

Registered number: 2607112

HENDERSON FUND MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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HENDERSON FUND MANAGEMENT LIMITED
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COMPANY INFORMATION

DIRECTOR	R M Thompson
COMPANY SECRETARY	Henderson Secretarial Services Limited
REGISTERED NUMBER	2607112
REGISTERED OFFICE	201 Bishopsgate London EC2M 3AE
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
BANKERS	Royal Bank of Scotland Plc 2 1/2 Devonshire Square London EC2M 4XJ

HENDERSON FUND MANAGEMENT LIMITED
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HENDERSON FUND MANAGEMENT LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the report and the audited financial statements of Henderson Fund Management Limited ("the Company"), for the year ended 31 December 2018.

The Directors have prepared the report in accordance with the small companies regime and taken advantage of the small companies' exemption (CAO6 (section 414B)) in not preparing a Strategic Report. The Company would have otherwise qualified as a small company was it not a member of an ineligible group.

PRINCIPAL ACTIVITY AND FUTURE OUTLOOK

The principal activity of the Company, was the provision of investment management services for institutional funds, segregated accounts and international funds. The Company has been deregistered from FCA supervision, its last client having novated to another Group undertaking.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Janus Henderson Group plc ("JHG plc" or "the Group"). The Group is run on an integrated basis through business units, not by the legal construct of its subsidiaries. Therefore the Company's strategy and business model is governed by that of the Group which is set out in detail in the Annual Report and Accounts of the Group, which can be obtained from its registered office as set out in note 16. The Group provides investment management services to clients throughout Europe, the Americas and Asia. The Group manages a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including equities, fixed income, multiasset and alternatives.

PRINCIPAL RISKS AND UNCERTAINTIES

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

RESULTS

The profit for the financial year, amounted to £168,000 (2017: £141,000).

There were no dividends paid in 2018 or 2017.

DIRECTORS

The Directors who served during the year were:

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

DIRECTORS' INDEMNITY

Janus Henderson Group plc provides a deed of indemnity to the Directors to the extent permitted by United Kingdom law whereby Janus Henderson Group plc is able to indemnify Directors against any liability incurred in proceedings in which the Directors are successful, and against the cost of successfully applying to the court to be excused for breach of duty where the Director acted honestly and reasonably. The indemnity has been in force for the year to 31 December 2018 and up to the date of approval of the report and financial statements.

GOING CONCERN

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

HENDERSON FUND MANAGEMENT LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

DISCLOSURE OF INFORMATION TO AUDITORS

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

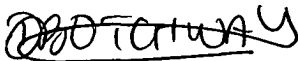
EVENTS AFTER THE END OF THE REPORTING PERIOD

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

INDEPENDENT AUDITORS

It is the intention of the 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 26 June 2019 and signed by order of the Board.



Henderson Secretarial Services Limited
Secretary

HENDERSON FUND MANAGEMENT LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the Director to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101").

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

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

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

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



R M Thompson
Director
26 June 2019

HENDERSON FUND MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENDERSON FUND MANAGEMENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Henderson Fund Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

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

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

HENDERSON FUND MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENDERSON FUND MANAGEMENT LIMITED

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2018 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 Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Director for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Director was not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

We have no exceptions to report arising from this responsibility.

Parwinder Purewal (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2019

HENDERSON FUND MANAGEMENT LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £000	2017 £000
Gross fee income	3	52	43
Operating (expenses)/income	4	(29)	12
Operating profit		23	55
Finance income	8	157	99
Finance expense	9	(10)	(11)
Profit before tax		170	143
Taxation	10	(2)	(2)
Profit for the year		168	141

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £000	2017 £000
Profit for the financial year	168	141
Total comprehensive income for the year	168	141

The notes on pages 9 to 18 form part of these financial statements.

HENDERSON FUND MANAGEMENT LIMITED
REGISTERED NUMBER: 2607112

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 £000	2017 £000
Non-Current Assets			
Deferred tax asset	11	13	-
Current assets			
Debtors: amounts falling due within one year	11	9,073	9,672
Current asset investments		-	8
Cash at bank and in hand	13	729	-
Total Assets		9,813	9,693
Current Liabilities			
Creditors: amounts falling due within one year	12	-	(48)
Net assets		9,813	9,645
Capital and reserves			
Called up share capital	16	900	900
Profit and loss account	15	8,913	8,745
		9,813	9,645

The financial statements on pages 6 to 17 were approved and authorised for issue by the Board on the 26th June and were signed on its behalf by:


R. M. Thompson
 Director

The notes on pages 9 to 17 form part of these financial statements.

HENDERSON FUND MANAGEMENT LIMITED

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

	Ordinary share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	900	8,745	9,645
Comprehensive income for the year			
Profit for the financial year	-	168	168
Total comprehensive income for the year	-	168	168
At 31 December 2018	900	8,913	9,813

The notes on pages 9 to 18 form part of these financial statements.

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

	Ordinary share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	900	8,604	9,504
Comprehensive income for the year			
Profit for the financial year	-	141	141
Total comprehensive income for the year	-	141	141
At 31 December 2017	900	8,745	9,645

The notes on pages 9 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 thousand pounds, except where otherwise indicated. The Company is a private limited company incorporated and domiciled in the UK.

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

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

The Company is a wholly owned subsidiary of Henderson Global Investors (Holdings) Limited and of its ultimate parent, Henderson Group plc. The Company's results form part of the consolidated financial statements of Janus Henderson Group plc which are publically available, see note 16. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 GOING CONCERN

The financial statements have been prepared on a going concern basis. The intercompany payable balances in these financial statements are only payable on demand and in the event of the balances being demanded another entity within the Group will provide financial support. Thus the Directors continue to adopt the going concern basis for the preparation of the annual financial statements.

1.4 ADOPTION OF NEW AND REVISED STANDARDS

Impact of initial application of IFRS 9 Financial Instruments ("IFRS 9")

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for annual periods beginning on 1 January 2018.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the Company's financial assets as regards their classification and measurement.

Impact of application of IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for annual periods beginning on 1 January 2018. IFRS 15 introduced a 5 step approach to revenue recognition. The Directors have reviewed the Company's revenue stream and have determined that the revenue recognition applicable under IFRS 15 results in no change. The Company's accounting policies for recognition of its revenue stream are disclosed in note below.

1.5 GROSS FEE INCOME

Gross fee income includes performance fees (including earned carried interest). Performance fees are recognised when the prescribed performance hurdles are achieved and it is probable that a fee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

will crystallise as a result.

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 incurred.

1.6 OPERATING EXPENSES

Operating expenses are accrued and recognised as incurred.

Recharges from Group undertakings in the year include amounts due to other Group undertakings for investment management, advisory or distribution services provided on behalf of the Company and expenses borne by another Group undertaking on behalf of the Company. These are allocated based on the Group's transfer pricing policy on a net residual profit/loss basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.7 FINANCE INCOME AND EXPENSE

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

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

1.8 INCOME TAX

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.9 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.

Available-for-sale financial assets

For available-for-sale financial assets, gains and losses arising from changes in fair value which are not part of a designated hedge relationship are recognised in the Statement of Comprehensive Income. When an asset is disposed of, the cumulative changes in fair value, previously recognised in the Statement of Comprehensive Income, are taken to the Income Statement in the current accounting period.

Unrealised gains and losses on financial assets represent the difference between the fair value of financial assets at the reporting date and cost or, if these have been previously revalued, the fair value at the last reporting date. Realised gains and losses on financial assets are calculated as the difference between the net sale proceeds and cost or amortised cost.

Where a fall in the value of an investment is prolonged or significant, it is considered an indication of impairment. In such an event, the investment is written down to fair value and the amounts previously recognised in the Statement of Comprehensive Income in respect of cumulative changes in fair value are taken to the Income Statement as an impairment charge.

Trade and other receivables and cash and cash equivalents

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. Balances are written off when the receivable amount is deemed irrecoverable.

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

1.10 TRADE AND OTHER PAYABLES

Trade and other payables are stated at amortised cost using the effective interest rate method.

1.11 FOREIGN CURRENCY TRANSLATION

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

1.12 DIVIDEND RECOGNITION

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

Impairment of investments

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

3. GROSS FEE INCOME

An analysis of gross fee income by class of business is as follows:

	2018 £000	2017 £000
Performance fees	52	43
	<u>52</u>	<u>43</u>

All gross fee income arose within the United Kingdom.

4. OPERATING (EXPENSES)/INCOME

The operating (expenses)/income comprise:

	2018 £000	2017 £000
Foreign exchange differences	(29)	12
	<u>(29)</u>	<u>12</u>

5. AUDITORS' REMUNERATION

Auditors' remuneration of £10,900 (2017: £11,869) and £nil (2017: nil) in respect of the Company's financial statements and audit related assurance services respectively is borne by a fellow Group undertaking.

6. EMPLOYEES

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

7. DIRECTORS' REMUNERATION

The Directors of the Company were employed and remunerated 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 Group emoluments for the Directors of the Company is presented as follows:

HENDERSON FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £000	2017 £000
Total Group emoluments to company Directors	6,980	7,627
Emoluments paid to the highest paid Director	4,925	5,813
Pension contributions made in respect of the highest paid Director	-	50
Money Purchase Pension Scheme contributions	-	82

Emoluments comprise salaries, bonuses and other employee benefits.

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

Money purchase pension scheme	-	2
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During the year two of the Directors of the Company exercised share options (2017: two). Two Directors of the Company received shares under the Group's long term incentive schemes (2017: two).

The highest paid Director of the Company was awarded shares under the Group's long term incentive schemes and exercised options during 2018 and 2017.

8. FINANCE INCOME

	2018 £000	2017 £000
Interest receivable on balances due from Group companies	157	96
Other interest receivable	-	3
	<u>157</u>	<u>99</u>

9. FINANCE EXPENSE

	2018 £000	2017 £000
Interest payable on balances due to Group undertakings	10	11
	<u>10</u>	<u>11</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. TAXATION

	2018 £000	2017 £000
Current Tax		
	-	-
Deferred Tax		
Charge for the year	2	2
Total Deferred Tax	2	2
Total Tax Charged to Income Statement	2	2

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The UK corporation tax rate applicable for the year is 19% (2017: 19.25%). The tax assessed to the Company for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	170	143
Tax charge at the UK corporation tax of 19% (2017: 19.25%)	32	27
EFFECTS OF:		
Expenses not deductible for tax purposes	-	2
Income not taxable for tax purposes	(11)	(8)
Group relief (claimed) / surrendered for nil consideration and worldwide debt cap adjustments	(19)	(19)
Total tax charged to income statement	2	2

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020 has been substantively enacted. This tax rate change will affect the Company's current tax charge or credit in future years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. TRADE AND OTHER RECEIVABLES

	2018 £000	2017 £000
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset (note 14)	<u>11</u>	<u>13</u>
	11	13
	2018 £000	2017 £000
DUE WITHIN ONE YEAR		
Amounts owed by Group undertakings	9,073	9,532
Prepayments and accrued income	<u>-</u>	<u>140</u>
	9,073	9,672

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

12. TRADE AND OTHER PAYABLES

	2018 £000	2017 £000
Amounts owed to group undertakings	<u>-</u>	<u>48</u>
	-	48

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

13. CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash at bank and in hand	<u>729</u>	<u>-</u>
	729	-

HENDERSON FUND MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. DEFERRED TAXATION

	2018 £000	2017 £000
At 1 January	13	15
Charged to the Income Statement	(2)	(2)
At 31 December	11	13

15. RESERVES

Profit and loss account

The profit and loss reserve comprises:

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

16. SHARE CAPITAL

	2018 £000	2017 £000
ALLOTTED, CALLED UP AND FULLY PAID		
45,000,000 (2017 - 45,000,000) Ordinary shares of £0.02 each	900	900

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board of Directors has not received as at 26 June 2019, 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.

18. CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Global Investors (Holdings) Limited, a company incorporated in the United Kingdom and the ultimate parent undertaking and controlling party is Janus Henderson Group plc, a company incorporated in Jersey which is the parent undertaking of the smallest and largest group to consolidate these financial statements. A copy of the Group's Annual Report for the year ended 31 December 2018 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD or its website, www.janushenderson.com.

19. CONTINGENT LIABILITIES

In the normal course of business, the Group is exposed to certain legal or tax matters, which could involve litigation and arbitration, and may result in contingent liabilities. The Directors are not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2018 or 2017.