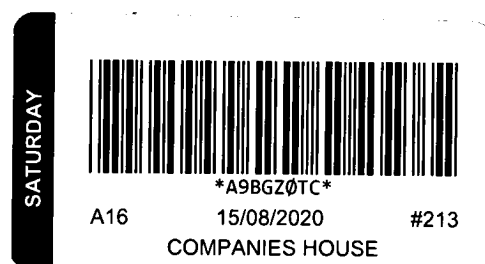


Registered number: 6047952

NEW STAR ASSET MANAGEMENT GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



NEW STAR ASSET MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Director	R W Chaudhuri
Company secretary	Henderson Secretarial Services Limited
Registered number	6047952
Registered office	201 Bishopsgate EC2M 3AE London
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

NEW STAR ASSET MANAGEMENT GROUP LIMITED

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NEW STAR ASSET MANAGEMENT GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Director presents their report and the audited financial statements for the year ended 31 December 2019.

The Director has taken advantage of the small companies' exemption in accordance with Section 414B of the Companies Act 2006 in not preparing a Strategic Report. The Company would have otherwise qualified as a small company was it not a member of an ineligible group.

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The principal activity of New Star Asset Management Group Limited ("the Company") is that of a holding company for certain Group companies. This will continue to be the principal activity 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 integrated basis through business units, not by the legal construct of its subsidiaries. Therefore the Company's strategy and business model is governed by that of the Group which is set out in detail in the Annual Report and Accounts of the Group which can be obtained from its registered office as set out in note 15. The Group provides investment management services throughout Europe, the Americas and Asia. The Group manages a broad range of actively managed investment products for institutional and retail investors, across multiple asset classes, including equities, fixed income, multi-asset and alternatives.

On 31st 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 has entered a transition period whereby it is no longer a member of the EU but will remain a member of the single market and customs union until 31st December 2020. Arrangements for trade with the EU will remain essentially unchanged until the end of the transition period. At the end of the transition period, the UK's relationship with the EU will be determined by the new agreements it will enter into on trade and other areas of co-operation. In the absence of the UK and the EU agreeing on a trade deal to begin when the transition period ends, or agreeing on an extension to the transition period, the UK will exit the transition period on 31st December 2020, trading on World Trade Organization terms with the EU. The Group's management continue to assess the risks associated with Brexit as well as the necessary contingency preparations as negotiations progress during the transition period. Brexit is not expected to have a material impact on the Company.

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, both through the effects of the virus itself and the measures taken by governments to restrict its spread. Please refer to the Principal Risks and Uncertainties section for further information.

RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to £800,000 (2018: loss of £1,462,000).

There were no dividends paid in the year under review (2018: £nil).

DIRECTORS

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

R W Chaudhuri

A N Kurzon (resigned 23 August 2019)

NEW STAR ASSET MANAGEMENT GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's risk management framework helps the Group meet its business objectives within acceptable risk parameters and it is reviewed regularly to early identify new and emerging risks. The Group's culture embeds the management of risk at all levels within the organisation. Please refer to the Group Annual Report and Accounts, as set out in note 15, for the major risks affecting the Group.

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, both through the effects of the virus itself and the measures taken by governments to restrict its spread.

The extent of the 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 are highly uncertain. However, it is possible that COVID-19 may have a material impact on the valuation of the Company's investments in subsidiary undertakings, which could result in the Company having to recognise impairment charges on those investments. The Group has a robust and detailed business continuity plan in place to ensure that the Group's operations can continue effectively during the COVID-19 pandemic, including processes to limit the spread of the virus between employees. The Company's management continues to assess the risks associated with COVID-19 and to mitigate them where possible.

GOING CONCERN

The Company has adequate resources to continue in operational existence for the foreseeable future. The intercompany payable balances in these financial statements are only payable on demand and, in the event of the balances being demanded, another entity within the Group will provide financial support. Thus the Director continues to adopt the going concern basis for the preparation of the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

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

NEW STAR ASSET MANAGEMENT GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. COVID-19 is expected to have an adverse effect on the Company's business and financial results. However, the situation is fluid and continues to evolve. As a result of this uncertainty, it is difficult to predict the extent to which COVID-19 will impact the Company's business and financial results.

Given that the most significant effects of COVID-19 and the measures taken by governments to restrict its spread occurred after the balance sheet date, COVID-19 is considered to be a non-adjusting post balance sheet event and, therefore, the measurement of assets and liabilities in the financial statements have not been adjusted for its potential impact.

The extent of the 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 are highly uncertain. While it is too early to estimate its financial effect, COVID-19 is expected to adversely affect the Company's financial results, including, without limitation, the valuation of the Company's investment in subsidiary undertaking, which may result in the need to recognise future impairments. As at 31 December 2019, the Company determined that the recoverable amount of its investment in subsidiary was £5,300,000 in excess of its carrying value. An impairment charge would be recognised if the value of the Company's investment in subsidiary at 31 December 2019 fell by more than 3%.

On 16 March 2020, upon recommendation from the Board, the shareholder of the Company approved the reduction of the Company's share capital from £201,604,000 to £100 by cancelling and extinguishing 4,032,075,039 ordinary shares 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 17 March 2020.

The Board of Directors has not received as at 9 July 2020, being the date the financial statements were signed, any other information concerning significant conditions in existence at the reporting date, which have not been reflected in the financial statements as presented.

INDEPENDENT AUDITORS

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

This report was approved by the Board and signed on 9 July 2020 by order of the Board by:



R W Chaudhuri
Director

NEW STAR ASSET MANAGEMENT GROUP LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare 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 director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- 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 director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.



R W Chaudhuri
Director
9 July 2020

Independent auditors' report to the members of New Star Asset Management Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, New Star Asset Management Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 2019; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that

there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

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 director was 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 July 2020

NEW STAR ASSET MANAGEMENT GROUP LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Finance expense	6	(800)	(1,462)
Loss before tax		(800)	(1,462)
Taxation	7	-	-
Loss for the financial year		(800)	(1,462)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
Loss for the financial year	(800)	(1,462)
Total comprehensive loss for the financial year	(800)	(1,462)

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

NEW STAR ASSET MANAGEMENT GROUP LIMITED
REGISTERED NUMBER: 6047952

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Non-current assets			
Investments	8	150,724	150,724
Current assets			
Trade and other receivables	9	65,351	-
Total assets		<u>216,075</u>	<u>150,724</u>
Current liabilities			
Trade and other payables	10	(158,186)	(92,035)
Total liabilities		<u>(158,186)</u>	<u>(92,035)</u>
Net assets		<u>57,889</u>	<u>58,689</u>
Capital and reserves			
Ordinary share capital	11	201,604	201,604
Share premium	12	150,103	150,103
Profit and loss account	12	(293,818)	(293,018)
Total equity		<u>57,889</u>	<u>58,689</u>

The financial statements on pages 8 to 17 were approved for issue by the Board and were signed on 9 July 2020, by:



R W Chaudhuri
 Director

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

NEW STAR ASSET MANAGEMENT GROUP LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Ordinary share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
At 1 January 2019	201,604	150,103	(293,018)	58,689
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(800)	(800)
At 31 December 2019	201,604	150,103	(293,818)	57,889

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

	Ordinary share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
At 1 January 2018	201,604	150,103	(291,556)	60,151
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(1,462)	(1,462)
At 31 December 2018	201,604	150,103	(293,018)	58,689

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

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The Company financial statements are presented in Pounds Sterling (GBP) and all values are rounded to the nearest thousand pounds, except when otherwise indicated. The Company is a private limited company incorporated and domiciled in the UK.

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management 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 Henderson Global Investors Asset Management Limited and of its ultimate parent, Janus Henderson Group plc. It is included within the consolidated financial statements of Janus Henderson Group plc which are publicly available, see note 15. 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 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m) B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 386, 38C, 38D, 40A, 406, 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; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.3 ADOPTION OF NEW AND REVISED STANDARDS

There are no amendments to accounting standards that are effective for the year ended 31 December 2019 that have a material impact on the amounts recognised in prior periods or that are expected to significantly affect the current or future periods.

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.4 GOING CONCERN

The Company has adequate resources to continue in operational existence for the foreseeable future. The intercompany payable balances in these financial statements are only payable on demand, and in the event of the balances being demanded, another entity within the Group will provide financial support. Thus the Director continues to adopt the going concern basis for the preparation of the annual financial statements.

1.5 FINANCE EXPENSE

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

1.6 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.

Deferred tax liabilities are not recognised on goodwill but are recognised on separately identifiable intangible assets, where appropriate.

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.

1.7 INVESTMENTS

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

1.8 TRADE AND OTHER RECEIVABLES

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

1.9 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.

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.10 SHARE CAPITAL

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.

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 £7,500 (2018: £2,876) in respect of the audit of the Company's financial statements is borne by a fellow Group undertaking.

In relation to the Company's direct and indirect subsidiaries, auditors' remuneration of £7,500 (2018: £2,876) was also borne by a fellow Group undertaking.

4. EMPLOYEES

The Company did not have employees during the current or prior year. The UK group employees' contracts of employment are with Henderson Administration Limited, a group undertaking, and staff 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. FINANCE EXPENSE

	2019 £000	2018 £000
Interest payable on balances due to Group undertakings	800	1,462
	<u>800</u>	<u>1,462</u>

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. TAXATION

	2019 £000	2018 £000
Charge for the year	-	-
TOTAL TAX CHARGED TO THE INCOME STATEMENT	-	-

Factors affecting tax charge for the year

The UK corporation tax rate applicable for the year is 19% (2018: 19%). The tax assessed to the company for the year is higher (2018: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £000	2018 £000
Loss before tax	(800)	(1,462)
Tax credit at the UK corporation tax rate of 19% (2018: 19%)	(152)	(278)
Effects of:		
Group relief surrendered for nil consideration	152	278
TOTAL TAX CHARGED TO THE INCOME STATEMENT	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020 was substantively enacted at the balance sheet date. In March 2020, the UK government announced that the corporation tax rate will remain at 19%.

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. INVESTMENTS

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	213,466
At 31 December 2019	<u>213,466</u>
Impairment	
At 1 January 2019	62,743
At 31 December 2019	<u>62,743</u>
Net book value	
At 31 December 2019	<u><u>150,723</u></u>
At 31 December 2018	<u><u>150,723</u></u>

The Company's wholly owned subsidiary undertakings as at 31 December 2018 were Henderson Alternative Investment Advisor Limited (direct subsidiary) and Henderson Asset Management Limited, which are both incorporated in the UK with a functional currency of GBP. The principal activity of both companies is that of a holding company and the registered office of both companies is 201 Bishopsgate, London, EC2M 3AE, UK.

In the opinion of the Director, 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 indicate that the carrying value of the investments held are below the recoverable amounts.

9. TRADE AND OTHER RECEIVABLES

	2019 £000	2018 £000
Amounts owed by Group undertakings	65,351	-
	<u>65,351</u>	<u>-</u>

Amounts owed by Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date, interest was charged only where the two parties were in different tax jurisdictions, otherwise no interest was charged.

NEW STAR ASSET MANAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TRADE AND OTHER PAYABLES

	2019	2018
	£000	£000
Amounts owed to Group undertakings	158,186	92,035
	<u>158,186</u>	<u>92,035</u>

Amounts owed to Group undertakings accrued interest at the Bank of England base rate plus 1%, until 30 June 2019. After this date, interest was charged only where the two parties were in different tax jurisdictions, otherwise no interest was charged.

11. ORDINARY SHARE CAPITAL

	2019	2018
	£000	£000
Alloted, called up and fully paid		
4,032,077,039 (2018: 4,032,077,039) Ordinary shares of £0.05 each	201,604	201,604
	<u>201,604</u>	<u>201,604</u>

12. RESERVES

Share premium account

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.

Profit and loss account

The profit and loss account comprises of results recognised through the Income Statement, net of any dividends paid.

13. 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 Director is not aware of any contingent liabilities requiring disclosure in these financial statements as at 31 December 2019 or 2018.

NEW STAR ASSET MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. EVENTS AFTER THE END OF THE REPORTING YEAR

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. COVID-19 is expected to have an adverse effect on the Company's business and financial results. However, the situation is fluid and continues to evolve. As a result of this uncertainty, it is difficult to predict the extent to which COVID-19 will impact the Company's business and financial results.

Given that the most significant effects of COVID-19 and the measures taken by governments to restrict its spread occurred after the balance sheet date, COVID-19 is considered to be a non-adjusting post balance sheet event and, therefore, the measurement of assets and liabilities in the financial statements have not been adjusted for its potential impact.

The extent of the 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 are highly uncertain. While it is too early to estimate its financial effect, COVID-19 is expected to adversely affect the Company's financial results, including, without limitation, the valuation of the Company's investment in subsidiary undertaking, which may result in the need to recognise future impairments. As at 31 December 2019, the Company determined that the recoverable amount of its investment in subsidiary was £5,300,000 in excess of its carrying value. An impairment charge would be recognised if the value of the Company's investment in subsidiary at 31 December 2019 fell by more than 3%.

On 16 March 2020, upon recommendation from the Board, the shareholder of the Company approved the reduction of the Company's share capital from £201,604,000 to £100 by cancelling and extinguishing 4,032,075,039 ordinary shares 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 17 March 2020.

The Board of Directors has not received as at 9 July 2020, being the date the financial statements were signed, any other information concerning significant conditions in existence at the reporting date, which have not been reflected in the financial statements as presented. There have been no significant events affecting the Company since the year end.

15. CONTROLLING PARTY

The Company's immediate parent undertaking is Henderson Global Investors Asset Management 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 2019 can be obtained from its registered office at 47 Esplanade, St Helier, Jersey, JE1 0BD or its website, www.janushenderson.com.