

# HENDERSON FINANCES

## REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2008

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## **HENDERSON FINANCES**

### **CONTENTS**

	<b>Page</b>
<b>Company information page</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Statement of Directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5 – 6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 14</b>

## **HENDERSON FINANCES**

### **COMPANY INFORMATION**

#### **DIRECTORS**

N T Hiscock  
A J Formica

#### **SECRETARY**

Henderson Secretarial Services Limited

#### **COMPANY NUMBER**

1974498

#### **REGISTERED OFFICE**

201 Bishopsgate  
London  
EC2M 3AE

#### **AUDITORS**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **HENDERSON FINANCES**

### **DIRECTORS' REPORT for the year ended 31 December 2008**

The Directors present the report and the financial statements of Henderson Finances ("the Company"), which is an unlimited company, for the year ended 31 December 2008.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is that of an investment company and will continue to be the principal activity for the foreseeable future.

#### **BUSINESS REVIEW**

The Company's ultimate parent undertaking is Henderson Group plc ('the Group'). The review of the Company's activities and business operations is not performed at the individual entity level, but as part of the Group's operational review. The Group takes a proactive approach to risk management and has designed a framework to manage the risks of its business and to ensure that the Boards of Directors at both the Group and subsidiary levels have in place appropriate risk management practices. Accordingly, the key financial and other performance indicators together with the risk management objectives and policies have been disclosed within the Annual Report and Accounts of Henderson Group plc for the year ended 31 December 2008, which can be obtained from the Group's registered office as provided in note 16 to these financial statements

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £25,972,000 (2007 - £20,117,000).

The Directors did not declare an interim dividend (2007: nil). The Directors do not recommend the payment of a final dividend (2007: nil).

#### **DIRECTORS**

The Directors who served during the period were:

N T Hiscock  
R P Yates (resigned 05/11/08)  
A J Formica (appointed 02/01/09)

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Directors and the auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Ernst & Young LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 31 August 2006.

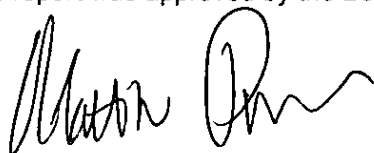
## **HENDERSON FINANCES**

### **DIRECTORS' REPORT for the year ended 31 December 2008**

#### **DIRECTORS' INDEMNITY**

Henderson Group plc provides a deed of indemnity to Directors to the extent permitted by UK law whereby Henderson Group plc is able to indemnify a Director against any liability incurred in proceedings in which the Director is successful, and against the cost of successfully applying to the court to be excused for breach of duty where the Director acted honestly and reasonably.

This report was approved by the Board of Directors on 25 June 2009 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Mark Owen', written over a horizontal line.

**Henderson Secretarial Services Limited**  
Secretary

## **HENDERSON FINANCES**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 31 December 2008**

The Directors are responsible for preparing the financial statements of Henderson Finances in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **HENDERSON FINANCES**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HENDERSON FINANCES**

We have audited the financial statements of Henderson Finances for the year ended 31 December 2008, which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## HENDERSON FINANCES

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HENDERSON FINANCES

#### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

*Ernst & Young LLP*

ERNST & YOUNG LLP

Registered Auditor  
London

30 June 2009



## HENDERSON FINANCES

### PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Administrative expenses		-	(14)
<b>OPERATING PROFIT/(LOSS)</b>	2	-	(14)
Dividends received from subsidiary undertaking		1,130	-
Profit on disposal of investments		26	-
Interest receivable	5	25,847	25,430
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		27,003	25,416
Tax on profit on ordinary activities	6	(1,031)	(5,299)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	13	<u>25,972</u>	<u>20,117</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account, accordingly a statement of recognised gains and losses is not required.

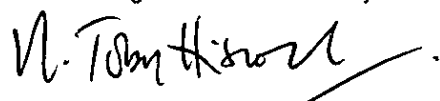
The notes on pages 9 to 14 form an integral part of these financial statements.

# HENDERSON FINANCES

## BALANCE SHEET as at 31 December 2008

	Note	£000	2008 £000	2007 £000
<b>FIXED ASSETS</b>				
Fixed asset investments	7		2,191	2,191
<b>CURRENT ASSETS</b>				
Debtors	8	378,054	378,621	
Current asset investments	9	-	461	
Cash at bank		<u>1,352</u>	<u>193</u>	
		379,406	379,275	
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(140,764)</u>	<u>(166,605)</u>	
<b>NET CURRENT ASSETS</b>			<u>238,642</u>	<u>212,670</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>240,833</u>	<u>214,861</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		173,173	173,173
Profit and loss account	13		<u>67,660</u>	<u>41,688</u>
<b>SHAREHOLDERS' FUNDS</b>	14		<u>240,833</u>	<u>214,861</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 June 2009 and were signed on its behalf by:



**N T Hiscock**  
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

## **HENDERSON FINANCES**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008**

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### **1.2 INVESTMENTS**

The fixed and current asset investments consist of investments in subsidiary undertakings which are valued at cost less any provision for impairment.

##### **1.3 INTEREST RECEIVABLE**

Interest receivable is accounted for on an accruals basis.

##### **1.4 DIVIDEND INCOME**

Dividends received from subsidiary undertakings are recognised when the Company's right to receive payment is established.

##### **1.5 TAXATION**

Current tax in respect of the taxable profit or loss for a period is provided using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on timing differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are generally recognised in respect of all timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or a loss recognised directly in the statement of total recognised gains and losses in which case tax attributable to that gain or loss is also recognised directly in the statement of total recognised gains and losses.

#### **2. OPERATING PROFIT**

Auditors' remuneration in respect of the audit of the Company's financial statements was borne by a fellow subsidiary, Henderson Administration Limited and was not recharged to the Company. Fees paid to the Company's auditors for services other than the statutory audit of the Company are disclosed on a consolidated basis in the Group's Annual Report and Accounts, which can be obtained as described in note 16.

## HENDERSON FINANCES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

#### 3. STAFF COSTS

The Company has no employees. Employees' contracts of employment are with Henderson Administration Limited, a fellow subsidiary, and staff costs are disclosed in that company's financial statements. These costs will not be recharged to the Company.

#### 4. DIRECTORS REMUNERATION

The Directors of the Company have contracts of employment with Henderson Administration Limited. The emoluments of the Directors of the Company who are also Directors of Henderson Administration Limited are disclosed in the financial statements of the company as it is not practicable to apportion this amount between their services as Directors of the Company and their services as Directors of other Group companies. None of the directors received any emoluments in respect of their services as Directors of the Company in 2008 (2007: £nil).

Mr N T Hiscock and Mr A J Formica are also a Directors of Henderson Group plc and particulars of their remuneration are set out in the Group's Annual Report and Accounts, which can be obtained as described in note 16.

#### 5. INTEREST RECEIVABLE

	2008 £000	2007 £000
Interest receivable from Group undertakings	25,840	25,388
Other interest receivable	7	42
	<u>25,847</u>	<u>25,430</u>

#### 6. TAXATION

	2008 £000	2007 £000
<b>Tax recognised in the profit and loss account</b>		
<b>Current tax</b> (see note below)		
Total current tax charge	-	-
<b>Deferred tax</b> (see note 11)		
- current year charge	1,031	3,847
- adjustments in respect of previous periods	-	1,379
- effect of change in tax rate to 28%	-	73
Total deferred tax charge	<u>1,031</u>	<u>5,299</u>
<b>Total tax on profit on ordinary activities</b>	<u>1,031</u>	<u>5,299</u>

# HENDERSON FINANCES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

### 6. TAXATION (continued)

#### FACTORS AFFECTING TAX CHARGE FOR THE YEAR

Tax charge for the year can be reconciled to the profit before tax in the profit and loss account as follows:

	2008 £000	2007 £000
Profit on ordinary activities before tax	<u>27,003</u>	<u>25,416</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% pro rata (2007 - 30%)	7,696	7,625
<b>EFFECTS OF:</b>		
Transfer pricing interest adjustment	(1,760)	(3,778)
Utilisation of tax losses	(5,607)	(3,847)
Non taxable income	(329)	-
	<u>-</u>	<u>-</u>
<b>CURRENT TAX CHARGE FOR THE YEAR</b>	<u>-</u>	<u>-</u>

### 7. FIXED ASSET INVESTMENTS

£000

#### COST/NET BOOK VALUE

At 1 January 2008 and 31 December 2008 2,191

The fixed asset investment of the Company represents the holding in the following subsidiary:

Company name	Country	Percentage Shareholding	Description
Henderson Unit Trust Limited	UK	100%	Non-trading

## HENDERSON FINANCES

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

#### 8. DEBTORS

	2008 £000	2007 £000
<b>Debtors: Amounts falling due after one year</b>		
Deferred tax asset (see note 11)	-	1,031
<b>Debtors: Amounts falling due within one year</b>		
Amounts owed by Group undertakings	485	21
Loan to parent undertaking	377,569	377,569
	<u>378,054</u>	<u>378,621</u>

#### 9. CURRENT ASSET INVESTMENTS

	2008 £000	2007 £000
Shares in group undertakings	<u>-</u>	<u>461</u>

The Company's subsidiary, Astor UK Limited, was placed into members' voluntary liquidation and dissolved on 14 May 2008.

#### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £000	2007 £000
Amounts owed to Group undertakings	140,764	166,603
Other creditors	-	2
	<u>140,764</u>	<u>166,605</u>

#### 11. DEFERRED TAX ASSET

	2008 £000	2007 £000
At 1 January 2008	1,031	6,330
Charge for the year	(1,031)	(3,847)
Prior period adjustment	-	(1,379)
Change in tax rate to 28%	-	(73)
	<u>-</u>	<u>1,031</u>
At 31 December 2008	<u>-</u>	<u>1,031</u>

# HENDERSON FINANCES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

### 11. DEFERRED TAX ASSET (*continued*)

The deferred tax balance is represented by:

	2008 £000	2007 £000
Recognised tax losses	-	1,031
	<u>-</u>	<u>1,031</u>

### 12. SHARE CAPITAL

	2008 £000	2007 £000
<b>AUTHORISED</b>		
17,361,520,000 Ordinary shares of £0.01 each	<u>173,615</u>	<u>173,615</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
17,317,256,612 Ordinary shares of £0.01 each	<u>173,173</u>	<u>173,173</u>

### 13. RESERVES

	Profit and loss account £000
At 1 January 2008	41,688
Profit for the year	25,972
	<u>67,660</u>
At 31 December 2008	

### 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £000	2007 £000
Opening shareholders' funds	214,861	194,744
Profit for the year	<u>25,972</u>	<u>20,117</u>
Closing shareholders' funds	<u>240,833</u>	<u>214,861</u>

## **HENDERSON FINANCES**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008**

#### **15. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures', relating to transactions between 90% or more controlled subsidiaries, by not disclosing information on related party transactions with entities that are part of the Group, which prepares publicly available financial statements, or investees of the Group qualifying as related parties.

#### **16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's immediate parent undertaking is HGI Group Limited and ultimate parent undertaking is Henderson Group plc. A copy of the Group's Annual Report and Accounts for the year ended 31 December 2008 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD. Accordingly, in line with S228(1) of the Companies Act 1985, the Company is exempt from the requirement to prepare and deliver group financial statements.

#### **17. CASH FLOW STATEMENT**

The Company has taken advantage of the exemption in FRS 1 'Cash Flow Statements' from the requirement to prepare a cash flow statement, on the basis that it is a subsidiary undertakings where 90% or more of the voting rights are controlled within the Group, which prepares publicly available financial statements.

#### **18. POST BALANCE SHEET EVENTS**

The Board of Directors has not received, as at 25 June 2009, being the date the financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, which have not been reflected in the financial statements as presented.