Registered number: 3984621

HENDERSON ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

HENDERSON ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTOR	R W Chaudhuri
COMPANY SECRETARY	Henderson Secretarial Services Limited
REGISTERED NUMBER	3984621
REGISTERED OFFICE	201 Bishopsgate London EC2M 3AE
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

HENDERSON ASSET MANAGEMENT LIMITED

CONTENTS

HENDERSON ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Director presents their report and the financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of Henderson Asset Management Limited ("the Company") is property management. The Company is a party to a lease agreement for a property which has been sub-let. The activity of the Company is expected to continue 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 of the Group, which can be obtained from its registered office as set out in note 19. The Group provides investment management services to clients 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £829,000 (2018: loss £392,000). Operating expenses reduced £2,231,000 in 2019 compared to 2018. Finance income reduced £918,000 in 2019 compared to 2018.

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

DIRECTORS

The Directors who served during the year were:

A N Kurzon (resigned 23 August 2019)
R W Chaudhuri
I Bassford (appointed 10 November 2020)

DIRECTORS' INDEMNITY

Janus Henderson Group plc provides a deed of indemnity to the Director to the extent permitted by United Kingdom law whereby Janus Henderson Group plc 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 2019 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 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.

PRINCIPAL RISKS

The Group's risk management framework helps the Group meet 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 for the major risks affecting the Group.

DIRECTORS' REPORT
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 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.

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. The Company's management continues to assess the risks associated with COVID-19 and to mitigate them where possible.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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 expected to adversely affect the Company's 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the Director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 November 2020 and signed on its behalf by:

R W Chaudhuri
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

R W Chaudhuri
Director

Independent auditors' report to the members of Henderson Asset Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Henderson Asset Management 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, 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 director has 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 director is 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.

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 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the director is 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 director is 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 director was not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Saira Choudhry

Saira Choudhry (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 November 2020

HENDERSON ASSET MANAGEMENT LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Operating expenses	3	**(152)**	(2,383)
Operating loss		**(152)**	(2,383)
Finance income	7	**1,103**	2,021
Finance expenses	8	**(118)**	(30)
Profit/(loss) before tax		**833**	(392)
Tax on profit/(loss)	9	**(4)**	-
Profit/(loss) for the financial year		**829**	(392)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
Profit/(loss) for the financial year	**829**	(392)
Total comprehensive income/(expense) for the year	**829**	(392)

The notes on pages 9 to 23 form part of these financial statements.

HENDERSON ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: 3984621

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Net Investment in sub lease	13	**4,225**	-
Right-of-use asset	12	**505**	-
		4,730	-
Current assets			
Trade and other receivables	10	**127,784**	127,567
		127,784	127,567
Creditors: amounts falling due within one year			
Trade and other payables	11	**(335)**	-
Lease liabilities	12	**(2,869)**	-
Provisions	15	**-**	(665)
Net current assets		**124,580**	126,902
Total assets less current liabilities		**129,310**	126,902
Creditors: amounts falling due after more than one year			
Lease liabilities	12	**(4,234)**	-
Provisions	15	**-**	(2,658)
Deferred Tax	14	**(4)**	-
		(4,238)	(2,658)
Net assets		**125,072**	124,244
Capital and reserves			
Called up share capital	17	**275**	275
Profit and loss account	16	**124,797**	123,969
Total equity		**125,072**	124,244

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 November 2020

R W Chaudhuri
Director

The notes on pages 9 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	275	123,969	124,244
Comprehensive income for the year			
Profit for the financial year	-	829	829
Total comprehensive income for the year	-	829	829
At 31 December 2019	275	124,797	125,072

The notes on pages 8 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	275	124,361	124,636
Comprehensive expense for the year			
Loss for the financial year	-	(392)	(392)
Total comprehensive expense for the year	-	(392)	(392)
At 31 December 2018	275	123,969	124,244

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

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, 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 (Great British Pounds) 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 Alternative Investment Advisor 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 paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.3 ADOPTION OF NEW AND REVISED STANDARDS

IFRS 16 Leases
The Company has had to change its accounting policies as a result of adopting IFRS 16 Leases (IFRS 16). The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 1.7.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the Company's financial statements.

1.4 GOING CONCERN

The Company has adequate resources to continue in operational existence for the foreseeable future, which is a period of not less than twelve months following the signing of these financial statements. Thus, the Director continues to adopt the going concern basis for the preparation of the annual financial statements.

1.5 OPERATING EXPENSES

Operating expenses are accrued and recognised as incurred.

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.

Deferred tax liabilities are not recognised on goodwill but are recognised on separately identifiable intangible assets, where appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.7 LEASES

IFRS 16
As indicated in note 1.3, the Company has adopted IFRS 16, 'Leases' using the modified retrospective approach from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:
• applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
• excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
• using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

1. ACCOUNTING POLICIES (CONTINUED)

1.7 LEASES (continued)

Measurement of right-of-use assets
The associated right-of-use asset for 8 Lancelot Place ("8LP") was measured on a retrospective basis as if the new rules had always been applied.

Right-of-use asset was measured at cost comprising the following:

• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received; and
• any initial direct costs;

The Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Measurement of lease liability
The Asset and liability arising from the 8LP lease are initially measured on a present value basis. The lease liability includes the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

On adoption of IFRS 16, the Company recognised a lease liability in relation to the 8LP lease which had previously been classified as an 'operating lease' under the principles of IAS 17, 'Leases'. The liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.4%.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Subleases
The Company subleases office space within 8LP. The sublease is classified by reference to the right-of-use asset arising from the head lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset resulting from the head lease; otherwise, it is classified as an operating lease.

For subleases classified as finance lease, the Company derecognise the right-of-use asset to the extent that it is subject to the sub-lease and recognised a net investment in the sublease. At the commencement date, net investment in sublease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. Finance income will be recognised over the lease term.

For subleases classified as operating lease, the Company continues to recognise the right-of-use asset resulting from the head lease. Lease income from operating leases is recognised on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES (CONTINUED)

Adjustments recognised in the Statement of Financial Position on 1 January 2019
The change in accounting policy affected the following items in the Statement of Financial Position on 1 January 2019:

	31 Dec 2018	01 Jan 2019
	£000	£000
Right-of-use asset	-	714
Net Investment in Sublease	-	5,875
Lease Liability	-	(9,876)
Provisions	(3,323)	-
Operating Expense	-	36

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

1.8 FINANCE INCOME AND EXPENSE

Interest income and finance expense are recognised as they accrue using the effective interest rate method.

1.9 FINANCIAL ASSETS

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. 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. The Company applies the IFRS 9 simplified approach to measuring 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.

1.10 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 rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

1.11 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. ACCOUNTING POLICIES (CONTINUED)

1.12 SHARE CAPITAL

The Company's ordinary and deferred shares are classified as equity instruments. Shares issued by the Company are recorded at the fair value of proceeds received with any excess over the par value recorded as share premium. Direct costs, net of tax are deducted from equity through share premium.

1.13 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.

1.14 PROVISIONS

Provisions which are liabilities of uncertain timing or amount, are recognised when: the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount. In the event that the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects a current market assessment of the time value of money and, where appropriate, the risks specific to the liability. When discounting, the increase in the provision due to the passage of time is recognised as a finance charge.

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 a significant judgement involving estimations and assumptions which is summarised below:

Provisions
By their nature, provisions often reflect significant levels of judgement or estimates by management. The nature and amount of the provisions included in the Statement of Financial Position are detailed in note 14.

Leases
The Company has recorded a lease liability and a right-of-use asset as required under IFRS 16. The Director has exercised their judgement in the following areas: i) determining whether the contract contains a lease element; ii) the relevant incremental borrowing rate; iii) the appropriate index-rate for determining lease payments; iv) determining the appropriate treatment for costs which are not part of the cost of the right of lease asset and v) the length of the lease term. Refer to note 1.7 for further information.

3. OPERATING EXPENSES

The operating expenses is stated after charging/(crediting):

	2019 £000	2018 £000
Office costs	**(63)**	2,386
Foreign exchange differences	**6**	(3)
Depreciation of right-of-use asset (note 12)	**209**	-
	152	2,383

4. AUDITORS' REMUNERATION

Auditors' remuneration of £7,500 (2018: £2,876) in respect of the Company's financial statements is borne by a fellow Group undertaking.

5. 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.

6. DIRECTORS' RENUMERATION

The Directors' remuneration is paid by a fellow Group company which makes no recharge to the Company. 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 their services to this Company are de minimis and their emoluments are deemed to be substantially attributable to other Group companies.

7. FINANCE INCOME

	2019	2018
	£000	£000
Interest receivable on balances due from Group companies	**1,103**	2,021
	1,103	2,021

8. FINANCE EXPENSES

	2019	2018
	£000	£000
Void property finance charge	**-**	30
Interest expense on net investment in sub lease income	**(174)**	-
Interest expense on leases (note 12)	**292**	-
	118	30

9. TAX ON PROFIT/(LOSS)

	2019 £000	2018 £000
DEFFERRED TAX CHARGE		
Charge for the year	**(5)**	-
Effect of change in statutory tax rate	**1**	-
TOTAL DEFFERRED TAX	**(4)**	-

FACTORS AFFECTING TAX CREDIT 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 (2018: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £000	2018 £000
Profit/(loss) before tax	**833**	(392)
Tax charge at the UK corporation tax rate of 19% (2018: 19%)	**158**	(75)
EFFECTS OF:		
Changes in statutory tax rates	**(1)**	-
Group relief (claimed) / surrendered for nil consideration	**(153)**	75
TOTAL TAX CHARGE FOR THE YEAR	**(4)**	-

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. 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.

10. TRADE AND OTHER RECEIVABLES

	2019 £000	2018 £000
Amounts owed by group undertakings	127,366	126,910
Other receivables	418	657
	127,784	127,567

Amounts owed by Group undertakings accrue interest at the Bank of England base rate plus 1%, they have no fixed date of repayment and are repayable on demand.

11. TRADE AND OTHER PAYABLES

	2019 £000	2018 £000
Amounts owed to group undertakings	335	-
	335	-

12. RIGHT- OF- USE ASSET AND LEASE LIABILITIES

The Company has one lease for office space. Rental contracts are typically made for fixed periods of 2 to 5 years but may have extension options.

IFRS 16 Leases (IFRS 16) replaced IAS 17 Leases (IAS 17) on 1 January 2019 (see note 1.7). Until 31 December 2018, in accordance with IAS 17, obligations under lease agreements were not recorded on the Company's Statement of Financial Position but were disclosed as commitments. The Company has not restated comparative information.

The Company initially records a lease liability in the Statement of Financial Position reflecting the present value of the future contractual cash flows to be made over the lease term, discounted using the weighted average incremental borrowing rate. A right-of-use (ROU) asset is also recorded at the value of the lease

RIGHT- OF- USE ASSET AND LEASE LIABILITIES (CONTINUED)

liability plus any directly related costs and is presented separately in the Statement of Financial Position. Interest is accrued on the lease liability using the effective interest rate method to give a constant rate of return over the life of the lease whilst the balance is reduced as lease payments are made. The ROU asset is depreciated over the life of the lease as the benefit of the lease is consumed.

The Company considers whether the lease term should include options to extend or cancel the lease. Relevant factors that could create an economic incentive to exercise the option are considered and the option is included if it is reasonably certain to be exercised. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the likelihood that it will exercise (or not exercise) the option.

Right- of- Use Asset	**2019**	**1 Jan 2019**
	£000	**£000**
Buildings	**505**	714
	505	714

Lease Liabilities		
Non-current	**4,234**	7,095
Current	**2,869**	2,718
	7,103	9,876

Lease commitment reconciliation	**£000**
Operating lease commitments disclosed as at 31 December 2018	**10,729**
Opening adjustments	**(255)**
Adjusted 1 January 2019	**10,474**
Discounted using the Company's incremental borrowing rate	**(598)**
Lease liability recognised at 1 January 2019	**9,876**

	Right of use asset	**Lease Liabilities**
	£000	**£000**
At 1 January 2019	714	9,876
Lease payments	-	(3,065)
Depreciation charge (note 3)	(209)	-
Interest expense (note 8)	-	292
At 31 December 2019	505	7,103

13. NET INVESTMENT IN SUBLEASE

The sub-lease of certain office space is for the same period as the head lease and is classified as a finance lease.

The following amounts are recognised in profit or loss:

	2019 £000	2018 £000
Finance Lease		
Interest on the net investment in the lease	174	-
	174	-

Net investment in sublease amounts to £4,225,000 as at 31/12/2019 (01/01/2019: £5,875,000) The interest income recognised in the current period is disclosed in the table above.

The future minimum lease payments in relation to non-cancellable subleases are as follows:

	2019 £000
Future minimum lease payments in relation to non cancellable operating subleases are receivable as follows:	
Within one year	1,824
Later than one year but within 5 years	2,583
Later than five years	-
	4,407

14. DEFERRED TAX

	2019 £000	2018 £000
Charge for the year	5	-
Effect of change in statutory tax rates	(1)	-
Total Deferred Tax	4	-

15. PROVISIONS

	£000
At 1 January 2019 – Current	665
At 1 January 2019 – Non-Current	2,658
At 1 January 2019 – Total	3,323
Released	(3,323)
At 31 December 2019	-

An onerous lease provision was previously recognised at the net present value of the excess of lease rentals under onerous contracts, over the amounts expected to be received by sub-letting these properties. The onerous lease is now accounted for under IFRS 16 from 1 January 2019 refer to note 12 for further information.

16. RESERVES

Profit and loss account

The profit and loss account comprises:

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

17. CALLED UP SHARE CAPITAL

AUTHORISED SHARE CAPITAL	2019 £000	2018 £000
2,542,543 (2018: 2,542,543) "A" Ordinary shares of £5.000 each	12,713	12,713
55,000 (2018: 55,000) "B" Ordinary shares of £5.00 each	275	275
35,036 (2018: 35,036) "C" Ordinary shares of £5.000 each	175	175
490,002 (2018: 490,002) "D" Ordinary shares of £1.000 each	490	490
52,500 (2018: 52,500) "F" Ordinary shares of £1.000 each	53	53
222,300 (2018: 222,300) "I" Ordinary shares of £1.000 each	222	222
222,303,000 (2018: 222,303,000) Deferred shares of £0.001 each	222	222
	14,150	14,150

ALLOTTED, CALLED UP AND FULLY PAID

	2019 £000	2018 £000
55,000 (2018: 55,000) "B" Ordinary shares of £5.00 each	275	275

18. 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 Director is not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2019 or 2018.

19. EVENTS AFTER THE END OF THE REPORTING YEAR

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 expected to adversely affect the Company's financial results.

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

20. CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Alternative Investment Advisor 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.