Registered number: 00290577

JANUS HENDERSON ADMINISTRATION UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

JANUS HENDERSON ADMINISTRATION UK LIMITED

COMPANY INFORMATION

Directors	R W Chaudhuri R M Thompson
Company secretary	Janus Henderson Secretarial Services UK Limited
Registered number	00290577
Registered office	201 Bishopsgate London EC2M 3AE
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

JANUS HENDERSON ADMINISTRATION UK LIMITED

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JANUS HENDERSON ADMINISTRATION UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present the annual report and the audited financial statements of Janus Henderson Administration UK Limited ("the Company"), for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activities of the Company are to act as the employing company for Janus Henderson Group plc ("JHG plc" or "the Group") employees in the UK and to provide administrative and other services to other Group companies. These will continue to be the principal activities of the Company for the foreseeable future.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of JHG plc. 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 28. The Group provides investment management services to clients throughout EMEA, North America, Latin America and Asia Pacific. The Group manages a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including but not limited to equities, fixed income, multi-asset and alternatives.

See the 'key performance measures' sections for further information.

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 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's Annual Report for the major risks affecting the Group. Of those risks, the following risks relate specifically to the Company:

Economic environment
The current macroeconomic environment creates risks associated with inflationary pressures, rising interest rates and the impact of geopolitical uncertainty on economic growth as well as the financial markets. The challenging economic environment both globally and in the UK, has resulted in rising costs and volatile market conditions. It is not possible to predict the extent to which this will adversely impact the Company's future financial results and business operations, however the Group's management continue to monitor the situation and where possible, to mitigate the associated risks including through a focus on cost discipline balanced against strategic investments into the Group's business.

Key personnel
The risk of losing either a member of the Group Executive Committee or one of the Group's key investment or distribution teams which will have a potential adverse effect on business growth and/or the retention of existing business of the Company. This is mitigated by: competitive remuneration structures, designed to recognise and reward staff performance, that are in line with the Group's principles; succession planning in place throughout the organisation to ensure that there is cover for key roles; regular staff surveys undertaken to identify any issues which could impact staff retention; comprehensive training offered to staff to improve skills and engagement; and a strategy of sustaining broad and diverse fund manager teams to avoid dependence on single managers or teams.

Strategic
The risk that the Group's business strategy fails to deliver the required and expected outcomes for stakeholders and the risk that technological innovation and/or new market entrants within the asset management industry reduces profitability and requires a fundamental change to the Group's business model. This is mitigated by: a concentration on delivery of the Group's strategy through provision of first class investment performance and service for our clients as efficiently as possible; the monitoring of emerging developments in the asset management industry, which might pose a threat to the Group's current business model; and maintaining a clear understanding of the Group's clients' needs through communication and interaction.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Operational, IT, Risk and Compliance 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, 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, regulatory 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 being reviewed on a regular basis; 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
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 Company's ability to sell certain products or pursue specific investment strategies, reducing the Group's profitability through fee restrictions, affecting the Company'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.

Foreign currency
Adverse movements in exchange rates may cause the Company to sustain losses. The Company aims to mitigate this risk by limiting its exposure and also holding financial assets and liabilities of equal value in the same currency.

Cash and liquidity
Poor cash management may lead the Company to be unable to meet its payment obligations as they fall due. The Company reviews its liquidity on a daily basis to ensure it has sufficient cash or highly liquid assets available to meet its liabilities. It is the Group's policy to ensure it has access to funds to cover all forecast commitments.

Impact of the Russian invasion of Ukraine
On 24 February 2022, Russia invaded Ukraine. The invasion was widely condemned internationally and resulted in economic sanctions against Russia, Belarus and certain regions of Ukraine. The Group does not have employees or offices in Ukraine or Russia and our funds have very limited exposure to assets and clients based in those countries. The Group has documented and tested processes in place for situations of this nature and has worked to ensure that any potential disruption to its business is minimised and that all applicable sanctions imposed are implemented in a timely manner. The Company and the Group remains compliant with applicable sanctions laws. The Group has also taken measures to reinforce its information security processes and systems to continue to protect its clients' assets.

The invasion has also had a significant impact on the global economy and the financial markets including through additional inflationary pressures. The long-term impacts are highly uncertain and rapidly changing and it is not possible to predict the extent to which this will continue to adversely impact our financial results and business operations. The Group's management are monitoring the situation and the associated risks with the intention of mitigating the risks, where possible.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Environmental, Social and Governance ('ESG')
The risk that an environmental, social or governance event causes an adverse negative impact on the Group and/or its underlying investments. The Group can be directly impacted by an inability to meet its commitments and indirectly where the ESG investment principles are not in line with those of our clients. These could lead to reputational damage as well as a risk of lower net flows into our products or losses from breaches of investment mandates. The risks to the Company are mitigated by the integration of ESG into the existing risk framework. Existing risks are regularly assessed to consider whether there is a potential sustainability component. They are managed in accordance with the established control systems and appropriate policies and procedures are in place. The Group appointed a Chief Responsibility Officer in 2023, to oversee all elements of the responsible investment strategy. A number of teams and committees across the Group provide oversight activities over sustainability commitments and alignment to ESG investment policies.

KEY PERFORMANCE MEASURES ("KPIs")

The Board of JHG plc, the Company's ultimate parent undertaking, monitors the performance of the Group against the 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 JHG plc Annual Report for a review of the Group's KPIs. The following KPIs are most relevant to the Company:

Financial position and performance
Total Shareholders' funds attributable to equity holders of the parent decreased by £77.3m from £320.9m in 2021 to £243.6m as at 31 December 2022. This was due to total comprehensive income for the year of £18.1m, capital contributions of £8.3m, tax charge on equity settled share schemes of £3.7m, less dividends paid of £100.0m.

Administrative expenses
Administrative expenses decreased by £17.2m from £405.7m in 2021 to £388.5m in 2022 primarily due to a reduction in employee compensation and benefits.

Cash position
At 31 December 2022, total cash and cash equivalents amounted to £135.6m (2021: £82.2m). The increase in cash was primarily due to settlement of balances owed by fellow Group subsidiaries partially offset by dividends paid.

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 the 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 Section 172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2022.

Section 172(1) 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.

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

The Company's key stakeholders are its ultimate parent undertaking, employees, suppliers, customers, regulators, community and intra-group clients; the interests 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. Refer to the Directors' Report for further information on stakeholder engagement.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations, and the interests and views of its key stakeholders. As part of the Board's decision-making process, it considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including financial performance as well as information covering areas such as key risks and legal matters. As a result of these activities, the Board has an overview of engagement with stakeholders and other relevant factors, which enables the Directors to comply with their legal duty under Section 172(1).

The principal decisions, which show how the Directors have had regard to Section 172(1) during the financial year, are as follows:

Financial Performance

During the year, the Board reviewed and discussed the financial performance of the Company with the aim of long-term value creation for the Company and ultimately the Group.

The Board approved the payment of an interim dividend to its shareholder. In making this decision the Board considered a range of factors including, whether it had sufficient distributable reserves, its expected cash flow, the pension considerations in connection with the interim dividend, the ongoing need for strategic investment in the firm's business and workforce as well as the expectation of the shareholder.

This report was approved by the Board on 13 April 2023 and signed on 20 April 2023 on its behalf by:

R W Chaudhuri
Director

20 April 2023

JANUS HENDERSON ADMINISTRATION UK LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £43.7m (2021: £47.9m).

Dividends paid in the year amounted to £100.0m (2021: £20.0m). The directors do not recommend the payment of a final dividend (2021: £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 W Chaudhuri
R M Thompson

DIRECTORS' INDEMNITY

During the financial year to the 31 December 2022 and up to the date of approval of this report, qualifying third party indemnity provisions were in place and at the date of this report are in place, to the extent permitted by Section 234 of the Companies Act 2006 for the benefit of all Directors of the company in relation to certain liabilities and losses they may incur in their capacity as directors of the company.

GOING CONCERN

As at 31 December 2022, the Company had net assets of £243.6m (2021: £320.9m) and net current assets of £127.4m (2021: £188.8m)

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 Directors continue to adopt the going concern basis for the preparation of the annual financial statements.

FUTURE DEVELOPMENTS

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

FINANCIAL RISKS

The financial risks and uncertainties for the Company are set out in the Strategic Report.

EMPLOYEES IN THE WORKPLACE

The Companies (Miscellaneous Reporting) Regulations 2018 require the Directors Report to include a statement that describes the action that has been undertaken with regards to employee engagement and how Directors have considered employee interests in the principal decisions taken in the year.

The Company ensures that all employment policies meet best practice and comply with relevant employment legislation and the Universal Declaration of Human Rights, creating a working environment free from discrimination and harassment.

As employees strive towards excellence, the Group's Human Resources team designs programmes and solutions aimed to develop, attract and retain talent. The Group is committed to building staff share ownership and creating a reward approach that consists of both financial and non-financial elements when recognising an individual's performance.

DEVELOPING TALENT AND BUILDING GREAT TEAMS

The Group's ambitions can only be achieved through further developing talent whilst ensuring employees remain focused on providing excellent performance and service to the Group's clients. Employees are urged to think strategically and globally to consider and understand the needs of the Group's clients.

ENGAGEMENT WITH EMPLOYEES

The Company's employees provide administrative and other services to other Group companies. The Company's employees are essential to meeting the Group's purpose to deliver investment services to clients. It is the Company's priority to attract, develop, manage and maintain employees to deliver the above-mentioned services.

The Group has multiple measures in place to ensure employee stakeholders have opportunities to offer input, influence strategy and decision-making and share in the Group's success. Examples include:

- **UK Communications Forum**: Comprised of employee representatives from each business area, this Forum meets quarterly and is represented by the Head of EMEA HR. The Head of EMEA HR provides updates regarding significant business issues to the Forum and gathers employee feedback to address topics of importance to the populace.
- **Annual Engagement Survey**: Employees participate in the Group's annual Employee Engagement Survey to inform decision-making and strategic initiatives. The collective results are reported, followed by action plans to address any opportunities that best serve employees.
- **Share Plans**: Offered as a key component of the Company's employee benefits package, Share Plans are granted during the annual bonus cycle. Employees can also elect to participate HMRC approved schemes such as Employee Sharesave and Employee Sharepurchase.
- **Results Briefings**: Held every six months, employees are invited to attend results briefings where information is shared about the Group's performance and strategic direction, along with context on the overall economic landscape in which the Group operates.

The Board recognises the impact employees have on the Company and ultimately the Group's success and is committed to understanding their needs and requirements to ensure a positive working environment.

We are committed to creating an inclusive environment that promotes equality, cultural awareness and respect by implementing equitable policies, benefits, training, recruiting and recognition practices to support our colleagues. Diversity, equity and inclusion (DEI) are about valuing our differences, creating equal opportunities and continually identifying ways to improve our cultural intelligence, which ultimately leads to better decision-making and a more tailored client experience. The following describe how employees have been engaged during the year:

ENGAGEMENT WITH EMPLOYEES (CONTINUED)

Progress is overseen by our DEI Committee, comprised of representatives from our Executive Committee and Human Resources. The committee provides direction and approval for strategic recommendations, ensures each department is held accountable for its DEI goals, and monitors overall progress to implement change where needed. Our Regional Councils (EMEA, Asia Pacific and North America) implement strategy at the local level and address regional opportunities for improvement; the group includes employee representatives from each business and Employee Resource Group Leaders.

Employee Resources Groups within the Company offer insight to build an inclusive workplace for employees. The Company, through the Group, has made strategic advancements in its policies, recruitment efforts and employee professional development. It continues to focus on opportunities to improve amongst other areas and is working diligently to close the gender pay gap and achieve gender, racial and ethnicity balance within the organisation. Some accomplishments during the year include providing educational sessions on diversity. equity and inclusion topics, requiring all open roles include candidates from underrepresented groups and a diverse interview panel, ensuring all business areas have a DEI strategy that addresses the unique needs of the area and ties into the overall company DEI strategy, enhancing our leave policy and medical coverage to support the needs of our employees, monitoring goals in connection with increasing diverse representation in senior management roles and identifying the utilisation of small and diverse owned businesses in our business diversity supplier strategy.

Employees with Disabilities

It is Group policy to treat employees in the same way regardless of disability and this policy applies to all terms of employment including training, transfers and career development and progression.

All vacancies are filled based on merit and disabled applicants are encouraged to apply with the Company making any necessary arrangements to encourage such applicants.

The Company aims to retain employees who become disabled during their employment, either in the same position or an equal alternative position. Appropriate training is provided to ensure continuing employment where practicable.

Progression within the Company is based on merit and, wherever practicable, appropriate training is provided to employees, who are all encouraged to manage their own careers. In 2020 to demonstrate our commitment, we signed up to be a Disability Confident Committed Employer. In 2022, we established a new employee resource group focused on differently abled employees. Since implementation, they have provided training on sign language and neurodiversity in the workplace.

ENGAGEMENT WITH OTHER STAKEHOLDERS

Shareholders – The Company's ultimate parent is JHG plc and it's direct shareholder is Janus Henderson UK (Holdings) Limited ("JHUK(H)L"). The support of the Company's shareholder is important to enable the Company to fulfil its growth ambitions. All Board decisions are made with the Company's success in mind, which is ultimately for the long-term benefit of its members. Dividend decisions are made at the Board's discretion, after taking the accumulated realised profits and minimum capital requirement into account.

Suppliers/Service providers - The Company operates a Global Procurement and Vendor Management function for vendor selection, on-boarding, off-boarding and ongoing performance assessment. All formal vendor engagement must go via the Group approved contract review process, that includes key touchpoints from the Procurement, Legal and Data Security teams to ensure competitive commercial and contractual terms and mitigate contractual risk to the Company. The Company tiers its vendors according to risk and criticality. All Tier 1 vendors (those that provide significant functions to the Group) are subjected to ongoing due diligence performed by the Vendor Management Office and reported on an annual basis to the relevant Executive Committee member. The Company's supply chain and associated vendor engagement is subject to statements made on behalf of the following: Modern Slavery and Human Trafficking, Anti-Bribery and Corruption and Conflicts of Interest.

ENGAGEMENT WITH OTHER STAKEHOLDERS (CONTINUED)

Community – In engaging with the Community, the Group is run on an integrated basis, not by subsidiary. In the Group's business operations, the Group is committed to acting responsibly in the way it invests and engages with its clients and in supporting its employees, managing the impact on the environment and contributing to the communities in which it works. The Group believes it is important for employees to be actively engaged in the local community in which it operates. Through the Group's charitable arm, the Janus Henderson Foundation, the Group can invest in educational programmes that will make a positive impact on future generations around the world as well as support global charities about which its employees are passionate. Through our corporate social responsibility pillars of Responsible Investing, Clients, Environment, Community and People the Group is leveraging its influence to deliver value to clients, employees, shareholders and the wider community in which it operates.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

In line with the Companies (Directors' Report) and Limited liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI2018/1155') the table below shows the energy use and the associated GHG emissions for JHG Plc. The information is reported on a Group basis as it is collected based on geographical location and is therefore not available from each entity. The UK data covers emissions for all UK companies within the Group.

Background

In 2022, our total operational upstream emissions globally totalled 5,620 tonnes of carbon dioxide equivalent (tCO2e). Although this was an expected increase from 2021 levels, after liftings of COVID-19 lockdowns and a return of office workers, it was a decrease of 36% from our 2019 baseline. Our Scope 1 emissions rose due to extreme cold weather conditions that affected our US offices. However, our Scope 2 emissions fell by over 96% from our baseline. This was due to our procurement of renewable energy, which in 2022 constituted 94% of total energy consumption, as well as to energy saving initiatives such as LED lighting, energy efficient blinds, and light sensors.

JHG plc 2022 GHG emissions (tCO2e) for Corporate Reporting purposes	2022 UK	2022 Offshore (excluding UK)	2021 UK	2021 Offshore (excluding UK)
Scope 1: Combustion of fuel market-based	**0**	**144**	0	52
Scope 1: Combustion of fuel for road transport market-based	**0**	**0**	0	0
Scope 2: Electricity / cold water-cooling market-based	**0**	**156**	8	2,750
Scope 2: Electricity / cold water-cooling location-based	471	2,926	676	2,877
Scope 3: Indirect emissions – road travel market-based	**9**	**34**	0.33	23
Scope 3: Other indirect emissions market-based	**1,667**	**3,610**	429	1,886
Total location-based emissions	2,191	5,883	1,164	3,790
Total market-based emissions	**1,676**	**3,946**	437	4,722

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Intensity Ratio (FTE)	2022 UK	2022 Offshore (excluding UK)	2021 UK	2021 Offshore (excluding UK)
Total Full Time Employees (FTE)	1,102	2,274	992	2,248
Total tCO_2e per FTE location-based	1.99	2.59	1.17	1.69
Total tCO_2e per FTE market-based	1.52	1.74	0.44	2.10
Total energy consumption used to calculate Scope 2 emissions (MWh)	2,436	5,526	3,181	5,074

Notes: (1) We have included an intensity ratio by Full Time Employee (FTE) as this accounts for any changes in company size. (2) UK includes our London and Edinburgh offices. (3) Electricity in our London and Edinburgh office uses 100% renewable energy. Globally, our Denver Detroit St office, Sydney, Melbourne and Luxembourg office also use 100% renewable energy. (4) The above global figure includes working-from-home emissions for all offices (estimated by occupancy). (5) Due to office closures, we have restated our 2021 figures to remove them from our reporting boundary. (6) Totals in the figures above may vary due to rounding. There is also a disparity with WFH emission estimations which does not currently reflect in market-based figures but reflects in location-based figures.

Methodology

The carbon reporting year is 1 January – 31 December, in line with our financial reporting year. Our reporting boundary uses the Financial Control approach and for 2022 included 25 global offices.

Scope 1 emissions represent direct emissions from resources owned and controlled by JHG. Scope 2 emissions include emissions from purchased energy from utilities. For JHG, the material categories include fuel for Scope 1 and electricity and cold-water cooling for Scope 2. Scope 3 emissions are all other indirect emissions that occur in the upstream and downstream value chain. The categories JHG currently includes in upstream Scope 3 emissions are: business travel (air, rail, road, hotel stays), couriers (air, road), paper, water (withdrawal and discharge), waste, fugitive gases, working-from-home emissions, as well as electricity transmission and distribution. We are currently in the process of collecting data on our downstream Scope 3 emissions.

We measure our carbon footprint through third-party software Greenstone+, which uses the latest emission methodologies relevant to each country, time period, and data source. Greenhouse gas (GHG) emissions have been calculated and analysed in accordance with the international GHG Protocol Corporate Accounting and Reporting Standard. For our UK operations we use conversion factors provided by Defra, we also use conversion factors from the International Energy Agency (IEA) and United States Environmental Protection Agency (EPA) for our international offices.

To ensure data integrity, Scope 1, 2 and 3 upstream operational emissions are independently verified in accordance with the International Organization for Standardization (ISO 14064-3) by a third-party. The data is also separately verified by a third party for compliance with the CarbonNetural® Protocol.

In 2022 we changed from a location-based to a market-based method of reporting to account for our procurement of renewable energy. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (this includes renewable energy procurement).

In 2022, we expanded our upstream Scope 3 categories to include working-from-home emissions, fugitive gases and electricity transmission and distribution. We have estimated these categories for 2019 and 2021 by headcount for consistency in reporting. Working-from-home emissions were estimated by occupancy rates.

Due to changes in our office spaces (such as the removal of two Intech offices), we have updated our baseline and 2021 figures to remove them from our reporting boundary. In 2022 we improved the accuracy of our data collection processes from collecting business travel data regionally to collecting it by office.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Energy Initiatives

- The Group purchases renewable energy through a mixture of energy contracts, Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs) at our London Global Headquarters, Sydney, Melbourne, and Luxembourg.
- In 2022 we purchased renewable energy for all our US offices, bringing our total renewable energy consumption to 94% globally. We continue to work with landlords to source renewable energy through contracts where possible. We see renewable energy procurement and energy saving initiatives as important aspects of transitioning to a low-carbon economy.
- In 2022, the lighting in the London office was upgraded to LED fittings, significantly reducing our energy consumption and saving an estimated 110 tonnes of carbon emissions. 98% of light fittings were also recycled.
- In our London office we added glare and heat resistant blinds across all floors, reducing heat gain by over 200,000 kWh per year.

Waste Initiatives

- In November 2022, we introduced a new waste management system in London (recommended by our waste provider Bywaters) and provided waste training across the London office. The new categorisation is aimed at minimising non-recycled waste. No waste in London is sent to landfill and all takeaway packaging in the canteen is 100% biodegradable Vegware. Through these initiatives, we have saved over 963,500 of plastic items such as coffee cups, containers, and other boxes since 2018.
- By removing desk bins and signposting recycling bins across many of our offices we also ensure that all employees recycle their waste.
- All paper in London and our US offices is from 100% recycled or certified FSC sources and is recycled.
- In the US, we offset our paper consumption by planting trees through PrintReleaf, planting 944 trees to date.
- In 2022, we started a composting program in our Denver office with collection points in all kitchen locations.
- In partnership with the Marine Conservation Society, Janus Henderson employees came together to clean up Folkestone Beach in the UK, collecting over 14kg of litter.
- Colleagues logged 38 days of going plastic-free, which resulted in a donation to the Durrell Foundation.

Targets

In 2021 we reached our target of reducing our carbon footprint by 15% per full-time employee over three years, based on 2018 consumption, on both actual emissions (which were lowered significantly due to the impact of COVID-19) and business-as-usual modelling (which aims to normalize this reduction). In 2022, we set new Science-Based aligned reduction targets on our global upstream operational emissions using 2019 as a new baseline, applied on market-based emissions:

- Absolute reduction target of 29.4% in Scope 1 and Scope 2 emissions.
- Absolute reduction target of 17.5% in Scope 3 upstream emissions.
- Intensity reduction target of 17.5% on Water and Waste consumption by FTE

CarbonNeutral® Company

JHG are committed to maintaining our CarbonNeutral® Company status, which we have maintained every year for the last 15 years. We see this as an important way of not only offsetting our unavoidable operational emissions, but also contributing to sustainable projects around the world. All projects we support have been classified as 'additional' by an independent third party, meaning that they would not happen without the sale of carbon credits.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (CONTINUED)

Sustainable Development Goals

Through our carbon offsetting portfolio, we contributed to high quality, independently verified emission reduction and removal projects, and advanced the UN Sustainable Development Goals (SDGs). Our 2022 Offset Portfolio includes:

- Domestic Energy Systems, India
- Seneca Meadows Landfill Gas, USA
- Solar Water Heating, India
- Truck Stop Electrification, USA
- Wind Power Portfolio, Turkey

SDGs advanced through our offset portfolio:

- SDG 3 Good health and wellbeing
- SDG 4 Quality Education
- SDG 5 Gender Equality
- SDG 7 Affordable and clean energy
- SDG 8 Decent work and economic growth
- SDG 9 Industry, innovation, and infrastructure
- SDG 12 Responsible consumption and production
- SDG 13 Climate action
- SDG 15 Life on land

For further details on our environmental initiatives and operational emissions, please see the latest version of the Group's Impact Report on the Group's website and our CDP submission.

RESEARCH AND DEVELOPMENT

The Company carries out research and development activities in connection with investment management services. All costs relating to these activities are charged to profit and loss within the Statement of Comprehensive Income as incurred. The charge to the Statement of Comprehensive income was £8.4m (2021: £9.0m).

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 Directors to reappoint the Auditors under the deemed appointment rules of section 487 of the Companies Act 2006.

This report was approved by the Board on 13 April 2023 and signed on 20 April 2023 on its behalf by:

R W Chaudhuri
Director

20 April 2023

JANUS HENDERSON ADMINISTRATION UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires 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:

- 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 Directors are 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 also 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

20 April 2023

Independent auditors' report to the members of Janus Henderson Administration UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Administration UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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, including 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 2022; the Income Statement, the Statement of Comprehensive Income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 2022 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 Statement of Directors' Responsibilities in respect of the Financial Statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data to present a more favourable financial position and the posting of inappropriate journal entries to increase revenue. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular pension and post-employment retirement benefits, share-based payment expenses and provisions;
- Identifying and testing journal entries, in particular any journals posted in unexpected account combinations against revenue, journals posted by unexpected users or journals containing unusual account descriptions; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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

Saira Choudhry (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 April 2023

JANUS HENDERSON ADMINISTRATION UK LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £m	2021 £m
Gross fee income	3	**427.1**	459.6
Administrative expenses	4	**(388.5)**	(405.7)
Operating profit		**38.6**	53.9
Finance income	8	**3.4**	5.6
Finance expense	9	**(1.1)**	(2.0)
Profit before tax		**40.9**	57.5
Tax on profit	10	**2.8**	(9.6)
Profit for the financial year		**43.7**	47.9

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £m	2021 £m
Profit for the financial year		**43.7**	47.9
Other comprehensive (expense)/income			
Items that will not be reclassified to the Income Statement:			
Actuarial (loss)/gain on defined benefit schemes	23, 24	**(33.8)**	1.5
Tax on actuarial (loss)/gain		**8.2**	-
		(25.6)	1.5
Total comprehensive income for the financial year		**18.1**	49.4

The notes on pages 19 to 40 form part of these financial statements.

JANUS HENDERSON ADMINISTRATION UK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 £m	2021 £m
Non-current assets			
Intangible assets	11	**45.4**	27.4
Retirement benefit assets	23	**76.0**	109.3
Property and equipment	12	**12.4**	12.9
Right-of-use assets	16	**40.2**	48.8
Deferred tax assets	13	**25.1**	26.3
		199.1	224.7
Current assets			
Trade and other receivables	14	**170.3**	327.2
Current tax asset		**8.2**	7.4
Cash and cash equivalents	15	**135.6**	82.2
		314.1	416.8
Total assets		**513.2**	641.5
Current liabilities			
Trade and other payables	17	**(178.5)**	(220.1)
Lease liabilities	16	**(8.2)**	(7.9)
		(186.7)	(228.0)
Net current assets		**127.4**	188.8
Total assets less current liabilities		**326.5**	413.5
Non-current liabilities			
Trade and other payables	17	**(18.3)**	(10.0)
Lease liabilities	16	**(39.8)**	(49.1)
Deferred tax liabilities	13	**(19.2)**	(26.9)
Provisions	18	**(3.0)**	(3.0)
Other pension liability	24	**(2.6)**	(3.6)
		(82.9)	(92.6)
Net assets		**243.6**	320.9
Capital and reserves			
Ordinary share capital	19	**-**	-
Share premium	20	**-**	-
Capital contribution reserve	20	**163.4**	155.1
Profit and loss account	20	**80.2**	165.8
Total equity		**243.6**	320.9

The financial statements on pages 16 to 40 were approved and authorised for issue by the Board on 13 April 2023 and were signed on 20 April 2023 on its behalf by:

R W Chaudhuri
Director

20 April 2023

The notes on pages 19 to 40 form part of these financial statements.

JANUS HENDERSON ADMINISTRATION UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary share capital £m	Share premium £m	Capital contribution reserve £m	Profit and loss account £m	Total equity £m
At 1 January 2022	-	-	155.1	165.8	320.9
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	43.7	43.7
Other comprehensive income:					
Actuarial losses on pension schemes	-	-	-	(33.8)	(33.8)
Tax credit on actuarial losses	-	-	-	8.2	8.2
Other comprehensive loss for the financial year	-	-	-	(25.6)	(25.6)
Total comprehensive income for the financial year	-	-	-	18.1	18.1
Dividends paid: equity shares (note 21)	-	-	-	(100.0)	(100.0)
Capital contribution – share-based payments (note 20 and 22)	-	-	25.2	-	25.2
Recharge of vested awards	-	-	(16.9)	-	(16.9)
Tax charge on equity settled share schemes	-	-	-	(3.7)	(3.7)
Total transactions with owners	-	-	8.3	(103.7)	(95.4)
At 31 December 2022	-	-	163.4	80.2	243.6

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Ordinary share capital £m	Share premium £m	Capital contribution reserve £m	Profit and loss account £m	Total equity £m
At 1 January 2021	22.5	0.3	202.7	64.9	290.4
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	47.9	47.9
Other comprehensive income:					
Actuarial gains on pension schemes	-	-	-	1.5	1.5
Other comprehensive income for the financial year	-	-	-	1.5	1.5
Total comprehensive income for the financial year	-	-	-	49.4	49.4
Bonus issue (note 19)	46.2	-	(46.2)	-	-
Capital reduction (note 19 and 20)	(68.7)	(0.3)	-	69.0	-
Dividends paid: equity shares (note 21)	-	-	-	(20.0)	(20.0)
Dividends on restricted shares (note 21)	-	-	-	0.2	0.2
Capital contribution – share-based payments (note 20 and 22)	-	-	16.2	-	16.2
Recharge of vested awards	-	-	(17.6)	-	(17.6)
Tax credit on equity settled share schemes	-	-	-	2.3	2.3
Total transactions with owners	(22.5)	(0.3)	(47.6)	51.5	(18.9)
At 31 December 2021	-	-	155.1	165.8	320.9

The notes on pages 19 to 40 form part of these financial statements.

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 Great British Pounds (GBP) and all values are rounded to the nearest million pounds, except when otherwise indicated. The Company is a private company limited by share capital, incorporated and domiciled in the UK with its registered office in London, England.

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 Janus Henderson UK (Holdings) Limited and of its ultimate parent, Janus Henderson Group plc. The Company's results form part of the consolidated financial statements of Janus Henderson Group plc which are publicly available, see note 28. 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 STANDARDS 101 – REDUCED DISCLOSURE FRAMEWORK

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- 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;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- 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 paragraph 52, the second sentence of paragraph 89, paragraph 58 (for lessees), and paragraphs 90,91 and 93 of IFRS 16 Leases.
- 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
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1. ACCOUNTING POLICIES (CONTINUED)

1.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2022 that are expected to materially impact amounts recognised in the current or future periods of the Company.

1.4 GOING CONCERN

In considering going concern the Directors have taken account of the Company's current and anticipated performance and considered any possible impacts from global financial markets. The Company is currently profitable and is expected to generate profits for the year ended 31 December 2023 and for the 12 months following the signing of the financial statements. The company has sufficient capital and liquidity to meet its obligations for a period of not less than 12 months from the date of signing these financial statements.

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.

1.5 GROSS FEE INCOME

Gross fee income comprises of recharges for administration services recognised as and when provided by the Company and accounted for on an accruals basis.

Recharges to other Group undertakings are based on the Group's transfer pricing policy and are recognised in the accounting period in which the associated gross fee income is earned.

1.6 ADMINISTRATIVE EXPENSES

Administrative expenses are accrued and recognised as incurred.

1.7 FINANCE INCOME AND EXPENSE

Interest income and interest 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.

The net interest expense/income on the Company's retirement benefit schemes has been recognised in finance income.

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.

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. ACCOUNTING POLICIES (CONTINUED)

1.9 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The costs of purchasing and developing computer software (including the customisation and implementation of cloud computing) are capitalised where it is probable that future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Computer software is subsequently measured at cost less accumulated amortisation. Amortisation is recognised within operating expenses.

All intangible assets are considered to have a finite useful life ranging as follows:

Computer Software	-	3 to 7 years

1.10 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis.

The estimated useful lives range as follows:

Leasehold improvements	- Over the shorter of 20 years or the period of the lease
Fixtures & fittings	- 5 - 10 years
Office equipment	- 3 - 10 years
Computer equipment	- 3 years

1.11 FINANCIAL ASSETS

Purchases and sales of financial assets are recognised at the trade date, being the date when the purchase or sale becomes contractually due for settlement. Delivery and settlement terms are usually determined by established practices in the market concerned.

Trade and other receivables
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 expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Cash and cash equivalents
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.

1.12 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised at fair value in the Statement of Financial Position when the Company becomes party to the contractual provisions of an instrument. The fair value recognised is adjusted for transaction costs, except for financial assets classified at fair value through profit or loss, where transaction costs are immediately recognised in the Income Statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all the risks and rewards of ownership. Financial liabilities cease to be recognised when the obligation under the liability has been discharged or cancelled or has expired.

1. ACCOUNTING POLICIES (CONTINUED)

1.13 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.

1.14 PENSIONS

Defined contribution pension plan
The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Janus Henderson Group pension scheme
The main defined benefit pension plan sponsored by the Group is the defined benefit section of the Janus Henderson Group UK Pension Scheme ("JHGPS" or the "Plan"), which closed to new members on 15 November 1999. With effect from the 1 July 2021 the Company became the sponsor and principal employer of the JHGPS, prior to this it was the participating company of the scheme. The net pension scheme assets were transferred to the Company from Janus Henderson UK (Holdings) Limited at their carrying value on the 30 June 2021. The appointed investment manager for the final salary scheme is Janus Henderson Investors UK Limited. The JHGPS is funded by contributions to a separatelyadministered fund. The actuarial advisers to the JHGPS are Towers Watson.

Unapproved pension scheme
In addition, the Company operates a number of unapproved pension schemes and the pension charge represents the amounts payable by the Company to the schemes in respect of the year.

Normal contributions to the defined benefit scheme are expensed as they become payable, in accordance with the rules of the scheme. Defined benefit obligations and the cost of providing benefits are determined annually by independent qualified actuaries using the projected unit credit method. The obligation is measured as the present value of the estimated future cash outflows using a discount rate based on AA rated corporate bond yields of appropriate duration. The resulting surplus or deficit of defined benefit assets less liabilities is recognised in the Statement of Financial Position, net of any taxes that would be deducted at source.

Regular valuations are prepared by independent professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase of pensions in payment. The operating costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by the employees, and the related finance costs and any other changes in the value of the assets and liabilities are recognised in the period in which they arise.

1.15 FINANCIAL LIABILITIES

Trade and other payables
Trade and other payables 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. ACCOUNTING POLICIES (CONTINUED)

1.15 FINANCIAL LIABILITIES (CONTINUED)

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.

1.16 SHARE-BASED PAYMENTS

The Group issues share-based awards to employees of the Company, all of which are classified as equity settled share-based payments. Equity settled share-based payments are measured at the fair value of the shares at the grant date. The awards are expensed, with a corresponding increase in reserves, on either a straight-line basis or a graded basis (depending on vesting conditions) over the vesting period, based on the Group's estimate of shares that will eventually vest. Based on the Group's estimate, the determination of fair value, using the Black-Scholes or Monte Carlo model in respect of options, at the date of grant is adjusted for the effects of market performance and behavioural considerations.

The cost of these transactions are recorded in the Income Statement of the Company with a corresponding increase in equity as a capital contribution from the ultimate parent undertaking.

1.17 LEASES

Leases are identified and initially recognised at the inception of the contract. 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.

Measurement of right-of-use assets

Right-of-use assets are 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 assets are 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.17 LEASES (CONTINUED)

Measurement of lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include 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.

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. This is based on the interest yield for traded debt instruments within the asset management industry over the relevant term and in similar economic environments. A geographic premium or discount was applied to reflect this.

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 are those with a value of less than £5,000 and comprise IT equipment and small items of office furniture.

1.18 ORDINARY SHARE CAPITAL

The Company's ordinary equity shares of £1 pound 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.

1.19 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:

Share-based payment transactions
The Company measures the cost of equity settled share schemes at fair value at the date of grant and expenses them over the vesting period based on the Company's estimate of shares that will eventually vest. Refer to note 22 for further details of all share-based compensation plans.

Pension and other post employment benefits

The costs of, and year end obligations under, defined benefit pension schemes are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these schemes, such estimates are subject to significant uncertainty. Further details of the estimates and assumptions used are given in note 23.

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 18.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Leases

The Company has recorded lease liabilities and right-of-use assets as required under IFRS 16. The Directors have 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. In determining the lease term the company considered whether to include break clauses and extension options. The lease term is usually the full life of the lease as break options are not regularly exercised. Extension options are not included as there is not enough certainty of extension at the inception of the lease. Refer to note 16 for further information.

3. GROSS FEE INCOME

Gross fee income comprises the following:

	2022 £m	2021 £m
Recharges made to Group undertakings	**427.1**	459.6
	427.1	459.6

All gross fee income arose as follows:

	2022 £m	2021 £m
UK	**380.3**	410.4
US	**42.3**	42.9
Other	**4.5**	6.3
	427.1	459.6

4. ADMINISTRATIVE EXPENSES

Administrative expenses comprises:

	2022 £m	2021 £m
Employee compensation and benefits (note 6)	**245.6**	270.2
Auditors' remuneration (note 5)	**2.2**	2.4
Amortisation of intangible assets (note 11)	**6.8**	7.3
Depreciation of property and equipment (note 12)	**2.6**	2.1
Depreciation of right-of-use assets (note 16)	**7.4**	6.6
Foreign exchange differences	**3.9**	0.8
Other expenses	**120.0**	116.3
	388.5	405.7

Other expenses include IT, legal and professional, marketing, travel, and administration costs.

5. AUDITORS' REMUNERATION

The Company and its associates paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company and other Group undertakings.

	2022 £m	2021 £m
Fees for auditing certain entities of the Company and other Group undertakings	**0.7**	0.7
Audit related assurance services	**0.5**	0.6
Other assurance services	**1.0**	1.1
	2.2	2.4

Included in the Auditors' remuneration above is £96,700 (2021: £99,000) in respect of the audit of the Company's financial statements.

6. EMPLOYEE COMPENSATION AND BENEFITS

Employee compensation and benefit costs were as follows:

	2022 £m	2021 £m
Wages and salaries	**174.9**	228.8
Social security costs	**59.2**	29.8
Other pension costs	**11.5**	11.6
	245.6	270.2

The Group operates a number of share-based compensation schemes, the costs of which are included within wages and salaries. Further information on these schemes is provided in note 22.

The average monthly numbers of employees, including the Directors, during the year was as follows:

	2022	2021
Administration	**640**	545
Distribution	**212**	184
Investment management	**193**	173
	1,045	902

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:

	2022	2021
	£m	£m
Emoluments		
Total emoluments to Company Directors	**2.5**	3.9
Emoluments paid to highest paid Company Director	**2.3**	3.7
Pensions contributions made in respect of the highest paid Company Director	**-**	-
Money purchase pension scheme contributions	**-**	-

Emoluments comprise salaries, bonuses and other employee benefits.

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

	2022	2021
	Number	Number
Money purchase pension scheme	**1**	1

During the year none of the Directors of the Company exercised share options (2021: none). No Directors of the Company received shares under the Group's Long Term Incentive Schemes (2021: one).

During the year, the highest paid Director of the Company was not awarded shares under the Group's long term incentive schemes and did not exercise share options (2021: awarded and not exercised).

8. FINANCE INCOME

	2022	2021
	£m	£m
Interest receivable on balances due from Group companies	**0.9**	4.7
Other interest receivable	**2.5**	0.9
	3.4	5.6

9. FINANCE EXPENSES

	2022	2021
	£m	£m
Interest expense on leases (note 16)	**1.1**	2.0
	1.1	2.0

10. TAX ON PROFIT

	2022 £m	2021 £m
Current tax		
Charge for the year	**0.1**	7.0
Adjustments in respect of current periods	**(0.9)**	(0.4)
	(0.8)	6.6
Deferred tax		
Charge/(credit) for the year	**1.1**	(1.2)
Adjustments in respect of prior periods	**0.7**	(0.7)
Effect of changes in the statutory tax rate	**(3.8)**	4.8
	(2.0)	3.0
Total tax (credited)/charged to the Income Statement	**(2.8)**	9.6

FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The UK corporation tax rate applicable for the year is 19% (2021: 19%). The tax assessed to the company for the year is lower than (2021: lower) than the tax that would be assessed based on the standard rate of corporation tax in the UK. The differences are explained below:

	2022 £m	2021 £m
Profit before tax	**40.9**	57.5
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**7.8**	10.9
Effects of:		
Expenses not deductible for tax purposes	**0.2**	0.6
Income not taxable for tax purposes	**(0.4)**	(0.2)
Adjustments for staff related costs	**(0.8)**	0.7
Changes in statutory tax rates	**(3.8)**	4.8
Group relief claimed for nil consideration	**(5.6)**	(6.2)
Adjustments in respect of prior years	**(0.2)**	(1.0)
Total tax (credited)/charged to the Income Statement	**(2.8)**	9.6

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% and this was enacted in the Finance Act 2021.

The 25% rate has been used to value deferred tax balances as this was the enacted rate at the balance sheet date. However, if a deferred tax balance is expected to reverse before 31 December 2023, a 23.5% blended rate has been used to value the deferred tax balance.

11. INTANGIBLE ASSETS

	Computer software £m
Cost	
At 1 January 2022	69.0
Additions	**24.8**
At 31 December 2022	**93.8**
Accumulated depreciation	
At 1 January 2022	41.6
Charge for the year	**6.8**
At 31 December 2022	**48.4**
Net book value	
At 31 December 2022	**45.4**
At 31 December 2021	27.4

12. PROPERTY AND EQUIPMENT

	Leasehold improvements £m	Fixtures & fittings £m	Office equipment £m	Computer equipment £m	Total £m
Cost					
At 1 January 2022	23.4	4.6	1.5	8.1	37.6
Additions	**-**	**0.1**	**-**	**2.0**	**2.1**
At 31 December 2022	**23.4**	**4.7**	**1.5**	**10.1**	**39.7**
Accumulated depreciation					
At 1 January 2022	12.5	4.4	1.3	6.5	24.7
Charge for the year	**1.7**	**0.1**	**0.1**	**0.7**	**2.6**
At 31 December 2022	**14.2**	**4.5**	**1.4**	**7.2**	**27.3**
Net book value					
At 31 December 2022	**9.2**	**0.2**	**0.1**	**2.9**	**12.4**
At 31 December 2021	10.9	0.2	0.2	1.6	12.9

13. DEFERRED TAXATION

Deferred tax assets/(liabilities) recognised and movements therein are as follows:

	Accelerated capital allowances £m	Retirement benefits £m	Compensation plans £m	Total £m
At 1 January 2021	(0.7)	(21.4)	21.6	(0.5)
(Charge)/credit to the income statement	1.7	(6.1)	1.4	(3.0)
Charge to the statement of comprehensive income	-	-	-	-
Credit to the statement of changes in equity	-	-	2.3	2.3
Transfer from a fellow subsidiary	-	0.6	-	0.6
At 31 December 2021	1.0	(26.9)	25.3	(0.6)
(Charge)/credit to the income statement	0.8	(0.5)	1.7	2.0
Credit to the statement of comprehensive income	-	8.2	-	8.2
Charge to the statement of changes in equity	-	-	(3.7)	(3.7)
At 31 December 2022	**1.8**	**(19.2)**	**23.3**	**5.9**

	Asset £m	Liability £m	Total £m
At 31 December 2021	26.3	(26.9)	(0.6)
At 31 December 2022	**25.1**	**(19.2)**	**5.9**

On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% and this was enacted in Finance Act 2021. The 25% rate has been used to value deferred tax balances as this was the enacted rate at the balance sheet date. However, if a deferred tax balance is expected to reverse before 31 December 2023, a 23.5% blended rate has been used to value the deferred tax balance.

14. TRADE AND OTHER RECEIVABLES

	2022 £m	2021 £m
Loans owed by Group undertakings	**30.0**	-
Amounts owed by Group undertakings	**119.2**	304.9
Prepayments and accrued income	**12.1**	12.6
Other receivables	**9.0**	9.7
	170.3	327.2

Amounts owed by Group undertakings are repayable on demand and are interest free.

Loans owed by Group undertakings are repayable on demand and accrue interest at the Bank of England base rate plus a margin of 1%.

15. CASH AND CASH EQUIVALENTS

	2022 £m	As Restated 2021 £m
Cash at bank	**53.2**	30.1
Cash equivalents	**82.4**	52.1
	135.6	82.2

Cash equivalents primarily consist of short term highly liquid government securities or investment in money market instruments with a maturity date of less than three months.

During the year the Company identified that certain amounts had been incorrectly classified in 2021. As part of the 2022 financial statements, the Company corrected the 2021 presentation. Cash at bank is restated to reduce the balance by £52.1m and cash equivalents is restated to increase the balance by £52.1m. There is no impact to the primary statements or net assets.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company leases various office space and equipment. Rental contracts are typically made for fixed periods of 2 to 5 years but may have extension options.

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 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 assets
The right-of-use asset and the movement in the year is shown below:

	2022 £m	2021 £m
Buildings	**40.2**	48.7
Equipment	**-**	0.1
	40.2	48.8

	2022 £m
At 1 January 2022	**48.8**
Adjustments arising from rent review	**(1.2)**
Depreciation charge (note 4)	**(7.4)**
At 31 December 2022	**40.2**

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities
The lease liabilities and the movement in the year is shown below:

	2022 £m	2021 £m
Current	**(8.2)**	(7.9)
Non-current	**(39.8)**	(49.1)
	(48.0)	(57.0)

	2022 £m
At 1 January 2022	**(57.0)**
Adjustments arising from rent review	**1.2**
Lease payments	**8.9**
Interest expense (note 9)	**(1.1)**
At 31 December 2022	**(48.0)**

17. TRADE AND OTHER PAYABLES

	2022 £m	2021 £m
Current		
Amounts owed to Group undertakings	**30.5**	42.8
Taxation and social security	**5.8**	7.2
Accruals and deferred income	**125.6**	166.9
Other payables	**16.6**	3.2
	178.5	220.1
Non-current		
Accruals and deferred income	**18.3**	10.0
	18.3	10.0

At 31 December 2022 amounts owed to Group undertakings are repayable on demand and are interest free.

18. PROVISIONS

	Post-retirement benefits £m	Asset retirement obligation £m	Total £m
At 1 January 2021	0.3	2.6	2.9
Additions	-	0.1	0.1
At 31 December 2021	**0.3**	**2.7**	**3.0**
Additions	-	-	-
At 31 December 2022	**0.3**	**2.7**	**3.0**

Post-retirement benefits relate to a retirement benefit obligation and reflects the Company's current estimate.

The asset retirement obligation represents the estimated liability to return offices that the Company leases to the original layout. The obligations will be payable at the end of the lease term. The provision is being recognised over the remaining life of the lease.

19. ORDINARY SHARE CAPITAL

	2022	2021
	£m	£m
Allotted, called up and fully paid		
1 (2021: 1) ordinary share of £1.00	**-**	-

On 3 November 2021 the Company undertook a bonus issue whereby its capital contribution reserve of £46,247,812.87 was capitalised by allotting and issuing 46,247,812 new ordinary shares of £1 each to the sole shareholder, Janus Henderson UK (Holdings) Limited ("JHUK(H)L"). This resulted in additional share capital of £46,247,812.87.

Also on 3 November 2021, upon recommendation from the Board, the shareholder approved the reduction of the Company's share capital from £68,748,572 to £1 by cancelling and extinguishing 68,748,571 ordinary shares of £1 each. In addition, upon recommendation from the Board, the shareholder of the Company also approved the cancellation of the Company's entire share premium of £311,240 (together the "Capital Reduction"). The amount by which the share capital and share premium were reduced was credited to the profit and loss account.

20. RESERVES

Share premium account

Share premium records the difference between the nominal value of shares issued and the full value of the consideration received or the market price on the day of issue.

As described in the share capital note above, the share premium amount of £311,240 was cancelled in full on 3 November 2021 and the balance transferred to the profit and loss account.

Capital contribution reserve

As described in the share capital note above, a bonus issue was undertaken on 3 November 2021.

The capital contribution reserve represents a net investment in the Company by Janus Henderson Group plc for share-based payments, offset by vestings during the year.

Profit and loss account

The profit and loss account comprises:
- results recognised through the Income Statement;
- actuarial gains and losses recognised in the Statement of Comprehensive Income, net of tax
- dividends paid to equity shareholders; and
- transactions relating to tax on share-based payments.

21. DIVIDENDS PAID

The following dividend was paid to the Company's immediate parent, JHUK(H)L, during the year:

	2022	2021
	£m	£m
Interim dividend (£100.0m per share approved on 13 December 2022)	**100.0**	-
Interim dividend (£20.0m per share approved on 1 July 2021)	**-**	20.0
	100.0	20.0

22. GROUP SHARE BASED COMPENSATION PLANS

The Group operates a number of share-based compensation plans, details on the material ones for JHAUKL are given below:

1. Deferred Incentive Plan
2. Deferred Equity Plan
3. Restricted Share Plan
4. Buy As You Earn Share Plan
5. Sharesave Plan

Deferred Incentive Plan ("DIP")
Starting in 2020 as part of an effort to consolidate how awards are issued, DIP awards are generally issued as part of annual variable compensation and for recruitment and retention purposes in accordance with the Third Amended and Restated 2010 LTI Plan. Awards are issued as stock or as mutual fund awards and generally vest over a three- or four-year period. The expense of deferred short-term incentive awards is recognized in net income over the period of deferral on a graded basis, the fair value of which is determined by prevailing share price or unit price at grant date.

Deferred Equity Plan ("DEP")
Employees who receive cash-based incentive awards over a pre-set threshold, have an element deferred. The deferred awards are deferred into our common stock or into our managed funds. The DEP trustee purchases JHG common stock and units or shares in JHG-managed funds and holds them in trust. Awards are deferred for up to three years and vest in three equal tranches if employees satisfy employment conditions at each vesting date. The expense of deferred short-term incentive awards is recognized in net income over the period of deferral on a graded basis, the fair value of which is determined by prevailing share price or unit price at grant date. This plan will come to an end in 2023.

Restricted Share Plan ("RSP")
The RSP allows employees to receive shares of our common stock for nil consideration at a future point, usually after three years. RSP is recognized in net income on a graded basis. The awards are typically granted for staff recruitment and retention purposes; all awards have employment conditions and larger awards can be subject to performance hurdles. Our Compensation Committee approves all awards to Code Staff (employees who perform a significant influence function, senior management and individuals whose professional activities could have a material impact on our risk profile), and any awards over £500,000. The fair value of the shares granted is calculated using the NYSE average high/low trading prices on grant date.

Buy As You Earn Share Plan ("BAYE")
The BAYE is an HMRC-approved plan (SIP – Share Incentive Plan). Eligible employees purchase shares of our common stock by investing monthly, up to £150 (annual limit £1,800), which is deducted from their gross salary. For each share purchased ("partnership share"), one free matching share is awarded for no additional payment. Matching shares will be forfeited if purchased shares are withdrawn from the trust within one year. Dividends are automatically reinvested as dividend shares.

Sharesave Plan ("SAYE")
The SAYE is an HMRC-approved plan. UK employees may participate in more than one SAYE scheme but only up to a maximum of £500 per month in aggregate. Employees who participate in the SAYE contribute a monthly amount from their net salary to a savings account. The SAYE vesting period is three years for UK employees.

At the end of the three-year vesting period, employees in the SAYE can exercise their share options using the funds in their savings account to subscribe for shares at a pre-set price. The pre-set price was £18.94 per share, £17.34 per share and £12.52 per share for 2022, 2021 and 2020, respectively, and represents a 15-20% discount to the average share price five business days prior to the award. Employees have up to six months after the three-year vesting period to exercise their options and subscribe for shares. Forfeiture provisions apply in the case of approved and unapproved leavers.

At 31 December 2022, the expected weighted average remaining contractual life was one year and nine months (2021: one year and nine months).

23. RETIREMENT BENEFIT ASSETS

The Group participates in two main types of pension scheme. A defined benefit scheme and a defined contribution scheme, together forming the Janus Henderson Group UK Pension Scheme.

In addition to the defined benefit and defined contribution schemes, there are three small unapproved pension top-up schemes for previous executives. Information on the unapproved pension schemes is provided in note 24.

The following disclosures in this note relate to the defined benefit scheme.

Defined benefit pension scheme
The Company operates a defined benefit pension scheme.

The main defined benefit pension plan sponsored by the Group is the defined benefit section of the Janus Henderson Group UK Pension Scheme ("JHGPS" or the "Plan"), which closed to new members on 15 November 1999. On 1 July 2021, the JHGPS was transferred from a fellow Group undertaking, JHUKHL, to the Company.

Prior to 1 July 2021, the Company was the participating company of the Scheme and JHUKHL was the sponsor and principal employer. With effect from 1 July 2021, the Company became the sponsor and principal employer of the scheme.

As the Company had not identified its share of the underlying assets and liabilities of the JHGPS, up until 30 June 2021 it accounted for its contributions to the scheme as if it were a defined contribution scheme. Subsequently the net pension scheme assets were transferred to the Company from JHUKHL at their carrying value of £107.3m on 30 June 2021 and the Company's share of the underlying assets and liabilities of the Janus Henderson Group UK Pension Scheme are now recognised in the financial statements.

The appointed investment manager for the final salary scheme Is Janus Henderson Investors UK Limited. The JHGPS is funded by contributions to a separatelyadministered fund. The actuarial advisers to the JHGPS are Willis TowersWatson.

Benefits in the JHGPS are based on service and final salary. The plan is approved by HMRC for tax purposes and is operated separately from the Group and managed by an independent Trustee board. The Trustee is responsible for payment of the benefits and management of the JHGPS assets.

The JHGPS is subject to UK regulations, which require the Group and Trustee to agree a funding strategy and contribution schedule for the scheme. The most up-to-date valuation of the JHGPSscheme resulted in a surplus position on the technical provisions basis.

The valuation of the JHGPS under IAS 19 Employee Benefits is based on full membership data as at 31 December 2020 and updated to the accounting date by an independent actuary in accordance with IAS19. The JHGPS assets are stated at their fair values as at 31 December 2022.

The Company expects to contribute £1.0 million to the JHGPS in the year ending 31 December 2023, excluding contributions into the money purchase section.

The JHGPS contains a money purchase section ("MPS") which operates in a similar way to a defined contribution plan, but also provides for a minimum benefit to members of the JHGPS pensioners if the investment performance of their MPS investments falls below defined thresholds. The minimum benefit is referred to as a reference scheme test ("RST") underpin. The RST underpin serves as a defined benefit guarantee in the case that investment returns of the MPS do not meet statutorily defined returns. As the MPS is providing a defined benefit in the form of the RST underpin, disclosure of the related plan assets and liabilities are made on a gross basis, similar to that of a defined benefit plan and are included in the plan assets and benefit obligations of the retirement benefit asset.

As with the vast majority of similar arrangements in the United Kingdom, the Group ultimately underwrites the risks relating to these defined benefit plans. These risks include investment risks and demographic risks, such as the risk of members living longer than expected.

23. RETIREMENT BENEFIT ASSETS (CONTINUED)

Defined benefit pension scheme (continued)
On 5 September 2019 JHGPS and Scottish Widows Limited ('SWL') entered into a pension buy-in agreement (the 'agreement'). The agreement provides JHGPS a monthly contractual payment stream from SWL to satisfy pension obligations payable to approximately one-third of total plan participants receiving benefits from JHGPS as of 31 December 2019. The agreement does not relieve JHGPS or JHG (as plan sponsor) of the primary responsibility for the pension obligation. JHGPS paid a premium of approximately £328m for the agreement and it was recorded at fair value as a plan asset of JHGPS.

The Scheme closed to future accrual at 31 December 2021, the curtailment cost of £0.2m was recognised within administrative expenses in the Income statement during that year.

Net retirement benefit assets recognised in the statement of financial position

	2022 £m	2021 £m
Fair value of plan assets	**543.7**	825.7
Present value of plan liabilities	**(467.7)**	(716.4)
Net pension scheme asset	**76.0**	109.3

Changes in net retirement benefit assets

	2022 £m	**2021 £m**
At 1 January	**109.3**	-
Net assets transferred on 1 July 2021	**-**	107.3
Charge in profit and loss account (excluding defined contribution costs)	**(0.2)**	(0.3)
(Loss)/Gain recognised in other comprehensive income	**(34.6)**	1.6
Employer contributions	**1.5**	0.7
At 31 December	**76.0**	109.3

Reconciliation of fair value of plan assets

	2022 £m	**2021 £m**
At 1 January	**825.7**	-
Transfer of assets on 1 July 2021	**-**	797.9
Interest credit	**15.8**	7.4
Contributions received	**1.5**	0.7
Benefits paid	**(20.5)**	(11.1)
Administration costs	**(2.4)**	(0.9)
Actuarial (loss)/gain from scheme assets	**(276.4)**	31.7
At 31 December	**543.7**	825.7

23. RETIREMENT BENEFIT ASSETS (CONTINUED)

Composition of plan assets

	2022 £m	2021 £m
Growth portfolio – diversified growth	**45.3**	82.9
Bond assets	**203.1**	348.3
Buy-in assets	**184.8**	267.5
RSU assets	**105.2**	115.4
Cash and cash equivalents	**5.3**	11.6
Total plan assets	**543.7**	825.7

Reconciliation of present value of plan liabilities

	2022 £m	2021 £m
At 1 January	**716.4**	-
Transfer of liabilities on 1 July 2021	**-**	690.6
Current service cost	**-**	0.2
Interest cost	**13.6**	6.4
Curtailments and settlements	**-**	0.2
Actuarial loss arising from experience	**11.1**	7.5
Actuarial (gain)/loss arising from the demographic assumptions	**(2.1)**	16.9
Actuarial (gain)/loss arising from changes in financial assumptions	**(250.8)**	5.7
Benefits paid	**(20.5)**	(11.1)
At 31 December 2022	**467.7**	716.4

Actuarial gains and losses recognised in the Statement of Comprehensive Income ("SOCI")

	2022 £m	2021 £m
Actuarial (losses)/gains	**(34.6)**	1.6
Deferred tax on actuarial movements	**8.2**	-
Net gain/(loss) recognised in the SOCI	**(26.4)**	1.6

The main assumptions used in the actuarial valuation were:

	2022 % per annum	2021 % per annum
Discount rate	**4.8**	1.9
Rate of increase in pensionable salaries	**n/a**	2.5
Inflation (RPI)	**3.3**	3.4
Inflation (CPI)	**2.7**	2.8

23. RETIREMENT BENEFIT ASSETS (CONTINUED)

Demographic assumptions

The table below illustrates the changes in implied life expectancies as at 31 December 2022 using this mortality assumption.

Life expectancy (years):	2022 Male	2022 Female	2021 Male	2021 Female
For a member who is currently aged 60	**29.4**	**30.4**	29.6	30.5
At 60 for a member who is currently aged 45	**30.3**	**31.4**	30.5	31.6

Amount, timing and uncertainty of future cash flows

The approximate impact of changing these main assumptions on the IAS19 defined benefit obligation at 31 December 2022 is as follows:

- Reducing the discount rate by 0.1% pa would increase the IAS19 defined benefit obligation by £5.0m;
- Increasing both the RPI & CPI inflation assumptions by 0.1% pa would increase the IAS19 defined benefit obligation by £1.0m; and
- Increasing the assumed life expectancies of members by one year would increase the IAS19 defined benefit obligation by £14.6m.

The sensitivity analysis here may not be representative of the actual change as in practice the changes in assumptions may not occur in isolation.

The weighted average duration of the defined benefit obligations as at 31 December 2022 for the JHGPS is approximately 14 years.

24. OTHER PENSION LIABILITY

Note 23 contains an overview of the company's main defined benefit pension scheme. Details of the unapproved pension schemes are provided below:

Pearl executive scheme
Members of this scheme are also members of the Janus Henderson Group UK Pension Scheme. However, pensionable earnings under the Janus Henderson Group UK Pension Scheme are limited to 1/60th for each year of service up to the earnings cap, and the Pearl Executive Scheme provides benefits at 1/30th for each year of service with a maximum of two-thirds of salary after 20 years' service based on pensionable earnings above the earnings cap, on an unfunded basis.

Janus Henderson top up scheme
Members of this scheme are also members of the Janus Henderson Group UK Pension Scheme. However, pensionable earnings under the Janus Henderson Group UK Pension Scheme are limited to the earnings cap, and the Henderson Top Up Scheme enables benefits to be based on pensionable earnings without restriction to the earnings cap. These additional uncapped benefits are generally provided on an unfunded basis.

Individual contractual promise
There is an unfunded liability in respect of one member, to whom the Company has a made a contractual promise to a fixed pension from age 60.

24. OTHER PENSION LIABILITY (CONTINUED)

Present value of obligation by scheme

	2022 £m	2021 £m
Pearl executive scheme	**1.2**	1.7
Janus Henderson top up scheme	**1.2**	1.7
Individual contractual promise	**0.2**	0.2
	2.6	3.6

Reconciliation of present value of obligations

	2022 £m	2021 £m
At 1 January	**3.6**	3.5
Interest cost	**0.1**	-
Benefits paid	**(0.2)**	-
Actuarial (gains)/losses	**(0.9)**	0.1
At 31 December	**2.6**	3.6

The main assumptions used in the actuarial valuation were:

	2022 %	2021 %
Discount rate	**4.8**	1.3
Pension increases:		
- where liability is the Retail Price Index (RPI) capped at 5% per annum	**3.2**	2.5
- where liability is fixed	**Fixed rate**	Fixed rate
Inflation (RPI)	**3.3**	3.4

Demographic assumptions
The table below illustrates the changes in implied life expectancies as at 31 December 2022 using this mortality assumption.

Life expectancy (years)	**2022 Male**	**2022 Female**	2021 Male	2021 Female
For a member who is currently aged 60	**29.4**	**30.4**	29.6	30.5
At 60 for a member who is currently aged 45	**30.3**	**31.4**	30.5	31.6

25. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The information in this note relates to both 2022 and 2021 as there was no change throughout either year.

JHAUKL had two subsidiary undertakings:
- Janus Henderson Secretarial Services UK Limited – a Corporate Secretary
- Henderson Nominees Limited (in Liquidation) – a Nominee Company

The carrying value of these subsidiaries in both periods was £28,000, based on a cost of £50,000 and a cumulative impairment of £22,000. There was no additional impairment in the current year.

Country of incorporation and principal place of operation	Percentage of share capital owned	Functional currency	Registered office
United Kingdom	100%	GBP	201 Bishopsgate, London EC2M 3AE

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board of Directors is not aware of, as at 20 April 2023, 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.

27. CONTINGENT LIABILITIES

In the normal course of business, the Company 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 2022 or 2021.

28. CONTROLLING PARTY

The Company's immediate parent undertaking is Janus Henderson UK (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 2022 can be obtained from its registered office at 13 Castle Street, St Helier, Jersey, JE1 1ES or its website, www.janushenderson.com.