

**HENDERSON OPPORTUNITIES  
TRUST PLC**

**HALF YEAR REPORT**  
**(unaudited)**  
**for the six months ended 30 April 2015**

[www.hendersonopportunitiestrust.com](http://www.hendersonopportunitiestrust.com)

## INVESTMENT OBJECTIVE

The Company's objective is to achieve above average capital growth from investment in a portfolio of predominantly UK companies. The strategy is to invest in a concentrated portfolio of shares on an unconstrained basis across the whole range of market capitalisations. The investment portfolio is characterised by focus on growth, recovery and "special opportunities" company shares which the Portfolio Manager believes should achieve the investment objective. The benchmark is the FTSE All-Share Index.

## CHAIRMAN'S COMMENT

Our consistent outperformance over 1, 3 and 5 years was maintained in the period. The NAV total return was up 17.6% compared with a 9.2% rise in our benchmark the FTSE All-Share Index.

<b>FINANCIAL HIGHLIGHTS</b>	<b>(Unaudited) 30 April 2015</b>	<b>(Unaudited) 30 April 2014</b>	<b>(Audited) 31 October 2014</b>
Net asset value per ordinary share	<b>1052.9p</b>	938.8p	903.7p
Ordinary share price	<b>925.0p</b>	911.0p	869.5p
Discount	<b>12.1%</b>	3.0%	3.8%
Total return per ordinary share	<b>158.0p</b>	61.8p	30.2p
Revenue return per ordinary share – basic and diluted	<b>10.2p</b>	6.6p	15.2p
Dividends per ordinary share	<b>5.0p</b>	3.7p	12.5p
Gearing*	<b>19.8%</b>	13.1%	13.9%

\* Defined here as the difference between investments and equity shareholders' funds divided by equity shareholders' funds and multiplied by 100.

## PERFORMANCE

<b>Comparative total return figures for the periods ended 30 April 2015</b>	<b>6 Months %</b>	<b>1 Year %</b>	<b>3 Years %</b>	<b>5 Years %</b>
Net asset value per ordinary share	17.6	13.5	92.4	133.0
FTSE All-Share Index	9.2	7.5	40.0	55.9
Ordinary share price	7.5	3.0	123.3	162.7

Sources: Morningstar for the AIC, using cum income NAV; Total return assumes net dividends are reinvested and excludes transaction costs.

For further information please contact:

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**George Burnett**  
Chairman  
Henderson Opportunities Trust plc  
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## **INTERIM MANAGEMENT REPORT CHAIRMAN'S STATEMENT**

### **Review**

I am pleased to report that the Company continued its excellent performance during the six months to 30 April 2015. The Net Asset Value ("NAV") rose 17.6 % on a total return basis, which compares with a rise in the FTSE All-Share Index of 9.2%. The Company's NAV has consistently outperformed the benchmark over 1, 3 and 5 year periods as shown in the performance table on the first page.

The Company's significant outperformance is the result of good stock selection complemented by a reasonable level of gearing which ranged between 13.9% at the previous year end and 19.8% as at 30 April 2015.

We look for opportunities across companies of all sizes. During the year we invested in stocks ranging from those at the top end of the FTSE 100 to those which started life as university research projects. We believe a mix of very different companies operating in a wide range of areas provides genuine diversity, a diversity which brings capital protection over time to a long only portfolio. Our average holding period is 3 to 5 years.

The share price total return was 7.5% as the discount rose from 3.8% at the year end to 12.1% at the period end reflecting a widening of discount levels across the sector. The Board believes the continuation of the long term performance will facilitate a reduction in the discount over time. As at 18 June the discount had narrowed to 9.9%. Over the longer term the share price performance relative to the benchmark continues to be excellent, as shown in the table on the first page.

### **Dividends**

The revenue return from the Company's investments during the half year was £1,050,000, compared with £748,000 over the same period in 2014. An interim dividend of 5.0p for the year ending 31 October 2015, will be payable on 25 September 2015 to shareholders on the register of members on 21 August 2015. This is an increase of 35.1% on the 2014 interim dividend.

### **Investment Approach**

Our desire for excellence means that reasonable performance is not enough. To be excellent we need to use all the advantages that Investment Trusts have. These include the ability to gear and to take long term views about the opportunities available to us. We can allow successful positions to be a meaningful part of the portfolio even if some of the underlying holdings are relatively illiquid, because the fund managers know they will not suddenly be confronted by large cash inflows and outflows. This allows us to be patient, especially in relation to smaller stocks where liquidity must be a consideration. Our exposure to smaller cap stocks will always be selective and we monitor the exposure closely in order to prudently manage risk, reducing holdings where appropriate, whilst being alive to the opportunities for improved capital performance. This is complemented by exposure to large cap stocks which as at 30 April 2015 accounted for 28.6% of the portfolio.

### **Board Changes**

I am pleased to report that Frances Daley was appointed as a non-executive Director of the Company on 18 June 2015 following a detailed recruitment process. Frances is a chartered accountant who brings a wealth of financial and commercial experience to the Board having held

several senior finance and general management positions in accountancy, investment banking and corporate sector companies over the last 27 years. She is a non-executive Director and Audit Committee Chairman of Baring Emerging Europe PLC, an emerging markets investment trust listed on the London Stock Exchange.

## **Outlook**

The UK economy is going through a period of reasonable growth, subdued inflation and low interest rates. It is difficult to think of a better background for equity investing. This is not the view of many commentators who are more concerned with the potential negatives rather than the available opportunities. It is because of their worries that valuations remain undemanding. We will take advantage of this by remaining positive and looking for opportunities of which there are plenty in the UK where innovation and enterprise is flourishing. We have encouraged your fund managers to find investments that have these qualities and make them count for the Company.

**George B Burnett**  
**Chairman**  
**23 June 2015**

## FUND MANAGERS' REVIEW

### Market Review

Over the six months to the 30 April 2015 the UK stock market was well behaved apart from some early volatility in December, and since the turn of the year has made consistent progress. This is somewhat surprising given the very uncertain run in to the UK General Election should have disturbed investment sentiment more than it did. The surprising outturn of a Conservative victory with a small but workable majority historically has been good for equity markets. This time, however, it will be complicated by the perceived risk of an In or Out vote on the UK's membership of the European Union sometime in 2017. Over the period the market has moved from defensive larger stocks to higher growth medium sized ones within the FTSE 250 Index performing best.

### Fund Performance

The Company performed well over the six months with the Net Asset Value ("NAV") total return, i.e. including income, rising by 17.6% against the benchmark FTSE All-Share Index which returned 9.2%. The share price rose by 6.4% producing a total return of 7.5%. As the rise in the share price has not kept pace with the rise in the NAV the discount rose from 3.8% to just over 12.1%. The FTSE 250 Index led the market with a gain of 14.1%, even the FTSE AIM All-Share index rose 5.3% after a long period of lacklustre returns.

### Portfolio Activity

As a long term investor we spend a considerable amount of time researching and meeting companies in whom we invest. This approach is reflected in a holding period of typically between 3 to 5 years. We appreciate that the cycle for any business to grow and mature is not easily reconciled with the volatility of the stock market and being patient has its virtues. In the half year under review we have been active in either buying or selling in 41 companies (50 last year) of which 8 were complete sell downs (12 last year) while starting 11 new investments (15 last year) with the total number of holdings rising by 3.

Looking first at our five largest sales we accepted the cash takeover offer from **Vista**, a private equity fund, for **Advanced Computer Software**, showing a good profit over our period of ownership, as we were conscious that the company was approaching an inflexion point in its development which meant that the risk profile would have risen. We also sold out of **Aveva**, the general insurer, and **BAE Systems**, the defence contractor, as we felt that for both their share prices now adequately reflected their prospects and further gains would be modest. We also took the view that **Advanced Medical Solutions**, the advanced wound care company, had now achieved a valuation that fully appreciated the growth potential of the business. In addition we took some profits in our largest holding, **4D pharma**, a drug development company with a potentially ground breaking portfolio, in order to manage our risk profile in the context of the wider portfolio. Our enthusiasm for this investment remains undiminished.

Now moving on to our five largest buys we took the view that the stock market would start to look more positively on commodity plays some months before any evidence of improved pricing became sustained. To that end we increased our investment in both **Rio Tinto**, for exposure to iron ore and copper, and **Royal Dutch Shell**, for oil. Both companies are resolutely driving down costs across their operations ensuring that both have below average industry costs and will disproportionately benefit from even a small recovery in end market pricing. Similarly we also added to our position in **HSBC** as this global bank has been troubled by further exposure of historic failings and we feel the market has lost perspective about the positive changes now being embedded in the business. We participated in a number of IPOs and the largest investment was made in **Quantum Pharma**, a profitable manufacturer and distributor of unlicensed medicines and

special options to the pharmacy and hospital market in the UK with a strategy to convert a number of unlicensed products to licensed ones over the coming years. We also invested in **Ilika**, an advanced materials business making great strides in solid state stacked lithium batteries and moving swiftly along the commercialisation curve.

### **Attribution Analysis**

The table overleaf shows the top five contributors to and the bottom five detractors from the Company's relative performance against its benchmark. We have discussed these in more detail below.

### **Principal Contributors to and Detractors from relative performance**

#### **Contributors**

**4D pharma**, the developer of biological treatments targeting auto-immune diseases, has continued to make good progress and attract new and substantial investors as we draw near to the publication of the first trial data and the market saw corporate transactions in the USA which help to validate the valuation. Similarly, initial data points from **Oxford Pharmascience** with its proprietary tablet coating look highly encouraging and have driven the share price higher. **e2v technologies**, a manufacturer of high technology electronic components, has responded well to new management initiatives to enhance performance with improved profitability and greater resilience. **Johnson Service**, the textile rental and dry cleaning business, has made great strides with recent commercial laundry acquisitions which have materially enhanced profits. **Ricardo**, the engineering and technical consultancy, has seen not only an expanding order book but has complemented this with an accretive acquisition in the global railway market.

#### **Detractors**

**Velocys**, the technology provider for development of small scale gas to premium liquids (jet fuel etc.) projects, saw its share price fall as the weak oil price has dented near term demand for alternative sources of supply. This will reverse when the oil price recovers. **Flybe**, the regional airline, having made good progress in its operational turnaround story has nevertheless so far failed to deal with its grounded aircraft legacy from the previous management team. Until this is resolved it will remain a drag on performance. **Vodafone**, **BT** and **Shire**, all FTSE 100 constituents, were not owned during the period and performed well therefore impacting our performance relative to the benchmark but had no impact on the NAV. An opportunity lost rather than an absolute cost to shareholders.

#### **Outlook**

The interest in equities is broadening with investor risk appetite growing. This move is supported by an improving economic outlook. The portfolio is positioned to benefit from this trend. At the time of writing, the NAV is up 4.6% since 1 May 2015, on a total return basis, while the FTSE All-Share is down -2.2%. The share price has risen to 992.5 p, a 7.3% increase.

**James Henderson and Colin Hughes**  
**Fund Managers**  
**23 June 2015**

## Attribution Analysis

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

<b>Top Five Contributors</b>	<b>Six month return%</b>	<b>Relative Contribution%</b>
4D pharma	+104.5	+4.3
Oxford Pharmascience	+170.8	+2.3
e2v technologies	+46.4	+1.0
Johnson Service	+30.2	+0.8
Ricardo	+28.8	+0.7

  

<b>Bottom Five Detractors</b>	<b>Six month return%</b>	<b>Relative Contribution%</b>
Velocys	-25.3	-0.7
Flybe	-52.8	-0.4
Vodafone*	+13.0	-0.4
BT Group*	+25.2	-0.4
Shire *	+28.5	-0.4

\*These stocks were not held by the Company during the period

## Analysis by Market Index

<b>Index</b>	<b>FTSE All-Share Index %</b>	<b>Portfolio %</b>
FTSE AIM	--	34.0
FTSE SMALLCAP	3.3	18.0
FTSE 250	15.8	16.0
FTSE 100	80.9	18.2
OTHER	--	12.5
FTSE FLEDGLING	--	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Analysis by Market Capitalisation

<b>Index</b>	<b>FTSE All-Share Index %</b>	<b>Portfolio %</b>
Greater than £2bn	88.7	21.0
£1bn - £2bn	5.3	7.6
£500m - £1bn	3.3	11.7
£200m - £500m	2.0	26.0
£100m - £200m	0.6	22.8
£50m - £100m	0.1	7.0
Less than £50m	0.0	3.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**INVESTMENT PORTFOLIO**  
at 30 April 2015

Company	Valuation	% of	Company	Valuation	% of
	at 30 April 2015 £'000			Portfolio	
4D pharma <sup>1</sup>	5,933	5.9	Nahl <sup>1</sup>	1,125	1.1
HSBC	3,565	3.5	Lakehouse	1,118	1.1
Oxford Pharmascience <sup>1</sup>	3,356	3.3	Ilika <sup>1</sup>	1,095	1.1
hVIVO <sup>1</sup>	3,183	3.2	Tarsus	1,059	1.1
Ricardo	2,788	2.8	Goals Soccer Centres <sup>1</sup>	1,056	1.0
e2v technologies	2,690	2.7	Betfair	1,050	1.0
Johnson Service <sup>1</sup>	2,533	2.5	Rolls Royce	1,046	1.0
Senior	2,359	2.3	Johnson Matthey	1,003	1.0
Rio Tinto	2,164	2.1	Bellway	996	1.0
Royal Dutch Shell 'B' shares	2,094	2.1	Safestyle <sup>1</sup>	993	1.0
<b>Ten Largest</b>	<b>30,665</b>	<b>30.4</b>	<b>Forty Largest</b>	<b>70,317</b>	<b>69.7</b>
St. Modwen Properties	2,066	2.1	Pearson	990	1.0
BHP Billiton	1,951	1.9	Faroe Petroleum <sup>1</sup>	970	0.9
ITV	1,902	1.9	Oxford Instruments	930	0.9
XP Power	1,890	1.9	Fidessa	894	0.9
Vertu Motors <sup>1</sup>	1,650	1.6	Latchways	885	0.9
IP Group	1,640	1.6	GKN	878	0.9
Velocys <sup>1</sup>	1,529	1.5	Burberry	872	0.9
Tracsis <sup>1</sup>	1,505	1.5	Creston	868	0.8
Assura	1,354	1.3	Barclays Bank	798	0.8
Horizon Discovery <sup>1</sup>	1,300	1.3	Aveva	793	0.8
<b>Twenty Largest</b>	<b>47,452</b>	<b>47.0</b>	<b>Fifty Largest</b>	<b>79,195</b>	<b>78.5</b>
Jupiter Fund Management	1,296	1.3	UTV Media	785	0.8
Micro Focus	1,293	1.3	Cohort <sup>1</sup>	780	0.8
Clinigen <sup>1</sup>	1,284	1.3	Anglo American	774	0.8
Redde <sup>1</sup>	1,276	1.3	Flowtech <sup>1</sup>	773	0.8
Tribal	1,254	1.2	Revolution Bars	763	0.8
Ebiquity <sup>1</sup>	1,228	1.2	Mortgage Advice Bureau <sup>1</sup>	756	0.7
Hill & Smith	1,215	1.2	International Personal Finance	747	0.7
RWS <sup>1</sup>	1,171	1.2	IG Group	737	0.7
Quantum Pharma <sup>1</sup>	1,161	1.2	Benchmark <sup>1</sup>	730	0.7
SDL	1,146	1.1	Ted Baker	705	0.7
<b>Thirty Largest</b>	<b>59,776</b>	<b>59.3</b>	<b>Sixty Largest</b>	<b>86,745</b>	<b>86.0</b>
			<b>Remainder of Portfolio #</b>	<b>14,140</b>	<b>14.0</b>
			<b>Total</b>	<b>100,885</b>	<b>100.0</b>

#This comprises 33 holdings.

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



## **INTERIM MANAGEMENT REPORT**

### **Regulatory Disclosures**

#### **Principal Risks and Uncertainties**

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

- Investment activity and strategy;
- Financial instruments and the management of risk;
- Operational;
- Accounting, legal and regulatory;
- Gearing; and
- Failure of Henderson.

Detailed information on these risks is given in the Strategic Report and in the Notes to the Financial Statements in the Company's latest Annual Report for the year to 31 October 2014.

In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

#### **Directors' Responsibility Statement (Disclosure and Transparency Rule (DTR) 4.2.10R)**

The Directors confirm that, to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and the principal risks and uncertainties for the remaining six months of the year); and
- the interim management report and financial statements include a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

**George B Burnett**  
**Chairman**  
**23 June 2015**

## INCOME STATEMENT for the Half Year ended 30 April 2015

	(Unaudited) Half Year ended 30 April 2015			(Unaudited) Half Year ended 30 April 2014			(Audited) Year ended 31 October 2014		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains from investments held at fair value through profit or loss	-	12,852	12,852	-	5,053	5,053	-	1,869	1,869
Income from investments held at fair value through profit or loss	1,036	-	1,036	738	-	738	1,697	-	1,697
Interest receivable and other income	14	-	14	10	-	10	18	-	18
<b>Gross revenue and capital gains</b>	<b>1,050</b>	<b>12,852</b>	<b>13,902</b>	<b>748</b>	<b>5,053</b>	<b>5,801</b>	<b>1,715</b>	<b>1,869</b>	<b>3,584</b>
Management fee (note 2)	(85)	(198)	(283)	(78)	(182)	(260)	(151)	(353)	(504)
Performance fee (note 2)	-	(753)	(753)	-	(388)	(388)	-	(149)	(149)
Administrative expenses	(119)	-	(119)	(112)	-	(112)	(282)	-	(282)
	<b>(204)</b>	<b>(951)</b>	<b>(1,155)</b>	<b>(190)</b>	<b>(570)</b>	<b>(760)</b>	<b>(433)</b>	<b>(502)</b>	<b>(935)</b>
<b>Net return on ordinary activities before finance charges and taxation</b>	<b>846</b>	<b>11,901</b>	<b>12,747</b>	<b>558</b>	<b>4,483</b>	<b>5,041</b>	<b>1,282</b>	<b>1,367</b>	<b>2,649</b>
Finance charges	(32)	(74)	(106)	(36)	(84)	(120)	(71)	(166)	(237)
<b>Net return on ordinary activities before taxation</b>	<b>814</b>	<b>11,827</b>	<b>12,641</b>	<b>522</b>	<b>4,399</b>	<b>4,921</b>	<b>1,211</b>	<b>1,201</b>	<b>2,412</b>
Taxation on net return on ordinary activities	-	-	-	-	-	-	-	-	-
<b>Net return on ordinary activities after taxation</b>	<b>814</b>	<b>11,827</b>	<b>12,641</b>	<b>522</b>	<b>4,399</b>	<b>4,921</b>	<b>1,211</b>	<b>1,201</b>	<b>2,412</b>
<b>Return per ordinary share – basic and diluted (note 3)</b>	<b>10.17p</b>	<b>147.83p</b>	<b>158.00p</b>	<b>6.55p</b>	<b>55.23p</b>	<b>61.78p</b>	<b>15.17p</b>	<b>15.04p</b>	<b>30.21p</b>

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

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
for the Half Year ended 30 April 2015**

	(Unaudited) Half Year ended 30 April 2015					
	Called up share capital £'000	Share premium account <sup>1</sup> £'000	Capital redemption reserve <sup>1</sup> £'000	Other capital reserves <sup>1</sup> £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
At 1 November 2014	2,000	14,838	2,431	51,290	1,743	72,302
Dividends paid on the ordinary shares	-	-	-	-	(704)	(704)
Net return on ordinary activities after taxation	-	-	-	11,827	814	12,641
At 30 April 2015	<b>2,000</b>	<b>14,838</b>	<b>2,431</b>	<b>63,117</b>	<b>1,853</b>	<b>84,239</b>

	(Unaudited) Half Year ended 30 April 2014					
	Called up share capital £'000	Share premium account <sup>1</sup> £'000	Capital redemption reserve <sup>1</sup> £'000	Other capital reserves <sup>1</sup> £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
At 1 November 2013	2,007	14,522	2,415	50,089	1,401	70,434
Dividends paid on the ordinary shares	-	-	-	-	(573)	(573)
Net return on ordinary activities after taxation	-	-	-	4,399	522	4,921
Issue of ordinary shares following conversion of subscription shares	9	325	-	-	-	334
At 30 April 2014	<b>2,016</b>	<b>14,847</b>	<b>2,415</b>	<b>54,488</b>	<b>1,350</b>	<b>75,116</b>

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

The accompanying notes are an integral part of these financial statements.

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

**BALANCE SHEET**  
at 30 April 2015

	(Unaudited) 30 April 2015 £'000	(Unaudited) 30 April 2014 £'000	(Audited) 31 October 2014 £'000
<b>Investments held at fair value through profit or loss</b>			
Listed at market value	58,758	52,740	49,740
Quoted on AIM at market value	42,127	32,220	32,579
	<b>100,885</b>	84,960	82,319
<b>Current assets</b>			
Investments held at fair value through profit or loss (note 5)	2	2	2
Debtors	327	600	806
Cash at bank and in hand	1,163	1,750	1,490
	<b>1,492</b>	2,352	2,298
<b>Creditors: amounts falling due within one year</b>			
Bank Loans	(16,962)	(11,530)	(11,837)
Other Creditors	(1,176)	(666)	(478)
	<b>(16,646)</b>	(9,844)	(10,017)
<b>Net current liabilities</b>	<b>(16,646)</b>	(9,844)	(10,017)
<b>Net assets</b>	<b>84,239</b>	75,116	72,302
<b>Capital and reserves</b>			
Called up share capital (note 6)	2,000	2,016	2,000
Share premium account	14,838	14,847	14,838
Capital redemption reserve	2,431	2,415	2,431
Other capital reserves	63,117	54,488	51,290
Revenue reserves	1,853	1,350	1,743
	<b>84,239</b>	75,116	72,302
<b>Total shareholders' funds</b>	<b>84,239</b>	75,116	72,302
<b>Net asset value per ordinary share – basic and diluted (note 7)</b>	<b>1052.9p</b>	938.8p	903.7p

The accompanying notes are an integral part of these financial statements.

## CASH FLOW STATEMENT for the Half Year ended 30 April 2015

	(Unaudited) Half Year ended 30 April 2015 £'000	(Unaudited) Half Year ended 30 April 2014 £'000	(Audited) Year ended 31 October 2014 £'000
Net cash inflow from operating activities	510	280	908
Net cash outflow from servicing of finance	(97)	(104)	(237)
Net cash outflow from financial investment	(5,161)	(768)	(1,864)
Equity dividends paid	(704)	(573)	(869)
Net cash outflow before financing	(5,452)	(1,165)	(2,062)
Net cash inflow from financing	5,125	2,683	3,320
<b>(Decrease)/increase in cash</b>	<b>(327)</b>	1,518	1,258
<b>Reconciliation of operating return to net cash flow from operating activities</b>			
Net total return before finance costs and taxation	12,747	5,041	2,649
Less: capital return before finance costs and taxation	(11,901)	(4,483)	(1,367)
Net revenue return before finance costs and taxation	846	558	1,282
Increase in accrued income	(72)	(122)	(108)
Increase in creditors	687	414	237
Expenses charged to capital	(951)	(570)	(502)
Taxation suffered	-	-	(1)
<b>Net cash inflow from operating activities</b>	<b>510</b>	280	908
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash as above	(327)	1,518	1,258
Net cash inflow from increase in loans	(5,125)	(2,683)	(2,990)
Movement in net debt	(5,452)	(1,165)	(1,732)
Net debt at the start of the period	(10,345)	(8,613)	(8,613)
Net debt at the end of the period	(15,797)	(9,778)	(10,345)
<b>Represented by:</b>			
Cash at bank	1,163	1,750	1,490
Liquid resources	2	2	2
Bank loans falling due within one year	(16,962)	(11,530)	(11,837)
<b>Net debt</b>	<b>(15,797)</b>	(9,778)	(10,345)

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1 Accounting policies – basis of preparation

The condensed set of financial statements have been prepared using the same accounting policies as are set out in the Company's Annual Report for the year ended 31 October 2014.

The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

### 2 Expenses: management fees and performance fees

The management fee is calculated, quarterly in arrears, as 0.60% per annum on the first £100 million of net chargeable assets and as 0.50% per annum thereafter. Arrangements are in place for Henderson to earn a performance fee. There is a performance fee accrual of £753,000 for the current period (half year ended 30 April 2014: £388,000, year ended 31 October 2014: £149,000). Since 1 November 2013, the Company has allocated 70% of its management fees and finance charges to the capital return of the Income Statement with the remaining 30% being allocated to the revenue return. Performance fees payable are allocated 100% to the capital return.

### 3 Return per ordinary share – basic and diluted

	(Unaudited) Half Year ended 30 April 2015 £'000	(Unaudited) Half Year ended 30 April 2014 £'000	(Audited) Year ended 31 October 2014 £'000
The return per ordinary share is based on the following figures:			
Revenue return	814	522	1,211
Capital return	11,827	4,399	1,201
Total	<b>12,641</b>	4,921	2,412
Weighted average number of ordinary shares in issue for the period	<b>8,000,858</b>	7,965,582	7,983,365
Revenue return per ordinary share	<b>10.17p</b>	6.55p	15.17p
Capital return per ordinary share	<b>147.83p</b>	55.23p	15.04p
Total return per ordinary share	<b>158.00p</b>	61.78p	30.21p

### 4 Dividends

The Board has declared an interim dividend of 5.0p per ordinary share (2014: 3.7p), to be paid on 25 September 2015 to shareholders on the Register at the close of business on 21 August 2015. The ex dividend date will be 20 August 2015. Based on the number of ordinary shares in issue at 18 June 2015 of 8,000,858, this dividend will absorb £400,000.

No provision has been made for the interim dividend in these condensed financial statements. The final dividend of 8.8p per ordinary share, paid on 31 March 2015 in respect of the year ended 31 October 2014, has been recognised as a distribution in this period.

### 5 Current asset investment

The Company has a holding in Deutsche Global Managed Platinum Income Fund, a money market fund which is used to invest cash balances that would otherwise be placed on short term deposit. At 30 April 2015 this holding had a value of £2,000 (30 April 2014: £2,000; 31 October 2014: £2,000).

## **6 Called up share capital**

There were 8,000,858 ordinary shares of 25p each in issue at 30 April 2015 (30 April 2014 and 31 October 2014: 8,000,858).

During the half year ended 30 April 2014, 35,670 subscription shares were converted. 29 April 2014 was the final conversion opportunity. On 14 May 2014, the 1,603,982 outstanding subscription shares were repurchased and cancelled for a nominal amount

The subscription shares were issued as a bonus issue to the ordinary shareholders on 19 January 2007.

## **7 Net asset value per ordinary share – basic and diluted**

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £84,239,000 (30 April 2014: £75,116,000; 31 October 2014: £72,302,000) and on the 8,000,858 ordinary shares of 25p each in issue at 30 April 2015 (30 April 2014: 8,000,858 and 31 October 2014: 8,000,858).

## **8 Transaction costs**

Purchase transaction costs for the half-year ended 30 April 2015 were £32,000 (half-year ended 30 April 2014: £23,000; year ended 31 October 2014: £56,000); these comprise mainly stamp duty and commissions. Sale transaction costs for the half-year ended 30 April 2015 were £9,000 (half-year ended 30 April 2014: £12,000; year ended 31 October 2014: £21,000); these comprise mainly commissions.

## **9 Related party transactions**

Other than the relationship between the Company and its Directors, the only related party arrangement currently in place is that with Henderson Investment Funds Limited for the provision of investment management, accounting, company secretarial, marketing and administration services. Other than fees payable in the ordinary course of business, there have been no material transactions with related parties that have affected the financial position or performance of the Company during the half year period.

## **10 Going concern**

The Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The assets of the Company consist almost entirely of securities that are listed (or quoted on AIM) and, accordingly, the directors believe that the Company has adequate resources to continue in existence for the foreseeable future.

## **11 General information**

### *a) Investment Objective and Benchmark*

The Company's investment objective is to provide shareholders with higher than average growth of capital over the medium to long term from a portfolio of predominantly UK companies. The strategy is to invest in a concentrated portfolio of shares on an unconstrained basis across the whole range of market capitalisations. The investment portfolio is characterised by focus on growth, recovery and "special opportunities" company shares which the Portfolio Manager believes should achieve the investment objective. The benchmark is the FTSE All-Share Index.

### *b) Company Status*

Henderson Opportunities Trust plc is registered in England and Wales No. 1940906, has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange. The SEDOL number is 0853657. The London Stock Exchange (EPIC) Code is HOT.

### *c) Directors and Secretary*

The Directors of the Company are George Burnett (Chairman of the Board), Frances Daley, Peter May (Chairman of the Audit Committee), Chris Hills, Peter Jones and Malcolm King. The Corporate Secretary is Henderson Secretarial Services Limited.

### *d) Website*

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.hendersonopportunitiestrust.com](http://www.hendersonopportunitiestrust.com).

### *e) Global Intermediary Identification Number (GIIN)*

LVAHJH.99999.SL.826

### *f) Legal Entity Identifier (LEI)*

2138005D884NPGHFQS77

## **12 Comparative information**

The financial information contained in this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the year ended 31 October 2014 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the Auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

## **13 Financial report for the half year ended 30 April 2015**

The Half Year Report will be available on the Company's website or in hard copy from the Company's registered office, 201 Bishopsgate, London, EC2M 3AE. An abbreviated version of this Report, the 'Update', will be posted to shareholders in early July 2015.