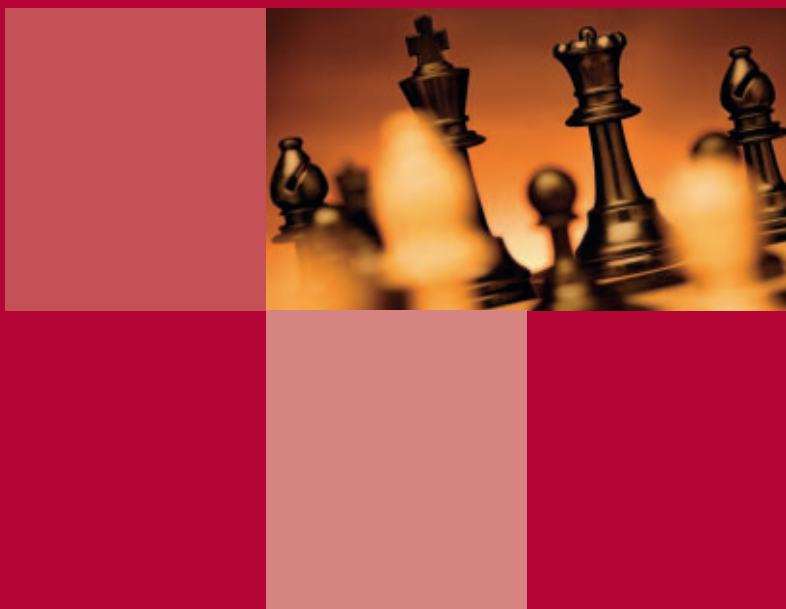


Henderson Opportunities Trust plc

Financial report for the half year ended 30 April 2010



Henderson Opportunities Trust plc

Background Prior to 19 January 2007 the name of the Company was Henderson Strata Investments plc and its policy was to achieve above average capital growth from investment in a portfolio of UK micro cap companies. The name and investment policy were changed at an Extraordinary General Meeting of the Company held on 19 January 2007.

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

Manager Henderson Global Investors Limited

The appointed Portfolio Manager is James Henderson, assisted at Henderson Global Investors by Colin Hughes.

Benchmark The FTSE All-Share Index

Financial Highlights

| | Half year ended 30 April 2010 (unaudited) | Half year ended 30 April 2009 (unaudited) | Year ended 31 October 2009 (audited) |
|------------------------------------|--|--|---|
| Net asset value per ordinary share | 480.6p | 312.8p | 437.2p |
| Ordinary share price | 379.0p | 247.5p | 361.5p |
| Subscription share price | 3.1p | 7.5p | 6.5p |
| Discount | 21.1% | 20.9% | 17.3% |
| Total return per ordinary share | 48.86p | 4.46p | 131.89p |
| Revenue return per ordinary share | 4.25p | 3.69p | 11.38p |
| Dividend per ordinary share | 2.00p | 3.00p | 10.50p |
| Gearing ^(A) | 15.4% | 16.8% | 15.3% |

^(A) Defined here as the total market value of the Company's fixed asset investments less shareholders' funds as a percentage of shareholders' funds.

Performance

to 30 April 2010 ⁽¹⁾

| | 6 months % | 1 year % | 2 years % | 3 years % | Since 19 January 2007 % |
|---|---------------|-------------|--------------|--------------|----------------------------------|
| Net asset value per share total return | 12.8 | 58.4 | (12.6) | (37.3) | (33.3) |
| Ordinary share price total return | 7.1 | 57.8 | (9.1) | (43.8) | (39.8) |
| FTSE All-Share Index total return ⁽²⁾ | 12.8 | 36.6 | (0.1) | (4.4) | 0.5 |

Total return assumes net dividends are reinvested and excludes transaction costs.

(1) Source: Datastream.

(2) The Company's benchmark from 19 January 2007.

Chairman's Comment

The Company's net asset value total return over the six months to 30 April 2010 was 12.8%, the same as the total return of the FTSE All-Share Index.

The global economic recovery appears to be gaining momentum and this should help drive companies' profits forward. The UK economy has some severe problems but many of the companies in the portfolio are expected to prosper regardless of the domestic economic background, not least because they have businesses overseas or export from the UK. The Portfolio Manager's view is that the valuation currently placed on equities is undemanding and that the market's expectations for earnings will be surpassed, as a result of strong margin improvement

George Burnett

Interim Management Report

Chairman's Statement

Review

Over the six months to 30 April 2010 the Company's net asset value rose 9.9% while the FTSE All-Share Index rose 10.8%. On a total return basis, which takes account of the dividend paid on 26 March 2010, the figures are 12.8% for both.

The economic recovery which started in the second half of 2008 has continued. Overall, companies' results have shown considerable improvement, with corporate debt falling and profits recovering. Many companies had reduced their costs radically during 2008 and 2009, fearing that their orders would not recover in the near term. The subsequent pick-up in activity is leading to margin expansion as increased turnover on a reduced cost base has resulted in improved profitability. The share prices of some companies have moved up significantly during the period but the stock market remains volatile, reflecting continuing uncertainty about the durability of the recovery and the problems that are still to be tackled.

Portfolio

The exposure to medium and small companies makes up 90% of the Company's portfolio; the exposure to AIM stocks accounts for 34% of it. This is very different from the FTSE All-Share Index, our benchmark, in which small and medium companies account for only 15% by market value but our Portfolio Manager continues to believe that there is substantial value in the smaller companies area. When this value is better reflected in their share prices, the holdings in small companies will be reduced and the weighting to large companies will be increased, provided that this represents the best value opportunity for shareholders at the time of execution. Although the portfolio has retained a substantial weighting to small companies, the liquidity of these stocks has improved significantly in the last year, mainly as a result of the realisation of some of the less liquid positions but also because of a general recovery in the saleability of shares.

Interim Management Report

continued

The portfolio was geared throughout the period, at an average of 15.6%; the gearing at 30 April 2010 stood at 15.4%. The Board expects to maintain some degree of gearing in the second half of the year but to reduce it, at least in percentage terms, if share prices move ahead strongly.

Earnings and Dividends

The revenue earnings per share for the half year were 4.25p, which compares with last year's 3.69p. The phase of dividend cutting has now passed and during the half year a number of companies paid dividends early. The Portfolio Manager expects dividend growth from the companies in the portfolio to resume with effect from this year but higher distributions are expected to benefit the Company's revenue account in 2011 rather than this year.

Furthermore, the earnings per share for the full year to 31 October 2010 will not benefit from the VAT refund and related interest that enhanced the revenue return in 2009 by £328,000 (or 4p per share). Accordingly, the directors expect a reduction in the distributable earnings for the year. The interim dividend declared by the Board for payment on 24 September 2010 is 2p per share, which compares with 3p last year.

The Board

After 25 years as a director, Richard Smith will retire from the Board on 30 September 2010. He was responsible for the launch of the Company and he was its first manager. We shall miss Richard's investment expertise and his kindly wisdom and enthusiasm.

We are delighted that Chris Hills joined the Board on 17 June 2010. He is Chief Investment Officer of Rensburg Sheppards Investment Management, a position he has held (originally with Carr Sheppards) for fourteen years. He brings a wealth of investment experience to the Board.

Outlook

The global economic recovery appears to be gaining momentum and this should help drive companies' profits forward. However, the very genuine opportunities for stock picking cannot be wholly divorced from the looming macroeconomic problems, not least the scale of government debt, and the dampening effects of the measures that will be necessary to address them.

The UK economy has some severe problems but many of the companies in the portfolio are expected to prosper regardless of the domestic economic background, not least because they have businesses overseas or export some of their goods and services from the UK. They thereby benefit from the weaker pound and from exposure to countries where the recovery is stronger than in the UK. The Portfolio Manager's view is that the valuation currently placed on equities is undemanding and that the market's expectations for earnings will be surpassed, as a result of strong margin improvement.

G B Burnett

Chairman

24 June 2010

Interim Management Report

continued

Regulatory Disclosures

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the annual report.

Principal Risks and Uncertainties

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

- Investment objective and policy
- Gearing
- Market movements and performance of the portfolio

Information on these risks is given in the Report of the Directors and in the Notes to the Financial Statements in the Company's Report and Financial Statements for the year ended 31 October 2009.

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

Directors' Responsibility Statement

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

- (a) the condensed set of financial statements has been prepared in accordance with the Accounting Standards Board's Statement *Half-Yearly Financial Reports*;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- (c) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

G B Burnett

Chairman
24 June 2010

Interim Management Report

continued

Portfolio Activity

During the period there was a cash bid for **Delta** from Valmont of the USA. The proceeds have been invested selectively in building existing holdings and starting new ones, such as the Falklands Basin oil exploration company **Rockhopper**. The holding in **Mondi** was reduced as the share price rose to reflect its value more accurately, while the holding in **Xstrata** was sold for the same reason.

As long term investors, we are asked from time to time by portfolio companies to support balance sheet restructuring or to provide additional capital for growth, by way of a rights issue or open offer.

In this period we supported **e2v technologies** and **Hampson Industries**, both of which restructured their balance sheets, and **Avanti Communications**, which raised capital to fund growth. We took some profits in long term favourites **Fidessa** and **Alterian**. We also sold out of **Meggitt**, for a good profit, and decided that we should exit **eServGlobal**, for a modest gain. More recently we have invested in **easyJet**, the low cost airline.

J H Henderson and C M Hughes

Portfolio Information

Analysis of the equity portfolio by market index at 30 April 2010

| | 30 April 2010 % | 30 April 2009 % | 31 October 2009 % |
|--------------------------|-------------------------------|-----------------------|-------------------------|
| FTSE 100 Index | 8.5 | 10.8 | 11.5 |
| FTSE 250 Index | 19.4 | 20.5 | 15.9 |
| FTSE SmallCap Index | 30.8 | 24.3 | 30.8 |
| FTSE All-Share Index | 58.7 | 55.6 | 58.2 |
| FTSE Fledgling Index | 2.4 | 8.4 | 3.8 |
| FTSE AIM All-Share Index | 31.0 | 29.6 | 30.6 |
| other Official List | 4.9 | 5.0 | 5.4 |
| other AIM | 3.0 | 1.4 | 2.0 |
| | 100.0 | 100.0 | 100.0 |

Portfolio Information

Fifty largest equity investments by value at 30 April 2010

| Company | Main activity | £'000 | % of investment portfolio |
|------------------------|---|---------------|---------------------------|
| Senior | <i>aerospace and automotive products</i> | 1,740 | 3.89 |
| Hill & Smith | <i>galvanised steel products</i> | 1,268 | 2.84 |
| Hyder Consulting | <i>infrastructure consultancy</i> | 1,117 | 2.50 |
| SDL | <i>software and translation services</i> | 1,112 | 2.49 |
| Fidessa | <i>financial software</i> | 1,054 | 2.36 |
| XP Power | <i>electrical power supplies</i> | 1,030 | 2.30 |
| Kewill | <i>logistics software and services</i> | 1,001 | 2.24 |
| *Alliance Pharma | <i>pharmaceuticals</i> | 982 | 2.20 |
| Anglo American | <i>mining</i> | 982 | 2.20 |
| Ricardo | <i>automotive technology consultancy</i> | 978 | 2.19 |
| *Velosi | <i>quality control and assurance services</i> | 957 | 2.14 |
| St Modwen Properties | <i>property developer</i> | 910 | 2.04 |
| *Avanti Communications | <i>satellite communications</i> | 904 | 2.02 |
| Aviva | <i>insurance</i> | 872 | 1.95 |
| WSP | <i>engineering consultancy</i> | 866 | 1.94 |
| Hampson Industries | <i>aerospace components</i> | 847 | 1.89 |
| Alterian | <i>database analytics software</i> | 822 | 1.84 |
| *Majestic Wine | <i>wine warehouse</i> | 815 | 1.82 |
| *Murgitroyd | <i>patent attorney</i> | 802 | 1.79 |
| *Vertu Motors | <i>motor retailer</i> | 799 | 1.79 |
| Pearson | <i>educational and media publishing</i> | 788 | 1.76 |
| Bellway | <i>house building</i> | 754 | 1.69 |
| Creston | <i>marketing services</i> | 750 | 1.68 |
| *Johnson Service | <i>textile rental and dry cleaning</i> | 749 | 1.68 |
| †Latchways | <i>safety products</i> | 745 | 1.67 |
| Kofax | <i>electronic data capture</i> | 743 | 1.66 |
| *Ebiquity | <i>media and marketing analytics</i> | 738 | 1.65 |
| *Zetar | <i>confectionery and snack foods</i> | 732 | 1.64 |
| Redrow | <i>house building</i> | 719 | 1.61 |
| Savills | <i>property consultancy</i> | 682 | 1.53 |
| HSBC | <i>banking</i> | 668 | 1.49 |
| Mondi | <i>packaging and paper</i> | 668 | 1.49 |
| *Oxford Catalysts | <i>speciality catalysts for clean fuel</i> | 650 | 1.45 |
| e2v technologies | <i>electronic components</i> | 646 | 1.44 |
| *Goals Soccer Centres | <i>five-a-side soccer centres</i> | 612 | 1.37 |
| IP Group | <i>research funding</i> | 609 | 1.36 |
| *RWS | <i>patent translation services</i> | 581 | 1.30 |
| Phoenix IT | <i>IT services and business recovery</i> | 572 | 1.28 |
| *IQE | <i>compound semiconductors</i> | 570 | 1.27 |
| UTV Media | <i>TV and radio broadcaster</i> | 532 | 1.19 |
| *Valiant Petroleum | <i>oil and gas exploration</i> | 517 | 1.16 |
| Reed Elsevier | <i>scientific, legal and business publishing</i> | 514 | 1.15 |
| T Clarke | <i>electrical contractor</i> | 513 | 1.15 |
| Interserve | <i>building services and maintenance</i> | 506 | 1.13 |
| *Faroe Petroleum | <i>oil and gas exploration</i> | 494 | 1.11 |
| Clarksons | <i>ship broking and management</i> | 475 | 1.06 |
| *Brulines | <i>liquid control systems</i> | 474 | 1.06 |
| easyJet | <i>low cost airline</i> | 472 | 1.06 |
| *AssetCo | <i>managed services to the emergency services</i> | 428 | 0.96 |
| *Avocet Mining | <i>gold mining</i> | 427 | 0.95 |
| | | 38,186 | 85.43 |

*Quoted on the Alternative Investment Market ("AIM")

A further 33 equity investments represent the balance of the portfolio

†Other Official List (see page 5)

Portfolio Information

Analysis of the equity portfolio by sector at 30 April 2010

| | | 30 April 2010 | 30 April 2009 | 31 October 2009 |
|-------------------------------------|------|--------------------------|------------------|--------------------|
| | % | % | % | % |
| Oil & Gas | | 4.5 | 3.7 | 4.0 |
| Oil & Gas Producers | 2.3 | | | |
| Oil Equipment Services | 2.2 | | | |
| Basic Materials | | 7.7 | 7.9 | 9.0 |
| Chemicals | 1.5 | | | |
| Forestry & Paper | 1.5 | | | |
| Mining | 4.7 | | | |
| Industrials | | 33.8 | 35.0 | 31.4 |
| Construction & Materials | 1.9 | | | |
| Aerospace & Defence | 5.7 | | | |
| Electronic & Electrical Equipment | 3.7 | | | |
| Industrial Engineering | 4.5 | | | |
| Industrial Transportation | 1.4 | | | |
| Support Services | 16.6 | | | |
| Consumer Goods | | 5.8 | 7.5 | 4.7 |
| Food Producers | 2.4 | | | |
| Household Goods & Home Construction | 3.4 | | | |
| Health Care | | 2.2 | 2.8 | 1.2 |
| Pharmaceuticals & Biotechnology | 2.2 | | | |
| Consumer Services | | 18.1 | 11.1 | 15.6 |
| General Retailers | 4.5 | | | |
| Media | 10.5 | | | |
| Travel & Leisure | 3.1 | | | |
| Telecommunications | | 2.7 | 0.4 | 1.5 |
| Mobile Telecommunications | 2.7 | | | |
| Financials | | 10.0 | 14.1 | 16.0 |
| Banks | 1.5 | | | |
| Non-Life Insurance | 0.7 | | | |
| Life Insurance/Assurance | 2.0 | | | |
| Real Estate Investment & Services | 3.6 | | | |
| Financial Services | 2.2 | | | |
| Technology | | 15.2 | 17.5 | 16.6 |
| Software & Computer Services | 13.9 | | | |
| Technology Hardware & Equipment | 1.3 | | | |
| | | 100.0 | 100.0 | 100.0 |

All the investments at 30 April 2010 were listed or quoted in the United Kingdom.

Income Statement

for the half year ended 30 April 2010

| | (Unaudited) Half year ended 30 April 2010 | | |
|--|--|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Gains from investments held at fair value through profit or loss | – | 3,727 | 3,727 |
| Income from investments held at fair value through profit or loss | 533 | – | 533 |
| Interest on VAT refunds | – | – | – |
| Other interest receivable and similar income | 18 | – | 18 |
| Gross revenue and capital gains | 551 | 3,727 | 4,278 |
| Management fees (note 2) | (63) | (63) | (126) |
| Write-back of prior years' VAT (note 3) | – | – | – |
| Other administrative expenses | (102) | – | (102) |
| | (165) | (63) | (228) |
| Net return on ordinary activities before finance charges and taxation | 386 | 3,664 | 4,050 |
| Finance charges (note 2) | (41) | (41) | (82) |
| Net return on ordinary activities before taxation | 345 | 3,623 | 3,968 |
| Taxation on net return on ordinary activities | – | – | – |
| Net return on ordinary activities after taxation | 345 | 3,623 | 3,968 |
| Return per ordinary share (note 4) | 4.25p | 44.61p | 48.86p |

The total columns of this statement represent the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. The Company had no recognised gains or losses other than those disclosed in the Income Statement above and the Reconciliation of Movements in Shareholders' Funds on page 10.

| Revenue return £'000 | (Unaudited) Half year ended 30 April 2009 | | | (Audited) Year ended 31 October 2009 | | |
|----------------------------|--|----------------|----------------------------|---|----------------|--|
| | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 | |
| – | 159 | 159 | – | 10,087 | 10,087 | |
| 434 | – | 434 | 888 | – | 888 | |
| – | – | – | 146 | – | 146 | |
| 54 | – | 54 | 102 | – | 102 | |
| <u>488</u> | <u>159</u> | <u>647</u> | <u>1,136</u> | <u>10,087</u> | <u>11,223</u> | |
| (37) | (37) | (74) | (94) | (94) | (188) | |
| – | – | – | 182 | – | 182 | |
| (86) | – | (86) | (184) | – | (184) | |
| <u>(123)</u> | <u>(37)</u> | <u>(160)</u> | <u>(96)</u> | <u>(94)</u> | <u>(190)</u> | |
| 365 | 122 | 487 | 1,040 | 9,993 | 11,033 | |
| <u>(58)</u> | <u>(59)</u> | <u>(117)</u> | <u>(101)</u> | <u>(101)</u> | <u>(202)</u> | |
| 307 | 63 | 370 | 939 | 9,892 | 10,831 | |
| <u>(4)</u> | <u>–</u> | <u>(4)</u> | <u>(5)</u> | <u>–</u> | <u>(5)</u> | |
| <u>303</u> | <u>63</u> | <u>366</u> | <u>934</u> | <u>9,892</u> | <u>10,826</u> | |
| <u>3.69p</u> | <u>0.77p</u> | <u>4.46p</u> | <u>11.38p</u> | <u>120.51p</u> | <u>131.89p</u> | |

Reconciliation of Movements in Shareholders' Funds

| | (Unaudited) | | | | | |
|---|----------------------------------|--------------------------------|-------------------------------------|---------------------------------|--------------------------|----------------|
| | Half year ended 30 April 2010 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 October 2009 | 2,068 | 14,508 | 2,354 | 15,997 | 962 | 35,889 |
| Net return on ordinary activities after taxation | - | - | - | 3,623 | 345 | 3,968 |
| Buy-back of ordinary shares | (36) | - | 36 | (504) | - | (504) |
| Conversion of subscription shares | - | 4 | - | - | - | 4 |
| Dividend paid on the ordinary shares | - | - | - | - | (605) | (605) |
| At 30 April 2010 | 2,032 | 14,512 | 2,390 | 19,116 | 702 | 38,752 |

| | (Unaudited) | | | | | |
|---|----------------------------------|--------------------------------|-------------------------------------|---------------------------------|--------------------------|----------------|
| | Half year ended 30 April 2009 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 October 2008 | 2,068 | 14,505 | 2,354 | 6,105 | 1,216 | 26,248 |
| Net return on ordinary activities after taxation | - | - | - | 63 | 303 | 366 |
| Conversion of subscription shares | - | 3 | - | - | - | 3 |
| Dividend paid on the ordinary shares | - | - | - | - | (944) | (944) |
| At 30 April 2009 | 2,068 | 14,508 | 2,354 | 6,168 | 575 | 25,673 |

| | (Audited) | | | | | |
|---|----------------------------------|--------------------------------|-------------------------------------|---------------------------------|--------------------------|----------------|
| | Year ended 31 October 2009 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 October 2008 | 2,068 | 14,505 | 2,354 | 6,105 | 1,216 | 26,248 |
| Net return on ordinary activities after taxation | - | - | - | 9,892 | 934 | 10,826 |
| Conversion of subscription shares | - | 3 | - | - | - | 3 |
| Dividends paid on the ordinary shares | - | - | - | - | (1,188) | (1,188) |
| At 31 October 2009 | 2,068 | 14,508 | 2,354 | 15,997 | 962 | 35,889 |

Balance Sheet

as at 30 April 2010

| | (Unaudited) 30 April 2010 £'000 | (Unaudited) 30 April 2009 £'000 | (Audited) 31 October 2009 £'000 |
|---|--|--|--|
| Investments held at fair value through profit or loss | | | |
| Listed at market value | 29,638 | 20,693 | 27,901 |
| Quoted on AIM at market value | 15,063 | 9,297 | 13,490 |
| | 44,701 | 29,990 | 41,391 |
| Current assets | | | |
| Investment held at fair value through profit or loss (note 6) | 2 | 1,996 | 1,076 |
| Debtors | 258 | 329 | 194 |
| Cash at bank | 40 | 13 | 12 |
| | 300 | 2,338 | 1,282 |
| Creditors: amounts falling due within one year | (6,249) | (6,655) | (6,784) |
| Net current liabilities | (5,949) | (4,317) | (5,502) |
| Total net assets | 38,752 | 25,673 | 35,889 |
| Capital and reserves | | | |
| Called up share capital (note 7) | 2,032 | 2,068 | 2,068 |
| Share premium account | 14,512 | 14,508 | 14,508 |
| Capital redemption reserve | 2,390 | 2,354 | 2,354 |
| Other capital reserves | 19,116 | 6,168 | 15,997 |
| Revenue reserve | 702 | 575 | 962 |
| Equity shareholders' funds | 38,752 | 25,673 | 35,889 |
| Net asset value per ordinary share (note 8) | 480.55p | 312.76p | 437.21p |

The notes on pages 13 to 15 form part of these condensed financial statements.

Cash Flow Statement

for the half year ended 30 April 2010

| | (Unaudited) Half year ended 30 April 2010 £'000 | (Unaudited) Half year ended 30 April 2009 £'000 | (Audited) Year ended 31 October 2009 £'000 |
|---|--|--|---|
| Net cash inflow from operating activities | 161 | 722 | 1,584 |
| Net cash outflow from servicing of finance | (81) | (148) | (215) |
| Net tax recovered | – | – | 58 |
| Net cash inflow/(outflow) from financial investment | 309 | (1,856) | (3,214) |
| Equity dividends paid | (605) | (944) | (1,188) |
| Net cash inflow from management of liquid resources | 1,074 | 1,144 | 2,064 |
| Net cash inflow/(outflow) before financing | 858 | (1,082) | (911) |
| Net cash (outflow)/inflow from financing | (425) | 149 | 493 |
| Increase/(decrease) in cash | 433 | (933) | (418) |
| Reconciliation of operating return to net cash outflow from operating activities | | | |
| Net total return before finance costs and taxation | 4,050 | 487 | 11,033 |
| Less: capital return before finance costs and taxation | (3,664) | (122) | (9,993) |
| Net revenue return before finance costs and taxation | 386 | 365 | 1,040 |
| (Increase)/decrease in accrued income | – | (2) | 140 |
| (Increase)/decrease in other debtors and prepayments | (145) | 508 | 508 |
| Decrease in other creditors | (17) | (103) | (10) |
| Expenses charged to capital | (63) | (37) | (94) |
| Overseas withholding tax suffered | – | (9) | – |
| Net cash inflow from operating activities | 161 | 722 | 1,584 |
| Reconciliation of net cash flow to movement in net debt | | | |
| Increase/(decrease) in cash as above | 433 | (933) | (418) |
| Net cash movement from increase in loans | (75) | (146) | (490) |
| Net cash flow from movement in liquid resources | (1,074) | (1,144) | (2,064) |
| Exchange movements | (1) | – | (1) |
| Movement in net debt | (717) | (2,223) | (2,973) |
| Net debt at the start of the period | (5,352) | (2,379) | (2,379) |
| Net debt at the end of the period | (6,069) | (4,602) | (5,352) |
| Represented by: | | | |
| Cash at bank less overdrafts | 4 | (942) | (428) |
| Liquid resources (investment in cash fund) | 2 | 1,996 | 1,076 |
| Debt falling due within one year | (6,075) | (5,656) | (6,000) |
| Net debt | (6,069) | (4,602) | (5,352) |

Notes to the Condensed Financial Statements

1. Accounting policies – basis of preparation

The condensed set of financial statements has been prepared using the same accounting policies as are set out in the Company's Report and Financial Statements for the year ended 31 October 2009.

The condensed set of financial statements has not been either audited or reviewed by the Company's auditors.

2. Expenses

Management fees and finance charges

With effect from 1 November 2008 the Company allocates 50% of its management fees and finance charges to the capital return. It had previously allocated 80% of its management fees and finance charges to the capital return.

The management fee is calculated, quarterly in arrears, as 0.60% per annum of the assets under management. No performance fee was earned or payable in the period, nor in the comparative periods. The fee arrangements are unaffected by the allocation of costs described above.

3. VAT on management fees

As at 31 October 2009 the Company had received back from HM Revenue & Customs ("HMRC") all of the VAT on investment management fees that had been borne by the Company in respect of the periods 1990 to 1996 and 2000 to 2007, as well as simple interest on those amounts.

There remain outstanding claims relating to the period 1996 to 2000 and claims for compound interest from 1990 onwards. No amounts have been recognised as it is uncertain whether any further amounts will be recovered.

Notes to the Condensed Financial Statements

continued

4. Return per ordinary share

| | (Unaudited) Half year ended 30 April 2010 £'000 | (Unaudited) Half year ended 30 April 2009 £'000 | (Audited) Year ended 31 October 2009 £'000 |
|--|--|--|---|
| The return per ordinary share is based on the following figures: | | | |
| Revenue return | 345 | 303 | 934 |
| Capital return | 3,623 | 63 | 9,892 |
| Total | 3,968 | 366 | 10,826 |
| Weighted average number of ordinary shares in issue for the period | | | |
| | 8,120,581 | 8,208,295 | 8,208,439 |
| Revenue return per ordinary share | 4.25p | 3.69p | 11.38p |
| Capital return per ordinary share | 44.61p | 0.77p | 120.51p |
| | 48.86p | 4.46p | 131.89p |

5. Dividends

The Board has declared an interim dividend of 2.00p per ordinary share (2009: 3.00p), to be paid on 24 September 2010 to shareholders registered at the close of business on 27 August 2010. The ex-dividend date will be 25 August 2010. Based on the number of ordinary shares in issue at 24 June 2010 (8,064,087), this dividend will absorb £161,000.

No provision has been made for the interim dividend in these accounts. The final dividend of 7.50p per ordinary share, paid on 26 March 2010 in respect of the year ended 31 October 2009, has been recognised as a distribution in the period.

6. Current asset investment

The Company has a holding in Henderson Liquid Assets Fund plc, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short term deposit. At 30 April 2010 this holding had a value of £2,000 (30 April 2009: £1,996,000; 31 October 2009: £1,076,000).

Henderson Liquid Assets Fund plc is managed by Henderson Global Investors Limited ("Henderson"). The Company's holding is made through a class of shares that does not bear management fees and, accordingly, it has no effect on the management fees payable by the Company to Henderson (which are based on the value of the total assets under management, wherever held).

Notes to the Condensed Financial Statements

continued

7. Called up share capital

During the half year ended 30 April 2010, 505 of the Company's subscription shares were converted into 505 ordinary shares. Subscription shareholders have an opportunity to convert their subscription shares into ordinary shares, at the conversion price of 936p per share, in each of the years 2009 to 2014 inclusive. During the half year 145,000 ordinary shares were bought back and cancelled.

There were 8,064,087 ordinary shares of 25p each in issue at 30 April 2010 (30 April 2009 and 31 October 2009: 8,208,582).

There were 1,640,753 subscription shares of 1p each in issue at 30 April 2010 (30 April 2009 and 31 October 2009: 1,641,258). The subscription shares were issued, as a bonus issue to the ordinary shareholders, on 19 January 2007.

8. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £38,752,000 (30 April 2009: £25,673,000; 31 October 2009: £35,889,000) and on the 8,064,087 ordinary shares of 25p each in issue at 30 April 2010 (30 April 2009 and 31 October 2009: 8,208,582).

9. Transaction costs

Purchase transaction costs for the half year ended 30 April 2010 were £16,000 (half year ended 30 April 2009: £18,000; year ended 31 October 2009: £30,000). These comprise mainly stamp duty and commissions. Sale transaction costs for the half year ended 30 April 2010 were £8,000 (half year ended 30 April 2009: £3,000; year ended 31 October 2009: £8,000). These comprise mainly commissions.

10. Going concern

The directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The assets of the Company consist almost entirely of securities that are listed (or quoted on AIM) and, accordingly, the directors believe that the Company has adequate resources to continue in existence for the foreseeable future. The directors consider this to be the case, notwithstanding the continuation vote to be held at the Annual General Meeting in 2011.

11. Comparative information

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

The information for the year ended 31 October 2009 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Directors and other Information

Directors

George Burnett* (Chairman)
Hamish Bryce
Chris Hills*
Malcolm King*
Peter May* (Chairman of the Audit Committee)
Richard Smith
*Member of the Audit Committee

Manager

Henderson Global Investors Limited,
authorised and regulated by the Financial
Services Authority, represented by
James Henderson and Colin Hughes

Secretary

Henderson Secretarial Services Limited,
represented by Geoffrey Rice ACIS

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Registered in England and Wales No. 1940906
as an investment company

Registrar

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Information

The ordinary share price, net asset value,
subscription share price and other information
can be found on the Henderson website:

www.hendersonopportunitiestrust.com or
www.itshenderson.com

The market price of the Company's ordinary
shares is quoted in the Financial Times and other
leading newspapers. The London Stock
Exchange Daily Official List (SEDOL) Number is
0853657. Investors with share certificates (ie not
those in a share plan or an ISA) can check their
shareholding with the Company's Registrar,
Computershare Investor Services PLC. The link
can be found via **www.computershare.com**

The logo for The Association of Investment Companies (aic) consists of the lowercase letters 'aic' in a bold, sans-serif font.

The Association of
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