

Registered number: 5387821

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

COMPANY INFORMATION

DIRECTORS

I Bassford
R W Chaudhuri

COMPANY SECRETARY

Janus Henderson Secretarial Services UK Limited

REGISTERED NUMBER

5387821

REGISTERED OFFICE

201 Bishopsgate
London
EC2M 3AE

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the annual report and the audited financial statements of Henderson Alternative Investment Advisor Limited ("the Company"), for the year ended 31 December 2021.

The Directors have taken advantage of the small companies' exemption in accordance with Section 414B of the Companies Act 2006 in not preparing a Strategic Report.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENT

The principal activity of the Company is that of a holding company. The Directors do not envisage a change of activities in 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.

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to £100.0m (2020: £nil).

Dividends paid in the year amount to £120.0m (2020: £nil). The Directors do not recommend the payment of a final dividend (2020: £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:

I Bassford
R W Chaudhuri

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 as detailed in note 18, for the major risks affecting the Group. Of those risks, the following risks relate specifically to the Company:

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.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

Brexit Update (continued)

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.

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 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.

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, Belarus and certain regions of Ukraine. The Group does not have employees or offices in Ukraine or Russia and our funds have very limited exposure to assets and clients 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.

GOING CONCERN

As at 31 December 2021, the Company has net assets of £15.1m (2020: £35.1m) and net current assets of £10.8m (2020: £30.8m).

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.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

INDEPENDENT AUDITORS

It is the intention of the Directors to reappoint the 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 30 June 2022 and signed on its behalf by:



R W Chaudhuri
Director

30 June 2022

HENDERSON ALTERNATIVE INVESTMENT ADVISOR 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102 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
30 June 2022

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

Independent auditors' report to the members of Henderson Alternative Investment Advisor Limited

Report on the audit of the financial statements

Opinion

In our opinion, Henderson Alternative Investment Advisor 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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.

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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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 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 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 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. Audit procedures performed by the engagement team included:

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

- 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 relevant meeting minutes, including those of the Board;
- Challenging assumptions and judgements made by management in their impairment analysis for investments in subsidiary undertakings;
- 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; and
- 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. 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
30 June 2022

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Dividends received from subsidiary undertakings	6	100,000	-
Operating profit		100,000	-
Profit before tax		100,000	-
Taxation	7	-	-
Profit for the financial year		100,000	-

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Profit for the financial year	100,000	-
Total comprehensive income for the financial year	100,000	-

The notes on pages 11 to 17 form part of these financial statements.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Non-current assets			
Investments	8	4,303	4,303
Current assets			
Trade and other receivables	9	38,186	158,186
Total assets		42,489	162,489
Current liabilities			
Trade and other payables	10	(27,367)	(127,367)
Total liabilities		(27,367)	(127,367)
Net current assets		10,819	30,819
Net assets		15,122	35,122
Capital and reserves			
Ordinary share capital	11	-	-
Capital redemption reserve	12	1,144	1,144
Profit and loss account	12	13,978	33,978
Total equity		15,122	35,122

The financial statements on pages 8 to 17 were approved and authorised for issue by the Board on 30 June 2022 and were signed on its behalf by:



R W Chaudhuri
Director
30 June 2022

The notes on pages 11 to 17 form part of these financial statements.

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

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	-	-	1,144	33,978	35,122
Total comprehensive income for the financial year					
Profit for the financial year	-	-	-	100,000	100,000
Contributions by and distributions to owners					
Dividends paid (note 13)	-	-	-	(120,000)	(120,000)
At 31 December 2021	-	-	1,144	13,978	15,122

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

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	14,599	1,860	1,144	17,519	35,122
Capital reduction during the year (note 11)	(14,599)	(1,860)	-	16,459	-
At 31 December 2020	-	-	1,144	33,978	35,122

The notes on pages 11 to 17 form part of these financial statements.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR 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, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006 as applicable to companies using FRS 102. The financial statements have been prepared on a going concern basis.

The Company 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 shares, 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 102 requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management have 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 New Star Asset Management Group Limited 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. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

1.2 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 standards, 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.

1.3 GOING CONCERN

In considering going concern the Directors have taken account of the Company's current and anticipated performance. The Company made a profit in the current year as a result of a dividend received from its subsidiary. The Company is a holding company with no ongoing expense commitments and is not expected to incur losses in the next 12 months. The company 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.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

1.4 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.

1.5 DIVIDENDS RECEIVED FROM SUBSIDIARY UNDERTAKINGS

Dividends received from subsidiary undertakings are recognised on the date that the right to receive payment has been established.

1.6 INVESTMENTS

Investments consist of investments in subsidiary undertakings which are held at cost less any impairment in value where circumstances indicate that the carrying value may not be recoverable.

1.7 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. In accordance with FRS 102 section 11.2c, the company has chosen to apply the recognition and measurement provisions of IFRS9. 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.

1.8 TRADE AND OTHER PAYABLES

Trade and other payables 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.

1.9 EQUITY SHARES

The Company's ordinary shares of £0.05 each are classified as equity instruments. 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.

1.10 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.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

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 the following significant judgement involving estimations and assumptions:

Impairment of investments

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

3. AUDITORS' REMUNERATION

Auditors' remuneration of £11,300 (2020: £15,700) in respect of the audit of the Company's financial statements is borne by a fellow Group undertaking.

Auditors' remuneration in respect of the Company's direct and indirect subsidiaries of £11,300 (2020: £10,700) was also borne by a fellow Group undertaking.

4. EMPLOYEES

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

5. DIRECTORS' REMUNERATION

The Directors' remuneration is paid by a fellow Group company which makes no recharge to the Company. 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 their services to this Company are de minimis and their emoluments are deemed to be substantially attributable to other Group companies.

6. DIVIDENDS RECEIVED FROM SUBSIDIARY UNDERTAKINGS

A dividend of £100,000,000 was received from the Company's sole subsidiary, Henderson Asset Management Limited, during the year (2020: £nil).

7. TAXATION

	2021	2020
	£000	£000
Charge for the financial year	-	-
Total tax charged to the Income Statement	-	-

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

7. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2021 £000	2020 £000
Profit before tax	100,000	-
Tax charge at the UK corporation tax rate of 19% (2020: 19%)	19,000	-
Effects of:		
Income not taxable	(19,000)	-
Total tax charged to the Income Statement	-	-

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.

8. INVESTMENTS

	Investments in subsidiary companies £000
Cost	
At 1 January 2021	4,303
At 31 December 2021	4,303
Net book value	
At 31 December 2021	4,303
At 31 December 2020	4,303

The Company's wholly owned subsidiary undertaking as at 31 December 2021 is Henderson Asset Management Limited, which is incorporated in the UK with a functional currency of GBP. The principal activity of the company is that of a property management company and its registered office is 201 Bishopsgate, London, EC2M 3AE, UK.

In the opinion of the Directors, the aggregate value of the shares in subsidiaries is not less than the amount at which they are stated in the Statement of Financial Position. Where events or changes in circumstances indicate that the carrying amount of investments may not have been recoverable an impairment review is carried out by the Directors of the Company.

No events have been identified which indicated that the carrying value of the investments held were below the recoverable amounts.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

9. TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
Amounts owed by Group undertakings	38,186	158,186
	<u>38,186</u>	<u>158,186</u>

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

10. TRADE AND OTHER PAYABLES

	2021 £000	2020 £000
Amounts owed to Group undertakings	27,367	127,367
	<u>27,367</u>	<u>127,367</u>

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

11. ORDINARY SHARE CAPITAL

	2021 £000	2020 £000
Authorised		
1 (2020: 1) "C" Ordinary share of £0.05	-	-
420,000,000 (2020: 420,000,000) Ordinary shares of £0.05 each	21,000	21,000
	<u>21,000</u>	<u>21,000</u>
Allotted, called up and fully paid		
2,000 (2020: 2,000) Ordinary shares of £0.05 each	-	-
	<u>-</u>	<u>-</u>

On 16 March 2020, upon recommendation from the Board, the shareholder of the Company approved the reduction of the Company's share capital from £14,598,811.55 to £100 by cancelling and extinguishing 291,974,230 ordinary shares of £0.05 each and cancelling and extinguishing 1 ordinary 'C' share of £0.05 each. In addition, upon recommendation from the Board, the shareholder of the Company also approved the cancellation of the Company's entire share premium (together the "Reduction"). The amount by which the share capital and share premium were reduced was credited to the profit and loss reserve. The Reduction was registered with Companies House on 16 March 2020.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

12. RESERVES

Share premium

Share premium records the difference between the nominal value of shares issued and the full value of the consideration received or the market price on the day of issue.

Capital redemption reserve

The capital redemption reserve was created when the Company's own shares were repurchased other than from the proceeds of a fresh share issue.

Profit and loss account

The profit and loss reserve comprises:

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

13. DIVIDENDS

The following dividend was paid to the Company's immediate parent, New Star Asset Management Group Limited, during the year:

	2021 £000	2020 £000
Interim dividend (£60,000 per share approved on 11 February 2021)	120,000	-

14. 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 2021 or 2020.

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 and will not disclose transactions entered into between wholly owned members of the same group as a related party transaction.

16. CASH FLOW STATEMENT

The Company has taken advantage of the exemption from the requirement to prepare a cash flow statement provided by paragraph 1.12(b) of FRS 102 on the basis that it is a qualifying entity, being a member of a group where the parent of that group prepares publicly available consolidated financial statements which include the Company's cash flows.

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board of Directors is not aware of, as at 30 June 2022, being the date, the financial statements were signed, any information concerning significant conditions in existence at the reporting date, which have not been reflected in the financial statements as presented.

HENDERSON ALTERNATIVE INVESTMENT ADVISOR LIMITED

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

18. CONTROLLING PARTY

The Company's immediate parent undertaking is New Star Asset Management Group 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 and Accounts for the year ended 31 December 2021 can be obtained from its registered office at 13 Castle Street, St Helier, Jersey, JE1 1ES or its website, www.janushenderson.com.