

Annual Report 2019

Henderson Opportunities Trust plc



MANAGED BY

Janus Henderson
— INVESTORS —

Strategic Report

Investment Objective

The Company aims to achieve capital growth in excess of the FTSE All-Share Index from a portfolio of UK investments.

Strategic Report

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Performance highlights

Total return performance to 31 October 2019

	1 year %	3 years %	5 years %	10 years %
NAV ¹	0.2	22.6	40.0	210.6
Share Price ²	-3.7	20.6	18.7	211.5
Sector Average NAV ³	5.1	21.6	38.7	172.2
Benchmark ⁴	6.8	19.3	37.9	122.0

Year to 31 October

NAV per share at year end

2019	2018
1,161.8p	1,179.4p

Share price at year end

2019	2018
932.0p	990.0p

Discount at year end

2019	2018
19.8%	16.1%

Dividend for year⁶

2019	2018
26.0p	21.0p

Total return per share

2019	2018
1.0p	-70.0p

Net assets

2019	2018
£91.8m	£94.4m

Ongoing charge⁵

2019	2018
0.91%	0.84%

Dividend yield⁷

2019	2018
2.6%	2.1%

1 Net Asset Value (NAV) per ordinary share total return with income reinvested

2 Share price total return using mid-market closing price with income reinvested

3 Average NAV of the AIC UK All Companies Sector with income reinvested

4 FTSE All-Share Index total return

5 Ongoing charge excludes performance fee. Ongoing charge including performance fee is 0.91% (2018: 0.84%) as no performance fee was paid during the year. The increase was largely attributable to increased marketing/shareholder engagement expenses

6 This represents an interim dividend of 7.0p and a proposed final dividend of 19.0p. See page 57 for more details

7 Based on the ordinary dividends paid and payable for the year and the mid-market closing price at the year end

A glossary of terms can be found on pages 67 and 68 and Alternative Performance Measures can be found on pages 69 and 70

Sources: Morningstar for the AIC, Janus Henderson, Refinitiv Datastream

Chairman's statement

“Despite the difficult year we are pleased to announce, subject to shareholder approval, a final dividend of 19.0p per share, resulting in a full year dividend of 26.0p, a 24.0% increase on the 21.0p paid last year.”

Chairman's statement

Performance review

It was a difficult financial year for smaller companies and performance in absolute terms was disappointing relative to the benchmark. The Company's net asset value rose 0.2% on a total return basis while the FTSE All-Share Index rose 6.8%. However, the Company has outperformed the benchmark (on NAV total return) over three, five and ten years, as detailed in the table below:

	1 year (%)	3 year (%)	5 year (%)	10 year (%)
NAV Total Return	0.2	22.6	40.0	210.6
Share Price Total Return	-3.7	20.6	18.7	211.5
FTSE All-Share Total Return	6.8	19.3	37.9	122.0

Over the long term the best performers in the portfolio have tended to be small companies, with the largest successes being those that make the transition from small company up to the FTSE 100 (such as engineering software company Aveva which recently entered the FTSE 100). However, this financial year there was a significant dislocation between small company performance and the rest of the UK market – while the FTSE 100 rose 6.5% and the FTSE 250 rose 9.1%, the AIM All-Share Index fell 7.5% and the FTSE SmallCap Index finished approximately flat (-0.2%). This detracted from performance given the Company's substantial weighting in small and AIM quoted companies. This scale of divergence between small and medium sized company performance is unusual, and the Fund Managers go into the reasons for this in more detail in their report.

Another feature during the year was the widening in the discount level from 16.1% as at the previous year end to 19.8% at the end of this financial year. The Board recognises the primary route to discount reduction is strong performance. However, there are also other levers that fall within the Board's immediate control such as improved engagement with retail investors, using share buybacks selectively to enhance net asset value and increasing the attractiveness of the Company for income purposes. This year the dividend has been increased materially (by 24.0%) and next year we will move to a quarterly dividend payment structure, as described in more detail below. The dividend over the last 5 years has increased 15.8% compound annual growth rate per year.

Earnings and dividends

The revenue return was 29.9p compared to 20.2p last year. This notable increase was partly as a result of a high level of stock lending income, which totalled £373,000 during the financial year (2018: £49,000), contributing approximately 4.7p per share of income. Investment income also rose 21.0% year on year (including special dividends), helped by significant special dividends from holdings including **IAG** and **RBS**.

Despite the difficult year we are pleased to announce, subject to shareholder approval, a final dividend of 19.0p per

share, resulting in a full year dividend of 26.0p, a 24.0% increase on the 21.0p paid last year. This has resulted in a further £312,000 being added to the revenue reserve, taking the total to £1.9m following payment of the final dividend.

The Board has decided, from the beginning of the 2020 financial year, to pay quarterly dividends to shareholders. We intend to make dividends as predictable for shareholders as possible and, in the absence of any adverse changes in conditions, expect to be able to declare quarterly dividends as follows:

	Dividend Rate	Payment Date
Q1 2020	6.5p to be confirmed in March 2020	June 2020
Half Year 2020	6.5p to be confirmed in June 2020	September 2020
Q3 2020	6.5p to be confirmed in September 2020	December 2020
Final 2020	7.5p to be confirmed in January/ February 2021	March 2021

Anticipated total 27.0p

Fees and expenses

The disappointing results this year mean there is no performance fee payable. The combined management and performance fees are capped at 1.5% of average net assets (calculated quarterly) during the year. This year the ongoing charge was 0.91% (2018: 0.84%), the increase was largely attributable to increased marketing/shareholder engagement expenses.

Continuation vote

Following a three year cycle, there will be a continuation vote at this year's AGM on 19 March 2020. The NAV total return for the last three financial years is up 22.6%, while the FTSE All-Share total return is up 20.6%. The dividends over the three years have increased 28.9%. The valuations of the stocks in the portfolio are undemanding and the earnings growth prospects are strong. The UK economy is coming through a period of change and a renewal of confidence could lead to robust economic growth. The Directors recommend a vote in favour of continuation. The Directors and the Fund Managers will be voting their shares accordingly. If shareholders vote in favour of continuation the next vote will be in March 2023.

Buybacks and share issuance

99,670 shares were bought back during the financial year. These were purchased at between a 14.6% and 17.7% discount to cum income NAV. A further 2,813 shares were bought following the financial year end at between an 18.3% and 18.6% discount to cum income NAV.

Chairman's statement (continued)

It is the view of the Board and the Fund Managers that share buybacks may be used when there is a combination of a high discount to net asset value and a clear valuation opportunity within the portfolio. Following weak periods for small company performance, as was the case in December 2018, January 2019 and November 2019, buybacks were carried out. The Board intends to continue to use buybacks opportunistically in this manner.

Gearing

Gearing at the end of the year was 12.7%, an increase on the previous year end of 6.7%. As the Fund Managers cover in more detail in the Fund Managers' report, gearing was increased in the fourth quarter of 2018 and early 2019 to take advantage of valuation opportunities in what was a very weak period for UK small company performance.

It is a distinct advantage to have the ability to use low cost gearing, and it will be deployed in most circumstances. The level of gearing will not depend on a top down view of where we are in the economic cycle but rather on valuation levels and the conviction of the Fund Managers in individual stocks. The current level of gearing reflects the Fund Managers' view that there is unrecognised value in the portfolio.

The Board

Max King, who has served on the Board for 14 years, will retire with effect from the conclusion of the AGM in March 2020. Max has contributed a wealth of investment experience and his input into the management of the Company on behalf of shareholders has been greatly appreciated.

We are very pleased to have appointed Davina Curling to the Board with effect from 1 November 2019. Davina has over 25 years of fund manager experience and is currently a director of Invesco Income Growth Trust plc and BlackRock Greater Europe Investment Trust plc. Davina will stand for appointment at the AGM in March 2020.

AGM

Our Annual General Meeting will be held at 2.30pm on 19 March 2020 at the registered office, 201 Bishopsgate, London EC2M 3AE. The Notice of Meeting accompanies this Annual Report. The Directors will vote their own shareholdings in favour of all the resolutions to be put to the AGM and the Directors recommend that the shareholders support all the resolutions.

In addition to the formal business of the meeting, the Fund Managers, James Henderson and Laura Foll, will give a presentation, following which tea will be served.

Outlook

The General Election in December brought greater clarity in regard to the domestic political outlook and this has been well received by investors with UK focused stocks being the main beneficiaries. The improved market context has been strongly reflected in the portfolio with the NAV (total return) rising by 9.3% in the current financial year to 31 December and the share price increasing by 19.1%, whilst our benchmark, the FTSE All-Share Index, rose by only 5.6% during these two months.

The Board and the Fund Managers anticipate that markets will always face headwinds of varying degrees and accordingly prefer to invest in management teams capable of growing their businesses by dealing with problems that emerge. In our view the portfolio companies offer products and services that should deliver growth, whilst in many cases valuations do not fully reflect their prospects. The start to the current financial year has been encouraging with SmallCap valuations showing improvement and, if this trend continues, your Company's portfolio should benefit significantly.

Peter Jones
Chairman
7 February 2020



Fund Managers' report

“The greatest opportunity lies in the smallest companies and AIM stocks, currently held back by liquidity concerns.”

Fund Managers' report

Investment backdrop

The UK economy has been growing at a very modest rate. Capital spending is running at low levels. This is not an easy background for investment. Sales growth and investment in new capital lies behind profit growth. Therefore there have been a larger than usual number of profit disappointments from UK smaller companies. The reaction these sometimes modest profit downgrades have met in share price terms has often been severe, with the share price falling a considerable amount. This is a result of general shareholder nervousness.

The companies that worried shareholders like to hold are predictable businesses with very solid profiles that they believe will have no operational problems. Companies that are thought to have these attributes have moved onto very high valuations while those that are thought to be in any way challenged have seen their valuations fall. The problem with this approach is that in a fast moving world the business model that works well today can easily be out of date in the near future. The life cycle of companies is getting shorter as early strong growth can give way to maturity and decline faster than in the past. The speed of information flow exposes companies to faster, often global, competition. Very few have 'a moat' round them and this is why there are inherent dangers in investing in high valuation companies. However, over the last year it has been the high valuation stocks that have performed the best. When economic growth picks up

and some confidence returns, the valuation gap between highly rated shares and much cheaper shares may contract.

Portfolio review

The portfolio is divided into the seven classifications below. These classifications are not meant to be prescriptive (they are, to a degree, subjective). The aim is to ensure the portfolio remains diverse. Different classifications will perform well in different market environments.

This is the second year in which we have reported the portfolio in this manner to shareholders. The most notable changes since the breakdown of the portfolio last year are the increased weight in the recovery area (from 8% of the portfolio last year to 10% this year) and the lower weight in growth small cap (from 32% of the portfolio to 20%). The increase in recovery weighting is an active decision – new positions have been added including retail property company **Hammerson** and healthcare and industrial tape manufacturer **Scapa**. It is our view that some companies that are currently 'out of favour' are presenting compelling valuation opportunities, so there has been a deliberate modest increase in investment in that area. The decline in the 'growth small cap' weighting has come about for a mixture of active and passive reasons – there has been one material sale in the area (**Keyword Studios**, which has been exited) and there has also been a de-rating of one of the largest holdings, software company **Blue Prism**.

Classification	Total (gross assets) %	Indicative portfolio range %	Top 3 holdings
Large cap (£1bn+ market cap) These stocks are usually familiar to all investors. They are ballast for the portfolio but as individual companies we believe they remain long term growth opportunities that are genuinely good in their operations.	21	10-30	HSBC Johnson Matthey GlaxoSmithKline
Growth small cap Quality companies, however earlier stage than the 'small & mid cap compounders' with a correspondingly higher growth rate.	20	20-40	Zoo Digital Learning Technologies Blue Prism
Recovery Companies viewed as contrarian value opportunities.	10	0-20	Vertu Motors Hammerson Redde
Natural Resources Exposure to cyclical stocks adding diversity to the portfolio. Positioning depends on valuation opportunities and the commodity cycle.	10	5-15	Serica Energy Rio Tinto Eland Oil & Gas
Early stage companies/university spin-outs Early-stage companies and prospects largely uncorrelated to wider market moves.	7	0-20	4D Pharma Ceres Power Surface Transforms
Small & mid cap compounders These are the quality long term holds. We believe that they are long term compounders which over time will grow into larger companies.	31	20-40	RWS Tracsis Springfield Properties
Special Situations One-off investments with a specific catalyst.	1	0-10	Redcentric

Source: Janus Henderson at 31 October 2019

Fund Managers' report (continued)

Income

While the capital performance during the year was disappointing, the income received from the portfolio was encouraging, with investment income (including special dividends) rising 21.0%. In our view this demonstrates both the underlying value within the portfolio and also management confidence in the outlook for their businesses. In addition, stock-lending generated an exceptional £373,000, compared with just £49,000 last year.

Portfolio activity

We were active during the year, adding 19 new positions and selling out completely in 16. There was also one additional holding (**M&G**) inherited via a spin-out from the position in Prudential. This meant that as at 31 October 2019 there were 89 holdings in the portfolio (excluding those with nil value), compared to 85 at the previous year end.

The gearing level rose as purchases totalling £27.2 million more than offset sales of £23.4 million. This meant that gearing at year end was 12.7%, notably higher than 6.7% at the end of October 2018. This increase took place primarily in the fourth quarter of 2018 and at the beginning of 2019, as a 22% fall in the AIM Index resulted in a number of interesting valuation opportunities.

The gearing level within the portfolio is determined not by a view on macroeconomics but rather by a view on the valuation opportunities available. The low teens level of gearing at year end demonstrates that we think there is considerable value to be found currently in UK companies.

Purchases

The largest five purchases during the year were:

- **GlaxoSmithKline** (new position) Under a new management team, the company is re-focusing its pharmaceutical division on research & development, a change that is already showing some promising (if early stage) results. Aside from the pharmaceutical division there is the world's largest consumer health business and a fast growing vaccine business.
- **Springfield Properties** A small Scottish housebuilder that builds both private and affordable housing. It trades at a significant valuation discount to the broader housebuilding sector despite faster sales and earnings growth.
- **Sigmaroc** A heavy building materials company with a 'roll up' strategy of growth via selective acquisitions. The management team are experienced in the sector and are targeting companies with a high market share in their geographies and good asset backing. The valuation remains modest and the quality of assets and the management team are, in our view, underappreciated.
- **Hammerson** (new position) A retail property company with assets in the UK and continental Europe. While the retail property sector remains under pressure, Hammerson had de-rated substantially and at the time of purchase

it was trading at a discount of over 50% to its NAV. Hammerson has good quality shopping centre assets, including those such as Bicester Village (in which it has a minority stake), where the shopping experience cannot be replicated online. These high quality assets will remain attractive to brands to showcase their products. In our view, the current discount to NAV is too high.

- **Boku** A mobile payments company that allows customers including Apple and Spotify to charge for their services via an individual's mobile phone bill. While the payments business remains the majority of sales and earnings, this year Boku have expanded via an acquisition into identity services. This technology allows mobile carriers to identify individuals in the background without disrupting the users shopping experience (for example by asking for identity verification via text message). Boku continues to grow sales and earnings at comfortably double-digit rates and despite the early-stage nature of the technology is already profitable and cash generative.

Sales

The largest five sales during the year were:

- **Keyword Studios** (sold) A provider of a broad range of services to the gaming industry. It had been a strong performer since purchase and as a result had re-rated substantially.
- **Faroe Petroleum** (sold) Following a cash takeover approach from Norwegian operator DNO, the position was disposed of.
- **Serica Energy** (reduced) The position has performed well and was reduced to finance investment elsewhere within the natural resources allocation, for example the position in **Jersey Oil & Gas**.
- **Tarsus Group** (sold) The position was disposed of following a cash takeover approach from private equity.
- **Eland Oil & Gas** (reduced) The position was reduced (and following financial year end, subsequently sold), following a cash takeover approach from a listed peer.

It is notable that of the five largest sales, three were as a result of a takeover approach. **Dairy Crest** was also sold during the year as a result of a takeover by a Canadian company. The scale of takeovers within the portfolio this year is, we think, a demonstration of the valuation opportunity currently available in UK smaller companies.

Attribution

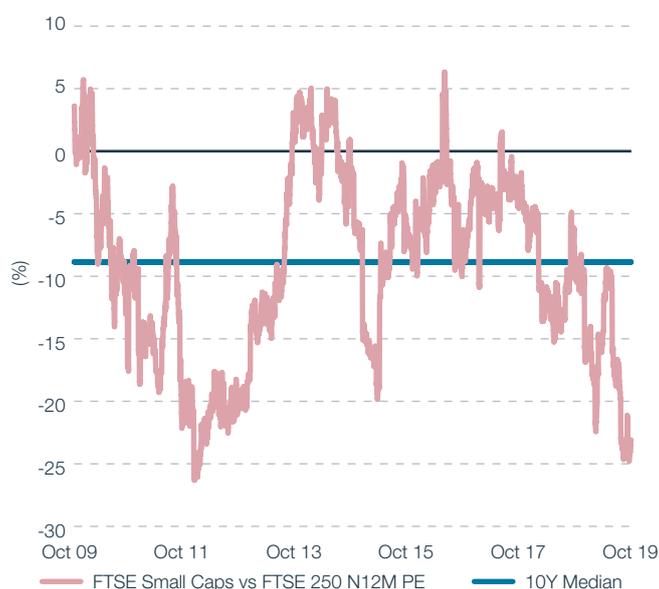
As the Chairman describes in his statement it was a disappointing year for performance relative to the benchmark. The Company's NAV on a total return basis rose 0.2% relative to a 6.8% rise in the FTSE All-Share Index. There are two primary reasons for this – the portfolio's significant position in smaller companies relative to the index, and two sizeable stock specific detractors (**LoopUp** and **Blue Prism**), both of which we go into in more detail overleaf.

Fund Managers' report (continued)

At the end of the financial year, the portfolio had a weighting of 54.2% in AIM and 8.6% in the FTSE SmallCap Index. During the financial year, the FTSE 100 returned 6.5% while the AIM All-Share returned -7.5% and the FTSE SmallCap Index (excluding investment trusts) returned -0.2%. This weakness was limited to the smaller company area; over the same time period the FTSE 250 Index (of medium sized companies) returned 9.1%. This is a particularly unusual backdrop which requires explanation. There is an increasing desire for liquidity within open-ended funds to the detriment of smaller company positions. This means that some fund managers of open-ended vehicles are becoming forced sellers in the smaller company area, particularly of those with a market capitalisation below £250m. This pressure has been steadily increasing for some time but has become more pronounced this year. In the longer term, this provides a great opportunity for closed-end funds, such as your Company, to profit from materially undervalued growth companies. The other factor that is causing weakness in the area is the more domestic exposure of smaller companies at a time when there is still significant uncertainty regarding the future outlook for the UK.

This small company weakness has caused a material derating relative to the FTSE 250 Index.

FTSE Small Caps next 12 months price/earnings Premium To FTSE 250



Source: Morgan Stanley at 16 October 2019

Top 10 detractors from absolute performance

	Share price return %	Contribution to NAV %
LoopUp	-80.6	-2.5
Blue Prism	-52.4	-2.4
4D Pharma	-39.7	-0.8
GRC International	-85.2	-0.7
Redde	-29.7	-0.6
Van Elle	-50.8	-0.5
Tribal Group	-28.6	-0.5
Quixant	-48.7	-0.5
IP Group	-47.8	-0.5
IQGeo	-23.7	-0.5

Source: Janus Henderson

The largest individual detractor during the year was conference call software provider **LoopUp**. This had been a good purchase since IPO, and we reduced the position modestly at a higher share price. However, this year the company has generated materially lower earnings than expected as the existing customer base has used the conference call facilities less. The customer base is approximately 50% UK and 50% US; the weakness in usage has been predominantly in the UK customer base, which is influenced by professional service firms. LoopUp is attributing the weakness to a difficult end market among their UK customer base. They can demonstrate that customers are not (on average) switching to competing software.

LoopUp share price since IPO (pence)



Source: Refinitiv Datastream at 31 October 2019

Fund Managers' report (continued)

The share price weakness has been a combination of substantially lower earnings in 2019 and a lower valuation on the shares. The current valuation is modest for a company that, despite its challenges, is forecast to grow sales and earnings substantially over the next few years. Any recovery will, however, take time as the management team needs to rebuild credibility.

The second largest detractor was **Blue Prism**, which provides robotic process automation software. This software allows the automation of relatively manual tasks, for example some customer service functions and payroll processing, with the idea of both reducing time and cost, and also improving accuracy. Similar to LoopUp, this position was purchased at IPO. It has been a very strong performer for the portfolio over the long term but this year has de-rated relative to its forecast sales (being loss making, a sales multiple is the best way to value it). There have not been any material disappointments that have caused the de-rating but rather there is a perception that Blue Prism is falling behind the curve relative to its two largest competitors. Both are American firms that have raised substantially more money than Blue Prism to invest in the area. This perception is, we think, largely correct but the rate of traction in the area means that sales can still continue to grow at a high rate. We have maintained the holding as the valuation is now modest relative to sales for this type of fast growing software company, and Blue Prism could be absorbed into one of the US competitors.

Top 10 contributors to absolute performance

	Share price return %	Contribution to NAV %
Serica Energy	23.4	1.1
RWS Holdings	27.5	1.1
Eland Oil & Gas	52.2	1.0
Tarsus Group	57.5	0.9
Assura	49.1	0.9
Aveva Group	61.8	0.9
Oxford Instruments	39.0	0.6
Cohort	38.5	0.6
Keyword Studios	17.7	0.5
Integrafin Holdings	40.8	0.5

Source: Janus Henderson

For the second year in a row, the largest contributor to performance was **Serica Energy**, a North Sea oil and gas producer. Serica purchased assets from BP following the material fall in the price of oil during 2014 and 2015, at a time when BP were aiming to reduce leverage. These assets have proved to be a very good purchase, with both production rates and cash flow surprisingly positive. The position in Serica has been reduced in order to rotate elsewhere within the 'natural resources' allocation.

The second largest contributor to performance was **RWS Holdings**, which offers specialist translation services, for example within the pharmaceutical industry where patents have to be translated to a high degree of accuracy. RWS has a scale advantage in the area which allows them to hire their own teams of specialist translators rather than using freelancers, in turn allowing them to generate a higher margin than peers. This year the shares have benefitted from a combination of strong organic growth and margin improvement, leading to double digit earnings growth.

RWS share price since first purchase (pence)



Source: Refinitiv Datastream at 31 October 2019

Environmental, social and corporate governance (ESG)

Responsible Investment is the term used at Janus Henderson to cover our work on ESG issues in the Company's investee companies. It is very wide ranging and all investment decisions are made thinking about them in an ESG context. It is an integral part of the investment process. Further detail on Janus Henderson's commitment to Corporate Social Responsibility can be found in the Janus Henderson Impact Report, available on Janus Henderson's website (www.janushenderson.com).

In some areas, considerable progress can be seen. The governance of many businesses has improved. Board composition has become more diverse and gender equality is being tackled by the business community. Some governance issues are easily measurable and progress is being made. This includes some social issues. The attention being paid, for instance, to child labour has meant a closer scrutiny by large companies of their suppliers work practices has been beneficial. However, there are ESG issues that are subjective and as a result progress is difficult to monitor. The environmental area is particularly hard. The energy sector is

Fund Managers' report (continued)

the largest contributor to greenhouse gases and therefore global warming. Disinvestment is unlikely to help solve the problem, but being supportive of companies in their efforts to develop renewables might, provided that the returns on renewables appear sufficient. Decarbonisation might mean that the returns from the large energy companies are not sustainable but, at present, the speed of change is not rapid enough to disrupt the business model of large energy companies. We are still invested in traditional oil exploration companies, but in aggregate the portfolio companies have a lower carbon footprint than the index.

We prefer dialogue with, rather than the exclusion of, companies that score badly in environmental screens so as to try and understand the issues. One of the ways an awareness of these issues colours all investment decisions is in the search for companies that are positively helping provide the answers. For instance this year we participated in a capital raise for **Ceres Power** which is developing Fuel Cell technology. The company has recently made significant progress with its product being adopted by a major Chinese bus manufacturer.

ESG issues are both a challenge and an opportunity. For a company to have a long term sustainable business model it needs to be aware of the issues and act appropriately.

Outlook

Despite the disappointing performance in both absolute terms and relative to the FTSE All-Share index during the financial year, the portfolio ended the calendar year well-placed for the subsequent surge in the UK market. Our high exposure to smaller companies and in particular stocks quoted on AIM held us back during the year but benefited performance in the final two months of 2019 and will, we believe, continue to do so in 2020. The greatest opportunity lies in the smallest companies and AIM stocks, currently held back by liquidity concerns which have caused open-ended funds to consequently sell at low valuations but we expect a catch-up in performance in 2020. Closed end funds, such as yours, without the need to worry about liquidity, should be a beneficiary.

During the financial year, stock selection was a positive contributor in each size segment of the market; large caps, mid caps, small caps and AIM. Allocation between size segments, not stock selection within them, held back performance. In the current financial year, we expect the allocation effect to turn in our favour and believe that our stock selection will continue to be strong. The low turnover during the year reflected our confidence in the portfolio as did the increase in the gearing level to 12.7% (at the year end), in what others regarded as uncertain times. Investors who were patient with us last year should continue to be well rewarded this year.

James Henderson and Laura Foll
Fund Managers
7 February 2020

Twenty largest holdings at 31 October 2019

The stocks in the portfolio are a diverse mix of businesses operating in a wide range of end markets.

Ranking 2019 (2018)	Company	% of Portfolio	Approximate Market Capitalisation	Valuation 2018 £'000	Purchases £'000	Sales £'000	Appreciation/ (depreciation) £'000	Valuation 2019 £'000
1 (3)	RWS Holdings¹ The world's leading provider of high-quality translation, intellectual property and language support services to a broad range of companies.	3.8	£1.6b	4,420	–	(1,549)	1,058	3,929
2 (2)	Serica Energy¹ An oil exploration and production business focused on the North Sea. Assets were bought at attractive prices from BP at a time when oil majors were reducing capital expenditure.	3.1	£355m	4,752	–	(2,497)	961	3,216
3 (5)	Tracsis¹ A developer of technology and services that solve mission critical resource management problems in the transport sector, particularly rail.	2.9	£172m	2,750	–	–	225	2,975
4 *	Zoo Digital¹ A provider of localisation services, including subtitling and dubbing, for media content producers such as Disney and Netflix. The proliferation of global media content means that their quick and good quality localisation services are in high demand.	2.5	£64m	1,177	1,169	(129)	431	2,648
5 (8)	Learning Technologies¹ An e-learning technology provider for both the public and private sector. The company is growing strongly via organic growth and acquisitions.	2.5	£715m	2,503	114	–	(65)	2,552
6 *	Springfield Properties¹ A Scottish housebuilder that builds both private and affordable housing, growing volumes quickly.	2.4	£113m	963	1,480	–	58	2,501
7 (10)	Johnson Matthey Founded in 1817 this FTSE 100 company is today one of the global leaders in reducing emissions pollution through the application of world leading chemistry.	2.4	£5.9b	2,378	–	–	78	2,456
8 *	Sigmaroc¹ A heavy building materials company with a strategy of growth via acquisitions. The management team are targeting companies with good asset backing and high market shares in the geographies they operate in.	2.4	£79m	824	1,428	–	200	2,452
9 (7)	HSBC The global bank provides international banking and financial services.	2.3	£118b	2,616	–	–	(251)	2,365
10 *	Oxford Instruments A designer and manufacturer of highly specialist analysis equipment for use within industry and academic research.	2.2	£742m	1,228	507	–	602	2,337

* Not in the top 20 largest investments last year

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

Twenty largest holdings at 31 October 2019 (continued)

Ranking 2019 (2018)	Company	% of Portfolio	Approximate Market Capitalisation	Valuation 2018 £'000	Purchases £'000	Sales £'000	Appreciation/ (depreciation) £'000	Valuation 2019 £'000
11 (15)	Assura The UK's leading investor in modern health centres helping GPs and the NHS bring healthcare closer to the patient.	2.2	£1.8b	1,828	–	(278)	723	2,273
12 (1)	Blue Prism¹ One of the pioneers of the rapidly growing market for robotic process automation software.	2.2	£632m	5,029	51	(388)	(2,436)	2,256
13 *	Boku¹ A mobile payments and identity company, which allows customers including Apple and Spotify to charge for their services via an individual's mobile phone bill.	2.1	£251m	1,103	1,299	–	(232)	2,170
14 *	GlaxoSmithKline A global pharmaceutical, consumer healthcare and vaccines company. Under a new management team they are focused on improving their pharmaceuticals pipeline.	2.0	£88b	–	1,982	–	52	2,034
15 (13)	Rio Tinto A miner of aluminium, coal, copper, gold, iron ore, uranium, zinc and diamonds, operating good quality assets from a relatively low cost base.	1.9	£65b	1,902	–	–	105	2,007
16 (12)	Ricardo A global engineering, environmental and strategic consultancy, focused on efficiency and waste elimination and benefiting from ever tighter environmental controls.	1.9	£342m	1,988	162	–	(198)	1,952
17 *	Cohort¹ A manufacturer of a diverse range of defence equipment including counter drone systems, equipment for submarines and communication devices for the army. The management team have a record of successful bolt-on acquisitions.	1.8	£221m	1,414	–	–	507	1,921
18 *	Aveva Group Engineering software for use across a broad range of industries including oil & gas, food & beverages and chemicals, allowing industrial companies to design and manage production facilities.	1.8	£6.8b	1,309	–	(200)	773	1,882
19 *	Vertu Motors¹ A UK car dealer with brands including Ford and Vauxhall. The management team has a successful track record and the balance sheet is strong.	1.8	£152m	1,283	391	–	187	1,861
20 (11)	Rolls Royce The company designs and manufactures engines as well as providing the after market services for use across aerospace, marine and power generation industries. They have gained market share across many of the large new civil aerospace programmes and under a new management team have renewed their focus on removing costs.	1.7	£13.6b	2,098	–	–	(325)	1,773

At 31 October 2019 these investments totalled £47,560,000 or 45.9% of the portfolio.

* Not in the top 20 largest investments last year

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

Investment portfolio at 31 October 2019

Ranking 2019	Company	Main activity	Valuation 2019 £'000
1	RWS Holdings ¹	patent translation services	3,929
2	Serica Energy ¹	oil and gas exploration and production	3,216
3	Tracsis ¹	logistics software and services	2,975
4	Zoo Digital ¹	dubbing and subtitling services	2,648
5	Learning Technologies ¹	e-learning	2,552
6	Springfield Properties ¹	Scottish housebuilder	2,501
7	Johnson Matthey	advanced materials technology	2,456
8	Sigmaroc ¹	construction materials	2,452
9	HSBC	banking	2,365
10	Oxford Instruments	scientific instruments	2,337
10 largest			27,431
11	Assura	healthcare property	2,273
12	Blue Prism ¹	robotic process automation software	2,256
13	Boku ¹	mobile payment software provider	2,170
14	GlaxoSmithKline	global pharmaceuticals and consumer healthcare	2,034
15	Rio Tinto	general mining	2,007
16	Ricardo	automotive technology consultancy	1,952
17	Cohort ¹	military products and services	1,921
18	Aveva Group	software services for engineering designers	1,882
19	Vertu Motors ¹	motor retailer	1,861
20	Rolls Royce	aero engines and power systems	1,773
20 largest			47,560
21	Next Fifteen Communications ¹	digital marketing agency	1,741
22	Workspace	London office real estate investment trust	1,729
23	Prudential	insurance	1,686
24	SDL	software and translation services	1,648
25	The Gym Group	affordable gyms	1,646
26	Standard Chartered	banking	1,612
27	XP Power	electrical power components	1,578
28	Hammerson	retail property	1,522
29	Integrafin Holdings	advisor platform	1,356
30	Vodafone	mobile phone operator	1,338
30 largest			63,416
31	Flowtech ¹	water services and boosters	1,331
32	Jersey Oil & Gas ¹	oil and gas exploration and production	1,316
33	Miton ¹	fund management	1,215
34	GB Group ¹	identity data intelligence	1,208
35	Senior	aerospace and industrial engineer	1,165
36	Redde ¹	support services for insurance	1,120
37	Quixant ¹	gaming hardware and software	1,097
38	Fastjet ¹	African low cost airline	1,094
39	Royal Bank of Scotland	UK retail and corporate bank	1,063
40	Redcentric ¹	IT managed services	1,050
40 largest			75,075

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

² Unlisted

Investment portfolio at 31 October 2019 (continued)

Ranking 2019	Company	Main activity	Valuation 2019 £'000
41	4D Pharma ¹	novel drug development platform	1,040
42	Ceres Power ¹	fuel cell technology	1,035
43	Tribal Group ¹	educational sector software and services	1,020
44	Studio Retail	UK online retail	965
45	Franchise Brands ¹	franchise operation	963
46	Direct Line Insurance	UK car and home insurance	952
47	Character ¹	toys and games	950
48	Hollywood Bowl	bowling centres	900
49	Cluff Natural Resources ¹	oil and gas exploration	850
50	Surface Transforms ¹	braking systems	840
50 largest			84,590
51	Eland Oil & Gas ¹	oil and gas exploration and production	838
52	Reabold Resources ¹	oil and gas exploration	800
53	Mondi	paper and packaging production	799
54	International Consolidated Airlines	airline	797
55	Scapa ¹	healthcare and industrial adhesives	780
56	Horizon Discovery ¹	drug development and diagnostic services	756
57	Premier Oil	oil and gas exploration and production	713
58	Eurocell	extruded plastic products	692
59	IQGeo ¹	geospatial software	691
60	Keystone Law ¹	legal services	680
60 largest			92,136
61	Provident Financial	sub prime lending	660
62	Creo Medical ¹	surgical devices	644
63	IG Group	investment services	635
64	Oxford Biodynamics ¹	drug and technology	582
65	Lloyds Banking	UK retail and corporate bank	568
66	IQE ¹	semi conductor components	563
67	Aggregated Micro Power ¹	small scale power generation	560
68	LoopUp ¹	conference call services	542
69	Mirriad Advertising ¹	advertising technology	530
70	Royal Mail	UK and European parcel and letter delivery	529
70 largest			97,949
71	IP Group	portfolio of early stage companies from universities	522
72	BT Group	telecoms	512
73	CML Microsystems	specialist semiconductors	456
74	Van Elle ¹	construction services	418
75	Oxford Sciences Innovation ²	portfolio of companies from Oxford University	400
76	K3 Capital ¹	UK corporate broker	390
77	Deltex Medical ¹	medical monitoring equipment	356
78	Ilika ¹	advanced materials	315
79	Renewi	waste management services	295
80	Jadestone Energy ¹	oil and gas production	281
80 largest			101,894
81	Indus Gas ¹	gas production in India	280
82	Safestyle ¹	UPVC windows and doors	278
83	M&G	UK financial services	267
84	Atlantis ¹	renewable energy generation	257
85	KRM22 ¹	risk monitoring systems	241
86	Be Heard ¹	digital marketing	187
87	GRC International ¹	data protection and cyber security	138
88	Eve Sleep ¹	online bedding retailer	38
89	Velocys ¹	early stages gas to liquids technology	18
Total Investments			103,598

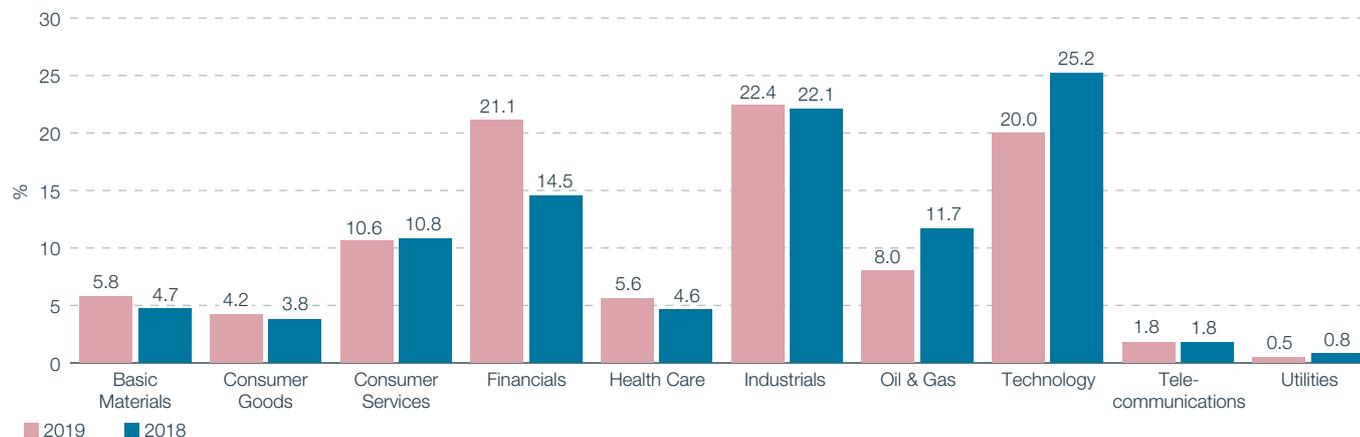
¹ Quoted on the Alternative Investment Market ('AIM')

² Unlisted

Portfolio information

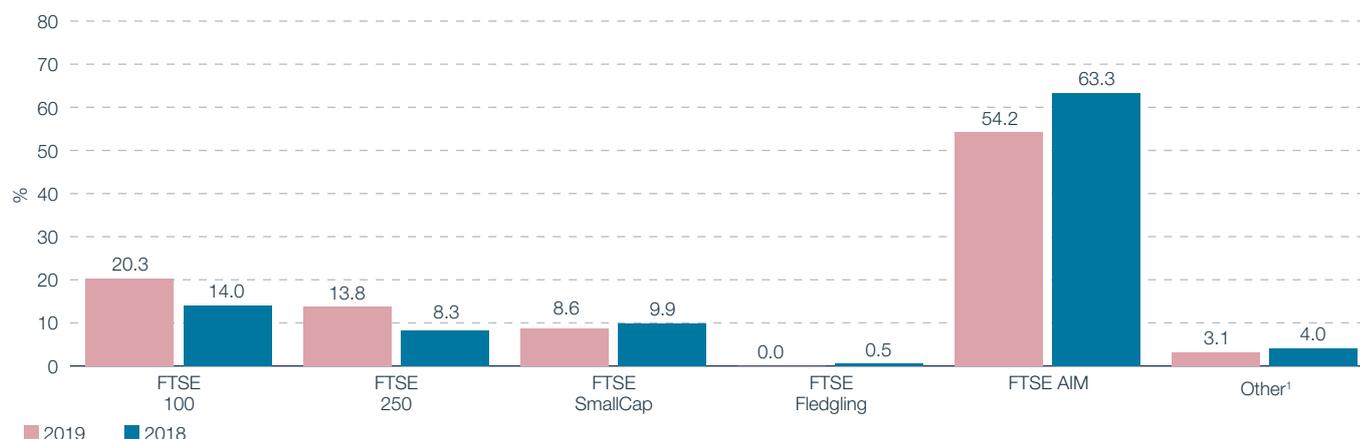
Portfolio by Sector at 31 October

As a percentage of the investment portfolio excluding cash



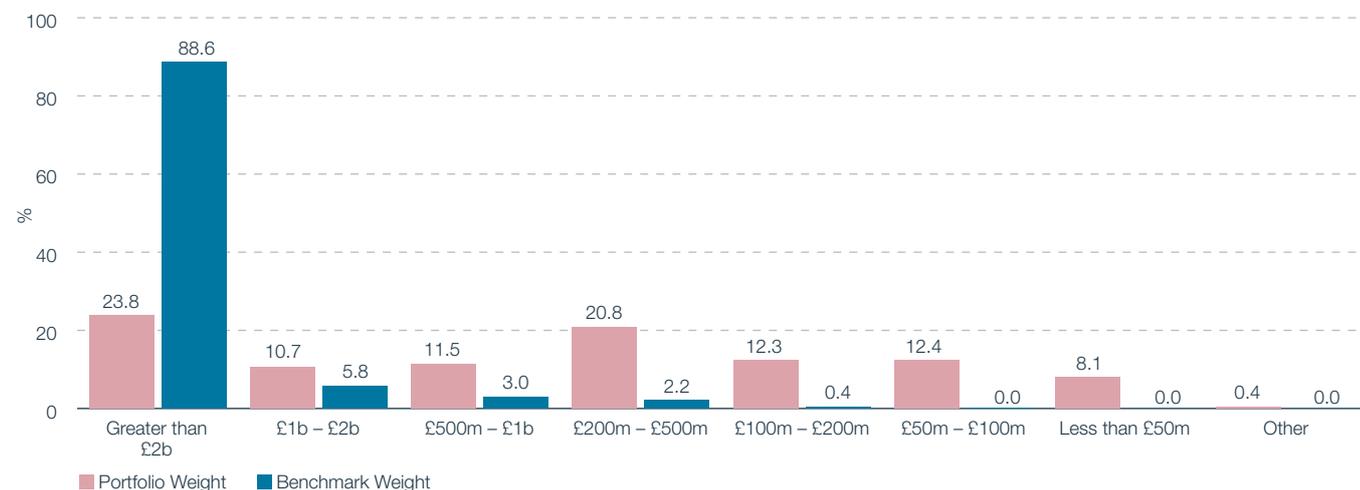
Portfolio by Index at 31 October

As a percentage of the investment portfolio excluding cash



¹ Other also includes AIM investments outside the FTSE AIM Index and shares listed on the main market which are not included in the FTSE All-Share Index

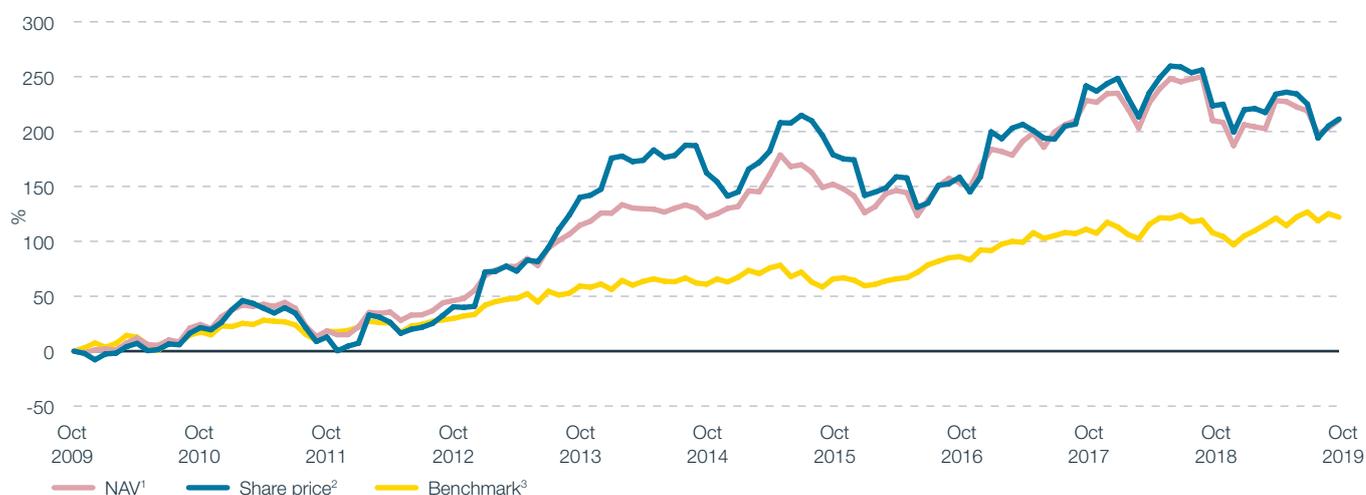
Market capitalisation of the portfolio at 31 October 2019



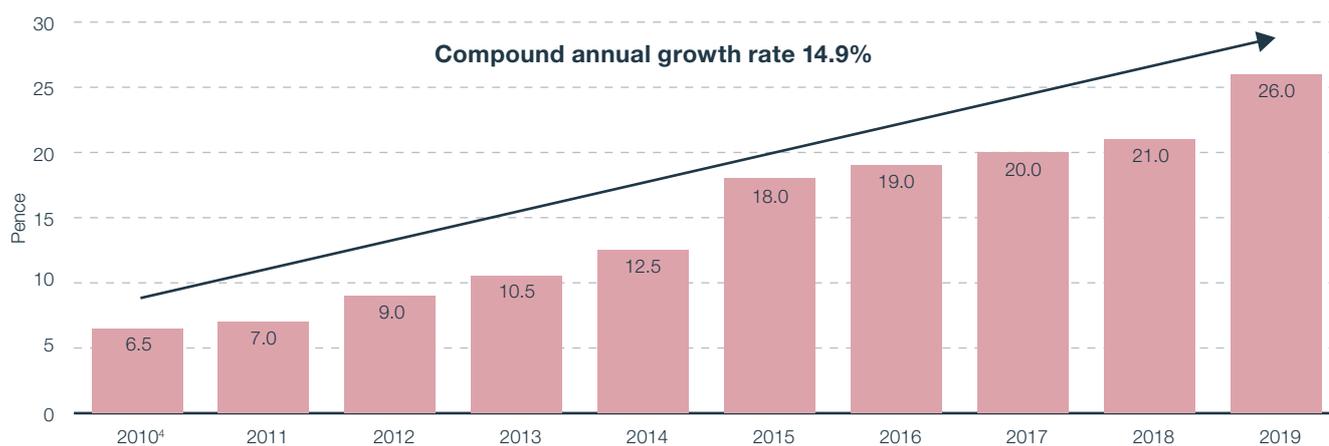
A glossary of terms can be found on pages 67 and 68 and Alternative Performance Measures can be found on pages 69 and 70
Sources: Morningstar for the AIC, Janus Henderson, Refinitiv Datastream

Historical information

Total return performance over the last 10 years



Dividend



Financial information

Year ended 31 October	Total net assets £'000	Net asset value per ordinary share pence	Net revenue return per ordinary share pence
2010	42,898	532.0	7.4
2011	40,408	501.0	7.9
2012	48,490	608.8	10.9
2013	70,434	884.3	12.5
2014	72,302	903.7	15.2
2015	81,007	1,012.5	22.5
2016	79,782	997.2	20.5
2017	101,599	1,269.9	21.8
2018	94,360	1,179.4	20.2
2019	91,798	1,161.8	29.9

1 Net Asset Value (NAV) per ordinary share total return with income reinvested

2 Share price total return using mid-market closing price with income reinvested

3 FTSE All-Share Index total return

4 Excludes distribution relating to exceptional VAT refunds

A glossary of terms can be found on pages 67 and 68 and Alternative Performance Measures can be found on pages 69 and 70

Sources: Morningstar for the AIC, Janus Henderson, Refinitiv Datastream

Business model

Our strategy

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

The Company's status

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

The Company and the Board are governed by the 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 is listed on the Main Market of the London Stock Exchange and is subject to the Listing Rules, Prospectus Rules and the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ('FCA').

Investment objective

The Company aims to achieve capital growth in excess of the FTSE All-Share Index from a portfolio of UK investments.

Investment policy

Asset allocation

The following investment ranges apply:

Equities: 70% to 100%

Fixed Income and Cash: 0% to 30%

Stock selection is not constrained by the FTSE All-Share Index and there are no limits on investment by sector or market capitalisation. Therefore the makeup and weighting of the portfolio will differ materially from the FTSE All-Share Index.

The Company will invest in a portfolio of 70 to 100 investments on an unconstrained basis across the whole range of market capitalisations. Excluding investments written down to zero.

The Company can, but normally does not, invest up to 15% of its gross assets in investment companies (including listed investment trusts).

The Company may invest in unlisted securities up to a maximum of 10% of gross assets at the time of investment.

Dividend

Income growth is a secondary objective to capital growth. However, the Company does seek dividend growth over time.

Derivatives

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management while maintaining a level of risk consistent with the risk profile of the Company.

Gearing

Net gearing (defined as all borrowings less cash balances and investments in cash funds) is limited by the Board to a maximum of 25% of the Company's net assets, calculated on a fully diluted basis.

Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive ('AIFMD').

The Company has an independent Board of Directors which has appointed Henderson Investment Funds Limited ('HIFL') to act as its Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited ('HGIL') in accordance with an agreement which became effective on 22 July 2014 and can be terminated on six months' notice. Both entities are authorised and regulated by the FCA. References to the Manager within this report refer to the services provided by HIFL and HGIL. Both entities are wholly owned subsidiaries of Janus Henderson Group plc, referred to as Janus Henderson.

The management agreement with HIFL is reviewed annually by the Management Engagement Committee.

Janus Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration, accounting and cash management services are carried out, on behalf of Janus Henderson, by BNP Paribas Securities Services. Melanie Stoner (Fellow of the Chartered Governance Institute) acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Management fee

The management agreement provides for the payment of a composite management fee which is calculated and paid quarterly in arrears. The base management fee is charged at 0.55% of net assets per annum payable quarterly at a rate of 0.1375% based on net assets at the end of the previous quarter.

Business model (continued)

Performance fee

The management agreement also provides for the payment of a performance fee, calculated as 15% of any outperformance of the Net Asset Value over the benchmark, subject to a limit on the total management and performance fees payable in any one year of 1.5% of the average net assets (calculated quarterly) during the year. No performance fee will be payable if on the last day of the Company's accounting year the Company's share price is lower than the share price at the preceding year end. No performance fee will be payable if on the last day of the Company's accounting year the Company's Net Asset Value per share is lower than its value at the preceding year end. Any underperformance relative to the benchmark, or any unrewarded outperformance (for example, as a result of the cap), will be carried forward and set against any outperformance or underperformance respectively in subsequent years. No performance fee is payable for the year ended 31 October 2019. Performance fee arrangements were reviewed during the year.

Dividend approach

Income growth is a secondary objective to capital growth. However, the Company does seek dividend growth over time. The Board is optimistic that the progressive dividend policy of recent years can be maintained, although this may from time to time require utilisation of the revenue reserve.

The Board has decided to pay quarterly dividends to shareholders from the beginning of the 2020 financial year to make dividends as predictable for shareholders as possible. When deciding dividends the Board has regard to a variety of factors, including the current and forecast levels of dividend income from the portfolio, the sustainability of that income, cash resources and any macro and economic risks. The Fund Managers provided portfolio updates together with a projected schedule in respect of the income generated by the underlying investments to assist the Board's decision.

Promoting the Company's success

The Directors' overarching duty is to promote the success of the Company for the benefit of investors, with consideration of stakeholders' interests, as set out in section 172 of the Act. The Board regards a well governed business model as essential for the successful delivery of its investment proposition. To this end, the Board secures the Company's success by engaging reputable third-party suppliers with established track records to deliver the day-to-day operations. The most important of these is the Manager, and in particular

the Fund Managers, who are responsible for the management of the Company's assets in line with the investment objective. The Board maintains a close working relationship with the Manager and holds it to account for the smooth running of the Company's day-to-day business. The Board retains responsibility for decisions regarding corporate strategy, corporate governance, risk and internal control assessment, determining the overall limits and restrictions for the portfolio and in respect of gearing and asset allocation, investment performance monitoring and setting marketing budgets.

The Fund Managers promote the Company with the support of the Manager's dedicated investment trust sales team and the Board makes additional spend available to support marketing activities aimed at raising the profile of the Company among retail investors in the UK. To ensure the chosen service providers continue to deliver the expected level of service, the Board receives regular reporting from them, evaluates the control environments in place at each service provider and formally assesses their appointment annually. By doing so the Board seeks to ensure that the key service providers continue to be appropriately remunerated to deliver the expected level of service.

Culture

As explained above, the Directors' overarching duty is to promote the success of the Company for the benefit of investors, with consideration of stakeholders' interests. The Company's main stakeholders are the Company's shareholders, the Manager and other service providers.

The Board applies various policies, practices and behaviour to ensure that the Board's culture is in line with the Company's purpose, values and strategy. The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to Directors' conflicts of interest, Directors' dealings in the Company's shares, bribery (including the acceptance of gifts and hospitality) and tax evasion. The Board assesses and monitors compliance with these policies regularly through Board meetings and the annual evaluation process (for more information see the performance evaluation section on page 28).

The Board seeks to appoint the best possible service providers and evaluates the service on a regular basis as described on page 31. The Board considers the culture of the Manager and other service providers through regular reporting and by receiving regular presentations from these stakeholders. The Board also seeks to control the Company's costs, thereby enhancing performance and returns for the Company's shareholders.

Business model (continued)

Directors are also required to consider the impact on the community and environment. The Board further describes the Company's and Manager's approach to environmental, social and governance matters on pages 21 and 22.

Ongoing charges

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

For the year ended 31 October 2019 the ongoing charge was 0.91% (2018: 0.84%) of net asset value excluding the performance fee and (given that the performance fee for 2019 and 2018 was zero) 0.91% (2018: 0.84%) including the performance fee. The increase was largely attributable to increased marketing/shareholder engagement expenses.

Borrowings

The Company has an unsecured loan facility in place which allows it to borrow as and when appropriate. £20m (2018: £20m) is available under the facility. Net gearing is limited by the Board to 25% of net assets. The maximum amount drawn down in the period under review was £14.6m (2018: £18.1m), with borrowing costs for the year totalling £177,000 (2018: £229,000). £12.6m (2018: £7.0m) of the facility was in use at the year end. Net gearing at 31 October 2019 was 12.7% (2018: 6.7%) of net asset value.

Viability statement

The Company is normally a long term investor; the Board believes it is appropriate to assess the Company's viability over a five year period in recognition of our long term horizon and what the Board believes to be investors' horizons, taking account of the Company's current position and the potential impact of the principal risks and uncertainties as documented in this Strategic Report.

The assessment has considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular investment strategy and performance against benchmark, whether from asset allocation or the level of gearing, and market risk, materialising in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

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

The Directors do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. Only a substantial financial crisis affecting the global economy could have an impact on this assessment. Whilst there is currently uncertainty in the markets due to the UK's negotiations having left the European Union, the Board does not believe that this will have a long term impact on the viability of the Company and its ability to continue in operation.

The Directors recognise that there is a continuation vote due to take place at the Annual General Meeting in March 2020. The Directors support the continuation of the Company and expect that the Company will continue to exist for the foreseeable future, at least for the period of the assessment.

Based on this assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five year period.

Future developments

While the future performance of the Company is mainly dependent on the performance of financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objective and strategy explained on page 17. The Chairman's Statement and Fund Managers' Report provide commentary on the outlook for the Company.

Business model (continued)

Managing our risks

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

The Board considers regularly the principal risks facing the Company in order to mitigate them as far as practicable. The Board monitors the Manager, its other service providers and the internal and external environments in which the Company operates to identify new and emerging risks. It is the Board's view that demographic change, technological change, environmental sustainability and political change are emerging risks.

The Board has drawn up a risk map which identifies the substantial risks to which the Company is exposed. The Board has also put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy. These principal risks fall broadly under the following categories:

Risk	Controls and mitigation
<p>Investment activity and strategy</p> <p>An inappropriate investment strategy (for example, in terms of asset allocation, stock selection, failure to anticipate external shocks or the level of gearing) may lead to a reduction in NAV, underperformance against the Company's benchmark and the Company's peer group; it may also result in the Company's shares trading on a wider discount to NAV.</p>	<p>The Manager provides the Directors with management information including performance data reports and portfolio analyses on a monthly basis. The Board monitors the implementation and results of the investment process with the Fund Managers, who attend all Board meetings, and reviews regularly data that monitors risk factors in respect of the portfolio. The Manager operates in accordance with investment limits and restrictions determined by the Board; these include limits on the extent to which borrowings may be used. The Board reviews its investment limits and restrictions regularly and the Manager confirms its compliance with them each month. The Board reviews investment strategy at each Board meeting.</p> <p>The Board seeks to manage these risks by ensuring a diversification of investments through regular meetings with the Fund Managers with measurement against performance indicators and by reviewing the extent of borrowings.</p>
<p>Financial instruments and the management of risk</p> <p>By its nature as an investment trust, the Company is exposed in varying degrees to market risk, interest rate risk, liquidity risk, currency risk and credit and counterparty risk. Market risk arises from uncertainty about the future prices of the Company's investments.</p>	<p>An analysis of these financial risks and the Company's policies for managing them are set out in Note 15 on pages 59 to 63.</p>
<p>Operational</p> <p>Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the Custodian or the Depositary's records could prevent the accurate reporting and monitoring of the Company's financial position.</p>	<p>The Manager has contracted some of its operational functions, principally those relating to trade processing, investment administration, accounting and cash management, to BNP Paribas Securities Services.</p> <p>Details of how the Board monitors the services provided by the Manager and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Report on pages 28 and 29.</p>

Business model (continued)

Risk	Controls and mitigation
<p>Accounting, legal and regulatory</p> <p>A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the FCA's Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act 2006 could lead to criminal proceedings, or financial or reputational damage.</p>	<p>The Manager is contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal controls reports produced by Janus Henderson on a quarterly basis, which confirm regulatory compliance.</p>
<p>Liquidity</p> <p>In line with the Company's investment strategy the Fund Managers can invest on an unconstrained basis across the whole range of market capitalisations. This includes investing in smaller, early stage development companies. The market for these shares is less liquid than for those stocks which have a larger market capitalisation.</p>	<p>The Board monitors the Company's exposure to these smaller companies on a monthly basis and reviews this in detail at Board meetings. The liquidity of the whole portfolio is also considered at Board meetings.</p>
<p>Net gearing</p> <p>The ability to borrow money for investment purposes is a key advantage of the investment trust structure. A failure to maintain a bank facility would prevent the Company from gearing. A breach of the Company's borrowing covenants or the gearing range determined by the Board could lead to the Company becoming a forced seller of shares with possible losses for shareholders.</p>	<p>The Board reviews the level of net gearing at each Board meeting in the light of the liquidity of the portfolio and ensures that it is well within the covenants so that this risk is very unlikely to arise.</p>
<p>Failure of Janus Henderson</p> <p>A failure of the Manager's business, whether or not as a result of regulatory failure, cyber risk or other failure could result in the Manager being unable to meet its obligations and its duty of care to the Company.</p>	<p>The Board meets regularly with representatives of the Manager's Investment Management, Risk, Compliance, Internal Audit and Investment Trust teams and reviews internal control reports from the Manager on a quarterly basis. The failure of the Manager would not necessarily lead to a loss of the Company's assets, however, this risk is mitigated by the Company's ability to change its investment manager if necessary, subject to the terms of its management agreement.</p>

Our approach to environmental, social and governance matters

Responsible ownership and the Stewardship Code

Janus Henderson supports the UK Stewardship Code, and seeks to protect and enhance value for our shareholders through active management, integration of ESG factors into investment decision making, voting and company engagement.

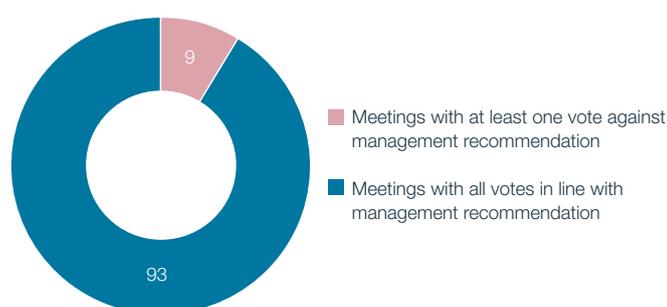
The Board believes that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. We have chosen to delegate responsibility to the Manager for voting the rights attached to the shares held in the Company's portfolio as the Manager actively votes at shareholder meetings and engages with companies as part of the voting process.

Voting decisions are made in consultation with the Fund Managers, who have an in-depth understanding of the respective company's operations. Voting decisions are taken in keeping with the provisions of the Manager's Responsible Investment Policy ('RI Policy'), which is made publicly available so investee companies have the ability to make themselves aware of our expectations in this respect. In order to retain oversight of the process, we regularly receive reporting on how the Manager has voted the shares held in the Company's portfolio and review, at least annually, the RI Policy, which sets out the Manager's approach to corporate governance, corporate responsibility and Janus Henderson's compliance with the UK Stewardship Code. The RI Policy can be found on the Manager's website at www.janushenderson.com.

Business model (continued)

In the period under review, investee companies held 102 general meetings. The shares held in the Company's portfolio were voted at all of these meetings. The level of governance in leading global companies is generally of a high standard in terms of best practice which meant support in favour of the majority of resolutions proposed by management was warranted. However, in respect of 16 of the resolutions proposed (at nine out of the 102 meetings), support in line with management recommendation was not warranted and, following discussion between the Fund Managers and Janus Henderson's governance team, the shares were voted against management recommendation on the passing of 14 resolutions and voted abstain for two resolutions. On occasion, the Manager might make a voting decision following consultation with the Chairman on behalf of the Board.

Meetings with at least one vote against management



In terms of the resolutions not supported, these covered three predominant themes relating to executive remuneration, director elections and share issuance.

The environment

As an investment company, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Business ethics

As the Company's operations are delegated to third-party service providers, the Board seeks assurances, at least annually, from its suppliers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

Communicating with our shareholders

The Board is committed to maintaining open channels of communication with shareholders in a manner which they find most meaningful. Unlike trading companies, we appreciate that this often takes the form of a meeting with the Fund Managers rather than members of the Board. Shareholders are able to meet with the Fund Managers throughout the year and the

Manager provides information on the Company and videos of the Fund Managers on the Company's website, via various social media channels and through its HGi platform. Feedback from all meetings between the Fund Managers and shareholders is shared with the Board. The Chairman, the Chairman of the Audit Committee or other members of the Board, are available to meet with shareholders to understand their views on governance and the Company's performance where they wish to do so. With assistance from the Manager, the Chairman seeks meetings with shareholders who might wish to meet with him.

The annual report and half-year results are circulated to shareholders wishing to receive them and made available on the Company's website. These provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by the daily calculation and publication of the NAV per share and a monthly factsheet which is available on the website.

The Fund Managers provide presentations to shareholders and analysts following the publication of the annual financial results.

The Fund Managers attend the AGM and provide a presentation on the Company's performance and the future outlook. We encourage shareholders to attend and participate in the AGM, which is available to watch live by visiting <https://www.janushenderson.com/en-gb/investor/investment-trusts-live/>. Shareholders attending the Meeting in person will have the opportunity to address questions to the Chairman of the Board, the Fund Managers and all Directors.

In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels.

Board diversity and experience

It is the Company's aim to have an appropriate level of diversity in the boardroom. The Nominations Committee considers diversity generally when making recommendations for appointments to the Board, taking into account gender, social and ethnic backgrounds, cognitive and personal strengths, and experience. Our prime responsibility, however, is the strength of the Board and our overriding aim in making any new appointments must always be to select the best candidate based on objective criteria and merit.

Currently the Board comprises six Directors: three male and three female. Max King will retire from the Board at the conclusion of the AGM in March 2020. 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

Peter Jones
Chairman
7 February 2020

Key performance indicators

Measuring our performance

In order to measure the success of the Company in meeting its objective and to evaluate the performance of the Manager, the Directors take into account the following key performance indicators ('KPIs').

The charts, tables and data on pages 1 and 16 show how the Company has performed against those KPIs:

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

Governance



Board of Directors

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

Peter Jones

Position: Chairman

Date of appointment: 12 December 2011

Committees: Chairman of the Board since 17 March 2016. Chairman of the Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Peter was chief executive of Associated British Ports for six years up to March 2013. He was a non-executive director of Hargreaves Services plc. He was formerly chairman of Port of Milford Haven and a non-executive director of Mercantile Ports & Logistics Ltd.

External appointments: None

Wendy Colquhoun

Position: Independent non-executive Director

Date of appointment: 1 September 2018

Committees: Member of the Audit Committee, Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Wendy is a partner at international law firm CMS Cameron McKenna Nabarro Olswang LLP. She has advised investment trust boards for over 25 years on advisory and transactional matters. She has previously held positions at Dickson Minto and Linklaters.

External appointments: Wendy is a trustee of the Stewart Ivory Financial Education Trust, a director of, and chairman of the risk and governance committee for, Scottish Financial Enterprise and a director of Schroder UK Mid Cap Fund plc.

Davina Curling

Position: Independent non-executive Director

Date of appointment: 1 November 2019

Committees: Member of the Audit Committee, Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Davina has over 25 years of fund management experience. Davina was managing director and head of Pan European equities at Russell Investments. Prior to that she was head of European equities at F&C, ISIS, Royal & SunAlliance. Davina has also previously held positions at Nikko Capital Management (UK) and Kleinwort Benson.

External appointments: Davina is currently a director of Invesco Income Growth Trust plc and BlackRock Greater Europe Investment Trust plc and a member of the investment committee of St James's Place. She is currently a trustee of the Rosanna Hospital Charity.

Frances Daley

Position: Audit Committee Chairman

Date of appointment: 18 June 2015

Committees: Audit Committee Chairman since 15 March 2018. Member of the Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Frances is a Chartered Accountant (FCA) with significant financial and commercial experience having held several senior finance and general management positions in accountancy, investment banking and corporate sector companies over the last 30 years.

External appointments: Frances is the chairman of Baring Emerging Europe plc, an emerging markets investment trust listed on the London Stock Exchange and a non-executive director of Regional REIT Limited.

Chris Hills

Position: Independent non-executive Director

Date of appointment: 17 June 2010

Committees: Member of the Audit Committee, Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Chris is chief investment officer of Investec Wealth and Investment Limited, a position he has held (originally with Carr Sheppards) for over 20 years. He was formerly a director of Baring Fund Management.

External appointments: Chris was appointed to the board of the Association of Investment Companies (AIC) in January 2015. He is a member of the investments committee of University College London.

Malcolm King (known as Max)

Position: Independent non-executive Director

Date of appointment: 16 June 2005

Committees: Member of the Audit Committee, Insider Committee, Nominations Committee and Management Engagement Committee

Relevant skills and experience: Max has over 30 years' experience in fund management including investment in UK smaller companies and is a Chartered Accountant (ACA). He retired from Investec Asset Management in 2016. Max will be retiring from the Board at the conclusion of the Annual General Meeting in March 2020.

External appointments: Max is a director of Ecofin Global Utilities & Infrastructure Trust and a director of Gore Street Energy Storage Fund plc.

Fund Managers

James Henderson

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

Laura Foll

Experience: Laura Foll became Fund Manager in September 2018. She joined Janus Henderson in 2009 as part of the Graduate Scheme. During this time, she worked in various teams including fixed income, performance, marketing and equities. Laura then became a global analyst in the Value and Income team and later an assistant Fund Manager. In 2013 she became Deputy Fund Manager for Lowland Investment Company plc and Joint Fund Manager in November 2016. She was appointed as Co-Manager of the Henderson UK Equity Income & Growth Fund in 2014.

Corporate governance report

The Corporate Governance Report forms part of the Directors' Report.

Applicable corporate governance codes

As the Company maintains a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the UK Corporate Governance Code ('UK Code') issued by the Financial Reporting Council ('FRC') have been applied. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations. The Board has therefore considered the principles and provisions of the AIC Code of Corporate Governance ('AIC Code') issued in 2016. The AIC Code addresses the principles and provisions set out in the UK Code issued in 2016, as well as setting out additional provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders and that by reporting against the AIC Code the Company has met its obligations in relation to the UK Code and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules.

The UK Code is available on the FRC website (www.frc.org.uk). The AIC Code is available on the AIC website (www.theaic.co.uk) and includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

In 2018, the FRC issued a revised UK Code and as a result the AIC issued a revised AIC Code in 2019 which is effective for financial periods commencing on or after 1 January 2019. Additional disclosures have been made which reflect the new AIC Code provisions.

Statement of compliance

The Company has complied with the principles and provisions of the AIC Code except in respect of the appointment of a senior independent director.

No senior independent director has been appointed. All the Directors have different qualities and areas of expertise on which they lead to whom concerns can be conveyed if shareholders do not wish to raise concerns with the Chairman or the Chairman of the Audit Committee. The Chairman of the Audit Committee leads the annual evaluation of the Chairman's performance.

Directors

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

Terms of appointment

Directors' appointment and retirement

The Board may appoint Directors to the Board without shareholder approval. Any Director so appointed must stand for appointment by the shareholders at the next AGM in accordance with the Articles of Association.

Davina Curling will stand for appointment at the AGM in March 2020, following her appointment to the Board on 1 November 2019.

In accordance with the AIC code, all Directors are standing for re-appointment at the AGM.

The contribution and performance of each of the Directors seeking re-appointment was reviewed by the Nominations Committee at its meeting in December 2019, which recommended to the Board their continuing appointment.

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

Tenure

Whilst there is no requirement to implement a formal tenure policy for Directors (other than the Chairman), it is anticipated that Directors would not normally serve in excess of nine years. In exceptional circumstances, which would be fully explained to shareholders at the time, a one or two year extension might be necessary.

Chris Hills reached his nine year anniversary in June 2019. Max King, who has served on the Board for 14 years, will retire from the Board at the conclusion of the AGM in March 2020 and, for the purposes of orderly succession, Chris will remain on the Board for an additional period.

Chairman tenure policy

Given the entirely non-executive nature of the Board and as the Chairman may not be appointed as such at the time of their initial appointment as a Director, the Chairman's tenure may be longer where this is considered by the Board to be in the best interests of the Company. As with all Directors, the

Corporate governance report (continued)

continuing appointment of the Chairman is subject to satisfactory performance evaluation, annual re-appointment by shareholders and may be further subject to the particular circumstances of the Company at the time he or she intends to retire from the Board. The Directors are cognisant of the benefits of Board diversity and the regular refreshment of the Board's membership and seek to refresh the Board while retaining a balance of knowledge of the Company, diversity and the relationship with the Fund Managers.

Directors' independence

All Directors are non-executive, have a wide range of other interests and are not dependent on the Company itself. At the Nominations Committee meeting in December 2019, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of the Manager. 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.

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

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 and the register of interests. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the system it has in place for reporting and considering situational conflicts continues to operate effectively. The Chairman has had no relationship that may have created a conflict between his interests and those of the Company's shareholders.

Directors' professional development

When a new Director is appointed he or she is offered an induction seminar which is held by the Manager at the request

of the Chairman. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors are also able to attend external training facilities and industry seminars at the expense of the Company 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 was in place in respect of the Directors throughout the financial year and remains in place at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court.

The Board

Board composition

The Board currently consists of six non-executive Directors and the biographies of those holding office at the date of this report are included on page 25. 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 Davina Curling who was appointed to the Board on 1 November 2019. All Directors are resident in the UK. Max King will be retiring from the Board at the conclusion of the Annual General Meeting in March 2020.

Responsibilities of the Board and its Committees

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

The Board meets formally at least five times a year, with additional Board or Committee meetings arranged when required. The Directors have regular contact with the Fund Managers and representatives of the Corporate Secretary between formal meetings.

Corporate governance report (continued)

The Chairman is responsible for leading the Board and for ensuring that it continues to deal effectively with all aspects of its role.

The Board has a formal schedule of matters specifically reserved for its decision, which include strategy and management, structure and capital, financial reporting and controls, internal controls, contracts, communications, Board membership and other appointments, delegation of authority, remuneration, corporate governance, policies and shareholders. The schedule of matters reserved for the Board is available on the website www.hendersonopportunitiestrust.com.

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.

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 the Manager has discretion to act and regularly reviews investment strategy. The Board regularly receives reports from the Manager on marketing and investor relations. The Board has adopted a procedure for Directors to take independent professional advice in the furtherance of their duties at the expense of the Company. To enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

Board attendance

The table below sets out the number of scheduled Board and Committee meetings held during the year under review and the number of meetings attended by each Director. With the exception of Davina Curling, who joined the Board in November 2019, all Directors attended the AGM in March 2019.

	Board	AC	MEC	NC
Number of meetings	5	3	1	1
Peter Jones ¹	5/5	1/1	1/1	1/1
Wendy Colquhoun	5/5	3/3	1/1	1/1
Frances Daley	5/5	3/3	1/1	1/1
Chris Hills	5/5	3/3	0/1	1/1
Malcolm King	5/5	3/3	1/1	1/1

AC: Audit Committee

MEC: Management Engagement Committee

NC: Nominations Committee

¹ Peter Jones was a member of the Audit Committee until 31 December 2018

Chris Hills was unavoidably delayed on the morning of the MEC meeting. The MEC reported the matters discussed at the meeting and Mr Hills agreed with the recommendations subsequently made to the Board.

The Directors and Committees of the Board also met during the year to undertake business such as the approval of the Company's results and dividends, the appointment of Davina Curling and for investment updates.

Performance evaluation

The performance of the Company is considered in detail at each Board meeting. In the year under review the Nominations Committee has conducted a review of the Board's performance, together with that of its Committees, the Chairman and each individual Director. The Nominations Committee met without the Chairman present to discuss the performance of the Chairman. The evaluation of the Board, its Committees and each individual Director was conducted by way of an evaluation questionnaire. The results of the questionnaire were collated and discussed by the Board.

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 Directors seeking re-appointment at the Company's AGM merit re-appointment by shareholders.

Internal controls

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee supports the Board in the continuous monitoring of the internal control and risk management framework.

The Board has established an ongoing process for identifying, evaluating and managing the principal and new or emerging risks faced by the Company. The process accords with the FRC's guidance on Risk Management, Internal Control and Related Business and Financial Reporting published in September 2014. The system was in operation throughout the period and up to the date of this report. The system is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's reliance on its service providers and their internal controls. The system therefore manages rather than eliminates the risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute, assurance against material misstatement or loss.

The key components of the internal control framework include:

- clearly defined investment criteria which specify levels of authority and exposure limits. The Board reviews reports on compliance with the criteria at each meeting;

Corporate governance report (continued)

- regular reporting which allow the Board to assess the Company's financial position. The management accounts and forecasts are reviewed by the Board at each meeting;
- the contractual agreements with the Manager and other third-party service providers. The Board reviews performance levels and adherence to relevant provisions of the agreements on a regular basis through reporting to the Board and conducts a formal evaluation of the overall level of service provided at least annually;
- the review of controls at the Manager and other third-party service providers. The Board receives quarterly reporting from the Manager and Depositary, reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers; and
- review of additional reporting provided by:
 - the Manager's Enterprise Risk team on the control environment in operation at the Manager and their view of the control environments in place at the third-party service providers used by the Company; and
 - the Manager's Internal Audit team on areas of operation which are relevant to the Company.

The Board has reviewed the Company's system of internal controls for the year ended 31 October 2019. During the course of its review the Board has not identified or been advised of any failings or weaknesses relating to the Company's portfolio that have been determined as significant.

Accountability and relationship with the Manager

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 41, the Independent Auditors' Report on pages 43 to 47 and the Viability Statement on page 19.

The Board has delegated contractually to external third parties, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets which is delegated through the appointment of the Depositary as explained on page 67), the day-to-day accounting and cash management, company secretarial and administration requirements and registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

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

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

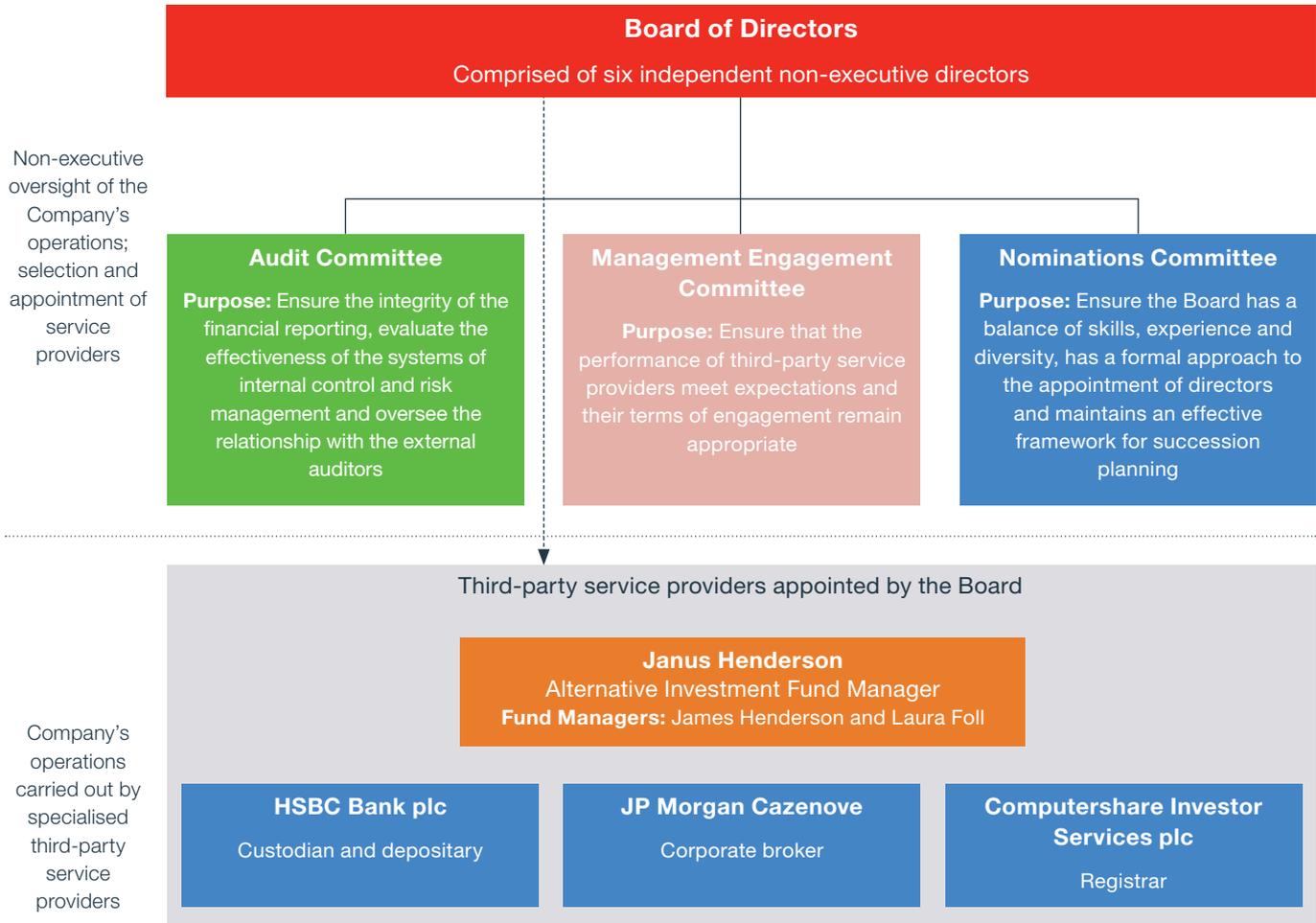
The Corporate Secretary, Henderson Secretarial Services Limited, is a subsidiary of Janus Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between Henderson Secretarial Services Limited and Janus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

Janus Henderson and BNP Paribas Securities Services, which acts for Janus 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.

Corporate governance report (continued)

The Board's Committees

The Board has three principal Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee.



The Board has also constituted an Insider Committee which meets when required to assist the Board in discharging its responsibilities under the Market Abuse Regulations. All the Directors are members of the Insider Committee, which is chaired by the Chairman of the Board.

The Company has no executive directors and has not constituted a Remuneration Committee. Directors' fees are

considered by the Board as a whole and are set in line with the Remuneration Policy set out on page 36.

The terms of reference for each Committee are kept under regular review by the Board and are available on the Company's website www.hendersonopportunities.com. The reports on the activities of each of the Board's principal Committees are set out in the following pages.

Corporate governance report (continued)

Management Engagement Committee

The Management Engagement Committee is responsible for formally evaluating the overall performance of the Manager and other third-party service providers engaged by the Company.

Membership

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

Meetings

The Committee meets at least annually, with additional meetings scheduled when required.

Role and responsibilities

In discharging its duties over the course of the year, the Committee considered:

- the investment performance of the Company, taking account of the benchmark and performance of competitors in the AIC peer group, the share price total return, NAV total return, dividend growth and dividend yield;
- the quality and experience of the team involved in managing all aspects of the Company's business;
- the fee structures of its competitors in the AIC peer group and other Janus Henderson managed investment companies;
- the key clauses of the management agreement, how the Manager had fulfilled these and whether these continued to be appropriate; and
- the performance and fees of the Company's other third-party service providers, including the brokers, depositary, custodian, registrar, sales, marketing and research providers, auditors, legal counsel and the Company's accountants.

Re-appointment of the Manager

Following completion of its reviews, the Committee concluded that the continued appointment of the Manager remained in the best interests of the Company and the shareholders, and therefore recommended to the Board the re-appointment of Janus Henderson for a further year.

Nominations Committee

The Nominations 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.

Membership

The Committee is chaired by the Chairman of the Board (except when the Chairman's performance or successor is being considered). All of the independent non-executive Directors are members of the Committee.

Meetings

The Committee meets at least annually, with additional meetings scheduled when required.

Role and responsibilities

In discharging its duties over the course of the year, the Committee considered:

- the composition of the Board and each of its Committees, taking account of the skills, experience and knowledge of each Director and whether the diversity of these continued to contribute to the success of the Company;
- the outcomes of the Board performance evaluation with a view as to whether adjustments should be made to the number of Directors or knowledge and skills represented on the Board;
- the tenure of each of the Directors, giving consideration as to whether the Board retained a sufficient balance of length of service without becoming complacent;
- the independence of the Directors taking account of the guidelines established by the AIC Code as well as the Directors' other commitments;
- the time commitment of the Directors, including other business commitments and appointments and whether this had been sufficient over the course of the year;
- succession planning for appointments to the Board, the tenure of the current Directors and recommendations of the AIC Code in respect of the length of service of Directors and the Chairman; and
- the performance and contribution of the Directors standing for re-appointment at the upcoming annual general meeting.

Corporate governance report (continued)

Following completion of its reviews, the Committee concluded that the Board continued to operate effectively. Taking into account the FRC's guidance, the Committee considered that no Director was 'overboarded'.

Taking account of the performance of individual Directors, the Committee recommended to the Board that it should support the re-appointment of all Directors at the 2020 Annual General Meeting.

When considering succession planning and tenure policy, the Nominations Committee bears in mind the balance of skills, knowledge, experience, gender and diversity of Directors, the achievement of the Company's investment objective and compliance with the Company's Articles of Association and the AIC Code. Individual performance and contribution of each Director remains a key element of the Company's approach in making determinations on tenure. The Nominations Committee considers diversity as part of the annual performance evaluation and it is considered that there is a range of backgrounds, and each Director brings different qualities to the Board and its discussions.

Given the small size of the Board, it is not considered appropriate for the Company to have set targets for gender diversity; candidates are assessed in relation to the relevant needs of the Company at the time of appointment. The Nominations Committee will make recommendations when the recruitment of additional non-executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up. The Company may use external agencies as and when recruitment becomes necessary and did so with the recruitment of Davina Curling who joined the Board on 1 November 2019, in respect of which Stephenson Executive Search Limited, which has not provided any other services to the Company, was engaged.

For and on behalf of the Board

Peter Jones
Chairman
7 February 2020

Audit Committee report

The Audit Committee is responsible for ensuring the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management and monitoring the effectiveness and objectivity of the external auditor.

Membership

The Audit Committee comprises all of the Directors, with the exception of the Chairman of the Board, and is chaired by Frances Daley, who is a Chartered Accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Audit Committee's members has recent and relevant financial experience. The biographies of the Audit Committee members are shown on page 25. All members of the Audit Committee are independent. The Chairman of the Board was a member of the Audit Committee until 31 December 2018. The Chairman of the Board is invited by the Audit Committee Chairman to attend meetings.

Meetings

The Audit Committee met three times during the year under review; in advance of the publication of both the annual and the half year results and one other occasion with an agenda that was focused on its broader responsibilities. The Company's Auditors are invited to attend meetings as necessary. Representatives of the Manager and BNP Paribas Securities Services may also be invited.

Role and responsibilities

The role of the Audit Committee is to assist the Board in applying the financial reporting and internal control principles and to maintain an appropriate relationship with the Auditors.

The Audit Committee formally reports to the Board. The responsibilities are set out in formal terms of reference which are reviewed at least annually. In the year under review the main duties undertaken were:

- consideration of the appropriateness of the Company's accounting policies and the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Janus Henderson;
- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and 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 Manager and the Corporate Secretary;

- consideration of the valuation of the Company's unquoted and nil value 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 Janus Henderson, BNP Paribas Securities Services as administrator and HSBC Bank plc as Depositary and Custodian;
- consideration of Janus Henderson's policies in relation to information security and business continuity, meeting with representatives of Janus Henderson's internal audit, information security and risk departments periodically;
- consideration of the key risks, risk management systems in place and the Company's risk map;
- consideration of the Company's Anti-Bribery Policy and the policies and procedures in place to prevent tax evasion;
- consideration of the nature and scope of the external audit and the findings therefrom;
- annual consideration of whether there is a need for an internal audit function;
- consideration of the appointment of the Auditors and their performance, remuneration and tenure of appointment;
- consideration of the audit plan, including the principal areas of focus;
- consideration of the Auditors' independence, objectivity and effectiveness and the provision of any non-audit services (as explained further on page 35) and the reporting of the external auditor;
- consideration of the whistleblowing policy that Janus 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;
- consideration of the management fee and performance fee calculations; and
- consideration of the annual confirmation from the Company's Depositary.

Internal audit function

Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting

Audit Committee report (continued)

records and to ensure that financial information used within the business, or published, is reliable.

The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the investment manager, Janus Henderson.

The Board places reliance on the Company's framework of internal control and the Audit Committee's view on reporting received from specific second and third line of defence teams at the Manager.

The Manager's Enterprise Risk team supports the Audit Committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The Manager's Internal Audit department provides regular reporting to the Board on the operations at the Manager and presents at least annually to the Audit Committee. The Board has therefore concluded that it is not necessary at the present time for the Company to have its own internal audit function.

Annual report for the year ended 31 October 2019

In relation to the Annual Report for the year ended 31 October 2019 the following significant issues were considered by the Audit Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The Directors have appointed Janus Henderson, who outsource some of the administration and accounting services to BNP Paribas Securities Services, to perform the valuation of the assets of the Company in accordance with its responsibilities under the AIFMD rules. As required under the AIFMD rules, Janus Henderson has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Ownership of listed investments are verified by reconciliation to the Custodian's records and the Directors have received quarterly reports and an annual confirmation from the Depositary who has responsibility for overseeing operations of the Company, including verification of ownership and valuation.
Recognition of income	Income received is accounted for in line with the Company's accounting policies, as set out on page 53, and is reviewed by the Committee.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas Securities Services.
Maintaining internal controls	The Committee receives regular reports on internal controls from Janus Henderson and its delegates and has access to the relevant personnel of Janus Henderson who have a responsibility for risk management and internal audit.
Performance fee	The calculation of the performance fee payable to Janus Henderson is reviewed by the Audit Committee before being approved by the Board. No performance fee is payable in respect of the financial year ended 31 October 2019.
Resource risk	The Company's day-to-day activities are delegated to third parties. The Board monitors the performance of third party suppliers on an ongoing basis.

Appointment and tenure of the auditors

As best practice, the Company follows the regulations currently in force in the United Kingdom which require the Company to rotate audit firms after a period of ten years. The period may be extended where audit tenders are carried out.

The Committee last carried out an audit tender process in November 2017 which led to the appointment of BDO LLP for the statutory audit for the financial year ended 31 October 2018. PricewaterhouseCoopers LLP were previously engaged as the Company's auditors from inception in 1985 until the appointment of BDO. The auditors are required to rotate partners every five years. This is the second year that the current audit partner has been in place.

Auditors' independence

The Committee monitors the auditors' independence through the approval of a policy regulating the non-audit services that may be provided by the auditors to the Company, assessing the appropriateness of fees paid to the auditors for their work and by reviewing the information and assurances provided by the auditors on their compliance with the relevant ethical standards.

BDO LLP confirmed that all of its partners and staff involved with the audit were independent of any links to the Company, and that these individuals had complied with their ethics and independence policies and procedures which are fully consistent with the FRC's Ethical Standard.

Audit Committee report (continued)

Policy on non-audit services

The Audit Committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the auditors. The Audit Committee has determined that the statutory auditors will not be engaged to provide any non-audit services without the approval of the Audit Committee. The statutory auditors are not pre-approved to provide any non-audit services. The Audit Committee may approve the provision of non-audit services if they consider such services to be:

- relevant to the statutory audit work;
- more efficiently provided by the statutory audit firm than by a third party; and
- at low risk of impairing the independence, objectivity and effectiveness of the audit.

The Audit Committee will refer to the Board any engagement with a cost or potential cost greater than £10,000. All engagements for non-audit services will be determined on a case-by-case basis. In addition, the provision of any non-audit services by the auditors is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods preceding the financial period to which the cap applies.

There were no non-audit services provided by BDO during the year (or since their appointment).

Effectiveness of the external audit

The Committee considers the effectiveness of the audit process after each audit. The FRC's Audit Quality Inspection Report is supplied to the Audit Committee for information to assist with the assessment of the Auditors' effectiveness.

The Audit Committee remained satisfied with the performance of BDO for the year ended 31 October 2019.

Fees

Fees paid or payable to the Auditors are detailed in Note 6 on page 56.

For and on behalf of the Board

Frances Daley
Audit Committee Chairman
7 February 2020

Directors' remuneration report

Remuneration Policy

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

All Directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board and the Chairman of the Audit Committee who are paid a higher fee in recognition of their additional responsibilities. The policy is to review fee rates annually, although such review will not necessarily result in any change to the rates, and account is taken of fees paid to the Directors of other investment trust companies.

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

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

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

Report on implementation

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 FCA 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 19 March 2020. The Company's remuneration policy has been in place since 1 November 2012 and was last approved by shareholders at the AGM in 2017. There have been no changes to the policy. In accordance with section 439A of the Act, the remuneration policy will be put to shareholders at the forthcoming AGM. Subject to approval the policy will remain in place until 2023, unless amended by way of an 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.

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

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

The Board as a whole considers the Directors' remuneration. The Board has not appointed a Remuneration Committee to consider such matters. 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).

Annual statement

As Chairman, Peter Jones reports that Directors' fees were not increased during the year.

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

Directors' interests in shares (audited)

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

	Ordinary shares of 25p	
	31 October 2019	1 November 2018
Peter Jones	17,500	14,000
Wendy Colquhoun	1,000	1,000
Frances Daley	2,000	2,000
Chris Hills	4,000	2,000
Malcolm King	5,000	3,200

There have been no changes to the Directors' holdings in the period 1 November 2019 to the date of this Annual Report.

Davina Curling does not hold shares in the Company as at the date of this Annual Report.

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

Directors' remuneration report (continued)

Directors' remuneration (audited)

The remuneration paid to the Directors who served during the years ended 31 October 2019 and 31 October 2018 was as follows:

	Year ended 31 October 2019 Total salary and fees £	Year ended 31 October 2018 Total salary and fees £	Year ended 31 October 2019 Expenses and taxable benefits £	Year ended 31 October 2018 Expenses and taxable benefits £	Year ended 31 October 2019 Total £	Year ended 31 October 2018 Total £
Wendy Colquhoun ¹	20,000	3,333	–	–	20,000	3,333
Frances Daley ²	24,600	22,471	–	–	24,600	22,471
Chris Hills	20,000	19,583	–	–	20,000	19,583
Peter Jones ³	29,200	28,783	–	–	29,200	28,783
Malcolm King	20,000	19,583	–	–	20,000	19,583
Peter May ⁴	n/a	8,785	n/a	288	n/a	9,073
Total	113,800	102,538	–	288	113,800	102,826

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.

¹Appointed on 1 September 2018, ²Chairman of the Audit Committee from 15 March 2018, ³Chairman and highest paid Director, ⁴Retired on 15 March 2018

From 1 April 2018 fees were as follows (previous rates are shown in brackets): Chairman £29,200 (£28,200) per annum, Audit Committee Chairman £24,600 (£23,600) per annum and other Directors £20,000 (£19,000) per annum. Davina Curling joined the Board on 1 November 2019.

Relative importance of spend on pay

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

	2019 £	2018 £	Change £	Change %
Total remuneration paid to Directors	113,800	102,826	10,974	10.7
Ordinary dividend paid during the year	1,698,755	1,640,176	58,579	3.6
Buyback of ordinary shares	938,927	–	938,927	100

Performance

The graph below compares the mid-market price of the Company's ordinary shares over the ten year period ended 31 October 2019 with the return from the FTSE All-Share Index over the same period.



— Henderson Opportunities Trust plc share price total return, assuming the investment of £1,000 on 31 October 2009 and the reinvestment of all dividends (excluding dealing expenses) (source: Morningstar for the AIC)

— FTSE All-Share Index total return, assuming the notional investment of £1,000 on 31 October 2009 and the reinvestment of all income (excluding dealing expenses) (source: Morningstar for the AIC)

Directors' remuneration report (continued)

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

At the 2019 AGM 1,699,240 votes (98.9%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 14,057 (0.8%) were against, 4,835 were discretionary (0.3%) and 16,728 were withheld; the percentage of votes excludes votes withheld. In relation to the approval of the Remuneration Policy, last voted on at the 2017 AGM, 2,147,022 votes (99.4%) were received voting for the resolution, 11,535 (0.5%) were against, 2,206 (0.1%) were discretionary and 5,130 were withheld; the percentage of votes excludes votes withheld.

For and on behalf of the Board

Peter Jones
Chairman
7 February 2020

Directors' report

The Directors present the audited Financial Statements of the Company and their report for the year from 1 November 2018 to 31 October 2019. Henderson Opportunities Trust plc (the 'Company') (a public limited company registered and domiciled in England & Wales with company registration number 01940906) was active throughout the year under review and was not dormant.

The Investment Portfolio on pages 13 and 14, the Corporate Governance Report and Audit Committee Report on pages 26 to 35 and the Shareholder Information on pages 74 and 75 form part of the Report of the Directors.

Related party transactions

The Company's transactions with related parties in the year were with its Directors and the Manager. 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 36.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there have been no material transactions with the Manager affecting the financial position of the Company during the year under review. More details on transactions with the Manager, including amounts outstanding at the year end, are given in Note 20 on page 65.

Share capital

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

At 31 October 2018 and 31 October 2019 there were 8,000,858 ordinary shares in issue (of which 99,670 were held in treasury at 31 October 2019; 2018: 69,510). No shares were issued during the year or in the period from 1 November 2019 to 7 February 2020.

The Directors seek annual authority from the shareholders to allot new ordinary shares, to disapply pre-emption rights of

existing shareholders and to buy back shares for cancellation or to be held in treasury. At the AGM held in March 2019 the Directors were granted authority to buy back 1,184,388 shares (being 14.99% of the issued ordinary share capital as at 14 March 2019). In the period from 1 November 2019 to 7 February 2020, the Company had bought back 2,813 shares at a total cost of £27,000. These shares are held in treasury. Shares held in treasury do not carry voting rights. As at 7 February 2020, the total voting rights were 7,898,375. There remained 1,181,575 ordinary shares available within the buy back authority granted in March 2019. This authority will expire at the conclusion of the 2020 AGM. The Directors intend to renew this authority subject to shareholder approval.

Fund Managers' interests

James Henderson has a beneficial interest in 80,950 (2018: 80,950) ordinary shares. Laura Foll has a beneficial interest in 921 (2018: 617) ordinary shares.

Five largest shareholders

As at 31 October 2019 the Company's five largest shareholders were:

	% of voting rights
Halifax Share Dealing	14.6
Interactive Investor	10.0
Hargreaves Lansdown	9.4
Janus Henderson Investors	7.6
Premier Miton Group plc	6.4

Holdings in the Company's shares

Declarations of interests in the voting rights of the Company as at 31 October 2019 in accordance with the Disclosure Guidance and Transparency Rules were as follows:

	% of voting rights
Janus Henderson	7.6
M&G Investment Management Limited	4.4
Miton Global Opportunities plc	4.1

On 15 November 2019, the Company was notified that the Miton Global Opportunities plc interest had been combined with the interest of Premier Asset Management Group plc resulting in 6.4% being held by Premier Miton Group plc as at that date. No other changes have been notified in the period 1 November 2019 to 7 February 2020 being the latest practicable date prior to publication of this Annual Report.

Directors' report (continued)

Annual General Meeting ('AGM')

The AGM will be held on Thursday 19 March 2020 at 2.30 pm at the Company's registered office. The Notice of Meeting and details of the resolutions to be put to the AGM are contained in the circular being sent to shareholders with this report.

The Company's AGM will be broadcast live on the internet. If you are unable to attend in person, you can watch the meeting by visiting <https://www.janushenderson.com/en-gb/investor/investment-trusts-live/>.

Directors' statement as to disclosure of information to auditors

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

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.

Other information

Information on recommended dividends, future developments and financial risks are detailed in the Strategic Report.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
7 February 2020

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

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

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

Statement under Disclosure Guidance and Transparency Rule 4.1.12

Each of the Directors, who are listed on page 25, confirms that, to the best of his or her knowledge:

- the Company's Financial Statements, which have been prepared in accordance with UK Accounting Standards on a going concern basis, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report and Financial Statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Peter Jones
Chairman
7 February 2020

Financial Statements



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

Our opinion on the financial statements

Opinion

We have audited the financial statements of Henderson Opportunities Trust plc (the 'company') for the year ended 31 October 2019 which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How We Addressed the Key audit matter in the Audit
<p>Valuation and ownership of investments: (Note 1(d) page 52 and Note 11 on page 58):</p> <p>We consider the valuation and ownership of investments to be the most significant audit areas as investments represent the most significant balance in the financial statements and underpin the principal activity of the entity, noting that some aspect of the valuation is judgemental.</p> <p>We also consider the valuation of investments with respect to realised and unrealised gains/ losses to be a significant area as the reported performance of the portfolio is a key area of interest for the users of the financial statements.</p> <p>Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the financial statements.</p>	<p>We responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures:</p> <p>In respect of quoted investment valuations (over 99% of the total portfolio by value) we have:</p> <ul style="list-style-type: none"> • Confirmed the year-end bid price was used by agreeing to externally quoted prices and for a sample of investments, assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value. • Obtained direct confirmation from the custodian regarding all of investments held at the balance sheet date. <p>In respect of unquoted investment valuations (less than 1% of the total portfolio) we have:</p> <ul style="list-style-type: none"> • Obtained direct confirmation from the custodian at the balance sheet date. • Confirmed the assumptions and underlying evidence supporting the year end valuations are in line with UK GAAP and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. • Considered the economic environment in which the company operates to identify factors that could impact the investment valuation. <p>We also considered the completeness, accuracy and clarity of investment-related disclosures.</p> <p>The gains/losses on investments held at fair value comprise realised and unrealised gains/ losses. For unrealised gains/losses we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. For realised gains/ losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and custodian's transaction report and we re performed the calculation of a sample of realised gains/losses.</p> <p>Key observations:</p> <p>Based on our procedures performed we did not identify any material exceptions with regards to valuation or ownership of investments or the disclosures.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated on the following page.

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

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality (1% of net assets)	Assessing whether the financial statements as a whole present a true and fair view.	The value of net investments The level of judgement inherent in the valuation The range of reasonable alternative valuations	£920,000 (2018: £940,000)
Performance materiality	Lower level of materiality applied in performance of the audit when determining the nature and extent of testing applied to individual balances and classes of transactions.	Financial statement materiality. Risk and control environment.	£690,000 (75% of materiality) (2018: £660,000) (70% of materiality)

We have set a lower testing threshold for those items impacting revenue return of £237,000 (2018: £162,000), with a performance threshold of £178,000 (2018: £113,000) which is based on 10% of revenue return before tax and 75% (2018: 70%) of this respectively.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £10,000 (2018: £10,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the company's activities and the overall control environment. Based on this understanding, we assessed those aspects of the company's transactions and balances which were most likely to give risk to a material misstatement.

Capability of the audit to detect irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the UK Listing rules, the DTR rules, FRS 102 accounting standard, VAT and other taxes.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We considered compliance with this framework through discussions with the Audit Committee and performed audit procedures on these areas as considered necessary. Our procedures involved enquiry with the Investment Manager, Administrator and the board, review of the reporting to the Directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** – the statement given by the Directors that they consider the annual report and financial statements 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, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the Directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were first appointed by the company on 15 March 2018 to audit the financial statements for the year ending 31 October 2018 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 October 2018 to 31 October 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
7 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

Notes	Year ended 31 October 2019			Year ended 31 October 2018			
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	
2	Losses on investments held at fair value through profit or loss	–	(1,824)	(1,824)	–	(6,669)	(6,669)
3	Income from investments held at fair value through profit or loss	2,538	–	2,538	2,097	–	2,097
4	Other interest receivable and other income	379	–	379	74	–	74
	Gross revenue and capital losses	2,917	(1,824)	1,093	2,171	(6,669)	(4,498)
5	Management and performance fee	(147)	(342)	(489)	(165)	(386)	(551)
6	Other administrative expenses	(347)	–	(347)	(319)	–	(319)
	Net return/(loss) before finance costs and taxation	2,423	(2,166)	257	1,687	(7,055)	(5,368)
7	Finance costs	(53)	(124)	(177)	(69)	(160)	(229)
	Net return/(loss) before taxation	2,370	(2,290)	80	1,618	(7,215)	(5,597)
8	Taxation	(4)	–	(4)	(2)	–	(2)
	Net return/(loss) after taxation	2,366	(2,290)	76	1,616	(7,215)	(5,599)
9	Net return/(loss) per ordinary share – basic and diluted	29.88p	(28.92p)	0.96p	20.20p	(90.18p)	(69.98p)

The total columns of this statement represent the Profit and Loss Account of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement.

Statement of Changes in Equity

Notes	Year ended 31 October 2019	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total shareholders' funds £'000
	At 1 November 2018	2,000	14,838	2,431	72,334	2,757	94,360
10	Ordinary dividends paid	–	–	–	–	(1,699)	(1,699)
	Net (loss)/return after taxation	–	–	–	(2,290)	2,366	76
17	Purchase of 99,670 ordinary shares to be held in treasury	–	–	–	(939)	–	(939)
	At 31 October 2019	2,000	14,838	2,431	69,105	3,424	91,798

Notes	Year ended 31 October 2018	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total shareholders' funds £'000
	At 1 November 2017	2,000	14,838	2,431	79,549	2,781	101,599
10	Ordinary dividends paid	–	–	–	–	(1,640)	(1,640)
	Net (loss)/return after taxation	–	–	–	(7,215)	1,616	(5,599)
	At 31 October 2018	2,000	14,838	2,431	72,334	2,757	94,360

Statement of Financial Position

Notes	31 October 2019 £'000	31 October 2018 £'000
	Fixed assets	
11	Investments held at fair value through profit or loss	
	Listed at market value	45,684
	Quoted on AIM at market value	57,514
	Unlisted at market value	400
	103,598	101,690
	Current assets	
12	Investment held at fair value through profit or loss	2
13	Debtors	231
	Cash at bank and in hand	971
	1,204	856
14	Creditors: amounts falling due within one year	(13,004)
	(11,800)	(7,330)
	Total assets less current liabilities	91,798
	91,798	94,360
	Capital and reserves	
16	Called up share capital	2,000
	Share premium account	14,838
17	Capital redemption reserve	2,431
17	Other capital reserves	69,105
	Revenue reserve	3,424
	91,798	94,360
18	Net asset value per ordinary share (basic and diluted)	1,161.8p
		1,179.4p

These financial statements on pages 48 to 65 were approved and authorised for issue by the Board of Directors on 7 February 2020 and were signed on their behalf by:

Peter Jones
Chairman

Statement of Cash Flows

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Cash flows from operating activities		
Net return/(loss) before taxation	80	(5,597)
Add: finance costs	177	229
Add: losses on investments held at fair value through profit or loss	1,824	6,669
Withholding tax on dividends deducted at source	(7)	(1)
(Increase)/decrease in other debtors	(81)	62
Increase/(decrease) in creditors	132	(899)
Net cash inflow from operating activities	2,125	463
Cash flows from investing activities		
Purchase of investments	(28,081)	(30,932)
Sale of investments	23,431	39,550
Net cash (outflow)/inflow from investing activities	(4,650)	8,618
Cash flows from financing activities		
Equity dividends paid	(1,699)	(1,640)
Net loans drawn down/(repaid)	5,602	(7,624)
Buyback of ordinary shares	(939)	–
Interest paid	(175)	(233)
Net cash inflow/(outflow) from financing activities	2,789	(9,497)
Net increase/(decrease) in cash and cash equivalents	264	(416)
Cash and cash equivalents at start of year	707	1,123
Cash and cash equivalents at end of year	971	707
Comprising:		
Cash at bank	971	707

Notes to the Financial Statements

1 Accounting policies

(a) Basis of accounting

The Company is a registered investment company as defined in section 833 of the Companies Act 2006 and is incorporated in the United Kingdom. It operates in the United Kingdom and is registered at the address on page 76.

The Financial Statements have been prepared in accordance with the Companies Act 2006, FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (the ‘SORP’) issued in November 2014 and updated in February 2018 with consequential amendments.

The principal accounting policies applied in the presentation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented.

The Financial Statements have been prepared under the historical cost basis except for the measurement of fair value of investments. In applying FRS 102, financial instruments have been accounted for in accordance with Section 11 and 12 of the standard. All of the Company’s operations are of a continuing nature.

b) Going concern

The Company’s Articles of Association require that at the Annual General Meeting of the Company held in 2008, and every third year thereafter, an ordinary resolution be put to approve the continuation of the Company. The resolutions put to the Annual General Meetings in 2011, 2014, and in 2017 were duly passed. The next triennial continuation resolution will be put to the Annual General Meeting in 2020. The assets of the Company consist almost entirely of securities that are listed (or quoted on AIM) and are readily realisable. Accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors, the principal risks and other matters discussed in connection with the Viability Statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

c) Significant judgements and areas of estimation uncertainty

There have been no significant judgements or estimations applied to the Financial Statements.

d) Investments held at fair value through profit or loss

Listed investments, including quoted AIM stocks, are held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid prices or the last trade price depending on the convention of the exchange on which the investment is quoted.

Unlisted investments are held at fair value through profit or loss and are valued by the Directors with regard to the International Private Equity and Venture Capital Guidelines (‘IPEV’) using primary valuation techniques such as recent transactions and net assets. Where fair value cannot reliably be measured the investment will be carried at the previous reporting date value unless there is evidence that the investment has since been impaired, in which case the value will be reduced.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as ‘gains or losses on investments held at fair value through profit or loss’. Transaction costs in relation to the purchase or sale of investments are also expensed within this line. All purchases and sales are accounted for on a trade date basis.

e) Foreign currency

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

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

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

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

f) Income

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

Bank interest is accounted for on an accruals basis and shown in the revenue return based on amounts to which the Company is entitled.

Fees earned from stock lending are accounted for on an accruals basis and shown in the revenue return based on amounts to which the Company is entitled. This is after deduction of amounts withheld by the counterparty arranging the stock lending facility.

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

g) Management fees, performance fees, administrative expenses and finance costs

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

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

The management fee is calculated quarterly in arrears, as 0.55% per annum of the net assets. A performance fee of £nil was accrued in the period (2018: £nil). Performance fees payable are allocated 100% to the capital return.

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

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

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 Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the applicable rate of corporation tax for the accounting period.

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

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

i) Bank borrowings

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

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

j) Cash and liquid resources

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

k) Dividends payable to shareholders

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

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

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

m) Capital reserves

Called up share capital represents the nominal value of ordinary shares issued.

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The capital redemption reserve represents the nominal value of ordinary shares that have been repurchased and cancelled.

Other capital reserves are split into two components, the capital reserve arising on investments sold and the capital reserve arising on investments held. The following analyses what is accounted for in each of these components.

Capital reserve arising on investments sold

The following are accounted for in this reserve:

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

Capital reserve arising on revaluation of investments held

The following are accounted for in this reserve:

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

n) Distributions

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

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

	2019 £'000	2018 £'000
Gains on the sale of investments based on historical cost ¹	6,871	11,464
Revaluation gains recognised in previous years	(3,418)	(11,325)
Gains on investments sold in the year based on carrying value at previous Statement of Financial Position date	3,453	139
Revaluation losses on investments held at 31 October	(5,277)	(6,808)
	(1,824)	(6,669)

¹ Also includes special capital dividends of £92,000

Notes to the Financial Statements (continued)

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

	2019 £'000	2018 £'000
UK:		
Dividends from listed investments	1,433	1,176
Dividends from AIM investments	798	719
	2,231	1,895
Non-UK:		
Dividends from listed investments	307	202
	2,538	2,097

4 Other interest receivable and other income

	2019 £'000	2018 £'000
Deposit interest	3	3
Stock lending commission	373	49
Underwriting commission (allocated to revenue)	3	22
	379	74

At 31 October 2019, the total value of securities on loan by the Company for stock lending purposes was £14,423,000 (2018: £11,683,000). The maximum aggregate value of securities on loan at any one time during the year ended 31 October 2019 was £22,162,000 (2018: £13,465,000). The Company's agent holds collateral at 31 October 2019 with the value of £15,234,000 (2018: £14,079,000) in respect of securities on loan, the value of which is reviewed on a daily basis and comprises CREST Delivery By Value ('DBVs') and Government Bonds with a market value of 106% (2018: 121%) of the market value of any securities on loan.

During the year the Company was not required to take up shares in respect of underwriting commission; no commission was taken to capital (2018: same).

5 Management and performance fee

	Revenue return £'000	2019 Capital return £'000	Total return £'000	Revenue return £'000	2018 Capital return £'000	Total return £'000
Management fee	147	342	489	165	386	551
Performance fee	–	–	–	–	–	–
	147	342	489	165	386	551

The basis on which the management fee is calculated is set out on page 17 in the Strategic Report. The allocation between revenue return and capital return is explained in Note 1(g) on page 53. No performance fee was earned during the year (2018: £nil).

Notes to the Financial Statements (continued)

6 Other administrative expenses

	2019 £'000	2018 £'000
Auditor's remuneration for audit services	22	21
Directors' fees (see the Directors' remuneration report on pages 36 and 37)	114	103
Directors' and officers' liability insurance	5	5
Listing and regulatory fees	16	15
Custody fees	8	8
Depositary fees	9	10
Printing and postage	10	12
Registrar's fees	11	12
Marketing expenses payable to Janus Henderson	35	34
Bank facilities: arrangement and non-utilisation fees	30	40
Other expenses	59	35
Irrecoverable VAT	28	24
	347	319

All transactions with Directors are disclosed in the Directors' remuneration report and are related party transactions.

7 Finance costs

	Revenue return £'000	2019 Capital return £'000	Total £'000	Revenue return £'000	2018 Capital return £'000	Total £'000
On bank loans and overdrafts	53	124	177	69	160	229

The allocation between revenue return and capital return is explained in Note 1(g) on page 53.

8 Taxation

Approved investment trusts are exempt from tax on capital gains.

The tax assessed for the year is the same as (2018: the same as) the applicable rate of corporation tax in the UK for the year ended 31 October 2019 of 19.00% (2018: 19.00%).

The tax charge for the year ended 31 October 2019 is £4,000 (2018: £2,000).

The differences are explained below:

	Revenue return £'000	2019 Capital return £'000	Total £'000	Revenue return £'000	2018 Capital return £'000	Total £'000
Net return/(loss) before taxation	2,370	(2,290)	80	1,618	(7,215)	(5,597)
Corporation tax at 19.00% (2018: 19.00%)	450	(435)	15	307	(1,371)	(1,064)
Non-taxable UK dividends	(419)	–	(419)	(360)	–	(360)
Non-taxable overseas dividends	(37)	–	(37)	(25)	–	(25)
Excess management expenses	6	89	95	78	104	182
Irrecoverable overseas withholding tax	4	–	4	2	–	2
Capital losses not subject to tax	–	346	346	–	1,267	1,267
Total tax charge	4	–	4	2	–	2

No provision for deferred taxation has been made in the current or prior accounting year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax on these items because of its investment trust status. The Company has not recognised a deferred tax asset totalling £3,585,000 (2018: £3,500,000) based on a prospective corporation tax rate of 17.00% (2018: 17.00%).

Notes to the Financial Statements (continued)

8 Taxation (continued)

The deferred tax asset arises as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits. These expenses will only be utilised, to any material extent, if the Company has profits chargeable to corporation tax in the future because changes are made either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

9 Net return/(loss) per ordinary share – basic and diluted

The total return per ordinary share is based on the total return attributable to the ordinary shares of £76,000 (2018: total loss of £5,599,000) and on 7,919,555 ordinary shares (2018: 8,000,858) being the weighted average number of shares in issue during the year.

The return/(loss) per ordinary share can be further analysed as follows:

	2019 £'000	2018 £'000
Revenue return	2,366	1,616
Capital loss	(2,290)	(7,215)
Total return/(loss)	76	(5,599)
Weighted average number of ordinary shares	7,919,555	8,000,858

	2019	2018
Revenue return per ordinary share	29.88p	20.20p
Capital loss per ordinary share	(28.92p)	(90.18p)
Total return/(loss) per ordinary share (basic and diluted)	0.96p	(69.98p)

10 Ordinary dividends paid

	Record date	Payment date	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 October 2018 of 14.5p (2017: 14.0p)	15 February 2019	22 March 2019	1,146	1,120
Interim dividend for the year ended 31 October 2019 of 7.0p (2018: 6.5p)	16 August 2019	20 September 2019	553	520
			1,699	1,640

Subject to approval at the Annual General Meeting, the proposed final dividend of 19.0p per ordinary share will be paid on 27 March 2020 to shareholders on the register of members at the close of business on 21 February 2020. The shares will be quoted ex-dividend on 20 February 2020.

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

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Revenue available for distribution by way of dividends for the year	2,366	1,616
Interim dividend for the year ended 31 October 2019: 7.0p (2018: 6.5p)	(553)	(520)
Proposed final dividend for the year ended 31 October 2019: 19.0p (based on the 7,898,375 ordinary shares in issue at 7 February 2020) (2018: 14.5p on 8,000,858 ordinary shares)	(1,501)	(1,150)
Transferred to/(from) revenue reserve¹	312	(54)

All dividends have been paid or will be paid out of revenue profit and the revenue reserve.

1 Undistributed revenue comprises 12.3% of income from investments (2018: nil)

Notes to the Financial Statements (continued)

11 Investments held at fair value through profit or loss

	2019 £'000	2018 £'000
Valuation at 1 November	101,690	116,212
Investment holding gains at 1 November	(18,799)	(36,933)
Cost at 1 November	82,891	79,279
Purchases at cost	27,163	30,819
Sales at cost	(16,560)	(27,207)
Cost at 31 October	93,494	82,891
Investment holding gains at 31 October	10,104	18,799
Valuation of investments at 31 October	103,598	101,690

All the investments were equity investments, with the exception of Kenmare Resources warrants with a value of £nil (2018: Kenmare Resources warrants £nil).

Total transaction costs amounted to £85,000 (2018: £58,000) of which purchase transaction costs for the year ended 31 October 2019 were £74,000 (2018: £40,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the year ended 31 October 2019 were £11,000 (2018: £18,000). These comprise mainly commissions.

Substantial interests in investments

As at 31 October 2019 the Company held an interest in 3% or more of any class of share capital in Be Heard, Cluff Natural Resources, Deltex Medical, IQGeo, Jersey Oil & Gas and Zoo Digital (2018: Be Heard, Deltex Medical, Itaconix and Ubisense). These investments are not considered material in the context of these financial statements for either year.

12 Current asset investment

The Company has a holding in Deutsche Global Managed Platinum Income Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short term deposit. At 31 October 2019 this holding had a value of £2,000 (2018: £2,000).

13 Debtors

	2019 £'000	2018 £'000
Prepayments and accrued income	222	141
Tax recoverable	9	6
	231	147

14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Unsecured sterling bank loans (see Note 15.6)	12,603	7,001
Purchases for future settlement	–	918
Bank loan interest payable	12	10
Other creditors	389	257
	13,004	8,186

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective and policy as stated on page 17. In pursuing its investment objective and policy, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

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

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

These are supplemented by in-house developments in the Derivatives Risk and Compliance database.

15.1 Market risk

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

15.1.1 Market price risk

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

The Company's exposure to market price risk at 31 October 2019 and at 31 October 2018, is represented by the investments it holds, as shown on the Statement of Financial Position on page 50 under the heading 'Investments held at fair value through profit or loss'.

Management of the risk

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

Concentration of exposure to market price risk

An analysis of the Company's investment portfolio is shown on pages 13 and 14. This shows that the value of the investments is primarily in companies that are listed in the UK. Accordingly, there is a concentration of exposure to market price risk in the UK, although it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The table overleaf illustrates the sensitivity of the total return after taxation for the year and the net assets to an increase or decrease of 20% in the fair values of the Company's investments. This level of change is considered to be reasonable based on historic market conditions.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.1 Market risk (continued)

15.1.1 Market price risk (continued)

Sensitivity analysis

	2019		2018	
	If prices go up 20% £'000	If prices go down 20% £'000	If prices go up 20% £'000	If prices go down 20% £'000
Investments (excluding investments in money market funds)	103,598	103,598	101,690	101,690
Impact on the income statement:				
Revenue return	(34)	34	(34)	34
Capital return	20,640	(20,640)	20,260	(20,260)
Impact on net assets and total return	20,606	(20,606)	20,226	(20,226)

15.1.2 Currency risk

A small proportion of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items. The Company had £nil cash at bank at 31 October 2019 (2018: £nil) denominated in foreign currency.

Management of the risk

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

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

Foreign currency exposure and sensitivity

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

15.1.3 Interest rate risk

Interest rate movements may affect:

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

Management of the risk

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

Interest rate exposure

The Company's exposure at 31 October 2019 and at 31 October 2018 of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be reset.

	2019 Within one year £'000	2018 Within one year £'000
Exposure to floating interest rates:		
Cash at bank	971	707
Money market funds	2	2
Creditors – within one year:		
Borrowings under loan facility	(12,603)	(7,001)
Total exposure to interest rates	(11,630)	(6,292)

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.1 Market risk (continued)

15.1.3 Interest rate risk (continued)

Interest receivable and finance costs are at the following rates:

- interest received on cash balances and money market funds, or paid on bank overdrafts, is at a margin linked to LIBOR (2018: same); and
- interest paid on borrowings under the loan facility is at a margin over LIBOR for the type of loan. The weighted average interest rate of these is 1.4% as at 31 October 2019 (2018: 1.4%).

Interest rate risk sensitivity

The Company is exposed to interest rate risk primarily through its loan facility with The Royal Bank of Scotland International Limited and money market funds balances. The sensitivity is as follows: borrowings vary throughout the year as a result of the Board's borrowing policy. Net borrowings at the year end were £11,630,000 (2018: £6,292,000) and if that level of borrowings was maintained for a full year, then a 200 basis points change in LIBOR (up or down) would decrease or increase total net return after taxation and shareholders' funds by £233,000 (2018: £126,000).

15.2 Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in listed securities that are readily realisable. The Company had unsecured sterling loan facilities totalling £20,000,000 (2018: £20,000,000) and an overdraft facility with the Custodian, the extent of which is determined by the Custodian on a regular basis by the value of the securities held by it on behalf of the Company. The facilities are subject to regular review.

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

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

	2019		2018	
	Due within one month £'000	Due between one and three months £'000	Due within one month £'000	Due between one and three months £'000
Bank overdraft, loans and interest	7,579	5,036	4,006	3,005
Other creditors	389	–	1,175	–
	7,968	5,036	5,181	3,005

15.3 Credit and counterparty risk

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

Management of the risk

The risk is managed as follows:

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

Stock lending transactions are carried out with a number of approved counterparties, whose credit rating is reviewed regularly by Janus Henderson and limits are set on the amount that may be lent to any one counterparty. Stock lending is the temporary transfer of securities by a lender to a borrower, with an agreement by the borrower to return equivalent securities to the lender at an agreed future date. Stock lending revenue is received for making the investments available to the borrower, which increases the returns on the portfolio. In all cases securities lent continue to be recognised in the Statement of Financial Position. Details of the value of securities on loan at the year end, and the collateral held, can be found in Note 4.

HSBC's Securities Lending Programme provides broad market access supported by indemnification. This indemnification covers replacement of loaned securities (and all ancillary benefits such as outstanding income and fees) in the event of a borrower default. HSBC will make whole any shortfall between the value realised out of selling collateral and value of the loaned securities.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.3 Credit and counterparty risk (continued)

In summary, the exposure to credit risk at 31 October 2019 was to cash at bank and money market funds of £971,000 (2018: £709,000) and to debtors of £231,000 (2018: £147,000) (see Note 13).

15.4 Fair values of financial assets and financial liabilities

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

15.5 Fair value hierarchy disclosures

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

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 in Level 1; and

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

Fair value hierarchy at 31 October 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	103,198	–	400	103,598
Current asset investments	2	–	–	2
	103,200	–	400	103,600

Fair value hierarchy at 31 October 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	101,290	–	400	101,690
Current asset investments	2	–	–	2
	101,292	–	400	101,692

There have been no transfers during the year between any of the levels.

The total carrying value of receivables, as stated in Note 13, is a reasonable approximation of their fair value as at the year end date. The total carrying value of financial liabilities, as disclosed in Note 14, is a reasonable approximation of their fair value at the year end date.

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

	2019 £'000	2018 £'000
Opening balance at 1 November	400	400
Revaluation	–	–
Closing balance at 31 October	400	400

The investment valuation of the Company's holding in Oxford Sciences Innovation has been reviewed and there are no changes to the valuation.

Notes to the Financial Statements (continued)

15 Financial risk management policies and procedures (continued)

15.6 Capital management policies and procedures

The Company's capital management objectives are:

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

The Company's capital at 31 October 2019 comprised its equity share capital, reserves and loans (as shown in Note 14) that are included in the Statement of Financial Position at a total of £104,401,000 (2018: £101,361,000).

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

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

The Company is subject to externally imposed capital requirements:

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

The Company has complied with these requirements.

The Company has a revolving credit facility of £20m (the 'Facility') with The Royal Bank of Scotland International Limited.

The maximum drawn down position in the year was £14,605,000 and the lowest position in the year was £7,001,000.

16 Called up share capital

	2019 £'000	2018 £'000
Allotted and issued ordinary shares of 25p each 7,901,188 (2018: 8,000,858)	1,975	2,000
Ordinary shares of 25p each held in treasury 99,670 (2018: nil)	25	–
	2,000	2,000

During the year 99,670 (2018: nil) ordinary shares of 25p each were repurchased by the Company at a total cost, including transaction costs, of £939,000 (2018: £nil). All of the shares were placed in treasury. Shares held in treasury do not carry a right to receive dividends.

Subsequent to the year end 2,813 ordinary shares were bought back to be held in treasury at a cost of £27,000.

Notes to the Financial Statements (continued)

17 Capital redemption reserve and other capital reserves

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Other capital reserves total £'000
At 1 November 2018	2,431	53,528	18,806	72,334
Transfer on disposal of investments	–	3,418	(3,418)	–
Net gains/(losses) on investments	–	3,453	(5,277)	(1,824)
Buyback of 99,670 ordinary shares	–	(939)	–	(939)
Expenses and finance costs allocated to capital	–	(466)	–	(466)
At 31 October 2019	2,431	58,994	10,111	69,105

	Capital redemption reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Other capital reserves total £'000
At 1 November 2017	2,431	42,610	36,939	79,549
Transfer on disposal of investments	–	11,325	(11,325)	–
Net gains/(losses) on investments	–	139	(6,808)	(6,669)
Expenses and finance costs allocated to capital	–	(546)	–	(546)
At 31 October 2018	2,431	53,528	18,806	72,334

The capital reserve arising on revaluation of investments held includes £852,000 of unrealised losses on nil valued investments (2018: £1,588,000). Any distributions from capital reserve arising on investments sold would be restricted by this amount.

18 Net asset value per ordinary share – basic and diluted

The net asset value per ordinary share at the year end was 1,161.8p (2018: 1,179.4p). The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £91,798,000 (2018: £94,360,000) and on the 7,901,188 ordinary shares in issue at 31 October 2019 (2018: 8,000,858). There are no dilutive securities so the basic and diluted net asset value per ordinary share are the same.

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

	2019 £'000	2018 £'000
Total net assets at 1 November	94,360	101,599
Total net return/(loss)	76	(5,599)
Dividends paid in the year	(1,699)	(1,640)
Buyback of shares	(939)	–
Total net assets at 31 October	91,798	94,360

19 Capital commitments and contingent commitments

Capital commitments

There were no capital commitments at 31 October 2019 (2018: £nil).

Contingent commitments

As at 31 October 2019 there were no commitments in respect of sub-underwriting (2018: £nil).

Notes to the Financial Statements (continued)

20 Transactions with Janus Henderson

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

Details of the fee arrangements with Janus Henderson for these services are given on pages 17 and 18 in the Business Model section in the Strategic Report. The fees payable under these arrangements are shown in Note 5 on page 55. The other fees payable to Janus Henderson are shown in Note 6 on page 56.

The management fees payable to Janus Henderson under this agreement in respect of the year ended 31 October 2019 were £489,000 (2018: £551,000) of which £292,000 was outstanding at 31 October 2019 (2018: £187,000). A performance fee of £nil is payable to Janus Henderson in respect of the year ended 31 October 2019 (2018: £nil).

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. Janus Henderson also provides sales and marketing services which until 31 December 2017 were charged to the Company at an annual cost of £24,000 including VAT. Since 1 January 2018 there has been no separate charge for these services. The total fees payable for these services for the year ended 31 October 2019 were £35,000 excluding VAT (2018: £34,000), of which £11,000 was outstanding at 31 October 2019 (2018: £10,000).

Additional information



Glossary

Alternative Investment Fund Managers Directive ('AIFMD')

Agreed by the European Parliament and the Council of the European Union and adopted 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.

Alternative performance measures

A glossary of alternative performance measures can be found on pages 69 and 70.

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. The Company is in the UK All Companies Sector.

Benchmark

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

Custodian

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

Depositary

As an AIF the Company is 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 of the underlying holdings 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 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.

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.

Glossary (continued)

Market capitalisation

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

Securities financing transactions

Securities financing transactions include activities such as repurchase agreements, securities or commodities lending, securities or commodities borrowing, buy or sell back transactions and margin lending transactions. When a company carries out such activities, there are disclosures that are required to be made under Regulation (EU) 2015-2365. The Company carries out stock lending activities, so needs to disclose the following under these regulations: the value of securities as a proportion of total lendable assets and net assets ('Global Data'), the ten largest collateral issuers and counterparties ('Concentration Data'), a summary by counterparty of collateral received from securities on loan ('Aggregate Transaction Data'), whether any re-use of collateral is carried out and the gross income and costs from securities lending ('Return and Cost').

Treasury shares

Shares repurchased by the Company but not cancelled.

Alternative performance measures (unaudited)

The Company uses the following Alternative Performance Measures ('APMs') throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders to help assess the Company's performance against its peer group.

Discount or premium

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 ordinary share.

		31 October 2019	31 October 2018
Net asset value per ordinary share (pence)	(A)	1,161.8	1,179.4
Share price per share (pence)	(B)	932.0	990.0
(Discount) or Premium (C= (B-A)/A) (%)	(C)	(19.8%)	(16.1%)

Net gearing

The net gearing reflects the amount of borrowings (see Note 14) (i.e. bank loans or overdrafts) the Company has used to invest in the market less cash and investment in cash funds (see Statement of Financial Position), divided by net assets.

		2019	2018
Bank loans or overdrafts (Note 14) (£'000)	(A)	12,603	7,001
Less:			
Cash at bank	(B)	(971)	(707)
Investment in cash funds	(C)	(2)	(2)
Net gearing (£'000)	(D)	11,630	6,292
Net assets (see page 50) (£'000)	(E)	91,798	94,360
Gearing (F = ((D=(A-B-C) / E) (%)	(F)	12.7%	6.7%

Net Asset Value (NAV) per ordinary share

The value of the Company's assets (i.e. investments held at fair value through profit or loss (see Note 11) and cash held (see Statement of Financial Position)) less any liabilities (i.e. bank borrowings (see Note 14)) for which the Company is responsible divided by the number of ordinary shares in issue (see Note 16). The aggregate NAV is also referred to as Total shareholders' funds in the Statement of Financial Position. The NAV per ordinary share is published daily and the year end NAV can be found on page 1 and further information is available on page 64 in Note 18 within the notes to the financial statements.

Alternative performance measures (unaudited)

(continued)

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values throughout the year.

	2019 £'000	2018 £'000
Management fees (Note 5)	489	551
Other administrative expenses (Note 6)	347	319
Less: non-recurring expenses	(2)	(14)
Ongoing charges	834	856
Performance fee	–	–
Ongoing charges including performance fee	834	856
Average net assets¹	92,086	101,622
Ongoing charges ratio	0.91%	0.84%
Ongoing charges ratio including performance fee	0.91%	0.84%

1 Calculated using the average daily net asset value

The ongoing costs provided in the Company's Key Information Document ('KID') is calculated in line with the PRIIPs regulations. The ongoing costs in the KID includes finance costs.

Revenue return per share

The revenue return per share, is the revenue return for the year (see Income Statement) divided by the weighted average number of ordinary shares in issue during the year (see Note 9 on page 57).

Total return performance

The return on the share price or NAV taking into account both the rise and fall of NAV/share prices and dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return). Dividends paid and payable are set out in Note 10 on page 57.

	NAV per share	Share price
NAV/share price per share at 31 October 2018 (pence)	1,179.40	990.00
NAV/share price per share at 31 October 2019 (pence)	1,161.80	932.00
Change in the year	(1.5%)	(5.9%)
Impact of dividends reinvested	1.9%	2.3%
Total return for the year	0.2%	(3.7%)

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

		31 October 2019	31 October 2018
Annual dividend (pence)	(A)	26.00	21.00
Share price (pence)	(B)	932.00	990.00
Yield (C=A/B) (%)	(C)	2.6%	2.1%

Securities financing transactions (unaudited)

The fund engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015-2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the year ended 31 October 2019 are detailed below.

Global Data

The amount of securities on loan as a proportion of total lendable assets and the Company's net assets as at 31 October 2019 are disclosed below:

	Stocklending	
Market value of securities on loan £'000	% of lendable assets	% of assets under management
14,423	13.92	15.71

Concentration Data

The ten largest collateral issuers across all the securities financing transactions as at 31 October 2019 are disclosed below:

Issuer	Market value of collateral received £'000
UK Treasury	3,995
Government of Japan	1,102
US Treasury	684
Bouygues	466
Alps Alpine	465
CCB	427
British American Tobacco	416
Subsea	386
WH Group	319
Generali	250
	8,510

The top ten counterparties of each type of securities financing transactions as at 31 October 2019 are disclosed below:

Counterparty	Market value of securities on loan £'000
Credit Suisse Dublin	4,394
HSBC	2,778
UBS	2,361
Merrill Lynch International	1,677
Citigroup	1,012
Bank of Nova Scotia	959
Barclays	625
Credit Suisse Europe	617
	14,423

All counterparties have been included.

Securities financing transactions (unaudited)

(continued)

Aggregate Transaction Data

The following table discloses a summary of aggregate transaction data related to the collateral received from securities on loan as at 31 October 2019:

Stock lending							
Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £'000
Barclays	United Kingdom	Government Debt	Investment Grade	JPY	Tri-party	HSBC	571
		Equity	Main Market Listing	EUR	Tri-party	HSBC	86
Credit Suisse	Ireland	UK Gilts	Investment Grade	GBP	Tri-party	HSBC	1,068
		Equity	Main Market Listing	HKD	Tri-party	HSBC	996
		Government Debt	Investment Grade	USD	Tri-party	HSBC	683
		Equity	Main Market Listing	NOK	Tri-party	HSBC	669
		Equity	Main Market Listing	EUR	Tri-party	HSBC	525
		Equity	Main Market Listing	JPY	Tri-party	HSBC	502
		Equity	Main Market Listing	CAD	Tri-party	HSBC	155
		Government Debt	Investment Grade	JPY	Tri-party	HSBC	37
		Equity	Main Market Listing	USD	Tri-party	HSBC	6
		Credit Suisse	Switzerland	Equity	Main Market Listing	GBP	Tri-party
Equity	Main Market Listing			USD	Tri-party	HSBC	167
Equity	Main Market Listing			NOK	Tri-party	HSBC	123
Equity	Main Market Listing			HKD	Tri-party	HSBC	122
Equity	Main Market Listing			EUR	Tri-party	HSBC	51
Equity	Main Market Listing			JPY	Tri-party	HSBC	5
Government Debt	Investment Grade			GBP	Bilateral	HSBC	2,917
Merrill Lynch International	United Kingdom	Equity	Main Market Listing	EUR	Tri-party	HSBC	903
		Government Debt	Investment Grade	JPY	Tri-party	HSBC	494
		Government Debt	Investment Grade	EUR	Tri-party	HSBC	216
		Equity	Main Market Listing	GBP	Tri-party	HSBC	159
Bank of Nova Scotia	Canada	Equity	Main Market Listing	USD	Tri-party	HSBC	426
		Equity	Main Market Listing	GBP	Tri-party	HSBC	417
		Equity	Main Market Listing	EUR	Tri-party	HSBC	162
		UK Gilts	Investment Grade	GBP	Tri-party	HSBC	11
Citigroup	United States	Equity	Main Market Listing	EUR	Tri-party	HSBC	481
		Equity	Main Market Listing	GBP	Tri-party	HSBC	310
		Equity	Main Market Listing	SEK	Tri-party	HSBC	137
		Equity	Main Market Listing	USD	Tri-party	HSBC	79
		Equity	Main Market Listing	NOK	Tri-party	HSBC	39
		Government Debt	Investment Grade	EUR	Tri-party	HSBC	25
		Government Debt	Investment Grade	CAD	Tri-party	HSBC	1
UBS	Switzerland	Equity	Main Market Listing	USD	Tri-party	HSBC	1,240
		Equity	Main Market Listing	HKD	Tri-party	HSBC	422
		Equity	Main Market Listing	EUR	Tri-party	HSBC	251
		Equity	Main Market Listing	GBP	Tri-party	HSBC	250
		Equity	Main Market Listing	JPY	Tri-party	HSBC	131
		Equity	Main Market Listing	AUD	Tri-party	HSBC	108
		Equity	Main Market Listing	SGD	Tri-party	HSBC	102
							15,234

Securities financing transactions (unaudited)

(continued)

Re-use of collateral

The Company does not engage in any re-use of collateral.

Return and Cost

The return and cost of engaging in securities lending by the Company and the securities lending agent in absolute terms and as a percentage of overall returns are disclosed below:

Total gross amount of securities lending income £'000	Direct and indirect costs and fees deducted by securities lending agent £'000	% return of the securities lending agent	Net securities lending income retained by the Company £'000	% return of the Company
466	93	20	373	80

General shareholder information

Alternative Investment Fund Managers Directive ('AIFMD') Disclosures

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of Henderson Investment Funds Limited, as the Company's Alternative Investment Fund Manager ('AIFM') is required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in a separate document called 'AIFMD Disclosure' which can be found on the Company's website www.hendersonopportunitiestrust.com.

BACS

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 76) 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.

Common Reporting Standard ('CRS')

Tax legislation under The Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information was introduced with effect from 1 January 2016. The legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

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, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0370 707 1059. Specially trained operators are available during normal business hours to answer queries via this service.

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

Foreign Account Tax Compliance Act ('FATCA')

FATCA is a United States federal law enacted in 2010 whose intent is to enforce the requirement for United States persons (including those living outside the USA) to file yearly reports on their non-USA financial accounts. Investment trusts need to monitor each year the trading volume and frequency of their shares and securities to assess whether they have financial accounts. The Company makes an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, identify and report USA reportable accounts to HMRC, as required.

General Data Protection Regulation ('GDPR')

GDPR came into force on 25 May 2018. A privacy statement can be found on the website www.janushenderson.com.

ISA

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

Non-Mainstream Pooled Investment ('NMPI') Status

The Company currently conducts its affairs so that its ordinary shares of 25p each can be recommended by IFAs to ordinary retail investors in accordance with the FCA's 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.

Packaged Retail and Insurance-based Investment Products ('PRIIPs') Regulation/Key Information Document ('KID')

Investors should be aware that the PRIIPs Regulation requires the Manager, as PRIIP manufacturer, to prepare a key information document in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and will be available on the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by legislation. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

General shareholder information (continued)

Performance details/share price information

Details of the Company's share price and NAV per share can be found on the website. The address is **www.hendersonopportunitiestrust.com**.

The Company's NAV is published daily.

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

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar via **www.computershare.com**.

Please note that to gain access to your details on the Computershare site you will need the holder reference number shown on your share certificate.

Warning to shareholders

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

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

If you are in any doubt about the veracity of an unsolicited phone call, please call the Corporate Secretary at the number provided on page 76.

Corporate information

Registered office

201 Bishopsgate
London EC2M 3AE
Telephone: 020 7818 1818
Email: support@janushenderson.com

Service providers

Alternative Investment Fund Manager

Henderson Investment Funds Limited
201 Bishopsgate
London EC2M 3AE

Corporate Secretary

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

Depository and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Stockbrokers

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1059
Email: web.enquiries@computershare.co.uk

Independent Auditor

BDO LLP
150 Aldersgate Street
London EC1A 4AB

Financial calendar

Annual results	announced February 2020
Ex dividend date	20 February 2020
Dividend record date	21 February 2020
Annual General Meeting ¹	19 March 2020
2019 Final dividend payable on	27 March 2020
Half year results	announced June 2019
Q1 dividend payable	June 2020
Half year dividend payable	September 2020
Q3 dividend payable	December 2020
2020 Final dividend payable	March 2021

¹ Held at the Company's registered office at 2.30pm

Information sources

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

HGi

HGi is a content platform provided by Janus 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 Janus Henderson's investment expertise.

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



Follow Janus Henderson Investment Trusts on Twitter, YouTube and Facebook



Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website.

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.

Henderson Opportunities Trust plc
Registered as an investment company in England and Wales
Registration number 01940906
Registered office: 201 Bishopsgate, London EC2M 3AE

SEDOL/ISIN number: 0853657/GB0008536574
London Stock Exchange (TIDM) Code: HOT
Legal Entity Identifier (LEI): 2138005D884NPGHFQS77

Global Intermediary Identification Number (GIIN): LVAHJH.99999.SL.826

Telephone: **0800 832 832**
Email: support@janushenderson.com

www.hendersonopportunitiestrust.com

MANAGED BY
Janus Henderson
INVESTORS

aic
The Association of
Investment Companies



WINNER
INVESTMENT TRUST
GROUP OF THE YEAR
Henderson Global Investors



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