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History

Henderson Global Property Companies Limited is a Guernsey domiciled closed-end investment company which was incorporated in 2006 and is listed on the London Stock Exchange. The company has a conventional structure with ordinary shares only in issue and pays quarterly dividends. Investments are held through a wholly owned Luxembourg subsidiary company. The board is wholly independent of the management company.

During the year the company changed its benchmark from an absolute return target of 8 per cent. per annum to the FTSE EPRA/NAREIT Developed Net Total Return Index (in sterling).

Investment Objective

To provide investors with a total return (both income and capital growth) principally through investing in listed property securities and property-related securities globally.

The company measures its performance against the FTSE EPRA/NAREIT Developed Net Total Return Index.

Highlights

	31 August 2009	31 August 2008	% change
Net asset value per share	54.29p	69.97p	-22.4
Share mid-market price	48.25p	54.00p	-10.6
Discount	11.1%	22.8%	–
Revenue earnings per share	5.17p	5.43p	-4.8
Dividends paid and payable per share	4.75p	4.75p	–

Performance

	1 year	Since inception (cumulative)
	%	%
Net asset value total return ⁽¹⁾	-13.99	-34.86
Share price total return ⁽¹⁾	2.38	-39.04
FTSE EPRA/NAREIT Developed Net Total Return Index (sterling adjusted) ^{(2)(*)}	-13.90	-15.46

Sources: (1) Fundamental Data (2) Datastream

*The index was previously known as FTSE EPRA/NAREIT Global Property Total Return Index (sterling adjusted).

Directors

Christopher Jonas (chairman), is a past president of the Royal Institution of Chartered Surveyors. He has over 45 years' experience in the property sector, principally with Jones Lang Wootton and Drivers Jonas. He has held a number of directorships, including Canary Wharf Group plc, British Railways Board, BR Property Board, Bank of Scotland (England), Port of London Authority and Chelsfield Partners LLP. He has provided strategic property advice to a number of institutions, including BAA plc, Brixton plc, Morgan Stanley, Newton Investment Management Ltd and Royal Bank of Scotland. He is chairman of Goldsmiths, University of London and a trustee of the Westminster Abbey Staff Pension Fund.

Peregrine Banbury is a Managing Partner at Coutts & Co responsible for the teams looking after the bank's traditional clients. Previously he was Head of Coutts Asset Management, a director of Coutts Investment Management Ltd and a director of the Securities Institute. He has also been a director of a number of investment trusts and a trustee of a number of charities.

William Scott is resident in Guernsey. He is an independent non-executive director of a number of investment companies and funds. After being an assistant investment manager with a large public sector pension scheme, he joined Rea Brothers, a private banking group, in 1989. From 1997 until 2002 he was director in charge of the Rea Brothers group's Guernsey-based offshore

private client investment management activities. Rea Brothers became part of the Close Brothers group in 1999 and during that period he was also a director of Close Bank Guernsey Limited. From 2003 to 2004 he was a senior vice president with FRM Investment Management Limited, a leading manager of funds of hedge funds in Guernsey. He is a Chartered Accountant; he holds the Securities Institute Diploma and is a Member of the Securities & Investment Institute.

Christopher Sherwell is a resident of Guernsey. He is a non-executive director of a number of investment-related companies. He was managing director of Schroders (CI) Limited from 2000-2004 and served as a director of various Schroder group companies and investment funds. He remained a director of Schroders (CI) Limited until he stepped down at the end of 2008. His other directorships include chairmanship of Goldman Sachs Dynamic Opportunities Limited, a fund of hedge funds and of the Hermes Commodities Umbrella Fund. Before joining Schroders in 1993 he worked as Far East regional strategist with Smith New Court Securities in London and then Hong Kong. He was previously a journalist, working for the Financial Times.

All of the directors are non-executive and all are members of the audit committee, the management engagement committee and the nominations committee.

Management



Patrick Sumner

The portfolio is managed by Patrick Sumner, assisted by colleagues in London, Chicago and Singapore.

Chairman's Statement



Christopher Jonas

In the long run property shares track the underlying real estate markets. In the short term any change in sentiment towards property is reflected first in property equities. So the dramatic rise in property equity prices since the early spring is a welcome indication of an improved outlook. Nonetheless, banks' over-exposure to property and the lack of liquidity is a drag on the market's ability to sustain a growth trend. Therefore, shareholders should be prepared for continuing volatility on the road to recovery. At this stage in the cycle your board has introduced a new dividend policy which we believe better balances present income with the scope for capital growth.

Performance

The net asset value total return per ordinary share fell by 14.0% over the year whilst the share price total return rose by 2.38% reflecting the narrowing of the discount over the year from 22.8% to 11.1%. The FTSE EPRA/NAREIT Developed Net Total Return Index (sterling adjusted) fell 13.9% over the same period. This represents a considerable improvement during the second half of the year as the Index fell 42.9% over the first six months. Since the portfolio total return was less than 8%, no performance fee is payable to our managers.

Earnings and Dividend

Net revenue before tax was £2,211,000 (2008: £2,376,000) reflecting the global reduction in dividends from many property investments. Nevertheless, a fourth interim dividend of 1.45p was paid on 29 October, making a fully covered total of 4.75p for the year to 31 August 2009, in line with our target for the year.

Dividend Policy and Benchmark

In August 2009, I wrote to all shareholders giving notice that, following consultations with the ten largest shareholders who between them own about 65% of

your company, your board had decided to reduce the dividend target for the coming year from 4.75p to 3.20p. We have also changed the benchmark from an absolute return target of 8% per annum to the FTSE EPRA/NAREIT Developed Net Total Return Index (sterling adjusted), the principal global property securities index. This proposed reduction in the dividend target reflected the concern that in delivering the previous target level of 4.75p, opportunities for capital appreciation could be missed and that the company's overall total return might be adversely affected. At the proposed new level of 3.20p for the year, the company was still offering an attractive yield of 6.6% at the year end mid-market price of 48.25p. We also indicated that, in the absence of unforeseen circumstances, your board intends to pay the 3.20p for the year in four quarterly dividends each of 0.8p per share. The new benchmark reflects this change in yield objective and the determination of the board to focus on traditional property companies.

Discount Management

During the year your board has kept the discount to net asset value at which your company's shares trade under close and regular review. In the light of its level at times,

Chairman's Statement

continued

we proposed that shareholders should be given an opportunity to vote on the continuation of the company if, in the two months to 31 October 2009, the average level of discount to the cum-income net asset value was greater than 10%. I can report that the average level was 8.1% and therefore we shall not be putting a continuation resolution to the annual general meeting. This is an encouraging outcome; it now enables the board to turn its attention to its next priority, which is improving the liquidity in the company's shares.

Borrowing

Your company repaid its borrowings in the first week of September 2008 and has no present intentions to re-introduce gearing. This policy is kept under regular review.

Outlook

Whilst there has been much improvement in global property equity markets, the near-term outlook is obscured by continuing recession in developed economies and the effects of measures to remedy the damage done to banks' and governments' finances. However, we are increasingly of the view that the worst has passed and that we have moved from a period of extreme financial distress into a severe, but

manageable, recession. The recovery underway is in the demand for property assets rather than in tenant demand, which we believe could remain weak for some time. However, markets around the world differ widely, offering opportunities for both capital growth and yield. Our new dividend policy is designed to strike a balance between these opportunities.

Annual General Meeting

Shareholders are welcome to attend the Annual General Meeting, which will be held at 10.00am on Wednesday 16 December 2009 at BNP Paribas House, 1 St Julian's Avenue, St Peter Port, Guernsey GY1 1WA. Your board recognises the location of the meeting may be difficult for investors resident on the UK mainland. As in past years we shall hold an open presentation to shareholders on 20 January 2010 at 3.00pm at Henderson's offices at 201 Bishopsgate, London EC2M 3AE. The Manager will make an investment presentation and he and I shall be happy to answer questions. If you would like to attend please complete and return the invitation enclosed with this report.

Christopher Jonas

10 November 2009

Investment Portfolio

by country of listing as at 31 August 2009

Stocks in **bold** are the ten largest investments which by value account for 35.7% of the total value of investments (2008: 37.4%).

	Valuation £'000	% of portfolio		Valuation £'000	% of portfolio
United States			Australia		
Simon Property Group	664	3.3	CFS Retail Property	868	4.4
Vornado Realty Trust	607	3.1	Westfield	565	2.8
Ventas	480	2.4	Goodman Group	186	1.0
Medical Properties Trust	371	1.9	Dexus Property Group	118	0.6
Macerich	352	1.8	Macquarie Office Trust	69	0.4
Alexandria Real Estate	342	1.7		1,806	9.2
Brandywine Realty Trust	324	1.6	Hong Kong & China		
BRE Properties 6.75% Pref Series D	312	1.6	Henderson Land Development	719	3.6
Kimco Realty	308	1.6	Sun Hung Kai Properties	416	2.1
Prologis	306	1.5	Shenzhen Investment	286	1.5
Entertainment Properties Trust	289	1.5	Central China Real Estate	109	0.5
Duke Realty 8.375% Pref Series O	279	1.4	Great Eagle Holdings	106	0.5
Apartment Investment & Management 8.00% Pref Series T	267	1.3		1,636	8.2
Apartment Investment & Management 7.75% Pref Series U	256	1.3	Singapore		
National Retail Properties	226	1.1	Hongkong Land Holdings	740	3.7
Biomed Realty Trust	207	1.0	Capitacommercial Trust	339	1.7
Health Care Properties 7.10% Pref Series F	207	1.0	Keppel Land	218	1.1
Omega Healthcare Investors	176	0.9	Yanlord Land Group	49	0.2
BRE Properties	173	0.9		1,346	6.7
Entertainment Properties Trust 7.375% Pref Series D	163	0.8	France		
Inland Real Estate	154	0.8	Unibail-Rodamco	850	4.3
Developers Diversified Realty 8% Pref Series G	145	0.7	lcade	190	1.0
Public Storage 6.75% Pref Series L	136	0.7	CFI Compagnie Foncière Internationale	169	0.8
Regency Centers 6.70% Pref Series E	121	0.7		1,209	6.1
Digital Realty Trust 7.875% Pref Series B	89	0.4	Canada		
Kite Realty	87	0.4	Calloway Real Estate	220	1.1
	7,041	35.4	Crombie REIT	202	1.0
Japan			Extencicare REIT	158	0.8
Mitsubishi Estate	1,021	5.1	Cominar REIT	91	0.5
Sumitomo Realty & Development	518	2.6		671	3.4
Japan Retail Fund	327	1.6	Guernsey		
ORIX JREIT	318	1.6	FF&P Russia Real Estate Development*	368	1.9
Japan Excellent Income	300	1.5	Invista Foundation Property Trust	117	0.5
United Urban Investment	171	1.0		485	2.4
Fukuoka REIT	97	0.5	Netherlands		
	2,752	13.9	Corio	277	1.4
United Kingdom				277	1.4
SEGRO	547	2.8	Sweden		
Hammerson 7.25% 21/04/28**	426	2.1	Wihlborgs Fastigheter	220	1.1
Hammerson	283	1.4		220	1.1
Safestore Holdings	229	1.2	Bermuda		
Alpha Pyrenees Trust	216	1.1	Jupiter Adria*	158	0.8
Max Property Group	193	1.0		158	0.8
Hansteen Holdings	120	0.6	Total investments		
Shaftesbury	104	0.5		19,869	100.0
Big Yellow Group	85	0.4			
CQS Rig Finance	65	0.3			
	2,268	11.4			

*Unquoted

**Fixed interest

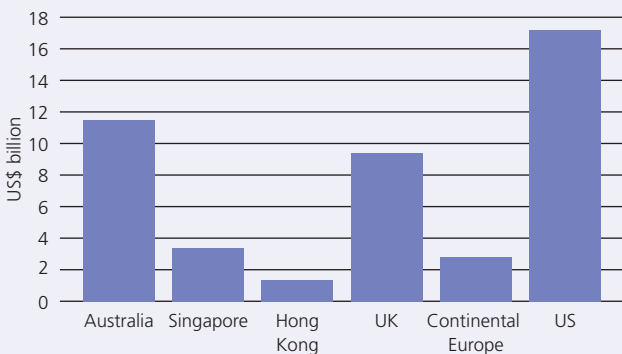
Manager's Report

Market Overview

Having anticipated a potential doomsday scenario at the beginning of 2009, property markets are looking decidedly healthier as we move towards the final quarter of 2009. Asset values appear to be stabilising in most developed markets, and increasing in a few, albeit with limited transactional volume. Weak tenant demand and a challenging debt market continue to fuel fears of a 'double dip' in property markets; however, many companies have carried out repairs to their balance sheets, raising more than US\$46 billion of new equity in the last year, particularly in the UK, the US and Australia. Furthermore, there are signs that debt markets are re-opening, although margins are higher and conditions more demanding. As financing concerns have eased, attention has shifted towards opportunities, and away from threats.

Global equity issuance

US \$46 billion raised (1 January – 31 August 2009)

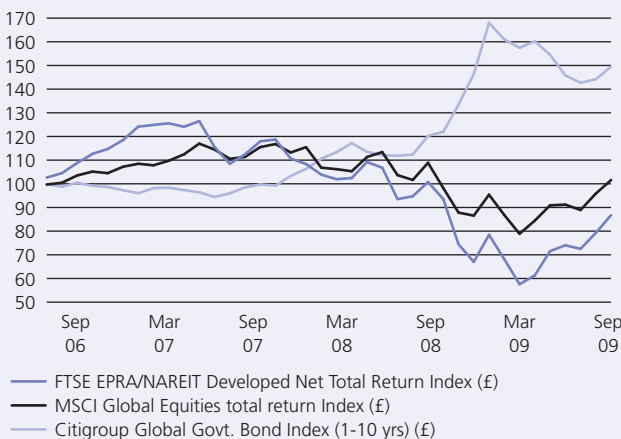


Source: Henderson Global Investors
 Note: In addition, US\$3.8 billion of capital was raised in Australia in the 4th quarter of 2008.

Having fallen 48.2% from the start of the company's financial year on 31 August 2008 to its low on 6 March 2009, the FTSE EPRA/NAREIT Developed Net Total Return index (in sterling) staged a dramatic 'relief rally' of 66.3% by the end of August 2009, but this still left it down 13.9% for the full year. Over the same period the MSCI Global Equities index lost 6.5% (in sterling).

Property Equities v Equities and Bonds

Cumulative total return since inception

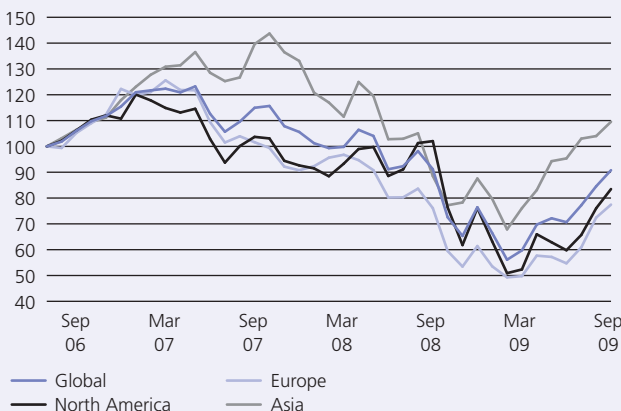


Source: DataStream, MSCI, S&P Citigroup, Henderson Global Investors
 Note: Data from 31 July 2006 to 31 August 2009, total return indices

Globally, there has been a wide dispersion of returns from property equities. Asia Pacific was the strongest region, losing 1.0% overall, but country level performance saw significant divergence. Hong Kong gained 22.1%, due to huge domestic stimulus measures taken by the Chinese government, while Australia, at the other extreme, was down 42.9%. The US market fell 25.9% over the period, while Canada was down 13.8%. The European Index return for the period was -13.4%, with UK property shares the main detractor, down 30.2%. French, Dutch and Swedish stocks made gains of 10.4%, 0.6% and 6.0% respectively.

Property Equities – Regions

Gross total return indices (£)



Source: Bloomberg, Henderson Global Investors, as at 1 September 2009, rebased from July 2006
 Note: Benchmark indices: FTSE EPRA/NAREIT Developed Net Total Return Index (£)

Manager's Report

continued

The rally should be seen in the context of the seizure suffered by financial markets in September and October 2008 and culminating in the concerted support measures that eventually turned the markets around in March 2009. The global economy and property markets are in the recuperation phase, and (at the time of writing) property indices remain below their pre-Lehmans levels. Relapses cannot be ruled out, but we believe that the opportunities for well managed and financed companies will at least balance the threats posed by macroeconomic conditions in the coming years.

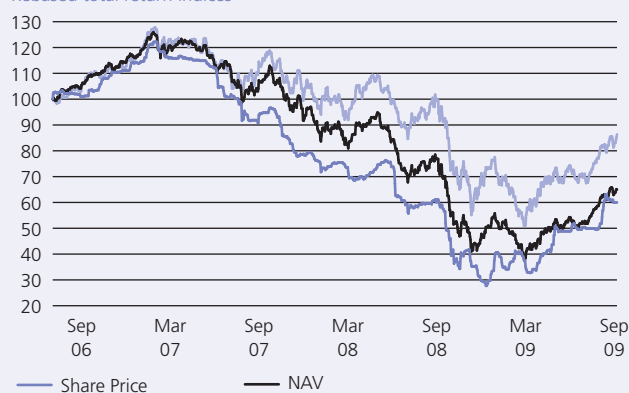
Performance

The net asset value total return of the portfolio, fell by 14.0% over the year. While disappointing in absolute terms, the decline was in line with that of the FTSE EPRA/NAREIT Developed Total Return index (in sterling), which the Board announced in August would in future be the company's benchmark. We have been particularly encouraged by the company's positive NAV return of 46.7% for the last three quarters, when the index return was 29.5%.

The dividend target of 4.75p per ordinary share was met again this year, with income per share of 5.17p, enabling us to add to reserves. The generation of both distributable income and capital performance with an average portfolio value of £17 million required active portfolio management to capture unsynchronised dividends around the world and to react appropriately in highly volatile markets.

Fund Performance since inception

Rebased total return indices



— Share Price — NAV
 — FTSE EPRA/NAREIT Developed Net Total Return Index (£)
 Source: Fundamental Data, Bloomberg

Portfolio

As mentioned in the half year report, we made a significant shift in regional allocation of the portfolio, more closely aligning the exposure of the fund to that of the global index. As a result exposure to the Asia-Pacific region increased from 17% to 38%. European exposure remained broadly unchanged at 20%, whereas our allocation to North America declined from 54% to 39%. Exposure to unlisted and non-mainstream investments fell from 11% to 3%, reflecting write-downs of the value of unlisted holdings and the disposal of our remaining infrastructure fund holding.

In North America our decision in September 2008 to decrease our exposure proved well timed. We rotated from ordinary shares into a number of preference shares with higher yields and lower volatility. These now represent 9% of the overall fund and still offer dividend yields in excess of 9%. Apartment Investment & Management, BRE Properties and Duke Realty Corporation are among the larger preference share holdings. Of the ordinary shares, our position in Medical Properties Trust, which operates in the more defensive healthcare sector, performed well. Canadian stocks also proved more resilient than their US counterparts, and we benefited in particular from our position in Calloway REIT.

In Asia-Pacific, fundamentals have improved significantly since the start of the year, boosted by government support measures, most notably for the residential markets of Hong Kong and China. Office markets are also showing signs of stabilisation in Japan and Singapore. We continue to look for high-yielding stocks with more secure cash flows, while also holding stocks which we believe will deliver capital growth commensurate with the market. Larger companies such as Hongkong Land, Mitsubishi Estate and Westfield Group fall into the latter category. Performance from the J-REITs was particularly beneficial at the end of 2008 as investors in the region sought yield. Japan Excellent Income and Japan Prime Realty Investment both made strong gains, although ORIX JREIT disappointed in early 2009. Our underweight position in Australia also paid off as the market reeled from dividend cuts and

Manager's Report

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punitive cash calls. We have however recently increased our exposure to Australia, seeing value in certain stocks, such as CFS Retail, which still trade at relatively wide discounts to NAV.

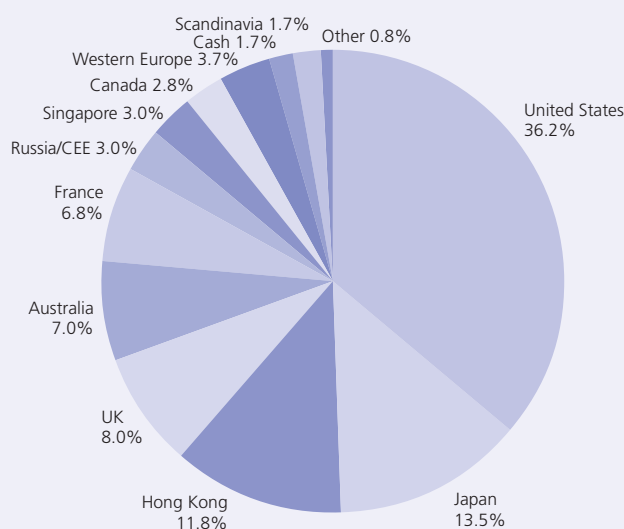
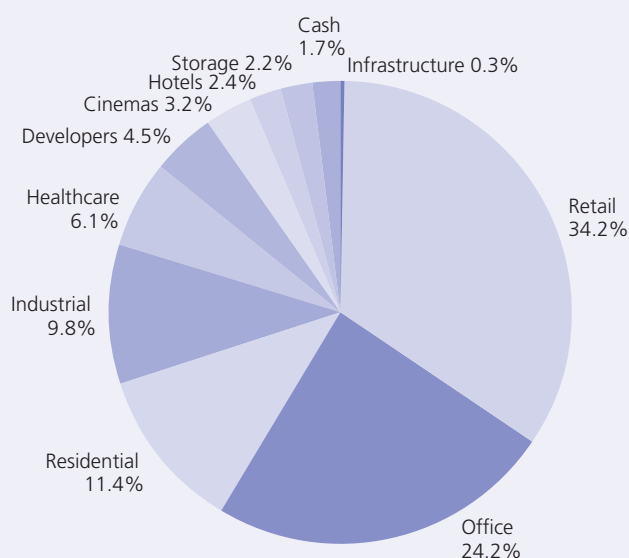
In Europe, despite strong stock selection amongst the core developed markets, several holdings investing in Central and Eastern Europe and Russia detracted from performance, most notably unlisted FF&P Russia Real Estate Development. Here we have written the value down in line with listed peers as we expect restrictive lending and over-development to restrict any short-term recovery. In the UK, our underweight position in the major property stocks, due to balance sheet concerns, was beneficial to performance as considerable shareholder value was lost in the run-up to the rights issues. We also benefited from our decision to switch our Hammerson exposure from the ordinary shares to the company's bonds. We have increased exposure to the UK since the rights issues, with a holding in SEGRO

adding considerable value following the acquisition of competitor Brixton Estates. Positions in self-storage companies Safestore and Big Yellow have also made strong gains. Elsewhere in Europe, our investible universe has shrunk considerably, and we are focussing on the core developed markets of France, Sweden, Switzerland and The Netherlands. Here the positive yield gap between rental yields and the cost of money remains supportive, and we do not expect dramatic falls in value. We expect a slower recovery in these markets, but we are likely to be compensated by attractive and, in most cases, sustainable dividends. Franco-Dutch shopping centre specialist Unibail-Rodamco remains one of the company's largest holdings and has proved resilient, with low gearing, a prospectively growing yield of circa 6% and quality management.

Finally, we repaid the remaining loan facility in September 2008 and are unlikely to change this position in the short term.

Portfolio Analysis

Portfolio 'see-through' sector and country exposure at 31 August 2009.



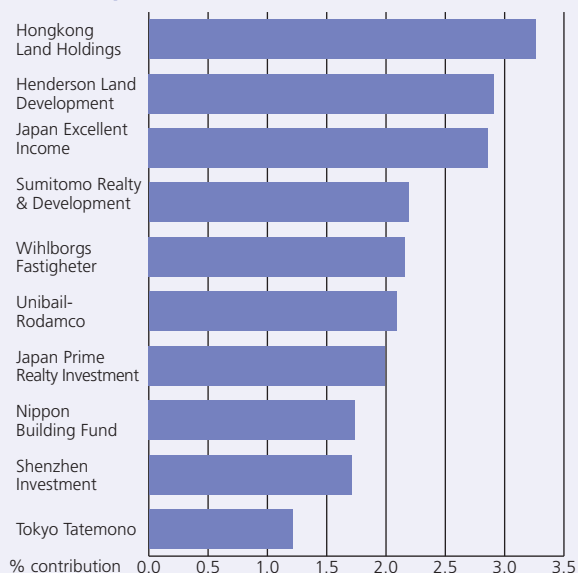
Source: EPRA/NAREIT, Henderson Global Investors, Company Data.

Note: 'Western Europe' includes Spain, Italy, the Netherlands, Austria, Belgium and Germany

Manager's Report

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Top Ten Contributors to Total Return

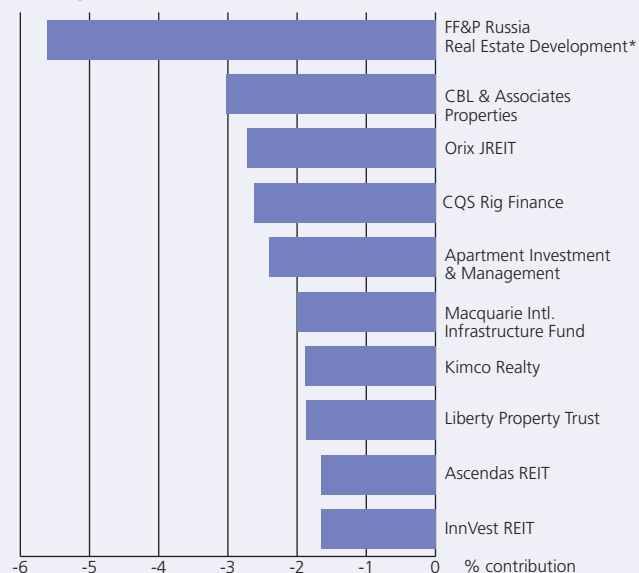


*Unquoted investment.

Stock level contribution data is based on one years performance to 31 August 2009.

Source: Factset, Henderson Global Investors

Top Ten Detractors from Total Return



Outlook

The next twelve months will not be without difficulties as the global economy and the banking industry come to terms with a new reality. Unemployment, rising taxes and limited credit will take their toll on rental income and scope for balance sheet expansion. The effects, however, will not be felt symmetrically by all companies, and the scope for judicious and profitable stock selection is likely to be greater than at any time since the launch of the fund. We cautiously anticipate that interest rates will remain low for a considerable period and that debt markets will gradually – and selectively – become easier. We believe

that global property shares currently stand, on average, at fair value despite the recent rally, and that there is some scope, albeit limited in some markets, for capital growth. The board's decision to reduce the target dividend to 3.20p per ordinary share in the current year reflects the view that dividends will become less important than capital growth in total returns in the next year or two.

Patrick Sumner

10 November 2009

Report of the Directors

Business Review

The directors present the audited financial statements of the group and their report for the year ended 31 August 2009. The group comprises Henderson Global Property Companies Limited ('the company') and its wholly owned subsidiary undertaking, Henderson Global Property Companies (Luxembourg) s.a.r.l.. The company was launched on 1 August 2006.

The following review is designed to provide information primarily about the group's business and results for the year ended 31 August 2009. It should be read in conjunction with the Manager's Report on pages 6 to 9, which gives a detailed review of the investment activities for the year and an outlook for the future.

a) Status

The company is registered with limited liability in Guernsey as a closed-end investment company with registered number 44995.

The company is a member of the Association of Investment Companies ('AIC').

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

b) Investment objective and policy

Objective

The company seeks to provide investors with a total return (both income and capital growth) principally through investing in listed property securities and property-related securities globally. The company measures its performance against the FTSE EPRA/NAREIT Developed Net Total Return Index (in sterling).

Policy

The company is free to invest in all types of property securities, in any market or sector worldwide and in small, mid or large capitalisation stocks.

On 3 August 2009 the company notified shareholders of a modified dividend target for the year from 1 September 2009 as it believed that the higher level of dividend would only now be achieved at the expense of capital performance and therefore a revision was required. For the year from 1 September 2009 the company aims to provide shareholders with annual gross dividends of not less than 3.20p.

At the same time the board announced its decision to change the company's benchmark from an absolute return target of

8 per cent. p.a. to the FTSE EPRA/NAREIT Developed Net Total Return Index (in sterling), which is the principal global property securities index.

Investments may be made in unquoted securities which are expected to list within twelve months, but these may not comprise in total more than ten per cent. of the assets of the company at the time of investment. For the purposes of efficient portfolio management the company may use derivatives, financial and other money market instruments. The manager aims to be fully invested at all times, but during periods in which changes in economic conditions and factors so warrant, the company may reduce its exposure to securities and increase cash and money market positions.

The company will not invest more than 15 per cent. of its gross assets in any investment trust or investment company admitted to the Official List. The directors have restricted the borrowings to 20 per cent. of gross assets measured at the time of draw down.

At the year end, the company had exposure via 12 countries of listing to companies with assets located in more than 20 countries globally and spread across the various real estate sectors. The company had no borrowings at the year end.

c) Financial Review

Net assets at 31 August 2009 amounted to £20,360,000 (2008: £26,237,000) and the net asset value per ordinary share was 54.29p (2008: 69.97p).

At 31 August 2009 there were 69 (2008: 59) separate investments, as detailed in the Investment Portfolio on page 5.

The company's investment income and other revenue totalled £2,640,000 (2008: £3,031,000). After deducting expenses the revenue profit before taxation for the year was £2,211,000 (2008: £2,376,000).

Dividends

The company pays dividends quarterly. During the year the company paid four interim dividends, one of 1.45p gross per share on 30 October 2008 and three of 1.10p gross per share on each of 23 January 2009, 30 April 2009 and 30 July 2009. The fourth interim dividend for the year ended 31 August 2009 of 1.45p gross per share was paid on 29 October 2009 to shareholders on the register on 9 October 2009. The company revised its dividend policy in August 2009 and will in future aim to provide shareholders with gross annual dividends of not less than 3.20p per share, paid quarterly.

Report of the Directors

continued

Future developments

The future performance of the company is dependent, to a large degree, on the performance of international financial markets. These are subject to many external factors. The board's intention is that the company will continue to pursue its stated investment objective in accordance with the strategy outlined earlier. Further comments on the outlook for the company for the next twelve months are set out in both the Chairman's Statement (on pages 3 and 4) and the Manager's Report (on pages 6 to 9).

Creditor payment policy

It is the policy of the company to settle all investment transactions in accordance with the terms and conditions of the relevant markets in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The directors do not consider any creditors to represent trade creditors.

Going Concern

After making enquiries and bearing in mind the nature of the company's business and assets, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

d) Performance measurement and key performance indicators

In order to measure the success of the company in meeting its objectives and to evaluate the performance of the manager, the directors take into account the following key performance indicators:

- Returns and net asset value
The board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value, income, and share price for the company. Performance is now measured against the FTSE EPRA/NAREIT Developed Net Total Return Index (in sterling).
- Discount/premium to net asset value ('NAV')
At each board meeting, the board monitors the level of the company's discount/premium to NAV and reviews the average discount/premium for the company's relevant AIC sector.

The company publishes a NAV per share figure on a daily basis through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the

AIC formula and since 1 June 2008 has included current financial year revenue; the same basis as that calculated in the financial statements. The NAV excluding current financial year revenue is also published for historical cost comparison. The discount to net asset value at which the company's shares trade continues to be monitored closely by the board.

- Yield
At each regular board meeting, the directors examine the revenue forecast and consider the yield on the portfolio and the amount of revenue available for distribution.

e) Management, administration and custody arrangements

Investment management services are provided to the company by wholly owned subsidiary companies of Henderson Global Investors (Holdings) plc ('Henderson') under a management agreement. The base management fee is calculated at the rate of 0.75% per annum of the net chargeable assets of the company. Such fees are payable quarterly in arrears.

A performance fee is also payable, annually in arrears, at the rate of 15% of the company's total return, if any, in excess of a high watermark which is the greater of (i) £1 and (ii) the greatest NAV total return (calculated by adding back the dividends paid) as at any prior year end, in each case increased by 8% p.a.. No performance fee is payable for the year to 31 August 2009.

The aggregate fees payable in any year are capped at 1.75% of net chargeable assets as at the relevant year end date and any excess performance fee over the cap may be carried forward for up to three years to the extent that in a subsequent calculation period a performance fee is payable but does not reach the cap.

The management agreement was for an initial fixed term of two years from admission and will continue unless terminated on six months' written notice.

Since 1 October 2007, administration, company secretarial and registration services have been provided by BNP Paribas Fund Services (Guernsey) Limited which was paid a fee of £110,000 for its services for the year to 31 August 2009.

Custodial services are provided to the company by BNP Paribas Securities Services.

f) Related party transactions

The contracts with Henderson and the BNP Paribas companies

Report of the Directors

continued

are the only related party transactions currently in place. Other than fees payable in the ordinary course of business, there have been no material transactions with these related parties which have affected the financial position or performance of the company in the financial year.

g) Principal risks and uncertainties

The board has drawn up a matrix of risks facing the company and has put in place a schedule of investment limits and restrictions, appropriate to the company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified and the steps taken by the board to mitigate these are as follows:

Investment activity and performance

An inappropriate investment strategy, (for example, in terms of asset allocation or level of gearing), may result in under performance against the company's benchmark index and the companies in its peer group. The board manages these risks by ensuring a diversification of investments and a regular review of the extent of borrowings. The manager operates in accordance with an investment limits and restrictions policy determined by the board, which includes limits on the extent to which borrowings may be employed. The board reviews the limits and restrictions on a regular basis and the manager confirms adherence to them every month. The manager provides the board with management information, including performance data and reports and shareholder analyses. The directors monitor the implementation and results of the investment process with the portfolio manager at each board meeting and monitor risk factors in respect of the portfolio. Investment strategy is reviewed at each meeting.

Market

Market risk arises from uncertainty about the future prices of the company's investments. This is commented on in note 12 on pages 34 to 40.

Accounting, legal and regulatory

The company must comply with the provisions of the Companies (Guernsey) Law 2008 and since its shares are listed on the London Stock Exchange, the UKLA's Listing and Disclosure Rules. A breach of the Guernsey legislation could result in the company and/or the directors being fined or the subject of criminal proceedings. A breach of the UKLA Rules could result in the suspension of the company's shares. The board relies on its company secretary and advisers to ensure adherence to the Guernsey legislation and UKLA Rules. The

manager, Henderson and the administrator, BNP Paribas are contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The board receives regular internal controls reports which confirm compliance.

Operational

Disruption to, or the failure of, either the manager's or the administrator's accounting, dealing or payment systems or the custodians' records could prevent the accurate reporting or monitoring of the company's financial position. The administrator, BNP Paribas Fund Services (Guernsey) Limited sub-contracts some of the operational functions (principally those relating to trade processing, investment administration and accounting), to BNP Paribas Securities Services Limited. Details of how the board monitors the services provided by the manager and the administrator, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Statement which is set out below.

Financial

By its nature as an investment company, the company's business activities are exposed to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk. Further details are disclosed in note 12 on pages 34 to 40.

Gearing

The company's borrowing policy permits it to borrow up to 20 per cent. of its gross assets (measured at the time any borrowings are drawn down).

h) Employees and Environment Policy

The company has no employees and outsources its investment management to subsidiaries of Henderson. Henderson has implemented environmental management practices, which include systems to limit the use of non-renewable resources and minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible.

Corporate Governance Statement

a) Applicable corporate governance codes

The board is accountable to shareholders for the governance of the company's affairs. Paragraph 9.8.6 of the UK Listing Rules requires all listed companies to disclose how they have applied the principles and complied with the provisions of the 2008 Combined Code. As an investment company, most of

Report of the Directors

continued

the company's day-to-day responsibilities are delegated to third parties, the company has no employees and the directors are all non-executive. Thus, not all the provisions of the 2008 Combined Code are directly applicable to the company.

The Financial Reporting Council (the 'FRC') confirmed in February 2007 that it remained the view of the FRC that by following the Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies (the 'AIC Guide') in 2009, boards of investment companies should fully meet their obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules. The 2009 AIC Code of Corporate Governance (the 'AIC Code'), as explained by the AIC Guide, addresses all the principles set out in section 1 of the 2008 Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts and companies.

The Board of Henderson Global Property Companies Limited believes that reporting against the AIC Code by reference to the AIC Guide will provide the most appropriate information to shareholders and has therefore followed the principles and recommendations set out in the AIC Code. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk.

b) Statement of compliance

The AIC Code comprises 21 principles. The directors believe that during the year under review they have complied with the provisions of the AIC Code, insofar as they apply to the company's business, and with the provisions of the Combined Code except as noted below.

- *Senior independent director*

A senior non-executive director has not been identified as the board considers that all the directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.

- *The role of chief executive*

Since all directors are non-executive and day-to-day management responsibilities are sub-contracted to the manager, the company does not have a chief executive.

- *Executive Directors' remuneration*

As the board has no executive directors, it is not required to comply with the principles of the Combined Code in respect of executive directors' remuneration and does not have a Remuneration Committee. Directors' fees are detailed in the Directors' Remuneration Report on page 20.

- *Internal audit function*

The company delegates to third parties its day-to-day operations and has no employees. These third parties have their own internal audit function and the Board has therefore determined that there is no requirement for the company to have its own internal audit function. The Directors consider annually whether a function equivalent to an internal audit is needed and will continue to monitor its systems of internal controls in order to provide assurance that they operate as intended.

c) Directors

Board independence and composition

The board currently consists of four non-executive directors. All are independent of the company's investment manager.

All directors consider that there are no factors which compromise the directors' independence and that they all contribute to the affairs of the company in an independent manner.

The directors are conscious of the need to maintain continuity of the board, particularly given the cyclical nature and remoteness of some of the markets in which the company invests. The board believes that retaining directors with sufficient experience of both the company and its markets is of great benefit to shareholders and that the directors have different qualities and areas of expertise on which they may lead where issues arise. Their biographies, set out on page 2, demonstrate a breadth of investment, commercial and professional experience with an international perspective.

Directors' appointment

In accordance with the company's Articles of Association, all directors stand for election at the first AGM following their appointment, and every director is to stand for re-election at intervals of not more than three years.

The names and biographies of the directors holding office at the date of this report are listed on page 2. All those shown served throughout the year.

The Articles of Association require that all directors shall not remain in office longer than three years since their last election or re-election without submitting themselves for re-election. The director retiring by rotation at the forthcoming Annual General Meeting ('AGM') is Mr Scott.

Each director has entered into a letter of appointment with the company whereby he is appointed on a rolling twelve month basis, terminable on three months' notice – copies are

Report of the Directors

continued

available for viewing by shareholders. The board considers that there is a balance of skills and experience within the board and that each of the directors contributes effectively.

d) The Board

Responsibilities

The board meets at least four times each year and deals with the important aspects of the company's affairs, including the setting and monitoring of investment strategy and the review of investment performance. The portfolio manager takes decisions as to the purchase and sale of individual investments. The portfolio manager ('the manager'), together with the company secretary, also ensure that all directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the manager attend each board meeting, enabling directors to probe further on matters of concern or seek clarification on certain issues.

Matters specifically reserved for decision by the full board have been defined and a procedure adopted for directors, in the furtherance of their duties, to take independent professional advice at the expense of the company. The directors have access to the advice and services of the company secretary, through its representative who is responsible to the board for ensuring that board procedures are followed.

The board's tenure and succession policy seeks to ensure that the board is well-balanced and will be refreshed regularly by the appointment of new directors with the skills and experience necessary, in particular, to replace those lost by directors' retirements. Directors must be able to demonstrate their commitment to the company. The board seeks to encompass relevant past and current experience of various areas relevant to the company's business.

The number of formal meetings during the year of the board and the committees, and the attendance of the individual directors at those meetings, is shown in the following table:

Number of meetings	Board 4	Audit Committee 2	Management Engagement Committee 1	Nominations Committee 1
Christopher Jonas	4	2	1	1
Peregrine Banbury	4	2	1	1
William Scott	4	2	1	1
Christopher Sherwell	4	2	1	1
Stephen Vernon*	1	1	n/a	n/a

*Resigned 19 December 2008

Directors' professional development

When a new director is appointed, he or she will be offered a directors' introductory programme which would be held by the manager. Directors are also provided, on a regular basis, with key information on the company's policies, regulatory and statutory requirements and internal controls. Changes in directors' responsibilities are advised to the board as they arise.

Directors' indemnity

Directors' and officers' liability insurance cover is in place in respect of the directors.

Directors' interests in shares

The directors and their beneficial interests in the ordinary shares of the company at the beginning and end of the financial year are stated below:

Ordinary shares of 10p	31 August 2009	1 September 2008
Christopher Jonas (chairman)	80,000	50,000
Peregrine Banbury	15,000	2,500
William Scott	–	–
Christopher Sherwell	15,000	15,000
Stephen Vernon*	–	50,000

*Held 50,000 shares as at resignation on 19 December 2008

On 13 October 2009 Mr Jonas purchased an additional 16,418 shares.

No director has a service contract with the company.

There were no contracts subsisting during, or at the end of the period, 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.

Board committees

The board has established audit, management engagement and nominations committees with defined terms of reference and duties.

Audit committee

The board has appointed an audit committee, which operates within clearly defined terms of reference and which comprises the entire board. In summary, the audit committee's main functions are:

- to review and monitor the internal financial control systems and risk management systems on which the company is reliant;

Report of the Directors

continued

- to consider annually whether there is a need for the company to have its own internal audit function;
- to monitor the integrity of the half year and annual financial statements of the company by reviewing and challenging, where necessary, the actions and judgments of the investment manager and the administrator;
- to meet, if required, with the company's auditors to review their proposed programme of work in respect of the audit and their findings on its completion (the audit committee also uses this as an opportunity to assess the effectiveness of the audit process);
- to make recommendations to the board in relation to the appointment of the company's auditors and to approve the remuneration and terms of engagement of the company's auditors; and
- to monitor and review annually the company's auditors' independence, objectivity, effectiveness, resources and qualifications.

Mr Scott has been chairman of the audit committee since 22 June 2006.

The audit committee has satisfied itself that Ernst & Young LLP, the company's auditors, are independent.

Management engagement committee

The management engagement committee comprises the entire board and is responsible for ensuring that the investment manager complies with the terms of the management agreement and that the provisions of that agreement follow industry practice and remain competitive and in the best interests of shareholders. This committee is chaired by the chairman of the board, and meets at least once each year.

Nominations committee

The board has appointed a nominations committee, which comprises the entire board and which is convened for the purpose of considering the appointment of additional or replacement directors and to review the structure, skills, knowledge and experience of the board. Full details of the duties of new directors will be provided to them with a letter of appointment. This committee is chaired by the chairman of the board and meets at least annually.

e) Performance evaluation

The performance of the company is considered in detail at each board meeting. The chairman reviews each individual

director's contribution on an annual basis. The work of the board as a whole and its committees is reviewed annually by the nominations committee. The directors will also meet without the chairman present in order to review his performance.

The board considers that, in view of its non-executive nature, it is not appropriate for the directors to be appointed for a specified term of no more than three years as recommended by the Combined Code.

f) Internal controls

The board has established a process for identifying, evaluating and managing any major risks faced by the company. The process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in September 1999 ('the Turnbull Guidance'). The process has been in place since 2006 and up to the date of approval of this annual report.

The board is responsible overall for the company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The board, assisted by the manager, undertook a full review of the company's business risks and these have been analysed and recorded in a risk map which is reviewed regularly. The board receives each quarter from the manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the manager, and which reports the details of any known internal control failures. The board receives each year from the manager a report on its internal controls which includes a report from the manager's auditors on the control policies and procedures in operation. Steps will continue to be taken to embed the system of internal control and risk management into the operation and culture of the company and its key suppliers.

The manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the manager's compliance and risk department on a continuing basis.

By means of the procedures set out above, the board confirms that it has reviewed the effectiveness of the company's system

Report of the Directors

continued

of internal control for the year ended 31 August 2009, and to the date of approval of this Annual Report and Financial Statements.

g) Accountability and relationship with the Manager and the Administrator

The Statement of directors' responsibilities in respect of the financial statements is set out on page 19, the Report of the Independent Auditors on pages 21-22 and the Statement on Going Concern on page 11.

The board has delegated contractually to external agencies, including the investment manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the day-to-day company secretarial, administration requirements and accounting services. Each of these contracts was entered into after full and proper consideration by the board of the quality and cost of 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 reports regularly from the investment manager and ad hoc reports and information are supplied to the board as required. In addition, the chairman attends gatherings of all the chairmen of the investment trusts and investment companies managed by the investment manager, which provide an opportunity to discuss issues of common interest, and he reports back to the board.

The manager takes decisions as to the purchase and sale of individual investments. The manager and the administrator also ensure that all directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the manager and of the administrator attend each board meeting enabling the directors to probe further on matters of concern. A formal schedule of matters specifically reserved for decision by the full board has been defined and a procedure adopted for directors, in the furtherance of their duties, to take independent professional advice at the expense of the company within certain parameters. The directors have access to the advice and services of the corporate company secretary through its appointed representative who is responsible to the board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The board, the manager and the administrator operate in a supportive, co-operative and open environment.

h) Continued appointment of the investment manager

The board reviews the performance of the investment manager. In the opinion of the directors, the continued appointment of the current investment manager on the terms agreed is in the interests of the company's shareholders as a whole. The investment manager has extensive investment management resources and wide experience in managing and administering investment companies.

i) Share capital and shareholders

The company's share capital comprises ordinary shares of 10p 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, and there are no shares which carry specific rights with regard to the control of the company. The number of ordinary shares in issue on 1 September 2008 and on 31 August 2009 was 37,500,000. There have been no changes to the share capital up to the date of this document.

Substantial share interests

As at 28 October 2009 the following had declared an interest in 3% or more of the voting rights of the company:

Shareholder	% voting rights
Jupiter Asset Management	18.58
Merseyside Pension Fund	10.67
CG Asset Management	7.05
Tilney Private Wealth Management	7.03

The board is aware that, at 28 October 2009, 3.29% of the issued share capital was held on behalf of participants in the Halifax Share Dealing products run by Halifax Share Dealing Limited ('HSDL'). Participants in the HSDL products are given the opportunity to instruct the relevant nominee company to exercise the voting rights appertaining to their shares in respect of all general meetings of the company. HSDL has undertaken to instruct the nominee company to exercise the voting rights of any shares held through the HSDL products that have not been exercised by the individual participants in them. It will do so by voting for or against all resolutions to be put at all general meetings of the company (or by withholding votes on such resolutions) pro rata to the aggregate voting instructions for each resolution received from those participants who have chosen to exercise their voting rights.

Report of the Directors

continued

Relations with shareholders and nominee code

Shareholder relations are given high priority by both the board and the manager. The prime medium by which the company communicates with shareholders is through the half year and annual reports and interim management statements which aim to provide shareholders with a clear understanding of the company's activities and their results. This information is supplemented by the daily calculation and publication on the Regulatory News Service of the London Stock Exchange of the net asset value of the company's ordinary shares, and by a monthly fact sheet.

General presentations to both shareholders and analysts follow the publication of the annual results. All meetings between the investment manager and shareholders are reported to the board.

The board considers that shareholders should be encouraged to attend and participate in the AGM. It is recognised, however, that few shareholders are able to travel to Guernsey to attend the formal meeting, and as such a shareholder event will be held in London on Wednesday 20 January 2010. Full details are set out on page 43. This will give shareholders the opportunity to address questions to a board member and the portfolio manager, as the representative of the investment manager, will make a presentation to shareholders.

It is the intention of the board that the Annual Report and Notice of AGM be issued to shareholders so as to provide at least twenty working days' notice of the meeting. Shareholders wishing to lodge questions in advance of the meeting are invited to do so by writing to the company secretary at the address given on page 44. A summary of the proxy votes received on the resolutions proposed will be available at the meeting and will be displayed on the company's website.

Annual General Meeting ('AGM')

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

The AGM will be held in Guernsey on Wednesday 16 December 2009 at 10.00am. The Notice of Meeting is set out on page 41.

On 19 December 2008, the directors were granted authority to repurchase 5,621,250 ordinary shares with a nominal value of £562,125 either for cancellation or to be held in treasury. This authority will expire at the forthcoming AGM. In Resolution 6, a Special Resolution, the board is seeking shareholder approval to purchase up to a maximum of 5,621,250 ordinary shares (representing 14.99 per cent. of the current issued share capital). The directors do not intend to use this authority to purchase the company's shares unless to do so would result in an increase in the net asset value per share and would be in the interests of shareholders generally. The authority being sought shall expire on 15 June 2011, or at the conclusion of the Annual General Meeting in 2010 whichever is the earlier, unless such authority is renewed prior to such time. Ordinary shares purchased may be held as treasury shares provided that the aggregate nominal value of ordinary shares held as treasury shares does not exceed 10 per cent. of the nominal value of the issued ordinary shares at any time. Ordinary shares purchased by the company in excess of this limit will be cancelled.

These powers will give the directors additional flexibility going forward and the board considers that it is in the interests of the company that such powers be available. Such powers will only be implemented when, in the view of the directors, that to do so will be for the benefit of all shareholders.

Recommendation

The board considers that the resolution relating to the above item of special business is in the best interests of shareholders as a whole. Accordingly, the board unanimously recommends to the shareholders that they vote in favour of the above resolution to be proposed at the forthcoming AGM.

Directors' authority to allot relevant securities

There are no provisions under Guernsey law which confer rights of pre-emption upon the issue or sale of any class of shares in the company. Accordingly, the Articles of Association authorise the directors to allot an unlimited number of ordinary shares without pre-emption rights applying for shareholders. Ordinary shares will only be issued at a premium to the prevailing net asset value per ordinary share and, therefore, will not be disadvantageous to existing shareholders. Any future issues of ordinary shares will be

Report of the Directors

continued

carried out in accordance with the Listing Rules. Since the company was launched in 2006, no new ordinary shares have been issued.

Independent Auditors

Ernst & Young LLP have indicated their willingness to remain in office. The directors will place a resolution before the Annual General Meeting to re-appoint them as independent auditors for the ensuing year, and to authorise the directors to determine their remuneration.

Directors' statement as to disclosure of information to Auditors

The directors who were members of the board at the time of approving this report are listed on page 2. Each of those directors confirms that:

- so far as the director is aware, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- he has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

For and on behalf of the board

Director

10 November 2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Guernsey law requires the directors to prepare, in accordance with generally accepted accounting principles, financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in business.

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement under Disclosure and Transparency Rules

Each of the directors, who are listed on page 2 of this Annual Report, confirm to the best of their knowledge that:

- (a) the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the group; and
- (b) this Annual Report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the board

William Scott

Director

10 November 2009

Directors' Remuneration Report

This report meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the board has applied the principles relating to directors' remuneration. A resolution to receive and approve this report will be proposed at the AGM.

Consideration by the directors of matters relating to directors' remuneration

As the board is comprised entirely of non-executive directors, the board as a whole considers the directors' remuneration. The board has not been provided with advice or services by any outside person in respect of its consideration of the directors' remuneration although the directors will review the fees paid to the boards of directors of similar investment companies.

Remuneration policy

The board consists entirely of non-executive directors who meet regularly to deal with the important aspects of the company's affairs. Directors are appointed with the expectation that they will serve initially for a period of three years. Directors' appointments will be reviewed formally every three years thereafter by the board as a whole. Each of the directors has a letter of appointment and a director may resign by giving notice in writing to the board at any time; there are no set notice periods. The company's policy is for the directors to be remunerated in the form of fees, payable quarterly in arrears, to the director personally. There are no long term incentive schemes provided by the company and the fees are not specifically related to the directors' performance, or to the share price. Each director will stand for re-election every three years.

The company's policy is that the fees payable to the directors should reflect the time spent by the board on the company's affairs and the responsibilities borne by the directors and should be sufficient to enable candidates of high calibre to be recruited. The policy is for the chairman of the board and chairman of the audit committee to be paid a higher fee than the other directors in recognition of their more onerous roles and greater time commitment. The company's Articles of Association limit the aggregate fees payable to the directors to £200,000 per annum. In the period under review the directors' fees were paid at the following annual rates: the chairman £30,000; the chairman of the audit committee £20,000; the other directors £15,000.

Directors' and officers' liability insurance cover is in place in respect of the directors.

Directors' fees

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

Year ended 31 August	2009 £'000	2008 £'000
Christopher Jonas (chairman and highest paid director)	30	30
Peregrine Banbury	15	15
William Scott	20	20
Christopher Sherwell	15	15
Stephen Vernon*	5	15
	<hr/>	<hr/>
	85	95

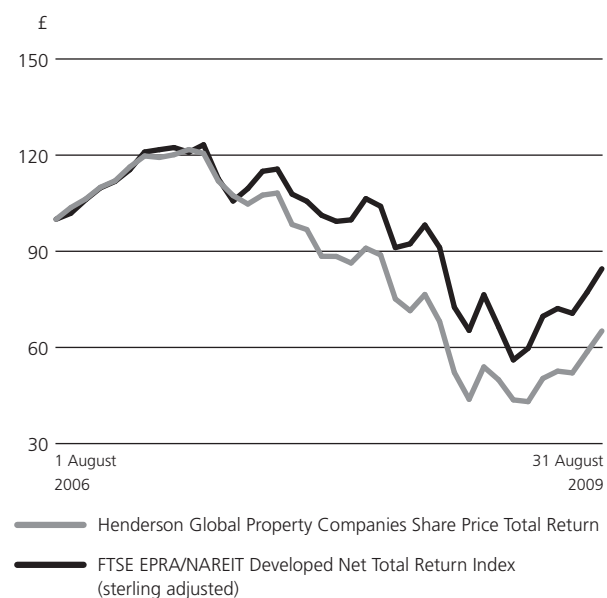
*Resigned 19 December 2008.

No other remuneration or compensation was paid or payable by the company during the period to any of the directors.

The graph below illustrates the total shareholder return as compared to the FTSE EPRA/NAREIT Developed Net Total Return Index.

Share price performance graph

(assuming an investment of £100 on 1 August 2006 and the reinvestment of all dividends (excluding dealing expenses)).



For and on behalf of the board

Director
10 November 2009

Report of the Independent Auditors to the members of Henderson Global Property Companies Limited

We have audited the consolidated financial statements for the year ended 31 August 2009 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Guernsey law, as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Guernsey) Law, 2008. We also report to you if, in our opinion, the financial statements are not in agreement with the accounting records, the company has not kept proper accounting records or we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Investment Objective, Highlights, Performance, Directors and Management, the Chairman's Statement, the Investment Portfolio, the Manager's Report, the Report of the Directors (including Corporate Governance), the Directors' Remuneration Report, the Notice of Meeting and Investor Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Independent Auditors to the members of Henderson Global Property Companies Limited

continued

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, adopted for use in the European Union, of the state of the group's affairs as at 31 August 2009 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Guernsey) Law, 2008.

Ernst & Young LLP
Guernsey, Channel Islands
10 November 2009

The financial statements are published on www.hendersonglobalproperty.com which is a website maintained by the company's investment manager, Henderson Global Investors Limited ('Henderson').

The maintenance and integrity of the website is the responsibility of Henderson. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Visitors to the website need to be aware that legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Changes in Equity

for the year ended 31 August 2009

Notes	Share capital £'000	Distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 August 2008	3,750	32,865	(11,471)	1,093	26,237
Net (loss)/profit from ordinary activities after taxation	–	–	(6,032)	1,938	(4,094)
5 Payment of interim dividends of 4.75p	–	–	–	(1,783)	(1,783)
Balance at 31 August 2009	3,750	32,865	(17,503)	1,248	20,360

Notes	Share capital £'000	Distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 August 2007	3,750	32,881	237	802	37,670
Net (loss)/profit from ordinary activities after taxation	–	–	(11,708)	2,035	(9,673)
Placing expenses	–	(16)	–	–	(16)
5 Payment of interim dividends of 4.65p	–	–	–	(1,744)	(1,744)
Balance at 31 August 2008	3,750	32,865	(11,471)	1,093	26,237

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

Consolidated Balance Sheet

at 31 August 2009

Notes		2009 £'000	2008 £'000
	Non current assets		
6	Investments held at fair value through profit or loss	19,869	26,130
	Current assets		
7a	Other receivables	684	212
7b	Derivative – foreign exchange contract	–	152
	Cash and cash equivalents	473	2,254
		1,157	2,618
	Total assets	21,026	28,748
	Current liabilities		
8a	Bank loans	–	(1,903)
8b	Other payables	(666)	(608)
		(666)	(2,511)
	Net assets	20,360	26,237
	Equity attributable to equity shareholders		
9	Issued share capital	3,750	3,750
9	Distributable reserve	32,865	32,865
	Retained earnings:		
10	Capital reserve	(17,503)	(11,471)
	Revenue reserve	1,248	1,093
		20,360	26,237
11	Number of shares	37,500,000	37,500,000
11	Net asset value per ordinary share – basic and diluted	54.29p	69.97p

The financial statements on pages 23 to 40 were approved by the board of directors on 10 November 2009 and signed on its behalf by:

William Scott, director

Christopher Sherwell, director

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

Consolidated Cash Flow Statement

for the year ended 31 August 2009

	2009 £'000	2008 £'000
Operating activities		
Net loss before tax	(3,821)	(9,332)
Add back interest paid	7	408
Losses on investments held at fair value through profit	5,990	10,483
Net (gains)/losses on foreign exchange	(36)	846
Decrease/(increase) in accrued income	107	(67)
Decrease/(increase) in other debtors	152	(158)
Increase/(decrease) in other creditors	68	(86)
Net sales of investments	271	9,125
(Increase)/decrease in sales settlement debtor	(579)	428
(Decrease)/increase in purchase settlement creditor	(10)	281
	<hr/>	<hr/>
Net cash inflow from operating activities before interest and taxation	2,149	11,928
Interest paid	(7)	(408)
Tax on overseas income	(273)	(341)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,869	11,179
	<hr/>	<hr/>
Financing activities		
Equity dividends paid	(1,783)	(1,744)
Costs related to the issue of share capital	-	(16)
Repayment of loans	(1,903)	(7,535)
	<hr/>	<hr/>
Net cash outflow from financing activities	(3,686)	(9,295)
	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	(1,817)	1,884
Cash and cash equivalents at start of the year	2,254	1,216
Effect of foreign exchange rate changes	36	(846)
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	473	2,254
	<hr/>	<hr/>

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

Notes to the Financial Statements

1 Principal accounting policies

Basis of preparation and accounting convention

The consolidated financial statements consolidate the results of Henderson Global Property Companies Limited ('the company') and its wholly-owned subsidiary, Henderson Global Property Companies (Luxembourg) s.a.r.l., together ('the group'). The financial statements have been prepared in accordance with the Companies (Guernsey) Law, 2008 and International Financial Reporting Standards ('IFRS') as adopted by the European Union which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), together with the interpretations of the International Accounting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee ('IASC') and which remain in effect.

The financial statements have been prepared under the historical cost basis, except for the revaluation of investments at fair value through profit or loss and certain other derivatives which are measured at fair value through profit or loss.

The principal accounting policies adopted are set out below. Where consistent with IFRS the financial statements have also been prepared in accordance with the guidance set out in the Statement of Recommended Practice ('SORP') for Investment Companies issued by the Association of Investment Companies ('AIC') as revised in January 2009.

(i) Standards, amendments and interpretations becoming effective in the year to 31 August 2009 but are not relevant to the group or company:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'
- IFRIC 12, 'Service concession arrangements'
- IFRIC 14, 'IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction'
- IFRS 5, 'Non-current assets held for sale and discontinued operations'
- IFRIC 16, 'Hedges of net investment in a foreign operation'
- IFRIC 17, 'Distributions of non-cash assets to owners'

(ii) Standards, amendments and interpretations to existing standards that become effective in future accounting periods and have not been adopted early by the group:

- IAS 1 (revised), 'Presentation of Financial Statements' (effective for financial years beginning on or after 1 January 2009). Introduces financial statement name changes for the purposes of accounting standards. The new names are not mandatory for financial reporting and the group does not currently expect to apply the new statement names.
- IAS 23 (amendment), 'Borrowing costs' (effective for financial years beginning on or after 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The group has no qualifying assets.
- IFRS 3 (revised), 'Business combinations' (effective for financial periods beginning on or after 1 July 2009). Changes elements of the acquisition method for business combinations, including that all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt, subsequently re-measured through the income statement. The group will apply IFRS 3 (revised) to all business combinations from 1 September 2009, subject to endorsement by the EU.

Notes to the Financial Statements

continued

1 Principal accounting policies (continued)

- IAS 27 (revised), 'Consolidated and Separate Financial Statements' (Consequential amendments arising from IFRS 3 'Business Combinations') (effective for financial years beginning on or after 1 July 2009, subject to endorsement by the EU). This standard is unlikely to have any significant impact on the group. The group expects to apply IAS 27 (Revised) from 1 September 2009.
- IFRS 8, 'Operating segments' (effective for financial years beginning on or after 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, Disclosures about segments of an enterprise and related information. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The group expects to apply IFRS 8 from 1 September 2009. This standard is unlikely to have a significant effect on the group.
- IAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'. The amendment permits an entity to reclassify particular financial assets in some circumstances. The group and company will apply the IAS 39 (Amendment) from 1 September 2009. It is not expected to have an impact on the group or company's financial statements.

There are also a number of minor amendments to the following standards, which are part of the IASB's annual improvements project published in May 2008. These amendments are subject to endorsement by the EU and they are unlikely to have any significant impact on the group or company's financial statements.

- IAS 8 'Accounting Policies, changes in accounting estimates and errors'
- IAS 10 'Events after the reporting period'
- IAS 18 'Revenue'
- IAS 28 (amendment), 'Investments in associates'
- IAS 32 (amendment), 'Financial instruments: presentation' and IAS 1, Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'
- IAS 34 'Interim financial reporting'
- IAS 36 (amendment) 'Impairment of Assets'
- IFRS 7 'Financial Instruments: Disclosures'

(iii) Standards, amendments and interpretations to existing standards that become effective in future accounting periods and are not relevant for the group's operations:

- IFRIC 13 'Customer loyalty programmes'
- IAS 16 (amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7: 'Statement of cash flows')
- IAS 29 (amendment), 'Financial reporting in hyperinflationary economies'
- IAS 31 (amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7)
- IAS 38 (amendment), 'Intangible assets'
- IAS 40 (amendment), 'Investment property' (and consequential amendments to IAS 16)
- IAS 41 (amendment) 'Agriculture'
- IAS 20 (amendment) 'Accounting for government grants and disclosure of government assistance'
- IFRIC 15, 'Agreements for construction of real estates'

Notes to the Financial Statements

continued

1 **Principal accounting policies** (continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its wholly-owned subsidiary as at 31 August 2009. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgments and assumptions involved in its financial reporting are reasonable. Accounting estimates made by the company's directors are based on historical experience and on information available to them at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions.

Foreign currency

The functional and presentation currency is sterling. Transactions in currencies other than the functional currency are revalued using exchange rates at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date with gains and losses being reported in the Consolidated Income Statement. Foreign currency gains and losses attributable to investments designated as held at fair value through profit or loss are included in the gains and losses recognised in the Consolidated Income Statement on measurement at fair value.

Loans and borrowings

Obligations for loans and borrowings are recognised when the group becomes party to the related contracts and are measured initially at fair value plus directly attributable transaction costs.

Financial assets

Financial assets are recognised when the group becomes party to the contracts that give rise to them. The group determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial year end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the group commits to purchase or sell the asset. Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place. The subsequent measurement of financial assets depends on their classification, as follows:

Investments at fair value through profit or loss

Investments have been designated as held at fair value through profit or loss in accordance with IAS 39 (revised) 'Financial Instruments: Recognition and Measurement'.

Quoted investments are valued at bid price on the relevant Stock Exchange. All regular way purchases and sales of financial assets are recognised at trade date ie the date that the company commits to the purchase/sale of the financial asset. Regular way purchases and sales are purchases or sales that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Notes to the Financial Statements

continued

1 **Principal accounting policies** (continued)

Unquoted investments are valued based upon the latest available information notified to the group by the portfolio manager. The net asset value reported by the portfolio manager may be unaudited and may differ from the amounts which would have been realised from a redemption of the investment in the relevant fund as, in some cases, the notified net asset values are based upon estimates. The directors have no reason to suppose that any such valuations are unreasonable.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Consolidated Income Statement as 'Net gain/(loss) on investments held at fair value through profit or loss'.

Derivative financial instruments

Derivative financial instruments such as forward currency contracts are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. At 31 August 2009 the company had no derivative financial instruments.

Derecognition of financial assets and liabilities

A financial asset or liability (other than regular way purchases and sales) is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Presentation of Consolidated Income Statement

In order to better reflect the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement.

Income

Dividends receivable on equity shares are recognised as revenue for the period when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

Taxation

Under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 the company has obtained Guernsey exempt company status for the year and is therefore exempt from Guernsey income tax on non-Guernsey source income and bank interest (by concession).

Luxembourg income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Expenses and finance costs

The company's investment management and administration fees, any finance costs and all other expenses are charged through the Consolidated Income Statement and allocated to the revenue and capital columns in that statement on the following basis:

- i) 60% of the basic investment management fees and any finance costs are allocated to the capital return column and the balance to the revenue return column in line with the board's expectation of the long term returns in the form of capital gains and income respectively from the group's investment portfolio;

Notes to the Financial Statements

continued

1 Principal accounting policies (continued)

- ii) all of the performance related management fees, if any, are allocated to the capital column; and
- iii) all other operational costs are allocated solely to the revenue column.

Transaction costs

During the year, transaction costs of £111,000 (2008: £158,000) were incurred on the acquisition of investments and costs of £86,000 (2008: £121,000) were incurred on the disposal of investments. All transaction costs are accounted for in the capital reserve.

Cash and cash equivalents

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

Segmental Reporting

The directors are of the opinion that the company is engaged in a single segment of business, being investment business, with a global portfolio.

2 Other expenses	2009 £'000	2008 £'000
Administration fee	110	120
Directors' fees	85	95
Auditor's remuneration	24	31
Bank and custody charges	21	31
Legal and professional	8	17
Directors' & officers' liability insurance	12	15
Registrar's fees	7	5
Printing and stationery	12	14
Other expenses	98	75
	377	403

3 Taxation	Revenue return £'000	2009 Capital return £'000	Total £'000	Revenue return £'000	2008 Capital return £'000	Total £'000
Withholding tax suffered	273	–	273	341	–	341

Withholding tax relates to amounts withheld by foreign payment agents and which may not be recoverable.

4 Loss per ordinary share

The loss per ordinary share is based on the net total loss for the year of £4,094,000 (2008: £9,673,000) and on the weighted average number of ordinary shares in issue during the year of 37,500,000 (2008: 37,500,000).

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

The company has no securities in issue that could dilute the return per ordinary share, therefore the basic and diluted earnings per ordinary share are the same.

Notes to the Financial Statements

continued

4 Loss per ordinary share (continued)

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000
Net revenue earnings	1,938	2,035
Net capital loss	(6,032)	(11,708)
Net total loss	(4,094)	(9,673)
Weighted average number of ordinary shares in issue during the period	37,500,000	37,500,000
	Pence	Pence
Revenue earnings per ordinary share	5.17	5.43
Capital loss per ordinary share	(16.09)	(31.22)
Total loss per ordinary share	(10.92)	(25.79)
	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000

5 Dividends

Amounts recognised as distributions to equity shareholders during the year:

Fourth interim for the year ended 31 August 2008, paid October 2008	544	506
First interim paid December 2008 (2007)	413	413
Second interim paid April 2009 (2008)	413	413
Third interim paid July 2009 (2008)	413	412
	1,783	1,744

The fourth interim dividend has not been included as a liability in these financial statements as it was announced and paid after 31 August 2009.

The table below sets out the total dividends payable in respect of the financial year. The revenue available for distribution by way of dividend for the year is £1,938,000 (2008: £2,035,000).

	2009 £'000	2008 £'000
First interim dividend – 1.10p per share (2008: 1.10p)	413	413
Second interim dividend – 1.10p per share (2008: 1.10p)	413	413
Third interim dividend – 1.10p per share (2008: 1.10p)	413	412
Fourth interim dividend – 1.45p per share (2008: 1.45p)	544	544
	1,783	1,782

Notes to the Financial Statements

continued

6	Investments held at fair value through profit or loss	2009	2008
		£'000	£'000
Consolidated			
	Valuation at 31 August	26,130	45,738
	Movements during the year:		
	Purchases at cost	51,580	82,670
	Sales – proceeds	(51,851)	(91,795)
	– realised loss on sales	(9,055)	(9,222)
	Increase in investment holding gains	3,065	(1,261)
	Valuation at 31 August	19,869	26,130
<hr/>			
7	Receivables	2009	2008
		£'000	£'000
a Other receivables			
	Amounts due from brokers	579	–
	Dividends receivable	105	200
	Other receivables	–	12
		684	212
<hr/>			
b Derivative – Foreign Exchange Contract			
	At 31 August 2009 there were no derivative contracts outstanding (2008: £152,000).		
<hr/>			
8	Creditors: amounts falling due within one year	2009	2008
		£'000	£'000
a Bank loans			
	US\$ 3,470,906 – repaid 5 September 2008	–	1,903
		–	1,903
<hr/>			
	The company currently has no loan facilities.		
<hr/>			
b Other payables			
	Amounts due to brokers	415	425
	Other payables	251	183
		666	608
<hr/>			
9	Issued capital and reserves	£'000	
<hr/>			
Authorised share capital			
	250,000,000 ordinary shares of 10 pence each		25,000
<hr/>			
Issued share capital			
		No. of	£'000
		shares	
	At 31 August 2009 and 2008	37,500,000	3,750

Notes to the Financial Statements

continued

9 Issued capital and reserves (continued)

Distributable reserve	2009 £'000	2008 £'000
At 31 August	32,865	32,865

10 Capital reserve	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserve total £'000
At 1 September 2008	(9,602)	(1,869)	(11,471)
Exchange gains	188	(152)	36
Movement in investment holding gains	(3,340)	3,340	–
Loss on realisation of investments	(5,990)	–	(5,990)
Costs charged to capital	(78)	–	(78)
At 31 August 2009	(18,822)	1,319	(17,503)

11 Net asset value per share – basic and diluted

The net asset value per ordinary share and the net asset value attributable to ordinary shareholders at the year end, calculated in accordance with the Articles of Association, were as follows:

	Net asset value per share 2009 pence	Attributable net asset value 2009 £'000	Net asset value per share 2008 pence	Attributable net asset value 2008 £'000
Ordinary shares	54.29	20,360	69.97	26,237

The basic net asset value per ordinary share is based on 37,500,000 (2008: 37,500,000) ordinary shares, being the number of ordinary shares in issue at 31 August.

12 Risk Management policies and procedures

The company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 1 and in the business review. In pursuing its investment objective, 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.

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

These financial risks, market risk (comprising market price risk, currency risk, interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of these risks, are set out below. The board of directors and the investment manager, coordinate the company's risk management. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The board determines the objectives, policies and processes for managing the risks and the methods used to manage the risks and these are set out below under the relevant risk category. The policies for the management of risk have not changed from the previous accounting period.

12.1 Market risk

The fair value of a financial instrument held by the company may fluctuate due to changes in market prices. Market risk comprises market price risk (see note 12.1.1), currency risk (see note 12.1.2) and interest rate risk (see note 12.1.3). The investment manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

12.1.1 Market price risk

Market price risks (ie changes in market prices other than those arising from interest rate risk or currency risk) may affect the fair value of the quoted and unquoted investments.

Management of the risk

The board of directors manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from the investment manager. Investment performance is reviewed at each board meeting. The board monitors the portfolio manager's compliance with the company's objectives, and is directly responsible for investment strategy and asset allocation, including as between countries and economies.

Concentration of exposure to market price risks

An analysis of the group's investment portfolio is shown on page 5. It is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the company's net assets to an increase or decrease of 40% (2008: 15%) in the fair values of the company's investments at each balance sheet date. This level of change is considered to be reasonable based on observation of current market conditions.

	2009		2008	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Income statement – profit after tax				
Revenue return	(24)	24	(12)	12
Capital return	7,912	(7,912)	3,903	(3,903)
Change to profit after tax for the year and impact on net assets	<u>7,888</u>	<u>(7,888)</u>	<u>3,891</u>	<u>(3,891)</u>

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

12.1.2 Currency risk

A proportion of the company's assets, liabilities and income are denominated in currencies other than sterling (the company's functional currency, and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The investment manager monitors the company's exposure to foreign currencies on a daily basis and reports to the board at each board meeting. The investment manager measures the risk to the company of the foreign currency exposure by considering the effect on the company's net asset value and total return of a movement in the exchange rate to which the company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowing may be used to limit the company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. The company's borrowings are restricted to 20% of gross assets measured at the date of draw down.

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

The fair values of the company's monetary items that have foreign currency exposure at 31 August are shown below. Where the company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Japanese Yen £'000	Other £'000
2009					
Receivables (due from brokers, dividends and other income receivable)	30	–	12	120	512
Cash at bank and on deposit less short term overdrafts	97	44	145	–	–
Payables (due to brokers, accruals and other creditors)	(288)	–	–	–	(127)
Total foreign currency exposure on net monetary items	(161)	44	157	120	385
Investments at fair value through profit or loss that are equities	8,149	1,806	1,636	2,752	3,141
Total net foreign currency exposures	7,988	1,850	1,793	2,872	3,526
	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Singapore Dollar £'000	Other £'000
2008					
Receivables (due from brokers, dividends and other income receivable)	229	15	–	66	–
Cash at bank and on deposit	91	54	3	15	9
Creditors (due to brokers, accruals and other creditors)	(267)	–	–	–	–
Borrowings under multi currency loan facility	(1,903)	–	–	–	–
Total foreign currency exposure on net monetary items	(1,850)	69	3	81	9
Investments at fair value through profit or loss that are equities	14,071	1,489	1,243	1,756	3,082
Total net foreign currency exposures	12,221	1,558	1,246	1,837	3,091

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

The above amounts are not representative of the exposure to risk during the year as levels of monetary foreign currency exposure change significantly throughout the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the total return after tax for the year and the net assets in regard to movements in the company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates.

It assumes the following changes in exchange rates:

Sterling/US Dollar +/- 40% (2008: 15%)

Sterling/Australian Dollar +/- 9% (2008: 15%)

Sterling/Hong Kong Dollar +/- 8% (2008: 15%)

Sterling/Japanese Yen +/- 14% (2008: n/a)

Sterling/Singapore Dollar n/a (2008: 15%)

These percentages are deemed reasonable based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the company's foreign currency financial assets and financial liabilities held at each balance sheet date.

If sterling had depreciated against the currencies shown the impact on total return and net assets would have been as follows:

	2009				2008			
	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Japanese Yen £'000	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Singapore Dollar £'000
Income statement – profit after tax								
Revenue return	647	20	20	55	105	79	10	37
Capital return	5,417	96	112	445	2,309	271	219	311
Change to profit after tax for the year and impact on net assets	6,064	116	132	500	2,414	350	229	348

If sterling had appreciated against the currencies shown, this would have had the following effect:

	2009				2008			
	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Japanese Yen £'000	US Dollar £'000	Australian Dollar £'000	Hong Kong Dollar £'000	Singapore Dollar £'000
Income statement – profit after tax								
Revenue return	(277)	(17)	(17)	(42)	(86)	(58)	(13)	(28)
Capital return	(2,327)	(228)	(123)	(336)	(2,804)	(201)	(162)	(230)
Change to profit after tax for the year and impact on net assets	(2,604)	(245)	(140)	(378)	(2,890)	(259)	(175)	(258)

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

In the opinion of the directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the company's objectives.

12.1.3 Interest rate risk

Interest rate movements may affect the level of interest receivable from cash at bank and on deposit, and the interest payable on any short term borrowings.

Management of the risk

The majority of the company's financial assets are non-interest bearing. As a result, the company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

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 any multi-currency loan facility.

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 exposure at 31 August of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be re-set.

	Within one year £'000	2009 More than one year £'000	Total £'000	Within one year £'000	2008 More than one year £'000	Total £'000
Exposure to floating interest rates:						
Cash at bank	473	–	473	2,254	–	2,254
Creditors – within one year						
Borrowings under multi-currency loan facility	–	–	–	(1,903)	–	(1,903)
Exposure to fixed interest rates:						
Investments	–	426	426	–	–	–
Total exposure to interest rates	<u>473</u>	<u>426</u>	<u>899</u>	<u>351</u>	<u>–</u>	<u>351</u>

Interest receivable and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin over LIBOR or its foreign currency equivalent (2008: same)
- Interest paid on borrowings under the multi-currency loan facility was at a margin over LIBOR or its foreign currency equivalent for the type of loan.

The above year end amounts are not representative of the exposure to interest rates during the year, as the level of exposure changes as investments are made and borrowings are drawn down and repaid.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year to an increase or decrease of 100 basis points in interest on the company's monetary financial assets and liabilities at each balance sheet date.

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

	2009		2008	
	Increase in rate £'000	Decrease in rate £'000	Increase in rate £'000	Decrease in rate £'000
Income statement – profit after tax				
Revenue return	5	(5)	15	(15)
Capital return	–	–	(11)	11
Total return after tax for the year and impact on net assets	<u>5</u>	<u>(5)</u>	<u>4</u>	<u>(4)</u>

In the opinion of the directors, the above sensitivity analyses are not representative of the year as a whole, since exposure changes as investments are made, borrowings are drawn down and repaid throughout the year.

12.2 Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the company's assets are investments in quoted securities that are readily realisable. The company had a multi-currency loan facility of £5,000,000 which expired on 5 September 2008.

The board gives guidance to the investment manager as to the maximum amount of the company's resources that should be invested in any one company. The policy is that the company should generally remain fully invested.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 August, based on the earliest date on which payment can be required was as follows:

	2009 3 months or less £'000	2008 3 months or less £'000
Other payables		
Borrowings under the multi-currency loan facility	–	1,903
Amounts due to brokers and accruals	666	608
	<u>666</u>	<u>2,511</u>

12.3 Credit 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

Credit risk is managed as follows:

- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the company of default.
- investment transactions are carried out with a large number of approved brokers, whose credit standard is reviewed periodically by the investment manager, and limits are set on the amount that may be due from any one broker.
- cash at bank is held only with banks considered to be creditworthy and is subject to continual review.

The company has not been materially exposed to credit risk throughout the year.

Notes to the Financial Statements

continued

12 Risk Management policies and procedures (continued)

12.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities, are either carried in the balance sheet at their fair value (investments and derivatives) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and amounts due under the multi-currency loan facility).

12.5 Capital management policies and procedures

The company's capital management objectives are:

- to ensure that it will be able to continue as a going concern, and
- to maximise the income and capital return to its equity shareholders

through an appropriate balance of equity capital and debt.

The portfolio includes unquoted investments which total 2.6% of the total portfolio and which are held at directors' valuations.

The company's capital at 31 August comprises its equity share capital and reserves that are shown in the balance sheet at a total of £20,360,000 (2008: £26,237,000).

The board with the assistance of the investment manager, monitors and reviews the broad structure of the company's capital on an ongoing basis. This review includes:

- the need for new issues of equity shares;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

13 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2009 (2008: none).

14 Transactions with the management company

Under the terms of an agreement dated 13 July 2006, the company has appointed wholly owned subsidiary companies of Henderson Global Investors (Holdings) plc ('Henderson') to provide investment management services. The base management fee is calculated at the rate of 0.75% per annum of the net chargeable assets of the company. Such fees are payable quarterly in arrears. The total of the fees paid or payable under this agreement to Henderson in respect of the year ended 31 August 2009 was £123,000 (2008: £223,000) of which £24,000 (2008: £32,000) was outstanding at 31 August 2009.

A performance fee is also payable, annually in arrears at a rate of 15% of the company's total return, if any, in excess of a high watermark which is the greater of (i) £1 and (ii) the greatest NAV total return (calculated by adding back dividends) as at any prior year end, in each case increased by 8% p.a. The aggregate fees payable in any year are capped at 1.75% of net chargeable assets as at the relevant year end date and any excess performance fee over the cap may be carried forward for up to three years to the extent that in a subsequent calculation period a performance fee is payable but does not reach the cap. No performance fee is payable for the year ended 31 August 2009 (2008: £nil).

In addition to the above services, Henderson has provided the company with marketing services during the year. The total fees paid for these services during the year ended 31 August 2009 amounted to £11,000 (2008: £10,000).

Notice of Meeting

Notice is hereby given that the third Annual General Meeting of Henderson Global Property Companies Limited will be held at BNP Paribas House, 1, St Julian's Avenue, St. Peter Port, Guernsey, GY1 1WA, Channel Islands on Wednesday 16 December 2009 at 10.00am for the following purposes:

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

- 1 To receive the Report of the Directors and financial statements for the year ended 31 August 2009, together with the auditors' report thereon.
- 2 To approve the Directors' Remuneration Report.
- 3 To re-elect Mr William Scott as a director.
- 4 To re-appoint Ernst & Young LLP as independent auditors.
- 5 To authorise the directors to determine the auditors' remuneration.

Special Business

As special business, to consider the following resolution, which will be proposed as a Special Resolution:

- 6 THAT, in accordance with section 315 of the Companies (Guernsey) Law, 2008, the company be and is generally and unconditionally authorised to make one or more market acquisitions of ordinary shares of 10p each ('ordinary shares') (either for retention as treasury shares or transfer, or cancellation), provided that:

- (a) the maximum number of ordinary shares hereby authorised to be acquired shall be 5,621,250 (being 14.99 per cent. of the issued ordinary shares on the date of the notice convening the meeting at which this resolution is proposed);

- (b) the minimum price which may be paid for an ordinary share shall be 10p;
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be 105 per cent. of the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for the ordinary shares for the five business days immediately preceding the date of acquisition; and
- (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire, at the conclusion of the next Annual General Meeting of the company or on a date which is 18 months from the date of the passing of this resolution, save that the company may, prior to such expiry, enter into a contract to acquire ordinary shares under such authority and may make an acquisition of ordinary shares pursuant to any such contract.

By order of the board

BNP Paribas Fund Services (Guernsey) Limited
Secretary
10 November 2009

Registered office:
BNP Paribas House
1, St Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA
Channel Islands

Notes in respect of the Annual General Meeting

- (i) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the company. A form of proxy is enclosed.
- (ii) Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to The Registrars, BNP Paribas Fund Services (Guernsey) Limited, so as to arrive not less than forty eight hours before the time fixed for the meeting.
- (iii) To have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a member may cast on a poll) a member must first have his or her name entered in the company's register of members by not later than forty eight hours before the time fixed for the meeting (or, in the event that the meeting be adjourned, on the register of members forty eight hours before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than forty eight hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.
- (iv) No director has a service contract with the company. The directors' letters of appointment will be available for inspection for fifteen minutes prior to the Annual General Meeting and during the meeting itself.
- (v) The Register of Directors' interests is kept by the company and available for inspection.

Warning to shareholders

Over recent months many companies have become aware that their shareholders have received unsolicited telephone 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 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 telephone call, please call either the company secretary or the registrar at the number provided on page 44.

Investor Information

Financial calendar

Financial period end:	31 August 2009
Annual General Meeting:	16 December 2009
Shareholder Event (see below):	20 January 2010
Payment of 4th interim dividend 2009:	29 October 2009
Ex-dividend date:	7 October 2009
Record date:	9 October 2009

2010 Dividends will be paid at end January, end April, end July and end October.

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services). Mandate forms for this purpose are available on request from the company's registrar.

Shareholder event

All general meetings of the company will be held in Guernsey. Henderson, the investment manager, recognises that many shareholders are unable to travel to Guernsey, but would like to meet a member of the board and hear from the portfolio manager on a regular basis.

Henderson has therefore arranged a shareholder event to be held at its office in London on Wednesday 20 January 2010 at 3 pm. The event will provide an opportunity to meet the chairman and for the portfolio manager, Patrick Sumner, to give a presentation on the investment strategy and performance. The event will include light refreshments.

If you wish to attend, please return the yellow card which is enclosed with this Report. A map of the venue is provided opposite.

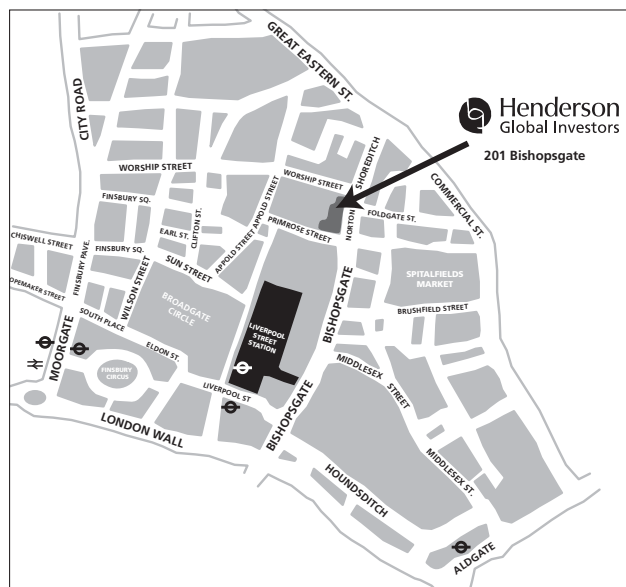
Shareholder information

Copies of this report or other documents issued by the company are available from the company secretary.

If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

Share price listing

The market price of the company's ordinary shares can be found in the Financial Times under 'Investment Companies'.



■ Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE

Website

Details of the company's share price and net asset value ('NAV'), together with other information about the company, can be found on the company's website. The address is:

www.hendersonglobalproperty.com

The NAV is published daily.

ISIN/SEDOL number

The ISIN code/SEDOL (Stock Exchange Daily Official List) number of the company's shares is: GB00B17MXW87. The mnemonic code is HGPC.

Nominee share code

Where notification has been provided in advance, the company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the chairman.

Investors in Halifax Share Dealing products and Henderson ISAs receive all shareholder communications. A form of instruction is provided to facilitate voting at general meetings of the company.

Investor Information

continued

Directors

Christopher Jonas (chairman)
Peregrine Banbury
William Scott
Christopher Sherwell

Investment Manager

Henderson Global Investors Limited
represented by Patrick Sumner
201 Bishopsgate, London EC2M 3AE
www.hendersonglobalproperty.com

Henderson Global Investors Limited
is authorised and regulated by the Financial Services Authority

Secretary and Administrator

BNP Paribas Fund Services (Guernsey) Limited
represented by Sara Bourne

Registered office

BNP Paribas House
1, St Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA
Telephone: 01481 750858

Registered number

Registered in Guernsey as a closed-end investment company,
number 44995

Independent Auditor

Ernst & Young LLP
14, New Street
St. Peter Port
Guernsey
GY1 4AF

Registrar

BNP Paribas Fund Services (Guernsey) Limited
PO Box 482
BNP Paribas House
1, St Julian's Avenue
St. Peter Port
Guernsey
GY1 6BH

Halifax Share Dealing Limited (formerly Itshenderson)

Lovell Park Road
Leeds LS1 1NS
Telephone: 0845 609 0408
Email: communications@halifax.co.uk
Website: www.halifax.co.uk

Custodian

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10, Harewood Avenue
London NW1 6AA

Stockbrokers

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80 Victoria Street
London SW1E 5JL

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The Association of
Investment Companies



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