

Company Number: 01940906

# **HENDERSON OPPORTUNITIES TRUST PLC**

**Report for the half year ended  
30 April 2021**  
*(unaudited)*

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

**HENDERSON OPPORTUNITIES TRUST PLC**  
(the “Company”)

**Unaudited results for the half year ended 30 April 2021**

**Investment Objective**

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

**Performance summary**

	(Unaudited) 30 April 2021	(Unaudited) 30 April 2020	(Audited) 31 October 2020
Net Asset Value ('NAV') per share	1,624.5p	921.3p	1,046.3p
Share price	1,590.0p	740.0p	885.0p
Net assets	£128.3m	£72.8m	£82.6m
Discount to NAV <sup>1</sup>	2.1%	19.7%	15.4%
Total return per share	592.1p	(221.6p)	(83.6p)
Revenue return per share - basic and diluted	11.6p	8.0p	12.8p
Dividends per share <sup>2</sup>	13.0p	13.0p	27.0p
Net gearing <sup>3</sup>	13.1%	15.3%	13.6%

1. Calculated based on the NAV per ordinary share and share price at period end
2. The dividends per ordinary share for the period 1 November 2020 to 30 April 2021 include a first interim dividend payment of 6.5p per ordinary share payable on 25 June 2021 and a second interim dividend payment of 6.5p per ordinary share payable on 24 September 2021. See the Chairman's Statement and Note 3 for further details
3. The net gearing percentage reflects the amount of borrowings (bank loans or overdrafts) the Company has used to invest in the market less cash and investment cash funds, divided by net assets multiplied by 100

**Total Return Performance to 30 April 2021**

	6 Months	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	%
NAV <sup>1</sup>	56.9	80.5	38.7	83.6	216.9
Benchmark <sup>2</sup>	28.5	26.0	7.7	39.9	81.0
Share price <sup>3</sup>	81.8	121.1	66.0	115.0	300.3
Peer group NAV <sup>4</sup>	38.5	51.9	21.2	64.5	154.0

Sources: Morningstar Direct, Refinitiv Datastream and Janus Henderson

1. NAV total return per ordinary share total return (including dividends reinvested)
2. FTSE All-Share Index
3. Share price total return (including dividends reinvested)
4. Association of Investment Companies ('AIC') UK All Companies Sector

## INTERIM MANAGEMENT REPORT

### CHAIRMAN'S STATEMENT

#### Performance

In my first interim report as Chairman, I am pleased to report that the Company has continued to perform strongly, with the net asset value rising 56.9% during the six months relative to a rise of 28.5% in the FTSE All-Share Index benchmark. The period was dominated by positive COVID vaccination news in early November. This led to many of the companies held that are more exposed to fluctuations in the broader UK economy performing well. This recovery in cyclical stocks came at a time when some of the earlier-stage companies in the portfolio continued to make steady progress towards commercialisation and also performed well. These two factors in combination broadly drove the Company's strong performance. Henderson Opportunities Trust plc has always been deliberately flexible in its investment approach, with the aim being to allow the Fund Managers to flex the portfolio with comparatively little constraint to where they see the best value across the UK market. We are encouraged to see this approach working well on behalf of our shareholders.

The following table illustrates the Company's record against the benchmark over the ten-year period to 30 April 2021:

	1 year %	3 years %	5 years %	10 years %
NAV (total return)	80.5	38.7	83.6	216.9
FTSE All-Share (total return)	26.0	7.7	39.9	81.0
Outperformance (+)/ Underperformance (-)	+54.5	+31.0	+43.7	+135.9

#### Earnings and dividends

The revenue return in the period was £915,000, compared to £628,000 in the same period last year. Following a sharp fall in investment income during the peak of the pandemic in spring 2020, it is reassuring to see many companies held in the portfolio return to paying dividends. In the latest Annual Report, we indicated a willingness to support the historic dividend trajectory of the Company until such time as pre-pandemic income levels from the portfolio are restored. We see no reason to change this approach, with a healthy level of revenue reserves built up over many years. We are therefore pleased to declare a second interim dividend of 6.5p per ordinary share for the financial year ending 31 October 2021 in respect of the quarter to 30 April 2021. This will be payable on 24 September 2021 to shareholders registered at the close of business on 20 August 2021. The Company's shares will be quoted ex-dividend on 19 August 2021. The first interim dividend for the financial year ending 31 October 2021 was declared on 11 March 2021 and was paid on 25 June 2021.

#### Gearing

The gearing started the financial year at 13.6% of net assets and finished at a similar level of 13.1%. This relatively consistent level of gearing at a time of rising net asset values meant we were net investors of approximately £5m during the period, as the Fund Managers continued to find attractive opportunities across the breadth of the UK equity market.

#### Share capital

During the period we were encouraged to see the Company's discount to net asset value tighten materially from 15.4% at the beginning of the year to 2.1% at the period end. No shares were issued

or bought back and as at the end of April 2021 the financial year end position was therefore unchanged with 8,000,858 shares in issue (of which 102,483 are currently held in treasury).

### **Outlook**

The portfolio is made up of a very diverse list of stocks serving many end markets. It is this diversity that brings consistency in performance and protects capital over the long term. It is difficult currently to have any real clarity about the economic outlook. However, we believe that the experienced management teams of the companies in the portfolio are well equipped to cope with, and react to, the conditions in which they find themselves. This was demonstrated over the last year, as they dealt with the demands imposed on them by the pandemic. It is the quality of these management teams, and the breadth of activities that our investee companies undertake, that give us confidence about the coming periods for the portfolio.

**Wendy Colquhoun**

**Chairman**

**30 June 2021**

## FUND MANAGERS' REPORT

### Overview

The first six months of the Company's financial year have been very strong in terms of both absolute and relative performance. These periods of strong performance typically occur when several different factors come into play at the same time. The biggest single contributor to the cocktail was the arrival of vaccinations that are proving successful in combating COVID. This is allowing the economy to open up and a return to normalisation to begin. The portfolio benefitted from holding companies that are immediate beneficiaries from a bounce-back in economic activity. At the same time the portfolio has been helped by investor enthusiasm for companies involved in the replacement of fossil fuels with sustainable forms of energy. A general realisation of the scale of the challenge if emission targets are to be achieved meant that those companies that are working towards this received strong support. Share prices do however often move faster and more substantially than the realities would justify, and while we remain committed to the area over the long term, we have reduced the exposure to some of the holdings in the alternative energy space on this concern. Overall, company results during the period have been up to best expectations and valuations are generally reasonable, therefore we have been a net buyer of equities over the period.

### Portfolio attribution

In a continuation of trends seen in the previous financial year, alternative energy companies performed well, with **Ilika**, **AFC Energy**, **Ceres Power** and **EQTEC** all among the top ten contributors to performance. Each continued to make steady steps towards commercialisation, often in partnership with larger companies (for example **AFC Energy** formed a partnership with ABB to use their alkaline fuel cells in off-grid electric vehicle chargers). Following positive vaccination news in early November, a number of stocks exposed to the domestic economic recovery also recovered well. This included Scottish housebuilder **Springfield Properties**, heavy building materials company **Sigmaroc**, low-cost gym operator **The Gym Group**, vehicle hire company **Redde Northgate** and corporate broker **K3 Capital**. In many cases we added to these holdings during the period as in our view market expectations and valuation levels did not reflect the speed of underlying earnings recovery. Finally, a number of media companies in the portfolio performed well, including **Next Fifteen Communications**, **Zoo Digital** and **Mirriad Advertising**. In all cases these companies are either addressing faster growth parts of the market (such as **Next Fifteen Communications** which focuses on the technology sector), or are challenging traditional business models (for example **Zoo Digital**, which provides cloud-based dubbing and subtitling and is challenging physical dubbing studios).

The largest detractor from performance during the six months was conference call provider **LoopUp**. This had been a strong contributor in the previous financial year, however shortly after the Company's financial year end, it reported that it had seen increased customer churn as some customers were moving to competitor products (such as Microsoft Teams). In our view this heightened competition (from particularly powerful competitors) was unlikely to recede and therefore the position was sold.

### Activity

The six-month period to the end of April was an active one for the portfolio, with new positions established in **Barclays**, **Bacanora Lithium**, **BT Group**, **Jubilee Metals**, **Marks & Spencer**, **STV**, **Westminster Group**, **Kier Group**, **Babcock**, **Auction Technology Group** (which was subsequently sold), **Sensyne Health** and **Chamberlin**. In aggregate we invested £22.3m into the portfolio compared to total sales of £17.5m. During this period additions to the portfolio were broadly (although not exclusively) in the large cap, recovery and natural resources 'buckets'. These areas had underperformed in the previous financial year, as they are broadly more exposed to the global economy than the early stage and growth small-cap companies (which are often in structural growth areas or at a stage where their technology is more binary, and therefore are less dependent on the fluctuations in the wider economy). However, as the domestic and global economy recovers,

potentially more quickly than many are anticipating, we think there are attractive valuation opportunities in stocks set to benefit from this recovery. An example of this would be the banking sector, where in addition to the new position in **Barclays** we also added to existing holdings in **Lloyds, Natwest and HSBC**.

Positions exited during the period were **Learning Technologies, Aveva, Scapa, Horizon Discovery, Fonix Mobile, Assura, LoopUp, Auction Technology Group** and **Eve Sleep**. In two cases (**Scapa** and **Horizon Discovery**) this was driven by takeover offers, both from US peer companies. The majority of the sales (**Learning Technologies, Aveva, Fonix Mobile, Auction Technology Group** and **Assura**) were driven by shares reaching what we deemed to be fair value following good performance. **Eve Sleep** was a small holding, in hindsight a mistake, as the direct-to-consumer mattress market had proven to be more competitive than we envisaged.

### **Outlook**

The concerns about economic contraction and deflation have recently made way for concerns about limited supply and inflation. Both these contrasting views have elements of truth. Parts of the UK economy will remain subdued, while in other areas there will be strong growth. Some industries will continue to face large scale disruption, while in other areas large new companies will emerge. Some of the largest companies that are major constituents of the index today will decline to be replaced by a new generation of companies. The speed of this change is more rapid than in the past. It provides the active manager who is unconstrained with a significant opportunity to substantially add value over an index-orientated approach to portfolio management.

**James Henderson and Laura Foll**  
**Fund Managers**  
**30 June 2021**

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

- investment activity and strategy;
- financial instruments and the management of risk;
- operational and cyber;
- accounting, legal and regulatory;
- liquidity;
- net gearing; and
- failure of Janus Henderson.

Detailed information on these risks is given in the Strategic Report and in the Notes to the Financial Statements in the Company's Annual Report for the year ended 31 October 2020.

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

There are a number of risks stemming from the COVID-19 pandemic and the uncertainty that this has created in global markets, both economically and politically, that may impact the operation of the Company, as referenced in the Chairman's Statement. The Fund Managers will continue to review carefully the composition of the Company's portfolio and be proactive in taking investment decisions where necessary. The Manager and the Company's other third-party service providers remain fully operational and have implemented appropriate business continuity plans to ensure that there has been no change in service while the majority of staff are working from home.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (as listed in note 12) confirm that, to the best of their knowledge:

- a) the condensed financial statements for the half year ended 30 April 2021 have been prepared in accordance with Financial Reporting Standard 104 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- b) this Interim Management Report and condensed financial statements include a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) this Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**For and on behalf of the Board**

**Wendy Colquhoun**

**Chairman**

**30 June 2021**

## Investment portfolio at 30 April 2021

Company	Valuation £'000	% of portfolio
SigmaRoc <sup>1</sup>	4,731	3.2
Springfield Properties <sup>1</sup>	4,611	3.1
Ilika <sup>1</sup>	4,370	3.0
Barclays	4,300	2.9
Next Fifteen Communications <sup>1</sup>	3,942	2.7
Tracsis <sup>1</sup>	3,570	2.4
Boku <sup>1</sup>	3,441	2.3
Blue Prism <sup>1</sup>	3,225	2.2
Serica Energy <sup>1</sup>	3,213	2.2
Vertu Motors <sup>1</sup>	3,180	2.2
<b>10 largest</b>	<b>38,583</b>	<b>26.2</b>
NatWest	3,146	2.1
Zoo Digital <sup>1</sup>	3,086	2.1
Rio Tinto	3,038	2.1
RWS Holdings <sup>1</sup>	3,021	2.1
Anglo American	2,993	2.0
Mirriad Advertising <sup>1</sup>	2,765	1.9
Oxford Instruments	2,738	1.9
Surface Transforms <sup>1</sup>	2,731	1.8
Ceres Power <sup>1</sup>	2,672	1.8
AFC Energy <sup>1</sup>	2,666	1.8
<b>20 largest</b>	<b>67,439</b>	<b>45.8</b>
Lloyds Banking	2,363	1.5
IQGeo <sup>1</sup>	2,185	1.5
Cohort <sup>1</sup>	2,167	1.5
Integrafin Holdings	2,063	1.4
GB Group <sup>1</sup>	2,022	1.4
The Gym Group	1,931	1.3
Prudential	1,918	1.3
Aviva	1,901	1.3
Vodafone	1,847	1.2
Redcentric <sup>1</sup>	1,750	1.2
<b>30 largest</b>	<b>87,586</b>	<b>59.4</b>
Tribal Group <sup>1</sup>	1,734	1.2
Van Elle <sup>1</sup>	1,729	1.2
HSBC	1,723	1.2
IP Group	1,710	1.2
Jersey Oil & Gas <sup>1</sup>	1,700	1.2
Redde Northgate	1,699	1.1
XP Power	1,676	1.1
Johnson Matthey	1,625	1.1
Franchise Brands <sup>1</sup>	1,583	1.1
GlaxoSmithKline	1,541	1.0
<b>40 largest</b>	<b>104,306</b>	<b>70.8</b>
Sensyne Health <sup>1</sup>	1,523	1.0
Studio Retail	1,500	1.0
Standard Chartered	1,481	1.0
K3 Capital <sup>1</sup>	1,463	1.0
BT Group	1,402	1.0
Workspace	1,397	1.0
Ricardo	1,386	0.9

Flowtech <sup>1</sup>	1,383	0.9
Direct Line Insurance	1,354	0.9
Marks & Spencer	1,343	0.9
<b>50 largest</b>	<b>118,538</b>	<b>80.4</b>
Reabold Resources <sup>1</sup>	1,311	0.9
4D Pharma <sup>1</sup>	1,306	0.9
ITM Power <sup>1</sup>	1,285	0.9
Creo Medical <sup>1</sup>	1,261	0.8
Hammerson	1,245	0.8
M&G	1,195	0.8
Premier Miton Group <sup>1</sup>	1,168	0.8
STV	1,151	0.8
International Personal Finance	1,149	0.8
Rolls-Royce	1,133	0.8
<b>60 largest</b>	<b>130,742</b>	<b>88.7</b>
Deltic Energy <sup>1</sup>	1,063	0.7
Jadestone Energy <sup>1</sup>	1,030	0.7
Mondi	982	0.7
Bacanora Lithium <sup>1</sup>	968	0.7
Hollywood Bowl	927	0.6
IG Group	916	0.6
Eurocell	839	0.6
Keystone Law <sup>1</sup>	780	0.5
International Consolidated Airlines	761	0.5
Senior	683	0.5
<b>70 largest</b>	<b>139,691</b>	<b>94.8</b>
<b>20 remaining (excluding cash and investments written down to zero)</b>	<b>7,673</b>	<b>5.2</b>
<b>Total</b>	<b>147,364</b>	<b>100.0</b>

<sup>1</sup> Quoted on the Alternative Investment Market ('AIM')

### Attribution analysis to 30 April 2021

The table below sets out the top five contributors and top five detractors to NAV:

<b>Top five contributors</b>	<b>Total return %</b>	<b>Contribution to NAV %</b>
Ceres Power	+90.5	+3.6
Ilika	+176.5	+3.4
SigmaRoc	+86.3	+2.7
AFC Energy	+291.3	+2.7
EQTEC	+274.4	+2.2

  

<b>Top five detractors</b>	<b>Total return %</b>	<b>Contribution to NAV %</b>
LoopUp	-61.9	-1.8
Blue Prism	-21.0	-0.6
SIMEC	-58.0	-0.5
Aveva	-6.3	-0.1
Bacanora	-6.1	-0.1

Source: Janus Henderson

### Portfolio by index at 30 April 2021

As a percentage of the portfolio excluding cash

<b>Index</b>	<b>FTSE All-Share Index %</b>	<b>Portfolio %</b>
FTSE 100	78.9	22.5
FTSE 250	17.8	11.5
FTSE SmallCap	3.3	6.3
FTSE AIM	0.0	58.3
Other	0.0	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Factset

### Portfolio by market capitalisation at 30 April 2021

As a percentage of the portfolio excluding cash

<b>Index</b>	<b>FTSE All-Share Index %</b>	<b>Portfolio %</b>
Greater than £2b	89.3	27.6
£1b - £2b	5.4	11.9
£500m - £1b	3.3	7.7
£200m - £500m	1.7	27.9
£100m - £200m	0.3	12.3
£50m - £100m	0.0	7.8
Less than £50m	0.0	4.5
Other	0.0	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Factset

## CONDENSED INCOME STATEMENT

	(Unaudited) Half Year ended 30 April 2021			(Unaudited) Half Year ended 30 April 2020			(Audited) Year ended 31 October 2020		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Gains/(losses) from investments held at fair value through profit or loss	-	47,311	47,311	-	(17,925)	(17,925)	-	(7,215)	(7,215)
Investment income held at fair value through profit or loss	1,100	-	1,100	810	-	810	1,329	-	1,329
Interest receivable and other income	100	-	100	86	-	86	166	-	166
<b>Gross revenue and capital gains/(losses)</b>	<b>1,200</b>	<b>47,311</b>	<b>48,511</b>	<b>896</b>	<b>(17,925)</b>	<b>(17,029)</b>	<b>1,495</b>	<b>(7,215)</b>	<b>(5,720)</b>
Management fee (note 2)	(99)	(232)	(331)	(64)	(149)	(213)	(130)	(305)	(435)
Performance fee (note 2)	-	(1,180)	(1,180)	-	-	-	-	-	-
Administrative expenses	(165)	-	(165)	(178)	-	(178)	(312)	-	(312)
<b>Net return/(loss) before finance costs and taxation</b>	<b>936</b>	<b>45,899</b>	<b>46,835</b>	<b>654</b>	<b>(18,074)</b>	<b>(17,420)</b>	<b>1,053</b>	<b>(7,520)</b>	<b>(6,467)</b>
Finance costs	(19)	(45)	(64)	(24)	(56)	(80)	(40)	(91)	(131)
<b>Net return/(loss) before taxation</b>	<b>917</b>	<b>45,854</b>	<b>46,771</b>	<b>630</b>	<b>(18,130)</b>	<b>(17,500)</b>	<b>1,013</b>	<b>(7,611)</b>	<b>(6,598)</b>
Taxation on net return	(2)	-	(2)	(2)	-	(2)	(3)	-	(3)
<b>Net return/(loss) after taxation</b>	<b>915</b>	<b>45,854</b>	<b>46,769</b>	<b>628</b>	<b>(18,130)</b>	<b>(17,502)</b>	<b>1,010</b>	<b>(7,611)</b>	<b>(6,601)</b>
<b>Return/(loss) per ordinary share – basic and diluted (note 4)</b>	<b>11.58p</b>	<b>580.55p</b>	<b>592.13p</b>	<b>7.95p</b>	<b>(229.53p)</b>	<b>(221.58p)</b>	<b>12.78p</b>	<b>(96.36p)</b>	<b>(83.58p)</b>

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104.

All revenue and capital items in the above statement derive from continuing operations. The revenue and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. The Company had no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity. The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Half Year ended 30 April 2021					
	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 2020	2,000	14,838	2,431	61,467	1,907	82,643
Ordinary dividends paid	-	-	-	-	(1,106)	(1,106)
Return of unclaimed dividends	-	-	-	-	3	3
Net return after taxation	-	-	-	45,854	915	46,769
At 30 April 2021	2,000	14,838	2,431	107,321	1,719	128,309

	(Unaudited) Half Year ended 30 April 2020					
	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 2019	2,000	14,838	2,431	69,105	3,424	91,798
Ordinary dividends paid	-	-	-	-	(1,501)	(1,501)
Net (loss)/return after taxation	-	-	-	(18,130)	628	(17,502)
Buyback of ordinary shares into treasury	-	-	-	(27)	-	(27)
At 30 April 2020	2,000	14,838	2,431	50,948	2,551	72,768

	(Audited) Year ended 31 October 2020					
	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 2019	2,000	14,838	2,431	69,105	3,424	91,798
Ordinary dividends paid	-	-	-	-	(2,527)	(2,527)
Net (loss)/return after taxation	-	-	-	(7,611)	1,010	(6,601)
Buyback of ordinary shares into treasury	-	-	-	(27)	-	(27)
At 31 October 2020	2,000	14,838	2,431	61,467	1,907	82,643

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

## CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) Half year ended 30 April 2021 £'000	(Unaudited) Half year ended 30 April 2020 £'000	(Audited) Year ended 31 October 2020 £'000
<b>Investments held at fair value through profit or loss</b>			
Listed at market value	61,123	34,676	33,606
Quoted on AIM at market value	85,758	48,894	60,746
Unlisted at market value	483	400	407
	<b>147,364</b>	<b>83,970</b>	<b>94,759</b>
<b>Current assets</b>			
Investments held at fair value through profit or loss	2	2	2
Debtors	406	327	66
Cash at bank and in hand	1,252	506	2,882
	<b>1,660</b>	<b>835</b>	<b>2,950</b>
<b>Creditors: amounts falling due within one year</b>			
Bank loans	(18,083)	(11,635)	(14,104)
Other creditors	(2,632)	(402)	(962)
	<b>(19,055)</b>	<b>(11,202)</b>	<b>(12,116)</b>
<b>Net current liabilities</b>			
	<b>(19,055)</b>	<b>(11,202)</b>	<b>(12,116)</b>
<b>Net assets</b>	<b>128,309</b>	<b>72,768</b>	<b>82,643</b>
<b>Capital and reserves</b>			
Called up share capital (note 6)	2,000	2,000	2,000
Share premium account	14,838	14,838	14,838
Capital redemption reserve	2,431	2,431	2,431
Other capital reserves	107,321	50,948	61,467
Revenue reserves	1,719	2,551	1,907
	<b>128,309</b>	<b>72,768</b>	<b>82,643</b>
<b>Total shareholders' funds</b>	<b>128,309</b>	<b>72,768</b>	<b>82,643</b>
<b>Net asset value per ordinary share – basic and diluted (note 7)</b>	<b>1,624.5p</b>	<b>921.3p</b>	<b>1,046.3p</b>

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

## CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Half Year ended 30 April 2021 £'000	(Unaudited) Half Year ended 30 April 2020 £'000	(Audited) Year ended 31 October 2020 £'000
<b>Cash flows from operating activities</b>			
Net return/(loss) before taxation	46,771	(17,500)	(6,598)
Add back: finance costs	64	80	131
Add: (gains)/losses on investments held at fair value through profit or loss	(47,311)	17,925	7,215
Withholding tax on dividends deducted at source	-	(4)	(5)
(Increase)/decrease in debtors	(312)	135	167
Increase/(decrease) in creditors	1,130	(180)	(27)
<b>Net cash inflow from operating activities</b>	<b>342</b>	456	883
<b>Cash flows from investing activities</b>			
Purchase of investments	(22,288)	(4,938)	(12,719)
Sale of investments	17,494	6,595	14,938
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(4,794)</b>	1,657	2,219
<b>Cash flows from financing activities</b>			
Equity dividends paid (net of refund or unclaimed distributions and reclaimed distributions)	(1,103)	(1,501)	(2,527)
Buyback of ordinary shares into treasury	-	(27)	(27)
Net loans drawn down/(repaid)	3,979	(968)	1,501
Interest paid	(54)	(82)	(138)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,822</b>	(2,578)	(1,191)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,630)</b>	(465)	1,911
Cash and cash equivalents at start of year	2,882	971	971
<b>Cash and cash equivalents at end of period</b>	<b>1,252</b>	506	2,882
<b>Comprising:</b>			
Cash at bank	1,252	506	2,882

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

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1 Accounting policies – basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", which was updated by the Association of Investment Companies in October 2019.

For the period under review, the Company's accounting policies have not varied from those described in the annual report for the year ended 31 October 2020.

These financial statements have been neither audited nor reviewed by the Company's auditor.

### 2 Management and performance fees

Henderson Investment Funds Limited ('HIFL') is appointed to act as the Company's Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited ('HGIL'). References to Janus Henderson or the Manager within these results refer to the services provided by both HIFL and HGIL.

Management and performance fees are charged in accordance with the terms of the management agreement and provided for when due. The management fee is calculated, quarterly in arrears, as 0.55% per annum on the net assets. Arrangements are in place for the Manager to earn a performance fee. The cap on total fees that can be earned in a financial year is 1.5% of the average net assets over the year. A performance fee of £1.18m has been accrued as at 30 April 2021 (30 April 2020 and 31 October 2020: £nil).

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. Performance fees payable are allocated 100% to the capital return.

### 3 Dividends

The Board decided to pay quarterly dividends from the beginning of the 2020 financial year, to make dividends as predictable for shareholders as possible.

In March 2021, the Board declared a first interim dividend of 6.5p (2020: 6.5p) per ordinary share, to be paid out of revenue on 25 June 2021 to shareholders on the register of the Company at the close of business on 21 May 2021. The cost of this dividend was £513,000 (2020: £513,000).

The Board has declared a second interim dividend of 6.5p (2020: 6.5p) per ordinary share, to be paid out of revenue on 24 September 2021 to shareholders on the register of the Company at the close of business on 20 August 2021. The ex-dividend date will be 19 August 2021. Based on the number of ordinary shares in issue on 30 June 2021, the cost of this dividend will be £513,000 (2020: £513,000).

No provision has been made for the interim dividends in these condensed financial statements. The third interim dividend of 6.5p per ordinary share, paid on 18 December 2020 and the final dividend of 7.5p per ordinary share, paid on 26 March 2021 in respect of the year ended 31 October 2020, have been recognised as a distribution in this period.

#### 4 Return/(loss) per ordinary share – basic and diluted

The return/(loss) per ordinary share is based on the following figures:

	<b>(Unaudited)</b> <b>Half Year ended</b> <b>30 April 2021</b> <b>£'000</b>	(Unaudited) Half Year ended 30 April 2020 £'000	(Audited) Year ended 31 October 2020 £'000
Revenue return	915	628	1,010
Capital return/(loss)	45,854	(18,130)	(7,611)
Total return/(loss)	<b>46,769</b>	<b>(17,502)</b>	<b>(6,601)</b>
Weighted average number of ordinary shares in issue for the period	<b>7,898,375</b>	7,898,669	7,898,521
Revenue return per ordinary share	<b>11.58p</b>	7.95p	12.78p
Capital return/(loss) per ordinary share	<b>580.55p</b>	(229.53p)	(96.36p)
Total return/(loss) per ordinary share	<b>592.13p</b>	<b>(221.58p)</b>	<b>(83.58p)</b>

The Company has no securities in issue that could dilute the return per ordinary share. Therefore, the basic and diluted returns per share are the same.

#### 5 Investments held at fair value through profit or loss

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 techniques used and are defined as follows under FRS 102:

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

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

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

<b>Investments held at fair value through profit or loss at 30 April 2021 (unaudited)</b>	<b>Level 1</b> <b>£'000</b>	<b>Level 2</b> <b>£'000</b>	<b>Level 3</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Investments</b>	<b>146,881</b>	-	<b>483</b>	<b>147,364</b>
<b>Current asset investments</b>	<b>2</b>	-	-	<b>2</b>
<b>Total</b>	<b>146,883</b>	-	<b>483</b>	<b>147,366</b>
Investments held at fair value through profit or loss at 30 April 2020 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	83,570	-	400	83,970
Current asset investments	2	-	-	2
Total	83,572	-	400	83,972
Investments held at fair value through profit or loss at 31 October 2020 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	94,352	-	407	94,759
Current asset investments	2	-	-	2
Total	94,354	-	407	94,761

There have been no transfers between levels of the fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note 1(d) in the Company's Annual Report for the year ended 31 October 2020.

## **6 Called-up share capital**

During the half year ended 30 April 2021, no shares were issued or repurchased (half year ended 30 April 2020 and year ended 31 October 2020: no shares issued and 2,813 shares repurchased at a cost of £27,000). At 30 April 2021 there were 8,000,858 ordinary shares of 25p each in issue (30 April 2020 and 31 October 2020: 8,000,858) of which 102,483 were held in treasury (30 April 2020 and 31 October 2020: 102,483 shares held in treasury) resulting in 7,898,375 shares being entitled to a dividend (30 April 2020 and 31 October 2020: 7,898,375).

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

Net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £128,309,000 (30 April 2020: £72,768,000; 31 October 2020: £82,643,000) and on the 7,898,375 ordinary shares of 25p each in issue at 30 April 2021 (half year ended 30 April 2020 and year ended 31 October 2020: 7,898,375).

## **8 Transaction costs**

Purchase transaction costs for the half year ended 30 April 2021 were £80,000 (30 April 2020: £8,000; 31 October 2020: £27,000); these comprise mainly stamp duty and commissions. Sale transaction costs for the half year ended 30 April 2021 were £8,000 (30 April 2020: £2,000; 31 October 2020: £6,000); these comprise mainly commissions.

## **9 Related party transactions**

The Company's transactions with related parties in the period under review were with the Directors and the Manager. There were no material transactions between the Company and its Directors during the half year other than amounts paid to them in respect of expenses and remuneration for which there are no outstanding amounts payable at the half year period end. Directors' shareholdings as at 31 October 2020 are disclosed in the Annual Report.

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 were no material transactions with the Manager affecting the financial position of the Company during the half-year period.

## **10 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 next triennial continuation resolution will be put to the Annual General Meeting in 2023. The assets of the Company consist almost entirely of securities that are listed (or quoted on AIM) and are readily realisable. Having assessed these factors and the principal risks, as well as considering the additional risks related to COVID-19, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. 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.

## 11 Net debt reconciliation

	Cash and cash equivalents £'000	Bank loans and overdraft repayable within one year £'000	Total £'000
Net debt as at 31 October 2020	2,882	(14,104)	(11,222)
Cash flows	(1,630)	(3,979)	(5,609)
Net debt as at 30 April 2021	1,252	(18,083)	(16,831)

	Cash and cash equivalents £'000	Bank loans and overdraft repayable within one year £'000	Total £'000
Net debt as at 31 October 2019	971	(12,603)	(11,632)
Cash flows	(465)	968	503
Net debt as at 30 April 2020	506	(11,635)	(11,129)

	Cash and cash equivalents £'000	Bank loans and overdraft repayable within one year £'000	Total £'000
Net debt as at 31 October 2019	971	(12,603)	(11,632)
Cash flows	1,911	(1,501)	410
Net debt as at 31 October 2020	2,882	(14,104)	(11,222)

## 12 General information

### Company Status:

Henderson Opportunities Trust plc is registered in England and Wales (No. 01940906), has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange.

SEDOL/ISIN: 0853657/GB0008536574

London Stock Exchange (TIDM) Code: HOT

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

Legal Entity Identifier (LEI): 2138005D884NPGHFQS77

### Directors and Corporate Secretary:

The Directors of the Company are Wendy Colquhoun (Chairman), Frances Daley (Audit and Risk Committee Chairman), Chris Hills and Davina Curling. The Corporate Secretary is Henderson Secretarial Services Limited, represented by Melanie Stoner (Fellow of the Chartered Governance Institute).

### 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).

## 13 Comparative information

The financial information contained in the half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-year periods ended 30 April 2021 and 30 April 2020 has not been audited or reviewed by the Company's auditors. The figures and financial information for the year ended 31 October 2020 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those

accounts have been delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

A glossary of terms and details of alternative performance measures can be found in the Annual Report for the year ended 31 October 2020.

#### **14 Half-Year Report**

This half-year report is available on the Company's website or from the Company's registered office. An abbreviated version, the 'Update', will be posted to shareholders in July 2021. The Update will also be posted on the Company's website, and hard copies will be available from the Company's registered office.

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*Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) are incorporated into, or form part of, this report.*