

Registered number: 8231932

HGI ASSET MANAGEMENT GROUP LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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HGI ASSET MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Director | R M Thompson |
| Company secretary | Henderson Secretarial Services Limited |
| Registered number | 8231932 |
| Registered office | 201 Bishopsgate London EC2M 3AE |
| Independent auditors | PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT |

HGI ASSET MANAGEMENT GROUP LIMITED

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HGI ASSET MANAGEMENT GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Director presents his report and the financial statements for HGI Asset Management Group Limited ("the Company") for the year ended 31 December 2017.

The Director has prepared the report in accordance with the small companies regime and taken advantage of the small companies' exemption (Companies Act 2006 (section 414B)) in not preparing a Strategic Report. The Company would have otherwise qualified as a small company was it not a member of an ineligible group.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of the Company is to act as an investment holding company. This will continue to be the principal activity of the Company for the foreseeable future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £22,000,000 (2016: £118,800,000).

Dividends paid in the year amount to £22,000,000 (2016: £118,800,000).

BUSINESS REVIEW

The Company's is a wholly owned subsidiary of Janus Henderson Group plc ("JHG plc" or "the Group"). The Group is run on integrated basis through business units, not by the legal construct of its subsidiaries. Therefore the Company's strategy and business model is governed by that of the Group which is set out in detail in the Annual Report and Accounts of the Group which can be obtained from its registered office as set out in note 17. The Group provides investment management services throughout Europe, the Americas and Asia. The Group manages a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including equities, fixed income, multi-asset and alternatives.

On 30 May 2017, Henderson Group plc completed a merger with Janus Capital Group, Inc and was renamed Janus Henderson Group plc. This merger did not impact the principal activities or the financial statements of the Company for the year ended 31 December 2017.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were :

A J Formica (resigned 31 July 2018)
R M Thompson

DIRECTORS' INDEMNITY

The Group provides a deed of indemnity to the Directors to the extent permitted by United Kingdom law whereby the Group is able to indemnify a director against any liability incurred in proceedings in which the Director is successful, and against the cost of successfully applying to the court to be excused for breach of duty where the Director acted honestly and reasonably. The indemnity has been in force for the year to 31 December 2017 and up to the date of approval of the report and financial statements.

GOING CONCERN

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Director continues to adopt the going concern basis for the preparation of the annual financial statements.

HGI ASSET MANAGEMENT GROUP LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Auditors are unaware. Each Director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events affecting the Company since the year end.

INDEPENDENT AUDITORS

It is the intention of the Director to reappoint the Auditors under the deemed appointment rules of section 487 of the Companies Act 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's risk management framework ensures it meets its business objectives within acceptable risk parameters and it is reviewed regularly to early identify new and emerging risks. The Group's culture embeds the management of risk at all levels within the organisation. Please refer to the Group Annual Report and Accounts as set out in note 17 for the major risks affecting the Group.

This report was approved by the Board on 21 September 2018 and signed on its behalf.



Henderson Secretarial Services Limited
Secretary

HGI ASSET MANAGEMENT GROUP LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the Director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



R M Thompson
Director
21 September 2018

HGI ASSET MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HGI ASSET MANAGEMENT GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, HGI Asset Management Group Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the income statement and the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

HGI ASSET MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HGI ASSET MANAGEMENT GROUP LIMITED

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

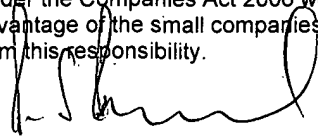
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.


Parwinder Purewal (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
SE1 2RT

21 September 2018

HGI ASSET MANAGEMENT GROUP LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017 £000 | 2016 £000 |
|---|-------|---------------|----------------|
| Dividends received from subsidiary undertakings | | 22,000 | 118,800 |
| Operating profit | | 22,000 | 118,800 |
| Finance income | 6 | 3 | 3 |
| Finance expense | 7 | (3) | (3) |
| Profit before tax | | 22,000 | 118,800 |
| Taxation | 8 | - | - |
| Profit for the year | | 22,000 | 118,800 |

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | 2017 £000 | 2016 £000 |
|--|---------------|----------------|
| Profit for the year | 22,000 | 118,800 |
| Total comprehensive income for the year | 22,000 | 118,800 |

The notes on pages 9 to 21 form part of these financial statements.

HGI ASSET MANAGEMENT GROUP LIMITED
REGISTERED NUMBER: 8231932

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

| | Notes | 2017 £000 | 2016 £000 |
|------------------------------|-------|----------------|----------------|
| Non-current assets | | | |
| Investments | 10 | 847,188 | 847,188 |
| Current assets | | | |
| Trade and other receivables | 11 | 212 | 209 |
| Total assets | | <u>847,400</u> | <u>847,397</u> |
| Current liabilities | | | |
| Trade and other payables | 12 | (212) | (209) |
| Total liabilities | | <u>(212)</u> | <u>(209)</u> |
| Net assets | | <u>847,188</u> | <u>847,188</u> |
| Capital and reserves | | | |
| Ordinary share capital | 13 | - | - |
| Capital contribution reserve | 14 | 847,188 | 847,188 |
| Total equity | | <u>847,188</u> | <u>847,188</u> |

The financial statements were approved and authorised for issue by the Board and were signed on it behalf on 21 September 2018.



R M Thompson
 Director

The notes on pages 9 to 21 form part of these financial statements.

HGI ASSET MANAGEMENT GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Ordinary share capital £000 | Capital contribution reserve £000 | Profit and loss account £000 | Total equity £000 |
|---|-----------------------------------|--|------------------------------------|----------------------|
| At 1 January 2017 | - | 847,188 | - | 847,188 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 22,000 | 22,000 |
| Contributions by and distributions to owners | | | | |
| Dividends paid (note 9) | - | - | (22,000) | (22,000) |
| At 31 December 2017 | <u>-</u> | <u>847,188</u> | <u>-</u> | <u>847,188</u> |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

| | Ordinary share capital £000 | Capital contribution reserve £000 | Profit and loss account £000 | Total equity £000 |
|---|-----------------------------------|--|------------------------------------|----------------------|
| At 1 January 2016 | - | 847,188 | - | 847,188 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 118,800 | 118,800 |
| Contributions by and distributions to owners | | | | |
| Dividends paid (note 9) | - | - | (118,800) | (118,800) |
| At 31 December 2016 | <u>-</u> | <u>847,188</u> | <u>-</u> | <u>847,188</u> |

The notes on pages 9 to 21 form part of these financial statements.

HGI ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The Company financial statements are presented in GBP and all values are rounded to the nearest thousand pounds, except when otherwise indicated. The Company is a private limited company incorporated and domiciled in the UK.

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management has made significant judgements involving estimations and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Company is a wholly owned subsidiary of Henderson Group Holdings Asset Management Limited and of its ultimate parent, Janus Henderson Group plc. It is included within the consolidated financial statements of Janus Henderson Group plc which are publically available, see note 17. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

1.2 FINANCIAL REPORTING STANDARD 101 REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 9199 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 GOING CONCERN

The financial statements have been prepared on a going concern basis.

1.4 FINANCE INCOME AND EXPENSE

Interest income and interest expense is recognised as it accrues using the effective interest rate method.

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES (CONTINUED)

1.5 DIVIDENDS RECEIVED FROM SUBSIDIARY UNDERTAKINGS

Dividends received from subsidiaries are recognised on the date that the right to receive payment has been established.

1.6 INCOME TAX

The Company provides for current tax expense according to the tax laws in each jurisdiction in which it operates, using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Income tax relating to items recognised in the Statement of Comprehensive Income and Statement of Changes in Equity is also recognised in the respective statement and not in the Income Statement.

1.7 INVESTMENTS

Investments consist of investments in subsidiary undertakings that are held at cost less any impairment in value where circumstances indicate that the carrying value may not be recoverable.

1.8 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value. When the time value of money is material, the fair value is discounted. Provision for specific doubtful debts is made when there is evidence that the Company may not be able to recover balances in full. Balances are written off when the receivable amount is deemed irrecoverable.

1.9 TRADE AND OTHER PAYABLES

Financial liabilities including trade and other payables are stated at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

1.10 DIVIDEND RECOGNITION

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are declared as a deduction from equity.

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES (CONTINUED)

1.11 SHARE CAPITAL

The Company's ordinary shares of 12.5 pence each are classified as equity instruments. Shares issued by the Company are recorded at the fair value of the proceeds received or the market price on the day of issue. Direct issue costs, net of tax, are deducted from equity through share premium.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the process of applying the Company's accounting policies, management has made the below significant judgement involving estimations and assumptions:

Impairment of investments

Investments are reviewed for impairment at each reporting date or more frequently if there are indicators that the carrying value is impaired. Management also exercises judgement in determining whether a decrease in the value of an asset meets the prolonged and significant test.

3. AUDITORS' REMUNERATION

Auditors' remuneration of £5,073 (2016: £4,925) in respect of the Company's financial statements is borne by a fellow Group undertaking.

Auditors' remuneration in relation to the audit of financial statements in respect of the Company's direct and indirect subsidiaries of £715,839 (2016: £578,351) was also borne by a fellow Group undertaking.

4. EMPLOYEES

The Company did not have employees during the current or prior year. The UK group employees' contracts of employment are with Henderson Administration Limited, a group undertaking, and staff costs are disclosed in that company's financial statements.

HGI ASSET MANAGEMENT GROUP LIMITED.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. DIRECTORS' REMUNERATION

The Directors of the Company were employed and remunerated as directors and executives of the Group in respect of their services to the Group as a whole. The Directors believe that it is not practicable to apportion part of their remuneration to their services as Directors of the Company.

A J Formica was also a Director of Janus Henderson Group plc during the year and particulars of his remuneration for the period that he was Director is set out in the Group's Annual Report and Accounts as described in Note 17.

Total emoluments for the Directors of the Company is presented as follows:

| | 2017 | 2016 |
|--|--------------|-------------|
| | £000 | £000 |
| Total emoluments to Company Directors | 7,627 | 3,008 |
| Emoluments paid to highest paid Director | 5,813 | 1,950 |
| Pension contributions made in respect of the highest paid Director | 50 | 45 |
| Money Purchase Pension Scheme contributions | 82 | 77 |

Emoluments comprise salaries, bonuses and other employee benefits.

The number of Directors accruing benefits under pension schemes during the year was:

| | 2017 | 2016 |
|-------------------------------|-------------|-------------|
| Money Purchase Pension Scheme | 2 | 2 |

During the year, two of the Directors of the Company exercised share options (2016: two). Two Directors of the Company received shares under the Group's long term incentive schemes (2016: two).

The highest paid Director of the Company was awarded shares under the Group's long term incentive schemes and also exercised options during 2017 and 2016.

6. FINANCE INCOME

| | 2017 | 2016 |
|---|-------------|-------------|
| | £000 | £000 |
| Interest receivable on balances due from Group undertakings | 3 | 3 |
| | 3 | 3 |

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. FINANCE EXPENSE

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Interest payable on balances due to Group undertakings | 3 | 3 |
| | 3 | 3 |
| | 3 | 3 |

8. TAXATION

| | 2017 £000 | 2016 £000 |
|--------------------------|--------------|--------------|
| CURRENT TAX | | |
| Charge for the year | - | - |
| | - | - |
| TOTAL CURRENT TAX | - | - |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The UK corporation tax rate applicable for the year is 19.25% (2016: 20.00%). The tax assessed to the Company for the year is lower (2016: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Profit before tax | 22,000 | 118,800 |
| | 22,000 | 118,800 |
| Tax charge at the UK corporation tax rate of 19.25% (2016: 20.00%) | 4,234 | 23,760 |
| EFFECTS OF: | | |
| Income not taxable for tax purposes | (4,234) | (23,760) |
| | (4,234) | (23,760) |
| TOTAL TAX CHARGE FOR THE YEAR | - | - |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reductions in the UK corporation tax rate from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 have been substantively enacted. These tax rate changes will affect the Company's current tax charge or credit in future years.

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. DIVIDENDS PAID

| | 2017 £000 | 2016 £000 |
|---|--------------|--------------|
| Interim Dividend (£220,000 per share approved 18 April 2017) | 22,000 | - |
| Interim Dividend (£576,000 per share approved 20 December 2016) | - | 57,600 |
| Interim Dividend (£362,000 per share approved 24 June 2016) | - | 36,200 |
| Interim Dividend (£250,000 per share approved 6 May 2016) | - | 25,000 |
| | 22,000 | 118,800 |

10. INVESTMENTS

| | Investments in subsidiary undertakings £000 |
|--------------------------|--|
| COST OR VALUATION | |
| At 1 January 2017 | 847,188 |
| At 31 December 2017 | 847,188 |
| NET BOOK VALUE | |
| At 31 December 2017 | 847,188 |
| At 31 December 2016 | 847,188 |

SUBSIDIARY UNDERTAKINGS

The following were (direct* and indirect) subsidiary undertakings of the Company as at 31 December 2016:

| Name | Functional currency | Percentage of share capital owned 2017 | Principal activity |
|---|------------------------|---|--------------------------------|
| SUBSIDIARY GROUP A | | | |
| Alphagen Capital Limited | GBP | 100 % | Investment management services |
| Gartmore Investment Limited | GBP | 100 % | Investment management services |
| Gartmore Investment Management Limited | GBP | 100 % | Holding company |
| Gartmore Investment Services Limited | GBP | 100 % | Holding company |
| Henderson Administration Limited | GBP | 100 % | Administrative services |

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INVESTMENTS (CONTINUED)

| | | | |
|---|-----|--------|--------------------------------|
| Henderson Alternative Investment Advisor Limited | GBP | 100 % | Holding company |
| Henderson Asset Management Limited | GBP | 100 % | Holding company |
| Henderson Equity Partners Limited | GBP | 100 % | Investment management services |
| Henderson Fund Management Limited | GBP | 100 % | Investment management services |
| Henderson Global Investors (Holdings) Limited | GBP | 100 % | Holding company |
| Henderson Global Investors Asset Management Limited | GBP | 100 % | Holding company |
| Henderson Global Investors Geneva Finance Limited | USD | 100 % | Holding company |
| Henderson Global Investors Limited | GBP | 100 % | Investment management services |
| Henderson Holdings Group Limited | GBP | 100 % | Holding company |
| Henderson Holdings Limited | GBP | 100 % | Holding company |
| Henderson Investment Funds Limited | GBP | 100 % | Investment management services |
| Henderson Investment Management Limited | GBP | 100 % | Investment management services |
| Henderson Nominees Limited | GBP | 100 % | Dormant company |
| Henderson Secretarial Services Limited | GBP | 100 % | Company secretarial services |
| Henderson Unit Trusts Limited | GBP | 100 % | Dormant company |
| HEP (GP) Limited | GBP | 100 % | General partner |
| HGI (Investments) Limited | GBP | 100 % | Investment holding company |
| HGI Group Limited | GBP | 100 % | Holding company |
| HPC Nominees Limited | GBP | 100 % | Dormant company |
| New Star Asset Management Group Limited | GBP | 100 % | Holding company |
| SUBSIDIARY GROUP B | | | |
| 90 West Asset Management Limited | AUD | 100 % | Company in liquidation |
| H3 Global Advisors Pty Limited | AUD | 100 % | Company in liquidation |
| Henderson AE Pty Limited | AUD | 100 % | Company in liquidation |
| Henderson AFI Pty Limited | AUD | 100 % | Company in liquidation |
| Janus Henderson Global Equity Fund (GHGEF) | AUD | 98.3 % | Investment entity |
| Janus Henderson Global Equity Income Fund - (Australia) | AUD | 93.6 % | Investment entity |

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INVESTMENTS (CONTINUED)

| | | | |
|--|-----|--------|--------------------------------|
| Janus Henderson Global Fixed Interest Total Return Fund | AUD | 61 % | Investment entity |
| Janus Henderson Investors (Australia) Funds Management Limited | AUD | 100 % | Investment management services |
| Janus Henderson Investors (Australia) Institutional Funds Management Limited | AUD | 100 % | Investment management services |
| Janus Henderson Investors (Australia) Limited | AUD | 100 % | Administrative services |
| SUBSIDIARY GROUP C | | | |
| Henderson Equity Holdings LLC | USD | 100 % | Holding company |
| Henderson Global Investors (North America) Inc | USD | 100 % | Investment management services |
| Henderson Global Investors Equity Planning Inc | USD | 100 % | Investment management services |
| Henderson International GP LLC | USD | 100 % | General partner |
| Henderson International Inc | USD | 100 % | Holding company |
| SUBSIDIARY GROUP D | | | |
| Henderson Global Investors (Brand Management) Sarl | GBP | 100 % | Intellectual property |
| Henderson Global Investors Geneva (Luxembourg) Finance SA | USD | 100 % | Group financing |
| Henderson Management SA | USD | 100 % | Investment management services |
| Janus Henderson Global Equity Market Neutral Fund | USD | 100 % | Investment entity |
| Janus Henderson Horizon Emerging Market Corporate Bond Fund | USD | 29.5 % | Investment entity |
| Janus Henderson Horizon Global Corporate Bond Fund | USD | 100 % | Investment entity |
| Janus Henderson Horizon Global Equity Income Fund | USD | 34.5 % | Investment entity |
| Janus Henderson Horizon Global Natural Resources | USD | 74.9 % | Investment entity |
| Janus Henderson Horizon Pan European Dividend Income | EUR | 99.8 % | Investment entity |
| Janus Henderson Horizon Strategic Bond Fund | USD | 95 % | Investment entity |
| SUBSIDIARY GROUP E | | | |
| CLOF II UK Limited | GBP | 100 % | Company in liquidation |
| G.I.L. Nominees Limited | GBP | 100 % | Company in liquidation |

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INVESTMENTS (CONTINUED)

| | | | |
|--|-----|--------|--|
| H3 Global Advisors Limited | GBP | 100 % | Company in liquidation |
| Henderson Finances | GBP | 100 % | Company in liquidation |
| Henderson UK Finance Limited | GBP | 100 % | Company in liquidation |
| HGI OMP UK Limited | GBP | 100 % | Company in liquidation |
| Oxford Acquisition III Limited | GBP | 100 % | Company in liquidation |
| SUBSIDIARY GROUP F | | | |
| Asia Pacific Equity Partners II L.P. (HAPEP II) | USD | 45 % | Partnership for making, monitoring and realising investments |
| Gartmore Services Limited | GBP | 100 % | Professional services |
| Henderson Equity Partners Funds Limited | GBP | 100 % | Investment holding company |
| Henderson Equity Partners Jersey (GP) Limited | GBP | 100 % | General partner |
| SUBSIDIARY GROUP G | | | |
| The Alphagen Elnath Fund Limited | USD | 32.4 % | Investment entity |
| The Alphagen Long Short Agriculture Fund Limited | USD | 39.3 % | Investment entity |
| Gartmore Group Limited | GBP | 100 % | Holding company |
| SUBSIDIARY GROUP H | | | |
| Henderson Global Investors (International Holdings) BV | EUR | 100 % | Holding company |
| Henderson Global Investors BV | EUR | 100 % | Marketing services |
| Henderson Holdings Group BV | GBP | 100 % | Holding company |
| SUBSIDIARY GROUP I | | | |
| HGP3 Limited | GBP | 100 % | Company in liquidation |
| HGP4 Limited | GBP | 100 % | Company in liquidation |
| HGP5 Limited | GBP | 100 % | Company in liquidation |
| SUBSIDIARY GROUP J | | | |
| Henderson Equity Partners (GP) Limited | GBP | 100 % | General partner |
| HGP2 Limited | GBP | 100 % | General partner |
| SUBSIDIARY GROUP K | | | |
| Janus Henderson International Long/Short Equity Fund | USD | 78.3 % | Investment entity |
| Janus Henderson International Small Cap Fund | USD | 61 % | Investment entity |
| SUBSIDIARY GROUP L | | | |
| Gibran Securities Pty Limited | AUD | 100 % | Company in liquidation |

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INVESTMENTS (CONTINUED)

SUBSIDIARY GROUP M

| | | | |
|--|-----|-------|--------------------------------|
| New Star Asset Management (Bermuda) Limited | GBP | 100 % | Investment management services |
|--|-----|-------|--------------------------------|

SUBSIDIARY GROUP N

| | | | |
|---------------------------------|-----|-------|-----------------|
| UKFP (Asia) Nominees Limited | HKD | 100 % | Dormant company |
|---------------------------------|-----|-------|-----------------|

SUBSIDIARY GROUP O

| | | | |
|--|-----|-------|--------------------------------|
| Henderson Investment Consulting (Beijing) Limited | CNY | 100 % | Investment management services |
|--|-----|-------|--------------------------------|

SUBSIDIARY GROUP P

| | | | |
|---|-----|-------|--------------------------------|
| Henderson Global Investors (Hong Kong) Limited | HKD | 100 % | Investment management services |
|---|-----|-------|--------------------------------|

SUBSIDIARY GROUP Q

| | | | |
|----------------------------------|-----|-------|--------------------------------|
| Geneva Capital Management LLC | USD | 100 % | Investment management services |
|----------------------------------|-----|-------|--------------------------------|

SUBSIDIARY GROUP R

| | | | |
|--|-----|-------|--------------------------------|
| Henderson Equity Partners India Private Limited | INR | 100 % | Investment management services |
|--|-----|-------|--------------------------------|

SUBSIDIARY GROUP S

| | | | |
|---|-----|-------|------------------------|
| Henderson Global Investors (Ireland) Limited | EUR | 100 % | Company in liquidation |
|---|-----|-------|------------------------|

SUBSIDIARY GROUP T

| | | | |
|------------------------------------|-----|-------|-----------------|
| Henderson Global Group Limited* | GBP | 100 % | Holding company |
|------------------------------------|-----|-------|-----------------|

SUBSIDIARY GROUP U

| | | | |
|---|-----|-------|--------------------------------|
| Henderson Global Investors (Japan) Limited | JPY | 100 % | Investment management services |
|---|-----|-------|--------------------------------|

SUBSIDIARY GROUP V

| | | | |
|---|-----|-------|------------------------|
| Henderson Fund Management (Luxembourg) SA | EUR | 100 % | Company in liquidation |
|---|-----|-------|------------------------|

SUBSIDIARY GROUP W

| | | | |
|-----------------------|-----|------|----------------------------|
| HEP Mauritius Limited | USD | 45 % | Investment holding company |
|-----------------------|-----|------|----------------------------|

SUBSIDIARY GROUP X

| | | | |
|---|-----|-------|--------------------------------|
| Henderson Global Investors (Singapore) Limited | SGD | 100 % | Investment management services |
|---|-----|-------|--------------------------------|

SUBSIDIARY GROUP Y

| | | | |
|--|-----|-------|--------------------|
| Henderson Global Investors (Schweiz) AG | CHF | 100 % | Marketing services |
|--|-----|-------|--------------------|

SUBSIDIARY GROUP Z

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. INVESTMENTS (CONTINUED)

The AlphaGen Developing
Markets Best Ideas Fund LLC USD 31.4% Investment entity

The registered offices of the Company's subsidiaries are as follows:

| Name | Registered office |
|--------------------|---|
| Subsidiary Group A | 201 Bishopsgate, London EC2M 3AE, UK. |
| Subsidiary Group B | Level 36, Grosvenor Place, 225 George Street, Sydney NSW 2000, Australia. |
| Subsidiary Group C | 151 Detroit Street, Denver, CO 80206. |
| Subsidiary Group D | 2 Rue de Bitbourg, L-1273 Luxembourg. |
| Subsidiary Group E | KPMG, 15 Canada Square, London, E14 5GL. |
| Subsidiary Group F | 5th Floor, 37 Esplanade, St Helier, Jersey, JE1 2TR. |
| Subsidiary Group G | PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. |
| Subsidiary Group H | RoemerVisscherstraat 43-45, 1054 EW Amsterdam, Netherlands. |
| Subsidiary Group I | 20 Castle Terrace, Edinburgh, EH1 2EG. |
| Subsidiary Group J | 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland. |
| Subsidiary Group K | 84 State Street, Boston, MA 02109. |
| Subsidiary Group L | Level 47, Suite 4702, 1 Macquarie Place, Sydney, NSW 2000. |
| Subsidiary Group M | 2 Church Street, Hamilton, HM 11, Bermuda. |
| Subsidiary Group N | P0 Box 438 Beaufort House, Road Town, Tortola, British Virgin Islands. Suite 2401-15, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing, 100004. |
| Subsidiary Group O | Suites 1911-1915, One International Finance Centre, 1 HarbourView Street. Hong Kong, Hong Kong. |
| Subsidiary Group P | 100 E. Wisconsin, Suite 2550, Milwaukee, Wisconsin 53202, United States. c/o Budhraj Adlakha & Co., 5/31 W.E.A Karol Bagh, New Delhi, 110 005, India. |
| Subsidiary Group R | Russell Court, Stokes Place, St. Stephens Green, Dublin, Ireland. |
| Subsidiary Group S | 70 Sir John Rogerson's Quay, Dublin 2, Ireland. |
| Subsidiary Group T | 6-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan. c/o Themis Lex Avocats, Partner, 15, Rue du Fort Bourbon, L-1249 Luxembourg. |
| Subsidiary Group V | Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius. |
| Subsidiary Group X | One Marina Boulevard, # 28-00, Singapore, 018989. |
| Subsidiary Group Y | Rennweg 28/Fortunagasse 40, 8001 Zurich, Switzerland. Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Subsidiary Group Z Delaware 19808. |
| Subsidiary Group Z | |

In the opinion of the Director, the aggregate value of the shares in subsidiaries is not less than the amount at which they are stated in the Statement of Financial Position. Where events or changes in circumstances indicate that the carrying amount of investments may not have been recoverable an impairment review is carried out by the Director of the Company.

No events have been identified which indicate that the carrying value of the investments held were below the recoverable amounts.

HGI ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. TRADE AND OTHER RECEIVABLES

| | 2017 £000 | 2016 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by Group undertakings | 212 | 209 |
| | 212 | 209 |
| | 212 | 209 |

Amounts owed by Group undertakings accrue interest at the Bank of England base rate plus 1%.

12. TRADE AND OTHER PAYABLES

| | 2017 £000 | 2016 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to Group undertakings | 212 | 209 |
| | 212 | 209 |
| | 212 | 209 |

Amounts owed to Group undertakings accrue interest at the Bank of England base rate plus 1%.

13. SHARE CAPITAL

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid | | |
| 100 (2016: 100) Ordinary shares of £0.125 each | 13 | 13 |
| | 13 | 13 |

14. RESERVES

Capital contribution reserve

The capital contribution reserve was created in 2012 as part of a Group reorganisation when a contribution was made to the equity capital of the Company in exchange for shares held by the Company in a fellow group entity. The amount is not repayable and forms part of distributable reserves.

Profit and loss account

The profit and loss reserve comprises:

- results recognised through the Income Statement; and
- dividends paid to equity shareholders.

15. CONTINGENT LIABILITIES

In the normal course of business, the Group is exposed to certain legal or tax matters, which could involve litigation and arbitration, and may result in contingent liabilities. The Directors are not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2017 or 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board of Directors has not received as at 21 September 2018, being the date the financial statements were approved, any information concerning significant conditions in existence at the reporting date, which have not been reflected in the financial statements as presented.

17. CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Group Holdings Asset Management Limited, a company incorporated in the United Kingdom and the ultimate parent undertaking and controlling party is Janus Henderson Group plc, a company incorporated in Jersey which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of the Group's Annual Report and Accounts for the year ended 31 December 2017 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD or its website, www.janushenderson.com.