

Registered number: 3594615

JANUS CAPITAL INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



JANUS CAPITAL INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

Nicholas Adams
Michael Morecroft
David Schofield

COMPANY SECRETARY

Henderson Secretarial Services Limited

REGISTERED NUMBER

3594615

REGISTERED OFFICE

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INDEPENDENT AUDITORS

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JANUS CAPITAL INTERNATIONAL LIMITED

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JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the annual report and the audited financial statements of Janus Capital International Limited ("the Company"), for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of the Company, which is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, is the provision of investment management services to non-US customers and funds, including the Janus Henderson Capital Funds Plc and the Janus Selection Funds, to conduct ancillary marketing activities and to execute securities trades on behalf of Janus Capital Management LLC. The Company has a representative office in Dubai which is permitted to carry on a very narrow set of activities described as 'marketing' of financial services or financial products offered in a jurisdiction outside of the Dubai International Financial Centre. The Company also has four bilateral regulatory licences in place in Denmark, Germany, Netherlands and Liechtenstein.

On 6 July 2020 the Company transferred the contracts of the Janus Capital Funds to a fellow Group subsidiary.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Of those risks, the following risks relate specifically to the Company:

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 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.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Market

The risk that market conditions lead to a reduction in the value of clients' AUM and revenues earned by the Group. This is mitigated by: having a broad range of clients by distribution channel, product, asset class and region; and a significant amount of the Group'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 and by geography; and strong long-term investment performance across product ranges.

Key personnel

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

Strategic

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

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.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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.

Credit

The Company's principal financial assets are cash and trade debtors. The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Cash at bank and in hand is placed with a bank which has an AA credit rating or better. For trade debtors the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The maximum exposure to credit risk in the event of counterparties' failure to perform their obligations as at 31 December 2020 and 2019 in relation to each class of recognised financial asset is the carrying amount of those assets as stated in the Balance Sheet.

Impact of COVID-19

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") to be a pandemic. COVID-19 is having 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. We are addressing the challenges of COVID-19 by protecting the health and well-being of our employees while continuing to service our clients who rely on us to invest and manage their money.

The economic impact of COVID-19 adversely affected financial results during the year. Revenues are primarily derived from management fees, which are in turn dependent on the value and composition of our AUM, which has been negatively impacted by the significant decline in the global financial markets, which primarily occurred during the first quarter of 2020. The global financial markets have greatly improved since the first quarter of 2020 and our AUM has also benefited from the market appreciation. COVID-19 has 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 Company experienced a reduction in average AUM of approximately 1% in the second quarter of 2020 as a result of COVID-19. AUM however, recovered during the second half of 2020 as global markets recovered.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

COVID-19 is affecting business operations; however, the Group has a robust and detailed business continuity plan in place to ensure that operations can continue effectively during the COVID-19 pandemic, including processes to limit the spread of the virus between employees. For the health and well-being of the employees, the Group has modified business practices in accordance with social distancing guidelines to allow work-from-home arrangements and flexible work schedules, and to restrict business-related travel. The technology capabilities have the capacity to support remote working arrangements for all employees. The Group will manage employees' return to the office with caution, and their health and safety will be a priority. Throughout the pandemic the Group's ability to adequately maintain operations, internal controls and client relationships has not been adversely affected by the required modifications.

However, if the Group does not continue to respond appropriately to the COVID-19 pandemic, or if clients do not perceive the response to be adequate, the Group could suffer damage to its reputation and brand, which could adversely affect the Company's business in the future. The extent of the further impact of COVID-19 on the Company depends on future developments, including the duration of the pandemic and the volatility and market value of the global financial markets, all of which continue to be highly uncertain.

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

Brexit

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 pending further steps to be taken by both the EU and the UK to ratify the MoU. 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. The Group's management continue to assess the risks associated with Brexit as well as the necessary contingency preparations as these further negotiations progress.

The Group has already taken significant steps in preparation to limit the impact, however despite this, the Company may face additional costs, including the possibility of additional taxation, and other challenges, including new impediments to conducting EU business and costs of restructuring and other changes to facilitate continuing European business activities.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS ("KPIs")

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 are most relevant for the Company:

Net assets

The net assets of the Company decreased by £4.1m (7%) primarily due to dividends paid exceeding earnings.

Gross fee income

The Company experienced an increase in gross fee income of £23.9m (21%) primarily due to an increase in AUM, partially offset by lower performance fees. AUM reduced 1% during Q2 2020 as a result of COVID-19 however AUM recovered in the second half of 2020 as global markets recovered.

Commission and acquisition costs

Distribution expenses increased £17.0m (49%) due to increased AUM within the Janus Capital and Janus Select Funds.

Profit before taxation

Profit on ordinary activities before taxation increased by £4.5m (20%) mostly due to an increase in fee income, as well as a decrease in operating expenses.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172

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 s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2020.

Section 172 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 following items are material developments, activities or transactions for the Company during the financial year.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

Financial Performance

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

The Board approved the payment of an interim dividend to its shareholder. In making this decision the Board considered a range of factors including, whether it had sufficient distributable reserves, capital and liquidity requirements, the ongoing need for strategic investment in the business and workforce, as well as the expectations of the shareholder.

Brexit reorganisation

Following the implementation of measures during 2019 to deal with the potential issues arising for regulated businesses in the United Kingdom conducting cross border business into the European Union following Brexit, including the transfer of the business of the European branches of the Company to a fellow Group undertaking, the Company took the decision in 2019 to close its European branches.

Remuneration Policy:

The Board considered the Remuneration Policy established by Janus Henderson Group plc. In balancing the needs to have a policy that: (a) enables the firm to attract, motivate and retain talent (b) promotes sound and effective risk management and (c) is compliant with applicable regulations, the Board reached a decision that the policy was fit for purpose and approved it for the Company.

Business Continuity:

The Board, throughout 2020, considered and discussed the impact of the COVID-19 pandemic, including the impact of the decline in global financial markets on the Company's financial results and the EEA Group's business, the performance of the funds managed on behalf of clients, resiliency of suppliers, continuity of service for customers and the well-being of the workforce. This resulted in a smooth transition to working from home arrangements which was maintained throughout 2020 and continues to operate effectively in 2021.

Third Party Administrator Project

The Board discussed the progress of the Third Party Administrator ("TPA") project, the purpose of which is to rationalise the number of TPAs, resulting in deeper relationships with the Group's suppliers, cost savings and client service benefits to fund ranges and the Group. This is an important initiative that has supported the Group's strategy of Simple Excellence by streamlining back-office functionality, lowering fund complexity and therefore improving operational efficiency.

Order Management System Transformation Project

The Board discussed the progress of the Order Management System Transformation ("OMST") project, the purpose of which is to transform the front office systems of the business into a global enterprise platform, through partnership with the firm's suppliers. The new platform will deliver efficiencies and support the Group's investment professionals in their mission to deliver long-term risk adjusted returns. This project is an important initiative that will support the Group's strategy of Simple Excellence.

Modern Slavery and Human Trafficking Statement

Several measures have been taken to address matters of modern slavery and human trafficking within the Group's supply network. This includes but is not limited to: conducting due diligence on key suppliers, providing suppliers with a copy of the Company's Modern Slavery and Human Trafficking Statement, requiring suppliers to comply with applicable law and regulations and anti-slavery and human trafficking provisions included within contractual arrangements.

JANUS CAPITAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

Treating Customers Fairly

On a quarterly basis, the Board reviewed and discussed management information on the FCA's six customer outcomes in determining whether its clients have been treated fairly. This included discussion on potential risks to fair customer outcomes, along with mitigating actions being taken by management. In line with the firm's strategy of Simple Excellence, the Board's focus on customer outcomes ensures that the Group continues to excel in 'client experience' and supports a 'proactive risk and control environment'.

Approved by the Board on 22 April 2021 and signed on 27 April 2021 its behalf by:

David Schofield

David Schofield

Director

27 April 2021

JANUS CAPITAL INTERNATIONAL LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2020. There were no dividends paid in 2020 and 2019. The directors do not recommend the payment of a final dividend (2019: £nil).

RESULTS AND DIVIDENDS

The profit for the year amounted £20.7m (2019: £18.8m). The Company paid a dividend of £25.0m in the year (2019: £nil). There were no dividends paid in 2020 and 2019. The directors do not recommend the payment of a final dividend (2019: £nil).

DIRECTORS

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

David Schofield
Nicholas Adams (Appointed 17 February 2020)
Michael Morecroft

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 2020, the Company has net assets of £53.5m (2019: £57.7m) and net current assets of £53.2m (2019: £56.1m).

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 2020 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 a Director at the date of the approval of this report confirms that:

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

FINANCIAL RISKS

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

JANUS CAPITAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

ENGAGEMENT WITH STAKEHOLDERS

Clients – The Company is an active asset manager dedicated to helping investors achieve long-term financial goals by producing dependable investment outcomes through a broad range of investment solutions. The Company aims to be a partner its clients can trust, to excel in client experience, 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.

Shareholders – The Company's ultimate parent is Janus Henderson Group plc and is a direct subsidiary of Janus International Holdings LLC. 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 requirements 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 the employees to be actively engaged in the local community in which it operates. Through the Group's charitable arm, the Janus Henderson Foundation, the Group can invest in educational programmes that will make a positive impact on future generations around the world as well as support global charities about which its employees are passionate. Through our corporate social responsibility pillars of Responsible Investing, Clients, Environment, Community and People the Group is leveraging its influence to deliver value to clients, employees, shareholders and the wider community in which it operates.

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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £25k, to increase the deferred tax asset by £25k.

On 22 April 2021, the Company declared a dividend of £30.0m to its parent.

FIRST TIME ADOPTION OF FRS 101

In the current year the Company has adopted Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The company meets the definition of a qualifying entity under Financial Reporting standard 100 (FRS 100) and for the year ended 31 December 2020 has undergone transition to FRS 101. This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied.

JANUS CAPITAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

INDEPENDENT AUDITORS

It is the intention of the Directors to reappoint the independent auditors under the deemed appointment rules of section 487 of the Companies Act 2006.

This report was approved by the Board on 22 April 2021 and signed on 27 April 2021 its behalf by:

David Schofield

David Schofield

Director

27 April 2021

JANUS CAPITAL INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 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.

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.

Approved by the Board of Directors on 22 April 2021 and signed on 27 April 2021 on behalf of the Board by

David Schofield

David Schofield

Director

27 April 2021



Independent auditors' report to the members of Janus Capital International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Janus Capital International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 2020; the Income Statement and the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority and non-compliance with the Companies Act 2006, 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 the posting of inappropriate journal entries to increase revenue. Audit procedures performed included:

- Discussions with management, including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulation.
- Understanding the overall control environment and those controls specifically aimed at preventing and detecting fraud and irregularities;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with accounting standards, in particular with regards to the transition to the Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101');
- Identifying and testing a sample of journals, based on a selection of risk criteria such as back-dated posting, those posted and approved by the same user, and those posted with unexpected account combinations against revenue, that have been posted to the ledger;
- 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2021

JANUS CAPITAL INTERNATIONAL LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £'000	2019 £'000
Gross fee income	3	135,768	111,848
Commissions		(51,614)	(34,601)
Net fee income		84,154	77,247
Operating expenses	4	(57,497)	(58,657)
Operating profit		26,657	18,590
Gain on transfer	8	-	3,573
Finance expense		(6)	(18)
Profit before taxation		26,651	22,145
Tax on profit	9	(5,959)	(3,393)
Profit for the financial year		20,692	18,752

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £'000	2019 £'000
Profit for the year		20,692	18,752
Other comprehensive income			
Exchange differences on translation of foreign operations		945	387
Deferred tax on translation of foreign operations	10	(258)	84
Total other comprehensive income		687	471
Total comprehensive income for the year		21,379	19,223

All profit and loss items in the above statements are derived from continuing operations. There are no other recognized gains or losses other than the profit for the current and preceding year.

The notes on pages 22 to 34 to these financial statements.

JANUS CAPITAL INTERNATIONAL LIMITED
REGISTERED NUMBER 3594615

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Non current assets			
Property, plant and equipment	11	27	42
Trade and other receivables	12	317	1,497
		<u>344</u>	<u>1,539</u>
Current assets			
Trade and other receivables	12	11,519	24,640
Cash		64,603	57,782
		<u>76,122</u>	<u>82,422</u>
Current liabilities			
Trade and other payables	13	(22,917)	(26,280)
Net current assets		53,205	56,142
Net assets		<u>53,549</u>	<u>57,681</u>
Capital and reserves			
Ordinary share capital	15	53	53
Share premium	15	6,152	6,152
Redemption reserve	15	8,195	8,195
Other reserves	15	(367)	(543)
Profit and loss account	15	39,516	43,824
Total equity		<u>53,549</u>	<u>57,681</u>

These financial statements on pages 19 to 34, were approved by the Board on 22 April 2021 and signed on 27 April on its behalf by:

David Schofield

David Schofield
 Director
 27 April 2021

The notes on pages 22 to 34 form part of these financial statements.

JANUS CAPITAL INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Ordinary share capital £'000	Share premium £'000	Redemption reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	53	6,152	8,195	(670)	25,072	38,802
Comprehensive income for the year						
Profit for the year	-	-	-	-	18,752	18,752
Exchange differences on translation						
of foreign operations	-	-	-	471	-	471
Other comprehensive loss for the year	-	-	-	471	-	471
Total comprehensive income for the year	-	-	-	471	18,752	19,223
Contributions by and distributions to owners						
Movement in capital contribution reserve	-	-	-	(344)	-	(344)
Distribution of profit to parent	-	-	-	-	-	-
Total transactions with owners	-	-	-	(344)	-	(344)
At 31 December 2019	53	6,152	8,195	(543)	43,824	57,681
Comprehensive income for the year						
Profit for the year	-	-	-	-	20,692	20,692
Exchange differences on translation						
of foreign operations	-	-	-	945	-	945
Deferred tax on translation of foreign operations				(258)		(258)
Other comprehensive gain for the year	-	-	-	687	-	687
Total comprehensive income for the year	-	-	-	687	20,692	21,379
Contributions by and distributions to owners						
Dividends paid					(25,000)	(25,000)
Movement in capital contribution reserve	-	-	-	(511)	-	(511)
Total transactions with owners	-	-	-	(511)	(25,000)	(25,511)
At 31 December 2020	53	6,152	8,195	(367)	39,516	53,549

The notes on pages 22 to 34 to these financial statements.

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

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

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

The Company is a wholly owned subsidiary of Janus International Holding LLC and of its ultimate parent, Janus Henderson Group plc. The Company's results form part of the consolidated financial statements of Janus Henderson Group plc which are publicly available, see note 17.

First time application of FRS 101

In the current year the Company has adopted FRS 101. The company meets the definition of a qualifying entity under Financial Reporting standard 100 (FRS 100) and for the year ended 31 December 2020 has undergone transition to FRS 101. This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with The Financial Reporting Standard 102 applicable in the UK and Republic of Ireland ('FRS 102'). The estimates at 1 January 2019 and 31 December 2019 are in line with those under FRS 102 therefore no transition adjustments were required. Disclosure requirements have been amended to comply with the reporting requirements of FRS 101.

An explanation of the impact of the adoption of FRS 101 is included in note 18.

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 paragraphs 45(b) and 46-52 of IFRS 2 Share based payments
- 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 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of 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 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

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

1.3 GOING CONCERN

In considering going concern the Directors have taken account of any possible prolonged impact of the COVID-19 Pandemic on the Company's forecast profit and liquidity, however with the recovery of the global financial markets the company has recovered to pre pandemic levels of performance. Based on current activity and considering possible declines that could occur the Company is expected to generate profits for the year ended 31 December 2021 and has sufficient capital and liquidity to meet its obligations for a period of not less than 12 months from the date of signing these financial statements.

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

1.4 ADOPTION OF NEW AND REVISED STANDARDS

There are no amendments to accounting standards that are effective for the year ended 31 December 2020 that are expected to impact amounts recognised in the current or future periods of the Company.

1.5 GROSS FEE INCOME

Gross fee income includes management fees and performance fees, net of rebates. Management fees are recognised in the accounting period in which the contracted investment management service is provided. Performance fees are recognised in the period when the prescribed 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 COMMISSION 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 OPERATING EXPENSES

Operating expenses are accrued and recognised as incurred.

1.8 FINANCE INCOME AND EXPENSE

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

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

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

1.9 PROPERTY AND EQUIPMENT

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

The estimated useful lives range as follows:

Fixtures & fittings	-	5 - 10 years
Computer equipment	-	3 years

1.10 FINANCIAL ASSETS

Trade and other receivables

Trade and other receivables, which generally have 30 day payment terms, are initially recognised at fair value, normally equivalent to the invoice amount. When the time value of money is material, the fair value is discounted. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets.

Cash

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

1.11 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.

1.12 FOREIGN CURRENCY TRANSLATION

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

The profit and loss accounts of overseas branches denominated in foreign currencies are translated to Sterling using an average rate over the period. Any resulting translation differences are recognised in other reserves on the balance sheet.

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

1.13 SHARE-BASED PAYMENTS

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

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

1.14 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.

1.15 PREFERENCE SHARES

Preference shares are presented as a liability and are stated and redeemable at par value. No dividends are paid on preference shares.

1.16 EQUITY SHARES

The Company's ordinary equity shares of £1 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 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.

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Share-based payment transactions

The Company measures the cost of equity settled share schemes at fair value at the date of grant and expenses them over the vesting period based on the Company's estimate of shares that will eventually vest.

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 CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****3. GROSS FEE INCOME**

Gross fee income comprises the following:

- (a) Management and performance fees:
- i) Management fees from Institutional clients and Dublin OEICs, which are based on the value of AUM.
 - ii) Performance fees from Institutional clients and Dublin OEICs, which are based on the investment performance achieved for certain fund and client portfolios.

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

	2020	2019
	£'000	£'000
Management fees	54,078	78,978
Performance fees	9	4,429
Revenue from Group undertakings	44,604	4,624
Other revenue	37,077	23,817
	135,768	111,848

During the year the Company transferred the Janus Capital Funds Plc to a fellow Group subsidiary resulting in a drop in management fees. This has been offset by an increase in Group income received.

4. OPERATING EXPENSES

Operating expenses comprise:

	2020	2019
	£'000	£'000
Employee compensation and benefits (note 4)	555	2,877
Depreciation	15	70
Amortisation of prepaid commissions	138	124
Auditors' remuneration (note 6)	42	60
Recharges from other Group undertakings	52,522	52,822
Other operating expenses	4,225	2,704
	57,497	58,657

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5. EMPLOYEES**

	2020	2019
	£'000	£'000
Wages and salaries	448	2,381
Social security costs	14	241
Share-based payments	67	143
Other pension costs	26	112
	555	2,877

The average monthly number of employees during the year was 2 (2019: 12).

	2020	2019
Sales	2	12

6. 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 their services as Directors of the Company.

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

	2020	2019
	£'000	£'000
Total emoluments to Company Directors	1,827	5,011
Money purchase pension scheme contributions	63	35
Defined benefit pension scheme contributions	-	45
Highest paid Director		
Emoluments paid	851	3,598
Pension contributions made	25	6

Emoluments comprise salaries, bonuses and other employee benefits.

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

	2020	2019
Money purchase pension scheme	3	4
Defined benefit pensions scheme	-	1

During the year two of the Directors of the Company exercised share options (2019: 1). Three Directors of the Company received shares under the Group's Long Term Incentive Schemes (2019: 4 received shares under the Group's Long Term Incentive Plan).

The highest paid Director of the Company was awarded shares under the Group's long term incentive schemes and did exercise options during 2020 and 2019.

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****7. AUDITORS' REMUNERATION**

	2020 £'000	2019 £'000
Fees for auditing the Company	36	54
Audit-related assurance services	6	6
	<hr/> 42	<hr/> 60

8. GAIN ON TRANSFER

	2020 £'000	2019 £'000
Gain on transfer of branch business	-	4,332
Loss on disposal of fixed assets	-	(759)
	<hr/> -	<hr/> 3,573

In the prior year, the Company sold the businesses of its European branches (France, Italy, Germany, the Netherlands) to Henderson Management SA (a fellow Group undertaking) resulting in a gain on sale of £1.5m. In addition, it completed a transfer of value from its Japanese branch to Janus Henderson Investors (Japan) Limited (a fellow Group undertaking). This resulted in the recognition of a £2.8m gain on sale.

The loss on sale in the prior year is related to the retirement and sale of fixed assets.

JANUS CAPITAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. TAX ON PROFIT

	2020 £'000	2019 £'000
Current tax		
UK Corporation tax	5,065	4,307
Double tax relief	-	(715)
Foreign tax	40	286
Adjustment in respect of prior years	(72)	365
	<u>5,033</u>	<u>4,243</u>
Deferred tax		
Timing differences - origination and reversal	32	(969)
Change in rates	(12)	-
Adjustment in respect of prior years and statutory rate change	906	120
	<u>926</u>	<u>(849)</u>
Interest related to tax liabilities	-	(2)
Total tax charged/(credited) to the income statement	<u>5,959</u>	<u>3,393</u>

Factors affecting tax charge for the year

The UK corporation tax rate applicable for the year is 19% (2019: 19%). The tax assessed to the Company for the year is higher (2019: lower) than the tax that would be assessed based on the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £'000	2019 £'000
Profit before tax	26,651	22,145
Tax on profit at the standard rate of 19% (2019: 19%)	5,064	4,208
Effects of:		
Disallowable expenses and other permanent differences	-	(869)
Other permanent differences	34	(2)
Adjustment in respect of prior years	873	485
Changes in statutory tax rates	(12)	-
Higher tax rates on overseas earnings	-	(429)
	<u>5,959</u>	<u>3,393</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****10. DEFERRED TAX**

	2020	2019
	£'000	£'000
Balance at 1 January	1,262	330
Capital allowances in advance of depreciation	1	138
Other timing differences	(20)	830
Adjustment in respect of prior years	(906)	(120)
Other temporary differences credited to the statement of comprehensive income	(258)	84
Balance as at 31 December	79	1,262

In 2020 the UK Government announced that the UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19% and would not reduce to 17% from 1 April 2020 as previously enacted. On 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. The 19% rate has been used to value deferred tax balances, as this was the rate substantively enacted at the balance sheet date.

11. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2020, the Company had Computer equipment with a net book value of £8,000 (2019: £23,000) and Fixtures and fittings with a net book value of £19,000 (2019: £19,000).

12. TRADE AND OTHER RECEIVABLES**Amounts falling due after more than one year**

	2020	2019
	£'000	£'000
Deferred tax asset (note 9)	79	1,262
Prepayments and accrued income	238	235
	317	1,497

Amounts falling due within one year

	2020	2019
	£'000	£'000
Trade receivables	8,012	22,669
Current tax asset	159	227
Amounts due from Group undertakings	3,011	1,511
Prepayments and accrued income	337	233
	11,519	24,640

Prepayments include prepaid commissions relating to the distribution of B class shares of Janus Capital Funds Plc.

At 31 December 2020 amounts owed by Group undertakings are repayable on demand and are interest free. At 31 December 2019 amounts owed by Group undertakings were repayable on demand and accrued interest at the Bank of England base rate plus 1%, where the two parties were in different tax jurisdictions, otherwise no interest was charged.

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****13. TRADE AND OTHER PAYABLES**

	2020	2019
	£'000	£'000
Trade payables	17	5
Amounts owed to Group undertakings	8,792	13,440
Current tax liability	-	3,501
Taxation and social security	71	385
Accruals and deferred income	13,437	8,349
Preference shares	600	600
	22,917	26,280

At 31 December 2020 amounts owed to Group undertakings are repayable on demand and are interest free. At 31 December 2019 amounts owed to Group undertakings were repayable on demand and accrued interest at the Bank of England base rate plus 1%, where the two parties were in different tax jurisdictions, otherwise no interest was charged.

Preference share capital

	2020	2019
	£'000	£'000
Allotted, called up and fully paid:		
600,000 (2019: 600,000) redeemable preference shares of £1 each	600	600

On 21 January 2010, the Company issued 400,000 redeemable preference shares of £1 each, redeemable at any point in time, from the Company's share premium account to satisfy capital requirements in Japan as part of a license upgrade. On 23 June 2016, the Company issued an additional 200,000 of redeemable preference shares.

The preference shares are presented as a liability and are stated at and redeemable at par value. No dividends are paid on preference shares. In the event the Company is subject to an orderly wind up, distributions would be made to preference shares in advance of ordinary shares.

14. DIVIDENDS PAID

	2020	2019
	£'000	£'000
£470.23 (2019: £nil) per ordinary share	25,000	-

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****15. SHARE CAPITAL AND RESERVES****Equity share capital**

	2020 £'000	2019 £'000
Allotted, called up and fully paid: 53,166 (2019: 53,166) ordinary shares of £1 each	53	53

The Company has one class of ordinary shares as detailed above which carry no right to fixed income.

Share premium

The share premium account of £6,152,000 (2019: £6,152,000) contains the premium arising on issue of equity shares, net of issue expenses and issue of redeemable preference shares.

Redemption reserve

The redemption reserve of £8,195,000 (2019: £8,195,000) contains the balance of proceeds from a 2009 redemption of redeemable preference shares.

Other reserves

Other reserves of £(367,000) (2019: £(543,000)) include the change in translation reserves and capital contributions to share-based payments.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of distributions paid.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 3 March 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £25k, to increase the deferred tax asset by £25k.

On 22 April 2021, the Board declared a dividend of £564.27 per ordinary share, giving a total dividend of £30,000,000.

17. CONTINGENT LIABILITIES

In the normal course of business, the Group is exposed to certain legal or tax matters, which could involve litigation and arbitration, and may result in contingent liabilities. The Directors are not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2020 or 2019.

18. CONTROLLING PARTY

The Company's immediate parent undertaking is Janus International Holdings LLC, a company incorporated in the USA 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 and Accounts 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.

JANUS CAPITAL INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****19. IMPACT OF FIRST TIME ADOPTION OF FRS 101**

For the year ended 31 December 2020, the Company has adopted FRS 101 Reduced Disclosure Framework. This has had no impact on the carrying value of any assets or liabilities in the balance sheet. As part of the conversion certain lines within the income statement have been presented differently to align to market practice. This specifically relates to Commissions and deferred acquisition costs which are now shown on the face of the income statement rather than within operating expenses. The other change is to remove the gain on transfer in 2019 from net income and instead to present it below operating profit.

	As previously stated 31 December 2019 £'000	Effect of transition 31 December 2019 £'000	FRS 101 (as restated) 31 December 2019 £'000
Gross fee income (Turnover)	111,848	-	111,848
Commission and acquisition costs	-	(34,601)	(34,601)
Gain on transfer of branches	3,573	(3,573)	-
Net fee income (Total Income)	115,421	(38,174)	77,247
Operating expenses (administrative expenses)	(93,258)	34,601	(58,657)
Operating profit	22,163	(3,573)	18,590
Gain on transfer	-	3,573	3,573
Finance expense (Interest paid and other expenses)	(18)	-	(18)
Profit before tax	22,145	-	22,145

The change to FRS101 has also been to report the primary statements under a different presentation. The description of the items shown on the face of the Income Statement and Statement of Financial Position have been amended as per below:

Current description**Income Statement**

Gross fee income
Net Fee Income
Operating expenses
Finance expense

Statement of Financial Position

Trade and other receivables
Cash and cash equivalents
Trade and other payables

Prior year description

Turnover
Total Income
Administrative expenses
Interest paid and other expense

Debtors
Cash at bank and in hand
Creditors