining	United States	951	0.6
65	70	Motion Analysis[1]	Software & computer services	United States	776	0.5
66	–	Verizon Communications	Fixed line telecommunications	United States	675	0.4
67	72	Synergy Pharmaceuticals	Pharmaceuticals	United States	262	0.2
68	–	NOW Inc	Oil equipment & services	United States	137	0.1
69	75	Newcastle Investment Corporation[1]	Financial services	United States	–	–
70	74	Powerstax Corporation[1]	Technology hardware & equipment	United Kingdom	–	–
		70 largest			**165,576**	**100.0**
71	73	Stockton Holdings[1]	Financial services	United States	–	–
		Total investments			**165,576**	**100.0**

1 Unquoted investment

Henderson Global Trust plc
Registered as an investment company in England and Wales with registration number 237017 Registered office: 201 Bishopsgate, London EC2M 3AE

SEDOL/ISIN number: Ordinary Shares: GB0003184024/03184024
London Stock Exchange (EPIC) Code: HGL
Global Intermediary Identification Number (GIIN): 83854G.99999.SL.826
Legal Entity Identifier (LEI): 2138004BOXOBN5L9DO58

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