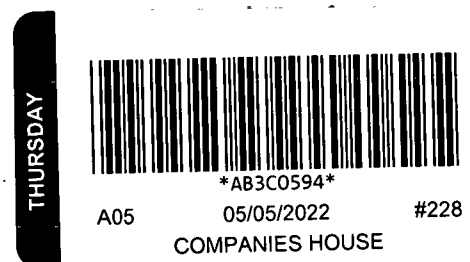


Registered number:
2678531

**JANUS HENDERSON FUND MANAGEMENT UK LIMITED
(FORMERLY HENDERSON INVESTMENT FUNDS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



JANUS HENDERSON FUND MANAGEMENT UK LIMITED
(formerly known as HENDERSON INVESTMENT FUNDS LIMITED)

COMPANY INFORMATION

Directors	R W Chaudhuri J G Foggin G L Fogo S Hillenbrand H J de Sausmarez PJ Shea F K Smith
Company secretary	Janus Henderson Secretarial Services UK Limited
Registered Number	2678531
Registered office	201 Bishopsgate London EC2M 3AE
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Bankers	The Royal Bank of Scotland Plc 2 1/2 Devonshire Square London EC2M 4XJ

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

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**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present the Strategic Report and the audited financial statements of Janus Henderson Fund Management UK Limited (formerly known as Henderson Investment Funds Limited effective from 22 March 2022) ("the Company"), for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of the Company, which is authorised and regulated by the Financial Conduct Authority, is to act as the Authorised Corporate Director (ACD) for certain open-ended investment companies (OEICs), as an authorised unit trust (UT) manager, as an Alternative Investment Fund (AIF) manager for a number of funds, and as the plan manager for the Henderson Individual Savings Accounts (ISAs). 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 Janus Henderson Group plc ("JHG plc" or "the Group"). The Group is run on an integrated basis through business units, not by the legal construct of its subsidiaries. Therefore the Company's strategy and business model is governed by that of the Group which is set out in detail in the Annual Report of the Group which can be obtained from its registered office as set out in note 22. 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 equities, fixed income, multi-asset 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 so that new and emerging risks are identified early on. The Group's culture embeds the management of risk at all levels within the organisation. Please refer to the Group Annual Report for the major risks affecting the Group. Of those risks, the following risks relate specifically to the Company:

Investment performance

The risk that funds fail to achieve their performance hurdles or benchmarks, or performance is poor relative to that of peer funds, leading to increased client redemptions and a reduction in Assets Under Management ("AUM") and revenues earned by the Company. Poor fund performance will also result in lower performance fees and reduced revenue. This is mitigated through having: a robust investment process including detailed research; a clearly articulated investment philosophy including analysis of the Group funds by comparing their performance against appropriate benchmarks; a broad range of asset classes and fund styles reducing the probability of all funds underperforming at the same time; and an independent Investment Risk function that ensures that the level of risk taken for each portfolio is consistent with client expectations.

Brexit Update

On 31 January 2020, the UK left the European Union ("EU"), commonly referred to as "Brexit." Under the terms of the Brexit withdrawal agreement between the UK and the EU, the UK entered a transition period whereby it was no longer a member of the EU but remained a member of the single market and customs union until 31 December 2020. Arrangements for trade with the EU remained essentially unchanged until the end of the transition period. The UK and the EU agreed a Trade and Cooperation Agreement (TCA) on 24 December 2020 which was ratified on 30 December 2020 and came into full force in February 2021. While the TCA regulates a number of important areas, significant parts of the UK economy are not addressed in detail. A number of issues have been the subject of further bilateral negotiations since the beginning of 2021. One of the subjects of these negotiations has been a Memorandum of Understanding ("MoU") between the EU and UK covering financial services, which has now been agreed. While technical agreement on the MoU was reached on 26 March 2021, the text of the MoU has not been published and ratification is subject to further agreement between the EU and the UK, which may not be forthcoming. As a result, the new relationship between the UK and the EU could in the short-term, and possibly for longer, cause disruptions to and create uncertainty in the UK and EU economies, impacting financial services businesses such as ours that are conducting business in the EU. A failure to reach an agreement for a sustainable and practical financial services regulatory relationship between the UK and the EU, whether on the basis of equivalence, mutual recognition or otherwise, could harm our operations. These and related issues, or a decline in trade between the UK and the EU, could affect the attractiveness of the UK as a global investment centre and could have a detrimental impact on UK economic growth. The Group's management continue to assess the risks associated with Brexit as well as the necessary contingency preparations as these further negotiations progress. However, this is not expected to have a material impact on the Company.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Market

The risk that market conditions lead to a reduction in the value of clients' AUM and revenues earned by the Company. This is mitigated by: having a broad range of clients by distribution channel, product, asset class and region; and a significant amount of the Company's expense base being variable.

Fund flows

The risk of net redemptions by clients resulting in a decline in AUM and revenues earned by the Company. This is mitigated by: diversity of sources of revenue by asset class, capability, fund style, strategy and geography; diversity of investor base between Retail and Institutional channel and by geography; and solid long-term investment performance across product ranges.

Impact of COVID-19

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") to be a pandemic. COVID-19 has had and may continue to have a significant impact on the global economy, including the UK economy, primarily through the preventative measures taken by businesses and governments to restrict its spread. While the pandemic continues to influence how and where we work, we have maintained focus on our strategic priorities and delivered results for our clients. We have welcomed our employees back into our offices over the past year; however, our technology capabilities allow them to alternatively work from home effectively. Our detailed business continuity plan puts the health and safety of our employees first and helps to ensure we can operate effectively in a hybrid working model.

The economic impact of COVID-19 adversely affected financial results particularly during the prior year. Revenues are primarily derived from management fees and performance fees, which are in turn dependent on the value and composition of our AUM, which was negatively impacted by the significant decline in the global financial markets, primarily during the first quarter of 2020. The global financial markets have greatly improved since the first quarter of 2020 and throughout 2021 and our AUM has also benefited from the market appreciation. COVID-19 also led to volatility in foreign currency exchange rates, which directly impacts the results where the Company has significant AUM, assets and liabilities denominated in foreign currencies.

The pandemic continues to evolve, and it is not possible to predict the extent to which COVID-19, or any inability of the global economy to recover from it successfully, will adversely impact our financial results and business operations. Any such impacts will depend on numerous developing factors that are highly uncertain and rapidly changing, including the duration of the pandemic, the actions taken by governments to contain its financial and economic impact, the continued or renewed implementation of travel advisories and restrictions, the efficacy and availability of vaccines, and the extent of the pandemic's disruption to supply chains and economic markets. However, the Group has a robust and detailed business continuity plan in place to ensure that operations can continue effectively, and throughout the pandemic the Group's ability to adequately maintain operations, internal controls and client relationships has not been adversely affected.

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

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.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Operational, IT 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, failing to manage operational aspects of the Group's global expansion, 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 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 are also reviewed by the Group's assurance function; 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 Company's profitability through fee restrictions, affecting the Group'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. The Company is regulated by the Financial Conduct Authority ("FCA"), and as such must comply with the required standards of conduct to minimise the risk of harm to customers and stakeholders. The Company engages with the FCA in an open and transparent manner.

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 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 and to comply with regulatory liquidity requirements.

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. The Group does not have employees or offices in Ukraine or Russia and has very limited exposure to assets based in those countries. The Group has documented and tested processes in place for situations of this nature and has been working to ensure that any potential disruption to its business is minimised and to ensure that all applicable sanctions imposed are implemented in a timely manner. The Group has also taken measures to reinforce its information security processes and systems to continue to protect its clients' assets. The invasion could also have significant impact on the global economy as the effect of sanctions could result in further inflationary pressures and have a broader impact on financial markets. Any such impacts are highly uncertain and rapidly changing and it is not possible to predict the extent to which this could 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.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

KEY PERFORMANCE MEASURES

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

Gross fee income

Gross fee income has increased by £34.3m in the year. This is mainly driven by

- higher management fees and performance fees;
- flows into share classes with higher fee rates; and
- AUM increased as markets recovered after the impact COVID-19

Commission and deferred acquisition costs

Commission and deferred acquisition costs have decreased by £4.8m in the year. This is driven by lower AUM in commission paying classes in the OEIC and Investment Trust funds.

Operating expenses

Operating expenses increased by £16.1m in the year due to an increase in the Company operating expense recharges from other Group entities.

Financial position and performance

Total Shareholders' funds attributable to equity holders of the parent decreased by £26.9m to £103.6m as at 31 December 2021. This was due to a profit for the financial year of £53.1m less dividends of £80.0m declared and paid in the financial year.

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 2021.

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.

The Company's key stakeholders are its ultimate parent undertaking, employees, suppliers, customers, regulators, community and intra-group clients; the interest 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. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This information is provided to the Board through reports sent in advance of each Board meeting and through in-person presentations. 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).

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 interim dividends to its shareholder. In making these decisions, the Board considered a range of factors including, whether it had sufficient distributable reserves, its expected cash flow, capital and liquidity requirements, the ongoing need for strategic investment in the business and workforce, as well as the expectations of the shareholder.

Legal Entity Strategy Project

Consistent with the strategy of Simple Excellence, during the year the Group undertook a corporate reorganisation to split the Group into distinct geographic nodes and subsequently remove any surplus holding companies (the "Reorganisation").

In April 2021, the Board approved the Reorganisation and any steps relating to the Company, including the transfer of the entire share capital of the Company from Henderson Global Investors (Holdings) Limited to Janus Henderson UK (Holdings) Limited.

In making this decision, the Board concluded that the Reorganisation would enable better alignment with the global nature of the Group's operations, reduce risk through simplification and unlock operational efficiencies through the removal of surplus holding companies and align supervision to the regions where activities are performed.

No detrimental impact had been identified for customers, suppliers, employees, shareholders or other stakeholders as a result of the Reorganisation. The Financial Conduct Authority had been proactively engaged.

Value Assessment

During the year, the Value Assessment Oversight Committee ("VAOC"), a committee of the Company's Board, undertook a detailed assessment of whether the funds were providing value to their investors.

The activities of the VAOC included, as a minimum, reviewing each fund against seven criteria prescribed by the FCA: Performance with regard to the fund objectives and any specific targets, charges made to the funds, comparable market rates, economies of scale, comparable services, appropriateness of each share class and the quality of services provided. This analysis was then used to identify possible areas of concern and areas for improvement.

Following a recommendation from the VAOC and after robust challenge, the Board approved the Investor Report, which outlined the findings of the value assessment and actions being taken to address areas for improvement. Through the delivery of the Investor Report and VAOC's oversight over actions being taken to address areas for improvement, the Board has demonstrated its desire to maintain a reputation for high standards of business conduct and to act fairly for and on behalf of its clients.

Janus Henderson UK Property PAIF

Following the suspension of the UK Property PAIF and Feeder Fund ("the Funds") in March 2020, the Board continued to review the dealing suspension, formally at least every 28 days or if there had been a material change in circumstances.

Reviews included discussions with the Funds' depositary, Nuveen Real Estate Management Limited ("Nuveen") and the FCA. Plans for reopening of the funds had due regard to the liquidity of the Funds and balancing the interests of those investors wishing to redeem and those wishing to remain invested in the Funds. Regular updates had been shared with investors in the Funds throughout the period of suspension.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Following an improvement in the Funds' liquidity, a decision to re-open the Funds was taken in January 2021. Dealing in the Funds resumed on 24 February 2021.

Since dealing in the Funds has resumed, the Board has received regular updates from Nuveen and an independent adviser to assist in its monitoring of the Funds' liquidity and to ensure that the best interests of investors continue to be met.

On 4 March 2022 the Board of Janus Henderson Fund Management UK Limited once again suspended dealing in the Janus Henderson UK Property PAIF and Feeder Fund to protect the interests of all investors whilst a potential sale of the PAIF's direct property portfolio is progressed. Dealing requests received since the 12-noon valuation point on 3 March 2022 will be rejected. The decision to suspend dealing was taken in agreement with the Funds' Depositary/Trustee and the Financial Conduct Authority has been informed.

This report was approved by the Board of Directors on 13 April 2022 and signed on 14 April 2022 on its behalf by:



R W Chaudhuri
Director
14 April 2022

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £53.0m (2020: £34.9m).

The Company declared and paid an interim dividends of £80.0m in the financial year (2020: £30.0m). The Directors do not recommend the payment of a final dividend (2020: £nil).

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

R W Chaudhuri
A A Crooke (resigned 31 March 2022)
J G Foggin
G L Fogo
S Hillenbrand
H J de Sausmarez
PJ Shea
F K Smith

FUTURE DEVELOPMENTS

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

GOING CONCERN

As at 31 December 2021, the Company has net assets of £104.6m (2020: £131.6m) and net current assets of £104.6m (2020: £131.6m).

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.

DIRECTORS' INDEMNITY

During the financial year to the 31 December 2021 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.

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
- each 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.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

ENGAGEMENT WITH STAKEHOLDERS

Clients – The Company is an active asset manager dedicated to helping investors achieve long-term financial goals through a broad range of investment solutions. The Company aims to be a partner its clients can trust, puts clients first and ensures their needs are at the heart of everything the Company does. Embedding a client centric attitude across the business ensures the fair treatment of clients is integrated into the business model. The Company's principal method of engagement with clients is to provide insight, thought leadership and transparency to clients in a timely and cost-efficient way. The Company aims to have an ongoing dialogue with clients and a policy of openness and transparency. The VAOC was established to perform a detailed assessment on whether the Company's funds are providing value to investors, and publish an annual statement summarising the outcome of this process. The VAOC considers, as a minimum, value across the FCA's seven criteria of quality of service, performance, AFM costs, economies of scale, comparable market rates, comparable services and classes of units.

Shareholders – The Company's ultimate parent is Janus Henderson Group plc and its direct shareholder is Janus Henderson UK (Holdings) Limited. 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.

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 global 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.

Regulators - The Company is regulated by the FCA in the United Kingdom. The FCA is responsible for supervising financial services firms and ensuring the Company acts with honesty and integrity. The Compliance team plays a key role in supporting senior management in ensuring there is an effective compliance culture within the Company, they take a lead role in engaging with the regulator, and in advising the business to ensure the Company demonstrates compliance with the relevant rules and regulations and that all regulatory reporting is completed in a timely and accurate manner.

Distribution partners - The Company's distribution partners include platforms, life insurance companies, advisers, wealth managers, financial institutions and funds of funds. They are critical to ensuring the effective distribution and servicing of the Company's products and they supplement the infrastructure, which enables the Company to benefit from their expertise and scale. The Distribution team engages with the distribution partners through meetings, thought leadership and other direct communication.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

All expenses relating to energy consumption in the UK are paid by a fellow group company Henderson Administration Limited, which discloses information relating to energy and emissions under SECR. The Company has therefore taken the exemption from providing the information required under the Companies (Directors' Report) and Limited liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI2018/1155') on the basis that the energy use of the Company is less than 40,000kWh annually.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 22 March 2022, the company changed its name from Henderson Investment Funds Limited to Janus Henderson Fund Management UK Limited.

INDEPENDENT AUDITORS

It is the intention of the Directors to reappoint the independent auditors, PricewaterhouseCoopers LLP, in accordance with the requirements of Section 487 of the Companies Act 2006.

This report was approved by the Board on 13 April 2022 and signed on 14 April 2022 on its behalf by:



R W Chaudhuri
Director
14 April 2022

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the 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, 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
14 April 2022

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 2021; 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.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

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 2021 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.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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:

- Engaging in regular 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 key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulation;
- Reviewing relevant meeting minutes, including those of the Board;
- Challenging assumptions and judgments made by management in their significant accounting estimates, in particular performance fee recognition;
- Identifying and testing journal entries, in particular any journal entries posted and approved by the same user, and those posted with unusual account combinations against revenue;
- 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

14 April 2022

Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	£000	£000
Gross fee income	3	283,800	249,542
Commissions and acquisition costs	4	(30,021)	(34,772)
Net fee income		253,779	214,770
Administrative expenses	5	(188,266)	(172,110)
Operating profit		65,514	42,660
Finance income	9	7	150
Finance expenses	10	(5)	(8)
Profit before tax		65,516	42,802
Tax on profit	11	(12,448)	(7,933)
Profit for the financial year		53,067	34,869

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£000	£000
Profit for the financial year	53,067	34,869
Other comprehensive income / (expense):	-	-
Total comprehensive income for the financial year	53,067	34,869

The notes on pages 20 to 31 form part of these financial statements.

Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Current assets			
Financial assets at fair value through profit or loss	13	278	259
Trade and other receivables	14	104,961	115,176
Cash	16	111,904	128,025
Total current assets		217,143	243,460
Total assets		217,143	243,460
Current liabilities			
Trade and other payables	17	(112,497)	(111,881)
Total current liabilities		(112,497)	(111,881)
Net current assets		104,646	131,579
Total assets less current liabilities		104,646	131,579
Net assets		104,646	131,579
Capital and reserves			
Called up share capital	21	1,000	1,000
Profit and loss account	20	103,646	130,579
Total equity		104,646	131,579

The financial statements on pages 17 to 31 were approved on 13 April 2022 and authorised for issue by the board and were signed on 14 April 2022 on its behalf by:



R W Chaudhuri
 Director
 14 April 2022

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

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

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	1,000	130,579	131,579
Comprehensive income for the year			
Profit for the financial year	-	53,067	53,067
Total comprehensive income for the year	-	53,067	53,067
Dividends - equity capital	-	(80,000)	(80,000)
Total transactions with owners	-	(80,000)	(80,000)
At 31 December 2021	1,000	103,646	104,646

The notes on pages 19 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	1,000	125,710	126,710
Comprehensive income for the year			
Profit for the financial year	-	34,869	34,869
Total comprehensive income for the year	-	34,869	34,869
Dividends - equity capital	-	(30,000)	(30,000)
Total transactions with owners	-	(30,000)	(30,000)
At 31 December 2020	1,000	130,579	131,579

The notes on pages 19 to 31 form part of these financial statements.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 FRS 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 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. It is included within the consolidated financial statements of Janus Henderson Group plc which are publicly available, see note 22.

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 IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- 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 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 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

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.3 GOING CONCERN

In considering going concern the Directors have taken account of the Company's current and anticipated performance and considered any possible impacts to global financial markets. The Company is currently profitable and is expected to generate profits for the year ended 31 December 2022 and for the 12 months following the signing of the financial statements. The Company is FCA regulated and holds capital sufficient to provide resilience against a severe yet plausible event as part of its normal business activity. In order to ensure the Company continues to hold sufficient capital for regulatory purposes and liquidity to meet obligations as they fall due capital and liquidity adequacy are monitored on an ongoing basis.

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.

1.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

During the year, the following amendments to accounting standards came into effect:

- IFRS 16, 'COVID 19 related rent concessions beyond 30 June 2021';
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform Phase 2.

Following a review of the amendments, the Directors consider that none of the standard, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

There are no other amendments to the accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that had a material impact on the financial statements.

1.5 GROSS FEE INCOME

Gross fee income includes management fees, general administration charges (GAC) and performance fees, net of rebates. Management fees and GAC are recognised in the accounting period in which the associated investment management service is provided. Performance fees are recognised when the prescribed performance hurdles are achieved and it is probable that a significant reversal will not occur.

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 COMMISSIONS AND ACQUISITION COSTS

Commissions on management fees are accounted for on an accruals basis and are recognised in the accounting period in which the associated management fee is earned. Acquisition costs are also accounted for on an accruals basis.

1.7 ADMINISTRATIVE 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 basis.

1.8 FINANCE INCOME AND EXPENSE

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

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

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.9 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.

1.10 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 estimated useful lives range as follows:

Investment Management Contracts - 5 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.

Debt securities, equity securities and holdings in authorised collective investment schemes are designated as either fair value through profit or loss or available-for-sale and are measured at subsequent reporting dates at fair value. The Company determines the classification of its financial assets on initial recognition.

Financial assets at fair value through profit or loss

Where securities are designated as fair value through profit or loss, gains and losses arising from changes in fair value are included in the Income Statement.

Trade and other receivables and cash

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 at bank. Amounts held for clients are held in separately designated client bank accounts, which do not form part of the Company's cash balances and are not included on the Statement of Financial Position.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.12 TRADE AND OTHER PAYABLES

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

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 nonmonetary 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 DIVIDEND RECOGNITION

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

1.15 FINANCIAL LIABILITIES

Financial liabilities including trade and other payables but excluding provisions and derivative financial instruments, are stated at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

1.16 EQUITY SHARES

The Company's ordinary equity shares of £800 pence each are classified as equity instruments. Equity 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.

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

**2. JUDGMENTS 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:

Interests in other entities

The Company has assessed whether the funds it manages are structured entities. The Company has considered the voting rights and other similar rights afforded to other parties in these funds including the rights to remove the Company as fund manager, liquidate the funds or redeem holdings in the funds and has concluded as to whether these rights are the dominant factor in deciding who controls the funds. The Company has judged that its pooled investment funds are structured entities unless substantive removal or liquidation rights exist.

Performance fees

When a performance fee crystallises towards the end of a financial year, estimates based on the latest available information may be used to calculate the fee recognised until a final amount is established.

Performance fees have been recognised once the performance obligations associated with the revenue stream have been met and it is highly probable that a significant reversal will not occur.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. GROSS FEE INCOME

Gross fee income comprises as the following:

(a) Management and performance fees:

- i) Management fees from unit trusts, OEICs and investment trusts, which are based on the value of AUM
- ii) Performance fees from OEICs and investment trusts, which are based on the investment performance achieved for certain fund and client portfolios

(b) GAC for the units trusts and OEICs, which are based on the value of AUM. Other income from unit trusts and OEICs, which are based on the value of AUM and group recharges

(c) Amounts arising from dealing in units and shares:

- i) Profit on sale of shares and units. The manager meets investors' requirements for the purchase or sale of units and shares not only by creation and liquidation of units and shares but also by dealing as principal
- ii) An initial charge on units and shares sold. This is calculated as a percentage of the value of units and shares sold and revenue

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

	2021	2020
	£000	£000
Management fees	228,440	212,932
Performance fees	23,828	8,013
GAC	31,538	27,668
Amounts arising on dealing in units and shares	(8)	927
Other income	2	2
	283,800	249,542

The Company acts as principal in the sale of shares in its OEICs.

All the above gross fee income arose from within UK.

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. COMMISSIONS AND ACQUISITION COSTS

	2021	2020
	£000	£000
Commission payable	25,360	33,028
Sub-advisory fees	4,661	1,744
	30,021	34,772

Commission payable is in respect of distribution services performed in relation to the unit trusts and OEICs.

5. ADMINISTRATIVE EXPENSES

The operating expenses comprises:

	2021	2020
	£000	£000
Amortisation of intangible assets	-	18
Foreign exchange differences	230	(70)
Recharges from Group undertakings	187,822	171,644
Other expenses	88	391
External director costs	125	127
	188,266	172,110

6. AUDITORS' REMUNERATION

Auditors' remuneration of £91,200 (2020: £86,000) and £177,500 (2020: £175,000) in respect of the audit of the Company's financial statements and audit related assurance services respectively is borne by a fellow Group undertaking and recharged to the Company.

7. EMPLOYEES

	2021	2020
	£000	£000
Wages and salaries	125	127

The Company did not have any employees other than the non-executive Directors, who received remuneration of £125,000 (2020: £127,000).

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. DIRECTORS' REMUNERATION

The Directors of the Company were employed and remunerated as executives of the Group in respect of their services to the Group as a whole, with the exception of two non-executive directors who were employed by the Company.

Total emoluments for the Directors of the Company is presented as follows:

	2021	2020
	£000	£000
Emoluments		
Total emoluments to Company Directors	9,092	6,675
Emoluments paid to highest Director	4,441	3,190
Pension contributions made in respect of the highest Director	-	-
Money Purchase Pension Scheme contributions	90	86

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	4	4
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During the year none of the Directors of the Company exercised share options (2020: 4). One of the Directors of the Company received shares under the Group's Long Term Incentive Schemes (2020:6).

The highest paid Director of the Company was awarded shares under the Group's long term incentive schemes and did not exercise options during 2021

9. FINANCE INCOME

	2021	2020
	£000	£000
Other interest receivable	7	150
	7	150

Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

10. FINANCE EXPENSE

	2021	2020
	£000	£000
Other interest payable	<u>5</u>	<u>8</u>
	<u>5</u>	<u>8</u>

11. TAX ON PROFIT

	2021	2020
	£000	£000
CORPORATION TAX		
Charge for the year	<u>12,448</u>	<u>7,933</u>
TOTAL CURRENT TAX	<u>12,448</u>	<u>7,933</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The UK corporation tax rate for the year is 19% (2020: 19%). The tax assessed to the company for the year is same as (2020: lower than) the tax that would be assessed based on the standard rate of corporation tax in the UK. The differences are explained below:

	2021	2020
	£000	£000
Profit before tax	65,516	42,802
Tax charge at UK corporation rate of 19% (2020: 19%)	12,448	8,132
Expenses not deductible for tax purposes	-	(199)
TAXATION TAX CHARGED TO INCOME STATEMENT	<u>12,448</u>	<u>7,933</u>

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

12. DIVIDENDS

	2021	2020
	£000	£000
£80 per share (2020: £30 per share)	<u>80,000</u>	<u>30,000</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	£000	£000
Box units held	278	259
	<u>278</u>	<u>259</u>

Box units held represent the Company's position in funds where the Company is the Authorised Corporate Director ("ACD").

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
DUE WITHIN ONE YEAR		
Trade receivables	70,286	82,365
Amounts owed by Group undertakings	-	22
Other receivables	3,807	3,625
Prepayments and accrued income	30,868	29,164
	<u>104,961</u>	<u>115,176</u>

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

Trade and other receivables comprise:

	2021 £000	2020 £000
Unit Trust/OEIC trustees/depositary receivables for units and shares liquidated	46,522	53,347
Receivables for unit and share sales	15,745	22,047
Other trade debtors	8,019	6,971
	<u>70,286</u>	<u>82,365</u>

15. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Company has the following exposure to unconsolidated structured entities, which equates to the Company's maximum exposure to loss relating to accrued and unsettled fees. The balance below is included within trade and other receivables note 14:

	2021 £000	2020 £000
Trade receivables	8,137	6,971
Accrued income	30,868	29,164
	<u>39,005</u>	<u>36,135</u>

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. CASH

	2021	2020
	£000	£000
Cash at bank	111,904	128,025
	111,904	128,025

17. TRADE AND OTHER PAYABLES

	2021	2020
	£000	£000
Trade creditors	68,016	80,357
Amounts owed to Group undertakings	40,715	22,973
Other creditors	3,073	6,004
Accruals and deferred income	694	2,547
	112,497	111,881

At 31 December 2021 amounts owed to Group undertakings are repayable on demand and are interest free.

Trade Creditors comprise:

Trade creditors comprise:

	2021	2020
	£000	£000
Unit Trust/OEIC trustees/depositary payables for units and shares created	47,728	56,073
Payables for units and share repurchases	20,288	24,284
	68,016	80,357

18. RESERVES

Profit and loss account

The profit and loss reserve comprises:

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

**Janus Henderson Fund Management UK Limited
(Formerly Henderson Investment Funds Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. CALLED UP SHARE CAPITAL

	2021	2020
	£000	£000
ALLOTTED, CALLED UP AND FULLY PAID		
1,000,000 (2020: 1,000,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

20. 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 2021 or 2020.

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 22 March 2022, the Company changed its name from Henderson investment Funds Limited to Janus Henderson Fund Management UK Limited.

22. 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 2020 can be obtained from its registered office at 13 Castle Street, St Helier, Jersey JE1 1ES or its website, www.janushenderson.com

23. CAPITAL REQUIREMENTS DIRECTIVE

Under Pillar 3 of the Capital Requirements directive prescribed in the United Kingdom by the Financial Conduct Authority, the Company is required to disclose information relating to its risks and its capital and risk management objectives and policies. The Groups Pillar 3 disclosures are given on the Janus Henderson website, the address of which is set out in note 22.

24. CAPITAL RISK MANAGEMENT

The company is regulated by the FCA. The Capital Requirements Directive requires a company to maintain a surplus of capital over and above the capital resource requirements defined by the FCA rules at all times.

The Company considers its capital to be the total equity shown in the Statement of Changes in Equity. The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders;
- to maintain a strong capital base to support the development of the Company's business; and ensure regulatory capital requirements are maintained.