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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	2008 £m	2007 £m
Income			
Gross fee income and commission receivable on sales	3	325.4	430.2
Finance income	3	15.3	25.7
Total income		340.7	455.9
Commissions and fees payable against income	3	(67.6)	(104.3)
Net fee and commission income		273.1	351.6
Expenses			
Operating costs	4.1	(178.1)	(234.4)
Other charges	4.2	(2.4)	(2.5)
Total expenses before finance costs and non-recurring items		(180.5)	(236.9)
Finance costs	6	(12.3)	(8.0)
Profit before non-recurring items and tax		80.3	106.7
Non-recurring items before tax	7	(97.3)	40.5
(Loss)/profit before tax		(17.0)	147.2
Taxation	8	(3.8)	(15.0)
(Loss)/profit after tax		(20.8)	132.2
Attributable to:			
Equity holders of the parent	26	(20.9)	132.1
Minority interests	26	0.1	0.1
		(20.8)	132.2
Dividends			
Dividends declared and charged to equity in the year	11	42.9	264.8
Dividends proposed	11	33.9	32.2
Basic and diluted earnings per share			
Basic earnings per share before non-recurring items	9.1.2	10.8p	11.7p
Basic earnings per share after non-recurring items	9.2.2	(3.2)p	16.4p
Diluted earnings per share before non-recurring items	9.1.2	10.0p	11.1p
Diluted earnings per share after non-recurring items	9.2.2	(3.2)p	15.6p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 December 2008

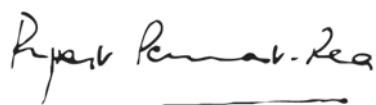
	Notes	2008 £m	2007 £m
Exchange differences on translation of foreign operations	26	8.5	1.5
Exchange differences on translation of available-for-sale financial assets	26	4.5	0.7
Translation reserve transfer on sale of available-for-sale financial assets	26	–	0.8
Revaluation reserve transfer on sale of available-for-sale financial assets	26	9.1	(28.6)
Revaluation reserve transfer on impairment of available-for-sale financial assets	26	67.2	–
Losses on revaluation of available-for-sale financial assets	26	(62.2)	(17.6)
Actuarial gains on defined benefit pension schemes	21, 26	65.0	34.7
Tax charge on items taken directly to equity	8, 26	(15.9)	(11.5)
Net income/(expense) recognised directly in equity		76.2	(20.0)
(Loss)/profit after tax		(20.8)	132.2
Total recognised income and expense		55.4	112.2
Attributable to:			
Equity holders of the parent	26	55.3	112.1
Minority interests	26	0.1	0.1
		55.4	112.2

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Notes	2008 £m	2007 £m
Non-current assets			
Intangible assets	13	226.1	224.3
Investments accounted for using the equity method	14.2	6.6	3.8
Plant and equipment	15	22.6	5.7
Retirement benefit assets	21	152.5	62.3
Deferred tax assets	23	5.4	6.9
Deferred acquisition and commission costs	17	17.0	14.5
		430.2	317.5
Current assets			
Available-for-sale financial assets	16	75.9	101.7
Financial assets at fair value through profit or loss	16	0.4	0.6
Trade and other receivables	18	112.8	97.1
Deferred acquisition and commission costs	17	17.9	17.3
Cash and cash equivalents	19.1	152.1	248.0
		359.1	464.7
Total assets			
		789.3	782.2
Non-current liabilities			
Debt instrument in issue	20	184.5	178.0
Retirement benefit obligations	21	4.7	5.2
Provisions	22	20.1	26.4
Deferred tax liabilities	23	44.7	15.8
Deferred income		15.7	14.4
		269.7	239.8
Current liabilities			
Trade and other payables	24	177.5	203.3
Provisions	22	7.7	5.7
Deferred income		17.0	18.2
Current tax liabilities		24.3	41.1
		226.5	268.3
Total liabilities			
		496.2	508.1
Net assets			
		293.1	274.1
Capital and reserves			
Share capital	25.2	90.7	90.6
Share premium	26	195.1	194.6
Treasury shares	26	–	(6.7)
Own shares held	26	(74.2)	(85.5)
Translation reserve	26	11.2	(1.8)
Revaluation reserve	26	(2.2)	(16.3)
Profit and loss account	26	72.2	99.0
		292.8	273.9
Shareholders' equity			
Minority interests	26	0.3	0.2
		293.1	274.1
Total equity			
	27	293.1	274.1

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2009. They were signed on its behalf by:



Rupert Pennant-Rea
Chairman

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2008

	Notes	2008 £m	2007 £m
Cash flows from operating activities			
(Loss)/profit before tax		(17.0)	147.2
Adjustments to reconcile (loss)/profit before tax to net cash flows from operating activities:			
– depreciation of plant and equipment and amortisation of computer software		2.4	2.5
– net loss on disposal of plant and equipment		2.3	–
– share-based payments		22.5	23.6
– net deferred acquisition and commission costs and deferred income amortisation		(0.1)	(5.5)
– fair value losses/(gains) on available-for-sale financial assets		–	(27.0)
– impairment of available-for-sale financial assets		67.2	–
– loss on disposal of available-for-sale financial assets		4.9	–
– defined benefit service credit		(0.2)	(8.2)
– contributions to the Henderson Group Pension Scheme		(25.5)	(24.6)
– share of profit of associates and joint ventures		(2.6)	(2.0)
– movement in minority interests		0.1	0.1
– profit on unwinding of an interest rate swap on Corporate debt		(1.5)	–
– debt instrument interest expense		12.3	8.0
Cash flows from operating activities before changes in operating assets and liabilities			
Changes in operating assets and liabilities	19.2	64.8	114.1
Tax (paid)/received		(77.2)	12.0
		(8.0)	1.6
Net cash flows from operating activities			
		(20.4)	127.7
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		30.1	37.5
Dividends from associates and distributions from joint ventures		1.4	0.8
Purchases of:			
– plant and equipment and intangible assets		(22.3)	(1.6)
– debt or equity instruments and investments in associates and joint ventures		(33.1)	(37.2)
Net cash flows from investing activities			
		(23.9)	(0.5)
Cash flows from financing activities			
Proceeds from issue of shares or other equity instruments		0.2	0.9
Proceeds from short and long-term borrowings		–	174.0
Cash payments to owners to acquire or redeem treasury shares		–	(6.7)
Cash payments to owners to acquire or redeem own shares		(16.2)	(87.1)
Dividends paid to equity shareholders		(42.9)	(264.8)
Proceeds from unwinding of an interest rate swap on Corporate debt		11.4	–
Interest paid on long-term borrowings		(12.2)	(5.7)
Net cash flows from financing activities			
		(59.7)	(189.4)
Effects of exchange rate changes		8.1	1.1
Net decrease in cash and cash equivalents			
		(95.9)	(61.1)
Cash and cash equivalents at beginning of year		248.0	309.1
Cash and cash equivalents at end of year	19.1	152.1	248.0

COMPANY INCOME STATEMENT

For the period ended 31 December 2008

	Note	5 Aug 2008 to 31 Dec 2008 £m
Administration costs		(0.1)
Other income		94.2
Profit before tax		94.1
Tax	8	-
Profit after tax		94.1

COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the period ended 31 December 2008

	5 Aug 2008 to 31 Dec 2008 £m
Profit after tax	94.1
Total recognised income and expense	94.1

COMPANY BALANCE SHEET

As at 31 December 2008

	Notes	2008 £m
Non-current assets		
Investment in subsidiaries	14.1	433.0
Total assets		433.0
Liabilities		
Trade and other payables	24	135.9
Total liabilities		135.9
Net assets		297.1
Capital and reserves		
Share capital	25.2	90.7
Share premium	26	195.1
Own shares held reserve	26	(74.2)
Profit and loss account	26	85.5
Total equity	27	297.1

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They were signed on its behalf by:



Rupert Pennant-Rea
Chairman

COMPANY CASH FLOW STATEMENT

For the period ended 31 December 2008

	5 Aug 2008 to 31 Dec 2008 £m
Profit before tax	94.1
Adjustments to reconcile profit before tax to net cash flows from operating activities:	
– profit on disposal of subsidiary	(94.2)
– administration costs	0.1
Net cash flows from operating activities	–
Cash and cash equivalents at end of period	–