

HENDERSON HOLDINGS GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2010

WEDNESDAY



A7IPQUT1

A36

08/06/2011

304

COMPANIES HOUSE

HENDERSON HOLDINGS GROUP LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5 - 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 - 13

HENDERSON HOLDINGS GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

A J Formica
S J Garrod
R P McNamara

COMPANY SECRETARY

Henderson Secretarial Services Limited

COMPANY NUMBER

6743053

REGISTERED OFFICE

201 Bishopsgate
London
EC2M 3AE

AUDITORS

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

HENDERSON HOLDINGS GROUP LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

The Directors present their report and the financial statements of Henderson Holdings Group Limited ("the Company"), for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company for certain Henderson Group companies which provide investment management and marketing services. This will continue to be the principal activity for the foreseeable future.

BUSINESS REVIEW

The Company's ultimate parent undertaking is Henderson Group plc. The review of the Company's activities and business operations is not performed at the individual entity level as the operational review is conducted at the ultimate parent level, Henderson Group plc and its subsidiaries ("the Group"). There is a proactive approach to risk management and a framework has been designed to manage the risks of its business and to ensure that the Boards of Directors at both Henderson Group plc 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 2010, which can be obtained from the registered office as provided in note 16 to these financial statements.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,153,000 (2009: loss £3,765,000).

The Directors did not declare a dividend in 2010 (2009: £nil). The Directors do not recommend the payment of a dividend (2009: £nil).

DIRECTORS

The Directors who served during the year were:

A J Formica
S J Garrod
A Eades (appointed 2 September 2010 and resigned 2 April 2011)
R P McNamara (appointed 2 September 2010)
S J O'Brien (resigned 30 July 2010)

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.

PROVISION 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 auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the auditor, each Director has taken all the steps that he or she is obliged to take as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

HENDERSON HOLDINGS GROUP LIMITED

DIRECTORS' REPORT for the year ended 31 December 2010

GOING CONCERN

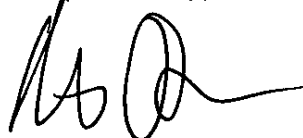
The Company's business activities, together with the factors likely to affect its future development, performance and position, financial risk management objectives and its exposure to cash flow risk are included in the Group's Business Review

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 of accounting in preparing the annual financial statements

AUDITORS

In accordance with section 487(2) of the Companies Act 2006, the auditors are deemed to be reappointed

This report was approved by the Board of Directors on 11 May 2011 and signed on its behalf by

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

Henderson Secretarial Services Limited
Secretary

HENDERSON HOLDINGS GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 31 December 2010

The Directors are responsible for preparing the Directors' report and the financial statements 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). 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 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 United Kingdom Accounting Standards 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 HOLDINGS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF HENDERSON HOLDINGS GROUP LIMITED

We have audited the financial statements of Henderson Holdings Group Limited for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

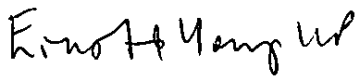
HENDERSON HOLDINGS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF HENDERSON HOLDINGS GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



R Engineer (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 11 May 2011

HENDERSON HOLDINGS GROUP LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2010

	Note	2010 £000	2009 £000
Interest payable	5	(3,153)	(3,765)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,153)	(3,765)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR	13	(3,153)	(3,765)

All amounts relate to continuing operations

The notes on pages 9 to 13 form part of these financial statements

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account, accordingly a statement of total recognised gains and losses is not required

HENDERSON HOLDINGS GROUP LIMITED
Registered number: 6743053

BALANCE SHEET
as at 31 December 2010

	Note	£000	2010 £000	2009 £000
FIXED ASSETS				
Fixed asset investments	7		524,203	474,203
CURRENT ASSETS				
Cash	9	327		327
CREDITORS: amounts falling due within one year	10	<u>(230,911)</u>		<u>(177,758)</u>
NET CURRENT LIABILITIES			<u>(230,584)</u>	<u>(177,431)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>293,619</u>	<u>296,772</u>
CREDITORS: amounts falling due after more than one year	11		<u>(64,154)</u>	<u>(64,154)</u>
NET ASSETS			<u><u>229,465</u></u>	<u><u>232,618</u></u>
CAPITAL AND RESERVES				
Called up share capital	12		237,203	237,203
Profit and loss account	13		<u>(7,738)</u>	<u>(4,585)</u>
SHAREHOLDER'S FUNDS			<u><u>229,465</u></u>	<u><u>232,618</u></u>

The notes on pages 9 to 13 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 11 May 2011 and were signed on its behalf by



R P McNamara
Director

HENDERSON HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

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. The financial statements have been prepared on a going concern basis.

Comparative disclosures in relation to debtors and cash and creditors (falling due within one year) and creditors (falling due after one year) in the Balance Sheet have been amended to ensure consistency with the current year's financial statements.

1.2 INTEREST PAYABLE

Interest payable are accounted for on an accruals basis.

1.3 INVESTMENTS

Investments in subsidiaries are valued at cost less permanent diminution in value.

1.4 TAXATION

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current and deferred tax is 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 LOSS

Auditors' remuneration in respect of the audit of the Company's financial statements was borne by a fellow subsidiary 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.

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.

HENDERSON HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

4. 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.

Mr A J Formica and Mrs S J Garrod are also directors of Henderson Group plc and particulars of their remuneration are set out in the Group's Annual Report and Accounts as described in note 16.

5. INTEREST PAYABLE

	2010 £000	2009 £000
Interest payable on loans from group companies	3,153	3,765

6. TAXATION

	2010 £000	2009 £000
UK corporation tax charge on loss for the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2010 £000	2009 £000
Loss on ordinary activities before tax	(3,153)	(3,765)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2009: 28%)	(883)	(1,054)
EFFECTS OF:		
Group relief surrendered	883	1,054
CURRENT TAX CHARGE FOR THE YEAR	-	-

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £000
COST	
At 1 January 2010	474,203
Additions	50,000
At 31 December 2010	524,203

HENDERSON HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

7. FIXED ASSET INVESTMENTS (continued)

During the year, the Company made a £50,000,000 capital contribution to HGI Group Limited through the assignment of a loan of £50,000,000 payable to Henderson Finances

8. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Direct			
HGI Group Limited	UK	100	Holding Company
New Star Asset Management Group Limited	UK	100	Holding Company

The principal indirect subsidiaries of the Company, excluding the directly held subsidiaries shown above, are as follows

Indirect			
Henderson Administration Limited	UK	100	Service Company
Henderson Alternative Investment Advisor Limited	UK	100	Fund Management
Henderson Equity Partners Limited	UK	100	Fund Management
Henderson Finances	UK	100	Holding Company
Henderson Fund Management Limited	UK	100	Fund Management
Henderson Global Investors (Investments) Limited	UK	100	Investment Company
Henderson Global Investors (Holdings) Limited	UK	100	Holding Company
Henderson Global Investors (International Holdings) BV	Netherlands	100	Holding Company
Henderson Global Investors (Jersey) 2 Limited	Jersey	100	Holding Company
Henderson Global Investors Limited	UK	100	Fund Management
Henderson Global Investors (North America) Inc	USA	100	Fund Management
Henderson Holdings Limited	UK	100	Holding Company
Henderson International Holdings Limited	Jersey	100	Holding Company
Henderson International Inc	USA	100	Holding Company
Henderson Investment Funds Limited	UK	100	Fund Management
Henderson Investment Management Limited	UK	100	Fund Management
New Star Asset Management Holdings Limited	UK	100	Holding Company
New Star Asset Management Limited	UK	100	Fund Management
New Star Institutional Managers Limited	UK	25	Fund Management
New Star Investment Funds Limited	UK	100	Non-trading

The Company holds ordinary shares in these subsidiary undertakings. In the opinion of the Directors, the aggregate value of the shares in subsidiaries is not less than the amount at which they are stated in the balance sheet

9. CASH

	2010 £000	2009 £000
Cash held under agency agreement	327	327

The Directors have waived the right to receive interest on the balance held under the agency agreement with a fellow Group subsidiary

HENDERSON HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £000	2009 £000
Loans from group undertakings	<u>230,911</u>	<u>177,758</u>

The Company has loans from Henderson Global Investors (Jersey) 2 Limited for £45,845,668 and Henderson Global Group Limited for £593,996. The former loan has accrued interest of £3,825,682 at 6 month LIBOR + 100 bps and is repayable on demand.

In addition there are two loans from HGI Group Limited for £80,000,000 and £47,000,000. These loans, which are repayable on demand, accrue interest at 6 month LIBOR + 100 bps £2,359,409 and 6 month LIBOR + 50 bps £1,286,290 respectively.

During the year, the Company was assigned a £50,000,000 loan from Henderson Finances to HGI Group Limited as part of a capital contribution to HGI Group Limited (see note 7). This loan is interest free and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £000	2009 £000
Loans from group undertakings	<u>64,154</u>	<u>64,154</u>

The Company has loans from Henderson Global Group Limited for £47,000,000 and £17,154,000. These loans are interest free and repayable after 18 years.

12. SHARE CAPITAL

	2010 £000	2009 £000
AUTHORISED		
1,949,911 Ordinary shares of £0.125 each	<u>243,739</u>	<u>243,739</u>
ALLOTTED, CALLED UP AND FULLY PAID		
1,897,626 Ordinary shares of £0.125 each	<u>237,203</u>	<u>237,203</u>

13. RESERVES

	Profit and loss account £000
At 1 January 2010	(4,585)
Loss for the year	<u>(3,153)</u>
At 31 December 2010	<u>(7,738)</u>

HENDERSON HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2010	237,203	(4,585)	232,618
Loss for the year	-	(3,153)	(3,153)
At 31 December 2010	<u>237,203</u>	<u>(7,738)</u>	<u>229,465</u>

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures", relating to transactions between 100% controlled subsidiaries, by not disclosing information on related party transactions with entities that are part of the Group, or investees of the Group qualifying as related parties

16. ULTIMATE PARENT UNDERTAKING & CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Global 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 2010 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD. Accordingly, in line with S400(1) of the Companies Act 2006, 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 undertaking 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 11 May 2011, 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. The Board has, however, given due regard to the events described below which occurred after the reporting date

On 4 April 2011, the Company acquired 100% of the share capital of Gartmore Group Limited for consideration of £420,008,000, settled by the issue of shares. On the same day, the Company contributed 100% of share capital of Gartmore Group Limited to HGI Group Limited at a value of £420,008,000