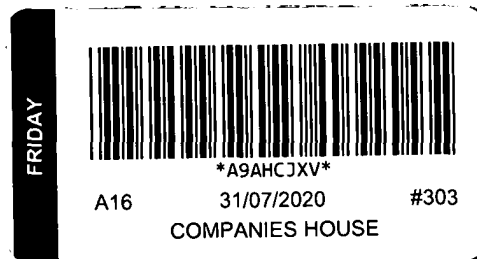


HENDERSON EQUITY PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2019



HENDERSON EQUITY PARTNERS LIMITED

COMPANY INFORMATION

DIRECTORS	R M Thompson J J Williams
COMPANY SECRETARY	Henderson Secretarial Services Limited
REGISTERED NUMBER	2606646
REGISTERED OFFICE	201 Bishopsgate London EC2M 3AE
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
BANKERS	The Royal Bank of Scotland Plc 2 1/2 Devonshire Square London EC2M 4XJ

HENDERSON EQUITY PARTNERS LIMITED

CONTENTS

	Page(s)
Strategic Report	1 - 4
Directors' Report	5 - 6
Directors' Responsibilities Statement	7
Independent Auditors' Report	8 - 9
Income Statement	10
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 21

HENDERSON EQUITY PARTNERS LIMITED

STRATEGIC REPORT For the Year Ended 31 December 2019

The Directors present the report and the audited financial statements of Henderson Equity Partners Limited ("the Company"), for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of the Company, which is authorised and regulated by the Financial Conduct Authority ('FCA'), is the management of private equity funds in the United Kingdom. This will continue to be the principal activity of the Company for the foreseeable future.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Janus Henderson Group plc ("JHG plc" or "the Group"). The Group is run on an 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 19. 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's risk management framework helps the Group meet its business objectives within acceptable risk parameters and it is reviewed regularly so that new and emerging risks are identified early on. The Group's culture embeds the management of risk at all levels within the organisation. The framework under which it operates also ensures that it meets its business objectives without exceeding its risk appetite and it is subject to continuous review to ensure it recognises both new and emerging risks in the business. Please refer to the Group Annual Report for the major risks affecting the Group. Of those risks, the following risks relate specifically to the Company:

HENDERSON EQUITY PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2019

COVID-19

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") to be a pandemic. COVID-19 is having a significant impact on the global economy, including the UK economy, both through the effects of the virus itself and the measures taken by governments to restrict its spread.

The impact of COVID-19 is unlikely to have a material effect on the Company's Income Statement. Management fees on the Private Equity fund partnerships that it manages have been waived and expenses would be represented by recharges from other Group entities. The pandemic has also led to volatility in foreign currency exchange rates. At 31 December 2019, the Company had monetary assets denominated in foreign currency totaling £204,792. Fluctuations in foreign exchange rates are unlikely to have a material impact on the valuation of certain assets and liabilities held by the Company.

The extent of the impact of COVID-19 on the Company's business and financial results depends on future developments, including the duration of the pandemic and the volatility and market value of the global financial markets, all of which are highly uncertain.

The Group has a robust and detailed business continuity plan in place to ensure that the Group's operations can continue effectively during the COVID-19 pandemic, including processes to limit the spread of the virus between employees. However, if the Group does not respond appropriately to the COVID-19 pandemic, or if clients do not perceive the response to be adequate, the Group could suffer damage to its reputation and brand, which could adversely affect the Company's business in the future.

Brexit Update

On 31st January 2020, the UK left the European Union ("EU"), commonly referred to as "Brexit." Under the terms of the Brexit withdrawal agreement between the UK and the EU, the UK has entered a transition period whereby it is no longer a member of the EU but will remain a member of the single market and customs union until December 31, 2020. Arrangements for trade with the EU will remain essentially unchanged until the end of the transition period. At the end of the transition period, the UK's relationship with the EU will be determined by the new agreements it will enter into on trade and other areas of co-operation. In the absence of the UK and the EU agreeing on a trade deal to begin when the transition period ends, or agreeing on an extension to the transition period, the UK will exit the transition period on 31st December 2020, trading on World Trade Organization terms with the EU. The Group's management continue to assess the risks associated with Brexit as well as the necessary contingency preparations as negotiations progress during the transition period. Brexit is not expected to have a material impact on the Company.

HENDERSON EQUITY PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2019

Operational, IT and Legal

The risk of losses through inadequate or failed internal processes, people or systems or through external events. This includes the risk of loss arising from failing to manage our key outsourced service providers properly, failing to manage financial crime risks, failing to manage operational aspects of the Group's global expansion, the risk arising from major disruption to the Group's business, including from cyber crime, the risk of losses from trade execution errors or breaches of investment mandates and the risk of losses from litigation. This is mitigated through: control systems that are designed to ensure operational and legal risks are mitigated to a level which is consistent with the Group's risk appetite, a globally embedded three lines of defence model which is key, outsourced service providers that are overseen by the relevant line function and the controls of key service providers are also reviewed by the Group's Assurance function; and the maintenance and testing of business continuity plans which are designed to ensure that, in the event of business disruption, the Group can maintain its operations without material damage to the business.

Regulatory change

For the Company, this is the risk that a change in laws and regulations, however driven, will affect the permissions required which in turn could lead to increasing capital requirements. From a Group perspective, this is the risk that a change in laws and regulations, however driven, will materially affect the Group's global business or markets in which it operates. This risk may affect the business either directly or indirectly by reducing investors' appetite for the Group's products, increasing capital requirements, restricting the Group's ability to sell certain products or pursue specific investment strategies, reducing the Group's profitability through fee restrictions, affecting the Group's ability to retain key personnel and/or increasing the cost and complexity of the Company's business. This is mitigated by: continued active and constructive engagement with regulators through regular dialogue; regulatory developments being monitored by a dedicated team in Compliance, in liaison with external experts where required; formalised cross business project groups implementing required changes to our business processes; and active involvement with and through relevant industry bodies.

KEY PERFORMANCE MEASURES

The Board of JHG plc, the Company's ultimate parent undertaking, monitors the performance of the Group against plan using a number of financial and non financial performance measures. The performance of the Company contributes to the Group's KPIs. Please refer to the Janus Henderson Group plc Annual Report and Accounts for a review of the Group's KPIs. The key performance measures of the Company are noted below:

Gross fee income

Gross fee income remained at £nil for the year (2018: £nil). Management fees have been waived on the fund partnerships, all of which are beyond their original termination date

Operating expenses

Operating expenses decreased from £24,000 in 2018 to (£19,000) in 2019 due to a reversal of a prior year accrual.

Financial position and performance

Total Shareholders' funds attributable to equity holders of the parent increased by £0.3m to £28.6m as at 31 December 2019. This was due to a profit for the financial year of £0.3m.

HENDERSON EQUITY PARTNERS LIMITED

**STRATEGIC REPORT (CONTINUED)
For the Year Ended 31 December 2019**

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The Directors consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019.

Section 172 requires a director to have regard, amongst other matters to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

In discharging its section 172 duties, the Board has had regard to the factors set out above; the relative importance of each factor will vary depending on the decision being taken. In addition, the Board recognises that certain decisions will require the Board to consider additional factors, as appropriate.

The Company's key stakeholders are its ultimate beneficial owner, clients, the community and regulators; the interest of these stakeholders are considered as part of the Board's decision making, as appropriate. While there are cases where the Board might engage directly with certain stakeholders, being part of a Group means that other stakeholder engagement may take place at Group level, where it is appropriate to do so. This is a more effective and efficient means to help the Company and wider Group to achieve a greater impact.

This report was approved by the Board of Directors and signed by order of the Board by:

James Williams

J J Williams
Director

Date: 23 April 2020

HENDERSON EQUITY PARTNERS LIMITED

DIRECTORS' REPORT For the Year Ended 31 December 2019

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £268,000 (2018: £436,000).

There were no dividends paid during the year under review (2018: £nil).

DIRECTORS

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

R M Thompson
J J Williams

FUTURE DEVELOPMENTS

The future outlook and the principal risks and uncertainties for the Company are set out in the Strategic Report.

GOING CONCERN

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

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

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. COVID-19 is expected to have an adverse effect on the Company's business and financial results. However, the situation is fluid and continues to evolve. As a result of this uncertainty, it is difficult to predict the extent to which COVID-19 will impact the Company's business and financial results.

Given that the most significant effects of COVID-19 and the measures taken by governments to restrict its spread occurred after the balance sheet date, COVID-19 is considered to be a non-adjusting post balance sheet event and, therefore, the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact.

The extent of the impact of COVID-19 on the Company depends on future developments, including the duration of the pandemic, and the volatility and market value of the global financial markets, all of which are highly uncertain. While it is too early to estimate its financial effect, COVID-19 is not expected to adversely affect the Company's financial results. The pandemic has also led to volatility in foreign currency exchange rates. At 31 December 2019, the Company had monetary assets denominated in foreign currency totaling £204,792. Fluctuations in foreign exchange rates are unlikely to have a material impact on the valuation of certain assets and liabilities held by the Company.

HENDERSON EQUITY PARTNERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 December 2019**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:

James Williams

J J Williams
Director

Date: 23 April 2020

HENDERSON EQUITY PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT For the Year Ended 31 December 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors 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 the financial statements, the Directors are required to:

Under Company law the Directors must not approve the financial statements unless 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

The Directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

James Williams

J J Williams
Director
23 April 2020

HENDERSON EQUITY PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENDERSON EQUITY PARTNERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Henderson Equity Partners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 2019; 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 where:

- 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 Strategic Report and 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.

HENDERSON EQUITY PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENDERSON EQUITY PARTNERS LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 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 Strategic Report and 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 7, 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.



Saira Choudhry (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 April 2020

HENDERSON EQUITY PARTNERS LIMITED

INCOME STATEMENT
For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Other operating income	3	6	11
Operating expenses	4	19	(24)
Operating profit/(loss)		<u>25</u>	<u>(13)</u>
Finance income	8	253	459
Finance expense	9	(10)	(10)
Profit before tax		<u>268</u>	<u>436</u>
Taxation	10	-	-
Profit for the financial year		<u><u>268</u></u>	<u><u>436</u></u>

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2019

	2019 £000	2018 £000
Profit for the financial year	268	436
Total comprehensive income for the year	<u><u>268</u></u>	<u><u>436</u></u>

The notes on pages 13 to 21 form part of these financial statements.

HENDERSON EQUITY PARTNERS LIMITED
Registered number:2606646

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 £000	2018 £000
Non-current assets			
Investments	11	309	309
		<u>309</u>	<u>309</u>
Current assets			
Trade and other receivables	12	29,379	29,121
Cash and cash equivalents	13	11	11
		<u>29,390</u>	<u>29,132</u>
Current liabilities			
Trade and other payables	14	(1,108)	(1,118)
		<u>28,282</u>	<u>28,014</u>
Net current assets			
		<u>28,591</u>	<u>28,323</u>
Net assets			
Capital and reserves			
Called up share capital	15	22,000	22,000
Profit and loss account	16	6,591	6,323
		<u>28,591</u>	<u>28,323</u>
Total equity			
		<u>28,591</u>	<u>28,323</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

James Williams

J J Williams

Director

Date: 23 April 2020

The notes on pages 13 to 21 form part of these financial statements.

HENDERSON EQUITY PARTNERS LIMITED**STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2019**

	Ordinary share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	22,000	6,323	28,323
Comprehensive income for the year			
Profit for the financial year	-	268	268
At 31 December 2019	<u>22,000</u>	<u>6,591</u>	<u>28,591</u>

**STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2018**

	Ordinary share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	22,000	5,887	27,887
Comprehensive income for the year			
Profit for the financial year	-	436	436
At 31 December 2018	<u>22,000</u>	<u>6,323</u>	<u>28,323</u>

The notes on pages 13 to 21 form part of these financial statements.

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, 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 Great British Pounds (GBP) and all values are rounded to the nearest thousand pounds, except where 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 Global Investors (Holdings) 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 publicly available, see note 19. 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 91-99 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 and 18A 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

1.3 GOING CONCERN

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

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.4 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 16.

1.5 FOREIGN CURRENCY TRANSLATION

The functional currency of the Company is GBP. Transactions in foreign currencies are recorded at the appropriate exchange rate prevailing at the date of the transaction. Foreign currency monetary balances at the reporting date are converted at the prevailing exchange rate. Foreign currency non monetary balances carried at fair value or cost are translated at the rates prevailing at the date when the fair value or cost is determined. Gains and losses arising on retranslation are taken to the Income Statement.

1.6 OPERATING EXPENSES

Operating expenses are accrued and recognised as incurred.

1.7 FINANCE INCOME AND EXPENSE

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

Other net investment income is recognised on the date that the right to receive payment has been established.

1.8 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.

1.9 INVESTMENTS

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

1.10 FINANCIAL ASSETS

Trade and other receivables and cash

Trade and other receivables, which generally have 30 day payment terms, are initially recognised at fair value, normally equivalent to the invoice amount. When the time value of money is material, the fair value is discounted. The company applies the IFRS 9 simplified approach to measuring

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

1. ACCOUNTING POLICIES (CONTINUED)

expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Balances are written off when the receivable amount is deemed irrecoverable.

Cash amounts represent cash in hand and on demand deposits. Cash equivalents are short term highly liquid government securities or investments in money market instruments with a maturity date of three months or less.

1.11 FINANCIAL LIABILITIES

Financial liabilities including trade and other payables but excluding provisions and derivative financial instruments, 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.

1.12 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.

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 significant judgements involving estimations and assumptions which are summarised below:

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.

HENDERSON EQUITY PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019**

3. OTHER OPERATING INCOME

	2019 £000	2018 £000
Other operating income	6	11
	<u>6</u>	<u>11</u>

4. OPERATING EXPENSES

The operating expenses comprises:

	2019 £000	2018 £000
Foreign exchange differences	2	(7)
Tax advisory fees	(21)	29
Other expenses	-	2
	<u>(19)</u>	<u>24</u>

Tax advisory fees in the current year relate to a reversal of a prior year accrual.

5. AUDITORS' REMUNERATION

Auditors' remuneration of £20,000 (2018: £7,924) and £5,797 (2018: £5,628) in respect of the audit of the Company's financial statements and audit-related assurance services respectively is borne by a fellow Group undertaking.

Auditors' remuneration in respect of the Company's direct and indirect subsidiaries of £15,000 (2018: £14,550) was also borne by a fellow Group undertaking.

6. EMPLOYEES

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

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019

7. 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 the services as Directors of the Company.

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

	2019	2018
	£000	£000
Emoluments		
Total emoluments to company Directors	1,948	7,146
Emoluments paid to highest paid Director	1,825	4,925
Pension contributions made in respect of the highest paid Director	-	-
Money Purchase Pension Scheme contributions	10	11

Emoluments comprise salaries, bonuses and other employee benefits.

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

	2019	2018
Money Purchase Pension Scheme contributions	<u>1</u>	<u>2</u>

During the year one of the Directors of the Company exercised share options (2018: three). One Directors of the Company received shares under the Group's long term incentive schemes (2018: Three)

The highest paid Director of the Company was awarded shares under the Group's long term incentive schemes and exercised options during 2019 and 2018.

8. FINANCE INCOME

	2019	2018
	£000	£000
Interest receivable on balances due from Group undertakings	253	459
	<u>253</u>	<u>459</u>

Amounts owed by Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date interest was charged only where the two parties were in different tax jurisdiction, otherwise no interest was charged.

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019

9. FINANCE EXPENSE

	2019 £000	2018 £000
Interest payable on balances due to Group undertakings	10	10
	10	10
	10	10

Amounts owed to Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date interest was charged only where the two parties were in different tax jurisdiction, otherwise no interest was charged.

10. TAXATION

	2019 £000	2018 £000
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% (2018: 19%). The tax assessed to the Company for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £000	2018 £000
Profit before tax	268	436
Tax charge at the UK corporation tax rate of 19% (2018: 19%)	51	83
EFFECTS OF:		
Expenses not deductible for tax purposes	-	6
Group relief claimed for nil consideration	(51)	(89)
TOTAL TAX CHARGE FOR THE YEAR	-	-
	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020 was substantively enacted at the balance sheet date. This rate has been used to value deferred tax balances. In March 2020, the UK government announced that the corporation tax rate will remain at 19%. This tax rate change was not substantively enacted at the balance sheet date, but will affect the Company's current tax charge or credit in future years.

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019

11. INVESTMENTS

	Investments in subsidiary companies £000
COST AND NET BOOK VALUE	
At 1 January 2019	309
At 31 December 2019	309

SUBSIDIARY UNDERTAKINGS

The following were direct subsidiary undertakings of the Company as at 31 December 2019:

Name	Registered office	Principal activity	Functional Currency	Holding
HEP (GP) Limited	201 Bishopsgate, London EC2M 3AE, UK	General Partner of a Limited Partnership	GBP	100%
Henderson Equity Partners (GP) Limited	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland	General Partner of a Limited Partnership	GBP	100%
HGP2 Limited	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland	Investment holding and fund administration services	GBP	100%
Henderson Equity Partners (India) Private Limited	do Budhraj Adlakha & Co., 5/31 W.E.A Karol Bagh, New (India) Private Limited Delhi, 110 005, India	Company in liquidation	INR	100%

12. TRADE AND OTHER RECEIVABLES

	2019 £000	2018 £000
Amounts owed by Group undertakings	29,379	29,121
	29,379	29,121

Amounts owed by Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date interest was charged only where the two parties were in different tax jurisdiction, otherwise no interest was charged. They have no fixed date of repayment and are repayable on demand

HENDERSON EQUITY PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2019**

13. CASH AND CASH EQUIVALENTS

	2019	2018
	£000	£000
Cash at bank and in hand	11	11
	11	11
	11	11

14. TRADE AND OTHER PAYABLES

	2019	2018
	£000	£000
Amounts owed to Group undertakings	1,108	1,093
Other creditors	-	25
	1,108	1,118
	1,108	1,118

Amounts owed to Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date interest was charged only where the two parties were in different tax jurisdiction, otherwise no interest was charged. They have no fixed date of repayment and are repayable on demand

15. CALLED UP SHARE CAPITAL

	2019	2018
	£000	£000
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
22,000,000 (2018: 22,000,000) Ordinary shares of £1.00 each	22,000	22,000
	22,000	22,000

16. RESERVES

Profit and loss account

The profit and loss reserve comprises of:

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

17. CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 December 2019 or 31 December 2018.

HENDERSON EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2019

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. COVID-19 is expected to have an adverse effect on the Company's business and financial results. However, the situation is fluid and continues to evolve. As a result of this uncertainty, it is difficult to predict the extent to which COVID-19 will impact the Company's business and financial results.

Given that the most significant effects of COVID-19 and the measures taken by governments to restrict its spread occurred after the balance sheet date, COVID-19 is considered to be a non-adjusting post balance sheet event and, therefore, the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact.

The extent of the impact of COVID-19 on the Company depends on future developments, including the duration of the pandemic, and the volatility and market value of the global financial markets, all of which are highly uncertain. While it is too early to estimate its financial effect, COVID-19 is not expected to adversely affect the Company's financial results as the Company had monetary assets denominated in foreign currencies totaling £204,792 and other than the cash balance, net assets are represented by exposures to other Group entities.

The Board of Directors is not aware as at 23 April 2020, being the date the financial statements were signed, any information concerning significant conditions in existence at the reporting date, which have not been reflected in the financial statements as presented.

19. CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Global Investors (Holdings) 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 for the year ended 31 December 2019 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD or its website, www.janushenderson.com.