

(Registration number: 285988)

# Threadneedle Portfolio Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

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**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Company Information**

<b>Directors</b>	G Frewin
	J Rigg
	P Stone
	G Vullo
<b>Company secretary</b>	A Kaye
<b>Registered office</b>	Cannon Place 78 Cannon Street London England EC4N 6AG
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Strategic Report**

The directors present their strategic report for Threadneedle Portfolio Services Limited for the year ended 31 December 2021.

The Company is a subsidiary of TAM UK International Holdings Limited, a company registered in England and Wales and owned by Ameriprise Financial, Inc. ("Ameriprise"), the ultimate parent company. TAM UK International Holdings Limited and all its subsidiaries are referred to herein as "the Group".

**Results and key performance indicators**

The directors assess the performance of the Company based on its income and net assets. The statement of comprehensive income for the year is set out on page 14. The profit for the financial year was £13,985,000 (2020: £14,904,000). As at the statement of financial position date on page 15 the value of the net assets of the Company was £27,243,000 (2020: £43,382,000). The level of business and the financial position at the end of the year are satisfactory.

**Principal activities**

The principal activity of the Company is to act as an Alternative Investment Fund Manager for UK domiciled property funds. The Company holds £nil (2020: £nil) investments in the funds it manages. The Company is authorised and regulated in the UK by the Financial Conduct Authority ("FCA").

**Fair review of the business**

The results of companies within the Group are managed on a group and business stream basis. Business streams do not correspond directly with individual legal entities and consequently key performance indicators are not set for individual companies.

COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout 2021. As in the previous year, the Company coordinated its response to the pandemic and related restrictions regionally to ensure we continued to deliver for clients, support employees and maintain business continuity. The Company, through increased flexibility for employees and continued remote working, has maintained operational capacity and has not found it necessary to participate in any of the various Government initiatives such as furloughing of staff. In 2022, the Company continues to monitor and coordinate responses as required.

**Principal risks and uncertainties**

The principal risks and uncertainties are integrated with the financial risk management policies of the Company and are discussed in the Directors' Report.

**Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The Company is held to the same management framework as the group. The Company has board meetings and is subject to all Group committees.

The directors believe they perform their duties in a way which promotes good faith and the success of the Company for the benefit of its members (having regards 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 2021. The Company aim to deliver positive outcomes that meet the needs of its stakeholders and is committed to always act responsibly, transparently and in the best interests of those who trust it to manage their investments. The Group's corporate responsibility strategy focuses on the core roles it plays: Responsible Partner to its clients; Responsible Investor; Responsible Employer; and Responsible Citizen.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Strategic Report**

**Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 (continued)**

The Company's employees are fundamental to the success of the business, and during 2021 it continued to prioritise the health, safety and well-being of employees as we responded to COVID-19 and periods of remote working for the vast majority of employees. It provide a range of resources to support the physical and mental well-being of employees, including private healthcare; self-referral for physiotherapy, chiropractic treatment, cancer specialists and psychotherapy; access to telephone GP appointments; a confidential counselling service and an online well-being hub, providing access to a range of webinars and other resources. Talent development is a priority at all levels, and we responded to the challenges of 2021 by maintaining virtual delivery of regular training workshops and seminars for employees, including a range of webinars and other virtual events to support education, collaboration and personal development across the business. Flexible working enabled employees to transition comfortably back to the office during the year and remains an important component of our approach to maintaining an inclusive culture and healthy work-life balance.


The Company has a fiduciary duty to all its clients and end-customers as managers of their financial assets. Its aim is to provide clients and end-customers with value for money in terms of excellent risk-adjusted investment performance (after fees) and a level of service that meets or exceeds expectations. The Company's commitment to clients is reflected in its Values and in the Code of Conduct which all employees formally sign, acknowledging how they must act at all times.

The Group strives to be a responsible member of the community in which it operates and to influence positive change. It maintains an Environmental Management System to provide measurable and auditable data for all its major environmental impacts and has achieved continuous ISO14001:2004 accreditation since 2007. In 2021 the Group made corporate donations to charity via Columbia Threadneedle Foundation. The Foundation seeks to improve individual lives while also driving fundamental social change. It aims to address critical social issues - inclusion, opportunity, employment, empowerment and mental health - using the power of art, sport and education as catalysts for change. Through the Foundation, the Group provides funding, specialist advice and support, pro bono assistance, employee volunteering and advocacy to a range of UK charities.

It is the Board's commitment to maintain the Company's reputation by continuing to operate in a responsible manner, within high standards of business conduct, good governance and operating within the regulatory framework of a business such as that of the Company. The governance structure that sits below the Group's Board is headed by a Business Management Committee and a Risk and Controls Committee, which are chaired by the Chief Executive Officer and Chief Risk Officer, respectively. Below this, responsibility for running the business is overseen by a number of functional and other leadership teams. These teams are responsible for the day-to-day running of the business lines of the Group as well as strategy implementation. The Board believes that these governance arrangements enable the Group to deliver its business plans in a rigorously controlled manner.

The Directors are committed to fulfil the requirements of s172 of the Companies act including behaving in a responsible manner to promote the success of the Company for the benefit of its Shareholders, whilst have having regard to various other stakeholder interests.

The financial statements on pages 14 to 37 were approved by the Board on 20 April 2022 and signed on its behalf by:

  
Peter Stone (Apr 20, 2022 17:43 GMT+1)

P Stone  
Director

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Directors' Report**

The directors present their annual report and the audited financial statements ("the financial statements") of Threadneedle Portfolio Services Limited ("the Company") for the year ended 31 December 2021.

The Company's registration number is 285988.

**Directors of the Company**

The directors, who held office during the year and up to the date of approving these financial statements, were as follows:

G Frewin (appointed 28 June 2021)

J Rigg

P Stone

G Vullo (appointed 22 February 2021)

**Dividends**

On 03 August 2021, the directors paid an interim dividend of £31,310,000 (2020: £nil). The directors do not recommend the payment of a final ordinary dividend (2020: £nil).

**Directors' liabilities**

During the year and also at the date of approval of the financial statements, the Company had in force a qualifying third party indemnity provision in favour of one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

**Future developments**

The Taskforce on Climate Related Financial Disclosure (TCFD) which was created by the Financial Stability Board to improve and increase reporting of climate-related financial information and is aligned with the Government's work to introduce TCFD-aligned disclosures across the economy by 2025. In support of this, in a phased implementation from 1 January 2022, the Financial Conduct Authority requires investment managers to disclose how they take climate-related risks and opportunities into account in managing investments.

To manage and meet the new disclosure requirements, TAM UK International Holdings Limited ("the Group") set up a global project team to carry out risk assessments, review the short, medium and long-term implications and focus Group's disclosure report delivery on a 4-tier framework developed by the TCFD, Governance, Strategy, Risk management and Metrics and targets.

The directors consider that the operations of the Company will remain substantially unchanged for the foreseeable future.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Directors' Report**

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Directors' confirmations**

In the case of each Director in office at the date of the Directors' Report is approved:

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

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Directors' Report**

**Going concern**

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report on pages 3 to 4 and on pages 5 to 9 of the Directors' Report.

The Company has remained profitable despite the impact of the pandemic on the financial markets and is expected to continue to generate positive cashflows in the future. It continues to participate in the Group's centralized treasury arrangements and so shares banking relationships with its parent and fellow subsidiaries, providing access to liquidity.

Given the above and the results of a stress test taking into consideration the financial effect of COVID-19 and Russia-Ukraine Conflict, including a further market fall and a liquidity stress, the Directors have a reasonable expectation that the Company would remain adequately capitalised and with sufficient liquidity to meet its minimal liabilities as they fall due and would therefore be able to continue to operate as a going concern. The capital and liquidity levels would also remain in excess of the regulatory requirements.

**Employee share scheme**

Ameriprise operates share based employee incentive schemes. From 2012 Ameriprise stock options and Restricted Stock Units, ("RSU") were issued. These schemes are equity settled transactions. Stock options are awarded in Ameriprise Financial, Inc. The purpose of these plans is to give key senior employees an interest in the success of the business with a view to encouraging even greater levels of commitment and team-working towards achieving the Group's goal, which is to grow a highly successful investment management business. See note 4 of the financial statements for further details of how the schemes operate.

**External capital requirements**

The Company is a Collective Portfolio Management Firm regulated by the Financial Conduct Authority (FCA). As per the regulatory rules the capital adequacy of the Company is measured through own funds and liquid assets (assets which can be sold for cash within 30 days). The Company holds a surplus of capital over its regulatory capital requirement and liquid asset requirements throughout the period both of these requirements are continually managed to ensure a sufficient buffer is maintained. Stress testing has been completed as part of the going concern testing which highlighted the Company has a healthy capital surplus and liquid assets surplus which will be maintained even in a stressed environment.



**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Directors' Report**

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Reappointment of independent auditors**

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Risk management**

The Board of TAM UK International Holdings Limited, has established an Audit and Risk Committee (the "Committee"), which comprises representatives from Ameriprise and Independent Non-Executive directors; and which is chaired by an Independent Non-Executive Board member. The primary purpose of the Committee is to provide advice in order to assist the Board in carrying out its responsibilities as they relate to the risk management, internal control and the conduct of its business across Europe, the Middle East and Africa ("EMEA") in accordance with regulation, legislation and business best practice. The Committee is also responsible for review and approval of the EMEA risk management framework, in alignment with the Ameriprise Enterprise Risk Management policies. The Committee meets quarterly.

The principal credit risk lies in uncollectible receivables. The Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The directors do not perceive any significant credit risk as the main concentration of trade debtors is with related parties.

The Company is exposed to foreign exchange risk arising from transactions that are denominated in currencies other than Sterling. Hedging may be undertaken in cases where the risk is assessed to be significant by entering into forward foreign exchange contracts for any material payables or receivables. The Company participates in the Group's centralised treasury arrangements and has access to sufficient cash and liquid investments such that liquidity and cash flow risk are minimised. The Company monitors the credit rating of its banks to minimise the risk of loss due to counterparty failure. The Company is exposed to interest rate risk through its bank and cash balances and intercompany balances.

The Company is also exposed to non-financial or operational risk which includes the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has completed risk and control assessments to identify potential risks and ensure that adequate controls are in place to mitigate them.

Whilst the impact of COVID-19 brings heightened risk, the Company believes the robust risk management framework in place is adequate under current circumstance and will be reassessed as and when appropriate to do so.

**Russia-Ukraine Conflict**

During February and March 2022, the European Union, United States and United Kingdom placed sanctions on certain Russian companies and persons in retaliation of the Russian invasion of Ukraine on 24 February 2022. The Company does not have any direct holdings on its corporate balance sheet nor operations in Russia, Ukraine or Belarus. The Company continues to monitor the potential risks as the situation continues to evolve.


**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Directors' Report**

**Streamlined Energy and Carbon Reporting**

The Company in 2020, included streamlined energy carbon report (SECR) disclosures where the Company was a subsidiary of Threadneedle Asset Management Holdings Sàrl, a Luxembourg registered company, previously, the parent of the smallest group where the Financial Statements of the Company was consolidated. During 2021 the group structure changed, where TAM UK International Holdings Limited, a company registered in England and Wales became the parent of the smallest group and thus full disclosure is required within these consolidated financial statements on the SECR information. In line with the SECR rules the Company has chosen to not include an individual report on its SECR. The consolidated financial statements of TAM UK International Holdings Limited can be obtained from 78 Cannon Street, London, EC4N 6AG, England.

The financial statements on pages 14 to 37 were approved by the Board on 20 April 2022 and signed on its behalf by:

  
Peter Stone (Apr 20, 2022 17:43 GMT+1)

P Stone  
Director

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Independent auditors' report to the members of Threadneedle Portfolio Services Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Threadneedle Portfolio Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the 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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Independent auditors' report to the members of Threadneedle Portfolio Services Limited**

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

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

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

*Strategic report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, 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.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Independent auditors' report to the members of Threadneedle Portfolio Services Limited**

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

- Discussions with the Board of Directors and with management (Finance, Internal Audit, Legal, Risk and Compliance), 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 regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria;
- 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](http://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.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Independent auditors' report to the members of Threadneedle Portfolio Services Limited**

We have no exceptions to report arising from this responsibility.



Jasmit Lochab (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

20 April 2022

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Statement of Comprehensive Income**  
**For the year ended 31 December 2021**

	Notes	2021 £ 000	2020 £ 000
Revenue	5	31,956	31,714
Administrative expenses	7	(15,392)	(14,403)
Operating profit		<u>16,564</u>	<u>17,311</u>
Finance income	8	309	455
Finance costs	9	(63)	(19)
Other net gains		<u>15</u>	<u>-</u>
Net finance income		<u>261</u>	<u>436</u>
Profit before taxation	10	16,825	17,747
Income tax expense	12	(2,840)	(2,843)
Profit for the financial year		<u>13,985</u>	<u>14,904</u>
<b>Other comprehensive income/(expense):</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Movement in deferred tax relating to employee share scheme - value of employee services	4, 15	<u>1,249</u>	<u>(286)</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Change in fair value of financial asset through other comprehensive income - Corporate/Government bonds		<u>(109)</u>	<u>52</u>
<b>Total comprehensive income for the financial year</b>		<u><u>15,125</u></u>	<u><u>14,670</u></u>


The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
<b>Current assets</b>			
Trade and other receivables	13	9,946	31,312
Other financial assets	14	22,827	13,027
Cash at bank and in hand		5,416	9,634
Deferred tax asset	15	2,736	1,227
		<u>40,925</u>	<u>55,200</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(13,682)</u>	<u>(11,485)</u>
<b>Total assets less current liabilities</b>		<u>27,243</u>	<u>43,715</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>-</u>	<u>(333)</u>
<b>Net assets</b>		<u>27,243</u>	<u>43,382</u>
<b>Capital and reserves</b>			
Called up share capital	18	2,100	2,100
Other reserves		1,969	829
Retained earnings		<u>23,174</u>	<u>40,453</u>
<b>Total shareholders' funds</b>		<u>27,243</u>	<u>43,382</u>

The financial statements on pages 14 to 37 were approved by the Board on 20 April 2022 and signed on its behalf by:

  
 Peter Stone (Apr 20, 2022 17:43 GMT+1)

P. Stone  
 Director

The notes on pages 18 to 37 form an integral part of these financial statements.



**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Statement of Changes in Equity**

	Notes	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total shareholders' fund £ 000
<b>At 1 January 2021</b>		<b>2,100</b>	<b>829</b>	<b>40,453</b>	<b>43,382</b>
Profit for the financial year		-	-	13,985	13,985
Movement in deferred tax relating to employee share scheme - value of employee services	4, 15	-	1,249	-	1,249
Change in fair value of financial asset through other comprehensive income - Corporate/Government bonds		-	(109)	-	(109)
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>1,140</b>	<b>13,985</b>	<b>15,125</b>
Dividends	11	-	-	(31,310)	(31,310)
Movement in equity share schemes expenses		-	-	(36)	(36)
UK tax in equity		-	-	82	82
<b>At 31 December 2021</b>		<b>2,100</b>	<b>1,969</b>	<b>23,174</b>	<b>27,243</b>

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Statement of Changes in Equity**

	Notes	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total shareholder's funds £ 000
<b>At 1 January 2020</b>		<b>2,100</b>	<b>1,063</b>	<b>25,721</b>	<b>28,884</b>
Profit for the financial year		-	-	14,904	14,904
Movement in deferred tax relating to employee share scheme - value of employee services	4, 15	-	(286)	-	(286)
Change in fair value of financial asset through other comprehensive income - Corporate/Government bonds		-	52	-	52
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>(234)</b>	<b>14,904</b>	<b>14,670</b>
Movement in equity share schemes expenses		-	-	(172)	(172)
<b>At 31 December 2020</b>		<b>2,100</b>	<b>829</b>	<b>40,453</b>	<b>43,382</b>

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**1 General information**

The Company is a private company limited by share capital, incorporated in England and Wales and domiciled in United Kingdom.

The address of its registered office is Cannon Place, 78 Cannon Street, London, England, EC4N 6AG, United Kingdom.

The Company is a subsidiary of TAM UK International Holdings Limited, a company registered in England and Wales and owned by Ameriprise Financial, Inc. ("Ameriprise"), the ultimate parent company. TAM UK International Holdings Limited and all its subsidiaries are referred to herein as "the Group".

The principal activity of the Company is to act as an Alternative Investment Fund Manager for UK domiciled property funds. The Company is authorised and regulated in the UK by the Financial Conduct Authority ("FCA").

**2 Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a Basis of preparation**

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). The financial statements have been prepared on the going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. 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 3.

The company's forecasts and projections, taking in to account of severe but plausible scenarios, show that it should be able to operate within the level of its forecast liquid resources. Having assessed the principle risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**a Basis of preparation (continued)**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods and services received are determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - (iii) paragraph 118(e) of IAS 38, 'Intangible assets (reconciliation between the carrying amount at the beginning and the end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows);
  - 10(f), (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16, (statement of compliance with all IFRS);
  - 38A, (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D, (additional comparative information);
  - 40A-D, (requirement for a third statement of financial position);
  - 111, (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

The Company's forecasts and projections, taking in to account of severe but plausible scenarios, show that it should be able to operate within the level of its forecast liquid resources. Having assessed the principle risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**b Changes in accounting policies and disclosures**

The adoption of new or amended IFRS and IAS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported, refer to note 21 for further details on new standards, amendments and interpretations adopted and not yet adopted by the Company.

**c Currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in Pounds Sterling ("£"), which is the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates ruling at the statement of financial position date are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**d Revenue recognition**

*Fee income*

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of sales tax or equivalents and any discounts or rebates. The company recognises revenue when performance obligations have been satisfied which is primarily due to the provision of investment management, advisory services, the distribution of offshore funds and onshore open-ended funds. Sales of units in unit trusts and open-ended investment companies ("OEIC") shares are stated net of cost of sales and are recognised on a trade date basis at which date the Company's performance obligation is deemed to be fulfilled. The Company calculates and recognises income relating to performance fees when management assess that the Company's performance obligation has been satisfied and it is highly probable that it will not be subject to reversal. The Company calculates and recognises income relating to performance fees on crystallisation.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**d Revenue recognition (continued)**

*Finance income*

Interest income is recognised as it accrues using the effective interest rate method. Dividend income from investments is recognised on the date that the right to receive payment has been established.

*Other operating income*

Other operating income is recognised as it accrues on items relating to partnership net income, property risk management service fees and recoveries on capitalised assets.

*Realised and unrealised gains and losses on investments*

Realised and unrealised gains and losses on investments are recognised in the income statement. Realised and unrealised gains or losses are recognised as part of other gains and losses. Realised gains and losses on investments are calculated as the difference between the net sales proceeds and cost or brought forward fair value. Unrealised gains and losses on investments represent the difference between the valuation of investments at the date of the statement of financial position date and their original cost, or if they have been previously revalued, the valuation at the previous date of the statement of financial position.

**e Financial Instruments**

Financial assets and liabilities are recognised in the statement of financial position, when the Company becomes party to the contractual provisions of an instrument. Upon initial recognition, financial assets and liabilities are recognised at the fair value of the consideration payable. For financial assets classified at fair value through profit or loss transaction costs associated with the acquisition are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

*Financial liabilities*

Financial liabilities including trade payables are stated at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**e Financial Instruments (continued)**

*Financial assets*

The Company accounts for its corporate and government bond investments as being held as financial assets at fair value through other comprehensive income upon initial recognition. Excluding these the Company has opted to designate all other financial assets, except cash and cash equivalents, trade and other receivables and loans, as being held as financial assets at fair value through profit or loss upon initial recognition. Purchases and sales of financial assets are recognised at the trade date, being the date when the purchase or sale becomes contractually due for settlement.

Financial assets at fair value through other comprehensive income are revalued at each statement of financial position date with the unrealised gains and losses arising on revaluation recognised through other comprehensive income. Any realised gains and losses are only recognised in the income statement upon disposal.

Financial assets at fair value through profit or loss are revalued at each statement of financial position date with the unrealised gains and losses arising on revaluation recognised in the income statement. Any realised gains and losses are also recognised in the income statement based on the excess of proceeds over the fair value brought forward.

The fair value of assets that are actively traded in recognised financial markets is determined by reference to quoted market bid prices at the close of business on the date of the statement of financial position.

**f Interest income**

Interest receivable is recognised using the effective interest method on an accruals basis.

**g Value added tax**

Irrecoverable value added tax is included with the expense on which it has been suffered. The basis on which it is calculated is the partial exemption method, using the proportion of non-taxable supplies to taxable supplies to determine the irrecoverable input tax.

**h Interest payable**

Interest payable costs are recognised in the income statement in the period in which they are accrued.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**i Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in the other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date, in the country where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets or liabilities are recognised on temporary differences that have originated but not reversed by the statement of financial position date and where transactions have occurred that will result in a right to pay less or more tax in the future. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the average rate at which it is expected that the tax will arise. Movements in deferred tax are recognised in other reserves for the year in which they arise.

**j Dividends**

Dividends payable by the Company are recognised gross of withholding taxes and are recognised in the financial statements in the year that they are declared and authorised by the directors and shareholders as a deduction from shareholders' equity. The dividends proposed after the year end date will be recognised in the financial statements in subsequent financial years.



**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**k 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, and subsequently measured at amortised cost. When the time value of money is significant, the carrying value is discounted to present value.

The Company considers debtors less than three months old not to be impaired, any older balances are individually reviewed and assessed for potential credit loss. In the event of a significant increase in credit risk a provision is made for expected credit losses resulting from any possible default events over the life of the instrument.

Financial assets where 12 month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have a significant amount of credit risk are in Stage 2; and financial assets which have defaulted or credit impaired are Stage 3.

The estimated credit loss is determined by projecting the probability of default, the loss in the event of a default and exposure at default for each future month and for each individual exposure. Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly relative to the date it was initially recognised.

Where credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset's recoverability is reassessed.

**l Other financial assets**

Financial assets at fair value through other comprehensive income are revalued at each statement of financial position date with the unrealised gains and losses arising on revaluation recognised through other comprehensive income. Any realised gains and losses are only recognised in the income statement upon disposal.

Financial assets at fair value through profit or loss are revalued at each statement of financial position date with the unrealised gains and losses arising on revaluation recognised in the income statement. Any realised gains and losses are also recognised in the income statement based on the excess of proceeds over the fair value brought forward.

The fair value of assets that are actively traded in recognised financial markets is determined by reference to quoted market bid prices at the close of business on the date of the statement of financial position.

**m Cash at bank and the hand**

Cash amounts represent cash in hand and on-demand deposits. Cash equivalents are short-term highly liquid investments with an original maturity of 90 days or less from the date of acquisition.

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**n Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**o Pensions and post-retirement benefits**

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme, the Threadneedle Pension Plan ("the Plan"), is now closed to new employees and from 30 April 2020 closed to new contributions from existing employees.

The Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme of the Group on a consistent and reasonable basis. Therefore the scheme has been accounted for as if it were a defined contribution arrangement.

At the statement of financial position date the net pension asset, measured in accordance with International Accounting Standard 19, 'Employee Benefits', was valued as a surplus of £11,338,000 (2020: £1,094,000 surplus). This value represents the fair value of the Plan assets net of the present value of the Plan obligations at the end of the reporting year as valued by an independent qualified actuary.

The defined contribution scheme is operated for new employees. Contributions made by the Company to this scheme are charged to the statement of comprehensive income in the year in which they become payable. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

**p Share-based payments**

The Group has a share based deferred compensation scheme. From 2012 stock options and restricted stock units ("RSU") based on Ameriprise Financial, Inc. ordinary stock have been issued and are equity settled transactions.

On award the stock options have an exercise value equal to the market value at the date of grant. They vest equally over one, two and three years and have a 10-year life from grant date. On exercise the options are settled to the employee net of income taxes. Stock options granted are expensed on a straight-line basis over the option vesting period based on the estimated fair value of the awards on the date of grant using a Black-Scholes option pricing model. This fair value is charged to the consolidated statement of income reflecting the benefits received from employment in the period to vesting. The consolidated statement of income charge is offset by a credit to the consolidated statement of changes in equity.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**2 Accounting policies (continued)**

**p Share-based payments (continued)**

On award the RSU value is based on the market price of Ameriprise shares at the date of grant. The employee is entitled to notional equivalent dividends on a quarterly basis, as if they held the shares and are subject to income tax on receipt of these dividends.

RSUs vest equally over one, two and three years and on vesting the employee receives an equivalent amount of Ameriprise shares. Any taxes due by the beneficiary are settled under a 'sell to cover' arrangement. RSUs are expensed on a straight line basis over the vesting period based on the estimated fair values of the awards on the date of grant. This fair value is charged to the statement of comprehensive income reflecting the benefits received from employment in the period to vesting. The statement of comprehensive income charge is offset by a credit to the retained profits reserve.

**q Share capital**

Ordinary shares issued by the Company are classified as equity.

**3 Critical accounting judgements and key sources of estimation uncertainty**

There are no critical accounting estimates or judgements considered applicable in the preparation of these financial statements.

**4 Share-based payments**

The share based payment schemes are operated and administered by fellow subsidiary undertakings of the Ameriprise group on behalf of the Company. Share-based payments are remuneration payments to senior employees that take the form of an award of either options or restricted stock units in Ameriprise Financial, Inc. ("Ameriprise").

Awards are made annually and are dependent on corporate and individual performance criteria.

*Stock option*

For details of the Group's stock option scheme refer to note 2r.

The fair value amounts for the stock options granted were determined using the Black Scholes model, for which the following assumptions were used:

	2021	2020
Dividend yield	2.50%	2.50%
Expected volatility	35.99%	26.90%
Risk-free interest rate	0.43%	1.41%
Expected life years	5.0	5.0
Weight average share price	£224.87	£141.68

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**4 Share-based payments (continued)**

The dividend yield assumption represents Ameriprise's expected dividend yield based on its historical dividend payments.

The expected volatility is based on Ameriprise's historical and implied volatilities. The risk-free interest rate for periods within the expected option life is based on the U.S. Treasury yield curve at the grant date. The expected life of the option is based on the Company's past experience with similar schemes and other considerations.

During the year, the Company awarded 693 (2020: 1,140) Ameriprise stock options.

*Restricted Stock Unit ("RSU")*

For details of the Group's RSU scheme refer to note 2r.

During the year, 9,999 (2020: 6,657) Ameriprise RSUs were awarded to senior employees of the Company.

The values used during the year for all shares, units or options awarded and sold were (per share or unit):

	2021 Award £	2021 Fair Value £	2020 Award £	2020 Fair Value £
Stock option	34.36 - 37.56	82.38-83.29	22.82 - 25.40	40.54-41.98
Restricted stock unit	146.19 - 220.34	220.34	129.10-142.74	142.74

The total cost in respect of the share-based payment schemes was £1,036,000 (2020: £1,056,000).

Share based tax obligations for RSUs are paid by the Company on the behalf of the beneficiary. The estimated deferred share tax credited for the Group is £1,249,000 (2020: charged £286,000) (Note 15).

**5 Revenue**

The analysis of the company's turnover for the year by market is as follows:

	2021 £ 000	2020 £ 000
UK	31,780	31,306
Rest of world	176	408
	<u>31,956</u>	<u>31,714</u>

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**6 Directors and employees**

**Employees**

The average monthly number of individuals (excluding directors) considered to be employed directly by the Company on a full time basis during the year was as follows:

	2021 No.	2020 No.
Investment management	32	31
Administration	9	10
	<u>41</u>	<u>41</u>

The costs of these staff were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	7,447	7,098
Social security costs	1,913	1,285
Other pension costs	435	524
Share-based payment expenses	1,036	1,056
	<u>10,831</u>	<u>9,963</u>

The contracts of service for the staff above are held by a fellow subsidiary of the Group. In addition to the costs disclosed above, staff costs of other group companies were allocated to the Company, based on internal assessments of the usage of the support function by each company within the Group.

**Directors' remuneration**

The remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Remuneration	884	473
Pension contributions	3	3
	<u>887</u>	<u>476</u>

**In respect of highest paid director:**

Aggregate emoluments and amounts receivable under long-term incentive plans

	2021 £ 000	2020 £ 000
	<u>564</u>	<u>142</u>

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**6 Directors and employees (continued)**

The highest paid director received (2020: received) options or units in other companies of the Group under long-term incentive schemes in respect of qualifying services but did not (2020: did not) exercise any share options in the current year.

Retirement benefits is accruing to a director (2020: accruing) under a defined benefit scheme.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Received or were entitled to receive shares under long term incentive schemes	4	4
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>1</u>

**7 Administrative expenses**

The Company provides common corporate functions for the Group. The costs incurred for these functions are re-charged or allocated to other trading Group companies based on management's estimate of each company's usage of these functions.

**8 Finance income**

	2021 £ 000	2020 £ 000
Interest income on bank deposits	2	1
Intra-group interest receivable	191	205
Interest income - corporate and government bonds	114	248
Interest income - certificates of deposit	2	-
Other finance income	-	1
	<u>309</u>	<u>455</u>

**9 Finance costs**

	2021 £ 000	2020 £ 000
Finance lease interest	37	-
Intra-group interest payable	25	17
Interest on bank overdrafts and borrowings	<u>1</u>	<u>2</u>
	<u>63</u>	<u>19</u>

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**10 Profit before taxation**

Profit before taxation-is stated after charging:	2021	2020
	£ 000	£ 000
Foreign exchange loss	25	20
Auditors' remuneration for audit of the financial statements	55	40

Fees payable to the auditors for audit related services during the year under review were £110,200 (2020: £201,000).

**11 Dividends**

	2021	2020
	£ 000	£ 000
Interim dividend of £14.91 (2020 - £Nil) per ordinary share	<u>31,310</u>	<u>-</u>

**12 Income tax expense**

a) Taxation in the Statement of Comprehensive Income is as follows:

	2021	2020
	£ 000	£ 000
<b>Current taxation</b>		
UK corporation tax	3,102	3,164
UK corporation tax adjustment to prior periods	<u>(2)</u>	<u>(563)</u>
	<u>3,100</u>	<u>2,601</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(114)	269
Arising from changes in tax rates and laws	(146)	(94)
Adjustment in respect of prior periods	<u>-</u>	<u>67</u>
Total deferred taxation	<u>(260)</u>	<u>242</u>
Tax expense in the Statement of Comprehensive income	<u>2,840</u>	<u>2,843</u>

b) Factors affecting the tax charge

The tax on profit before taxation for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are explained below:

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**12 Income tax expense (continued)**

	2021 £ 000	2020 £ 000
Profit before taxation	<u>16,825</u>	<u>17,747</u>
Corporation tax at standard rate	3,197	3,372
Decrease from effect of different UK tax rates on some earnings	(146)	(94)
Decrease in current tax from adjustment for prior periods	(2)	(496)
Permanent differences for tax purposes	<u>(209)</u>	<u>61</u>
Total tax charge	<u>2,840</u>	<u>2,843</u>

The notes on pages 18 to 37 form an integral part of these financial statements.



**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**13 Trade and other receivables**

	2021	2020
	£ 000	£ 000
Trade debtors	2,330	2,372
Debtors from related parties	7,457	28,614
Prepayments and accrued income	159	326
	<u>9,946</u>	<u>31,312</u>

The amounts owed by group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to LIBOR + 0.90%.

**14 Other financial assets**

	2021	2020
	£ 000	£ 000
Financial assets at fair value through other comprehensive income - Corporate and Government bonds	22,664	12,863
Financial assets at fair value through profit and loss - Money market deposits	163	164
	<u>22,827</u>	<u>13,027</u>

Other financial assets comprise of publicly tradeable investments. The fair value of publicly tradeable investments has been calculated using the latest available prices at 31 December.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**15 Deferred tax asset**

The movement on the deferred tax asset is as follows:

	2021 £ 000	2020 £ 000
As at 1 January	1,227	1,756
Amount credited/(charged) to the profit and loss account in the financial year	260	(176)
Adjustments in respect of prior years	-	(67)
Amount credited/(charged) to other reserves	<u>1,249</u>	<u>(286)</u>
<b>As at 31 December</b>	<b><u>2,736</u></b>	<b><u>1,227</u></b>
The deferred tax asset comprised:	2021 £ 000	2020 £ 000
Other short-term temporary differences	<u>2,736</u>	<u>1,227</u>

**16 Creditors: Amounts falling due within one year**

	2021 £ 000	2020 £ 000
Amount owed to group undertakings	1,259	57
Income tax liability	6,193	6,095
Accrued expenses	2,828	1,930
Social security and other taxes	529	598
Other payables	<u>2,873</u>	<u>2,805</u>
	<b><u>13,682</u></b>	<b><u>11,485</u></b>

The amounts owed to group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to LIBOR + 0.90%.

**17 Creditors: Amounts falling due after more than one year**

	2021 £ 000	2020 £ 000
Accruals	<u>-</u>	<u>333</u>

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**18 Called up share capital**

**Allotted, called up and fully paid shares**

	2021		2020		1 January 2020	
	No. 000	£ 000	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	2,100	2,100	2,100	2,100	2,100	2,100

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
**Annual Report and Financial Statements for the year ended 31 December 2021**

**Notes to the Financial Statements**

**19 Parent and ultimate parent undertaking**

The Company's immediate parent entity is Threadneedle Asset Management Holdings Limited, a company incorporated in England and Wales.

The ultimate parent entity is Ameriprise Financial, Inc.

The most senior parent entity producing publicly available financial statements is Ameriprise Financial, Inc. These financial statements are available upon request from The Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at [www.ameriprise.com](http://www.ameriprise.com).

The ultimate controlling party is Ameriprise Financial, Inc.

**Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Ameriprise Financial, Inc., incorporated in Delaware, United States of America.

The address of Ameriprise Financial, Inc. is:  
1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA 55474

The consolidated financial statements of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise website at [www.ameriprise.com](http://www.ameriprise.com).

The parent of the smallest group in which these financial statements are consolidated is TAM UK International Holdings Limited, incorporated in England and Wales.

The address of TAM UK International Holdings Limited is:  
Cannon Place, 78 Cannon Street, London, EC4N 6AG, England.

The consolidated financial statements of TAM UK International Holdings Limited can be obtained from Cannon Place, 78 Cannon Street, London, EC4N 6AG, England.

**20 Liquidity Risk**

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due.

The Company maintains sufficient cash and liquid investments such that liquidity and cash flow risks arising from trade and other payable or financial liabilities are negligible. As of 31 December 2021, no financial liabilities were past due (2020: £nil).

The Company is eligible for and has taken an exemption in accordance with FRS 101 paragraph 8(d) from IFRS 7's requirement to include a liquidity risk disclosure.

**Threadneedle Portfolio Services Limited**  
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**Notes to the Financial Statements**

**21 New standards and amendments**

***a) New standards, amendments and interpretations adopted by the Company***

The following standards and interpretations from the IFRS Interpretations Committee, ("IFRIC") have been adopted by the Company for the first time for the financial year beginning on or after 01 January 2021 were early adopted last year:

- *Amendment to IFRS 16, 'Leases' - Covid-19 related Rent Concessions*
- *Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- *Amendments to IAS 12 (effective 1 January 2023) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*
- *Amendments to IAS 16 (effective 1 January 2022) - Property, Plant and Equipment: Proceeds before intended use.*
- *Amendments to IFRS 3 (Effective January 2022) - Reference to the Conceptual Framework.*
- *Amendments to IFRS 10 and IAS 28. (Effective at such a point as the IASB has finalised its research project on the equity method.) - Sale or contribution of assets between an investor and its associate or joint venture.*

***(b) New standards, amendments and interpretations not yet adopted***

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except for the amendments areas noted below.

**Amendments to IAS 1 (effective 1 January 2023 deferred from 1 January 2022) - Classification of Liabilities as Current or Non-current.**

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The notes on pages 18 to 37 form an integral part of these financial statements.

**Threadneedle Portfolio Services Limited**  
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**Notes to the Financial Statements**

**21 New standards and amendments (continued)**

Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023) - Disclosure of Accounting Policies.

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**(b) New standards, amendments and interpretations not yet adopted (continued)**

Amendments to IAS 8 (effective 1 January 2023) - Definition of Accounting Estimate.

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Amendments to IAS 37 (Effective January 2022) - Onerous Contracts - Cost of Fulfilling a Contract.

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The Company does not currently have onerous contracts and this amendment will be applied should it become applicable.