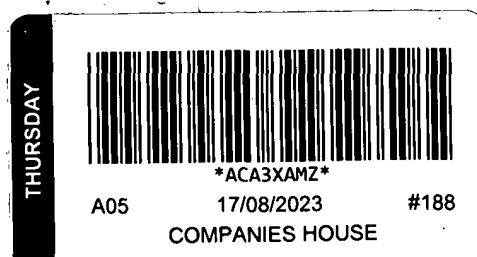


(Registration number: 285988)

Threadneedle Portfolio Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Contents

	Page(s)
Company Information	2
Strategic Report	3 to 4
Directors' Report	5 to 8
Independent Auditors' Report	9 to 12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	15 to 16
Notes to the Financial Statements	17 to 34

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Company Information

Directors G Frewin

J Rigg

P Stone

G Vullo

Company secretary A Kaye

Registered office Cannon Place
78 Cannon Street
London
England
EC4N 6AG

Independent Auditors 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 2022

Strategic Report

The directors present their strategic report for Threadneedle Portfolio Services Limited for the year ended 31 December 2022.

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".

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 (2021: £nil) investments in the funds it manages. The Company is authorised and regulated in the UK by the Financial Conduct Authority ("FCA").

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 13. The profit for the financial year was £13,512,000 (2021: £13,985,000). As at the statement of financial position date on page 14 the value of the net assets of the Company was £40,442,000 (2021: £27,243,000). The level of business and the financial position at the end of the year are satisfactory.

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.

Significant volatility in the financial market emanating from Russia-Ukraine conflict, recent UK markets volatility against the background of macro- economic challenges (rising interest rates, inflation) and COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout 2022. As in the previous year, the Group coordinated responses to the pandemic and related restrictions regionally and globally to ensure continued delivery for clients, support employees and maintain business continuity. The Group maintained operational capacity utilising greater remote working than before the pandemic. In 2023, the Group 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 Directors believe they perform their duties in a way which promotes good faith and the success of the Group for the benefit of its members (having regards to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2022.

The Company aims 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 our clients; Responsible Investor; Responsible Employer; and Responsible Citizen.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Strategic Report

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

The Group's employees are fundamental to the success of the business, and during 2022 we 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. We provide a range of resources to support the physical and mental well-being of employees, including private healthcare; self-referral for physiotherapy; access to telephone GP appointments; a confidential counselling service and an online well-being hub. Flexible working 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 Group'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.


During 2022 the wider Columbia Threadneedle group of companies published its first climate change report which details how the Group manages climate risks and opportunities in investment portfolios and across our business operations under the Task Force on Climate-related Financial Disclosures (TCFD) framework. In addition, the Group also set out its Net Zero Carbon Emissions targets, reaffirming its commitment to working in partnership with clients to reach net zero carbon emissions by 2050 or sooner across all assets under management, subject to internal, fund board, regulatory and client approvals. This disclosure was the first as a signatory of the Net Zero Asset Managers (NZAM) initiative. We acknowledge that reaching this aspiration depends on the mandates agreed with our clients and the wider regulatory environment.

The Group maintains an Environmental Management System to provide measurable and auditable data for all its major environmental impacts and has achieved continuous ISO14001:2015 accreditation since 2007.

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 an Audit 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 Section 172 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.

This report was approved by the Board on 20 April 2023 and signed on its behalf by:


Peter Stone (Apr 20, 2023 12:42 GMT+1)
.....
P Stone
Director

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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 2022.

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

J Rigg

P Stone

G Vullo

Dividends

An interim dividend has not been paid in the year (2021: £31,310,000). The directors do not recommend the payment of a final ordinary dividend (2021: £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.

Statement of directors' responsibilities in respect of the financial statements

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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Directors' Report

Statement of directors' responsibilities (continued)

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 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.

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 8 of the Directors' Report.

The Company has remained profitable despite the significant volatility in the financial market emanating from Russia-Ukraine conflict, recent UK markets volatility against the background of macro-economic challenges (rising interest rates, inflation) 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.

Taking into consideration the impact of business environment volatility emanating from Russia-Ukraine conflict, markets volatility against the background of macro-economic challenges (rising interest rates, inflation), based on the result of a stress test including a further market fall and a liquidity stress, the directors have a reasonable expectation that the Company would remain adequately capitalised and maintain sufficient liquidity to meet its liabilities as they fall due and would therefore be able to continue to operate as a going concern.

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 2022

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, of which the Company is a group company, 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 COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout 2022 and to date to some extent, the Company believes the robust risk management framework in place is adequate under current circumstances as the Group continues its coordinated response across the entities in response to the ongoing pandemic and related restrictions regionally and globally to ensure continued delivery for clients, support employees and maintain business continuity.

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 2022

Directors' Report

Streamlined Energy and Carbon Reporting

The Company is a subsidiary of TAM UK International Holdings Limited, a company registered in England and Wales and is the parent of the smallest group and thus full disclosure will be reported within the parent financial statements. In line with the SECR-rules the Company has chosen to not include an individual report on it SECR. The financial statements of TAM UK International Holdings Limited will be available from 78 Cannon Street, London, EC4N 6AG, England.


Task Force on Climate-related Financial Disclosures (TCFD)

TCFD disclosures are included in TAM UK International Holdings Limited financial statements and will be available from the address noted above. In line with FCA rules and Companies Act 2006 the Company has chosen not to include a TCFD report.

A full TCFD report can also be found on the website

https://docs.columbiathreadneedle.com/documents/Climate%20Change%20Report_TCFD_Nov22.pdf?inline=true

This report was approved and authorised for issue by the Board on 20 April 2023 and signed on its behalf by:


Peter Stone (Apr 20, 2023 12:42 GMT+1)

P Stone
Director

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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 2022 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, including 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 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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. 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 2022

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

We have no exceptions to report arising from this responsibility.

J. Lochab

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

20 April 2023

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income
For the year ended 31 December 2022

	Note(s)	2022 £ 000	2021 £ 000
Revenue	5	32,030	31,956
Administrative expenses	7	<u>(15,661)</u>	<u>(15,392)</u>
Operating profit		<u>16,369</u>	<u>16,564</u>
Finance income	8	624	309
Finance costs	9	(64)	(63)
Other net gains		<u>-</u>	<u>15</u>
Net finance income		<u>560</u>	<u>261</u>
Profit before taxation	10	16,929	16,825
Income tax expense	12	<u>(3,417)</u>	<u>(2,840)</u>
Profit for the financial year		<u>13,512</u>	<u>13,985</u>
Other comprehensive (expense)/income:			
Items that will not be reclassified subsequently to profit and loss			
Movement in deferred tax relating to employee share scheme - value of employee services	4, 15	<u>(1,669)</u>	<u>1,249</u>
Items that may be reclassified subsequently to profit or loss			
Change in fair value of financial asset through other comprehensive (expense)/income - Corporate/Government bonds		<u>(270)</u>	<u>(109)</u>
Total other comprehensive (expense)/income for the financial year		<u>(1,939)</u>	<u>1,140</u>
Profit and total comprehensive income for the financial year		<u><u>11,573</u></u>	<u><u>15,125</u></u>


The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Statement of Financial Position
As at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Current assets			
Trade and other receivables	13	42,752	9,946
Other financial assets	14	4,778	22,827
Cash at bank and in hand		2,945	5,416
Deferred tax asset	15	861	2,736
		<u>51,336</u>	<u>40,925</u>
Creditors: Amounts falling due within one year	16	<u>(10,300)</u>	<u>(13,682)</u>
Total assets less current liabilities		41,036	27,243
Creditors: Amount falling due after more than one year	17	<u>(594)</u>	<u>-</u>
Net assets		<u>40,442</u>	<u>27,243</u>
Capital and reserves			
Called up share capital	18	2,100	2,100
Other reserves		30	1,969
Retained earnings		<u>38,312</u>	<u>23,174</u>
Total shareholders' funds		<u>40,442</u>	<u>27,243</u>

The financial statements on pages 13 to 34 were approved and authorised for issue by the Board on 20 April 2023 and were signed on its behalf by:


 Peter Stone (Apr 20, 2023 12:42 GMT+1)

P Stone
 Director

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Statement of Changes in Equity

	Notes	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total shareholders' fund £ 000
At 1 January 2022		2,100	1,969	23,174	27,243
Profit for the financial year		-	-	13,512	13,512
Movement in deferred tax relating to employee share scheme - value of employee services	4, 15	-	(1,669)	-	(1,669)
Change in fair value of financial asset through other comprehensive (expense)/income - Corporate/Government bonds		-	(270)	-	(270)
Total comprehensive income for the financial year		-	(1,939)	13,512	11,573
Movement in equity share schemes expenses		-	-	71	71
UK tax in equity		-	-	1,555	1,555
At 31 December 2022		2,100	30	38,312	40,442

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Statement of Changes in Equity

	Note(s)	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total shareholders' funds £ 000
At 1 January 2021		2,100	829	40,453	43,382
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 (expense)/income - Corporate/Government bonds		-	(109)	-	(109)
Total comprehensive income for the financial year		-	1,140	13,985	15,125
Dividends	11	-	-	(31,310)	(31,310)
Movement in equity share schemes expenses		-	-	(36)	(36)
UK tax in equity		-	-	82	82
At 31 December 2021		2,100	1,969	23,174	27,243

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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 2022

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).
- IFRS7, '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).

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.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

2 Accounting policies (continued)

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.

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.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

2. Accounting policies (continued)

d Revenue recognition (continued)

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.

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.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

2 Accounting policies (continued)

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.

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 2022

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.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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 £26,747,000 (2021: £11,338,000 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 2022

Notes to the Financial Statements

2 Accounting policies (continued)

p Share-based payments (continued)

On award the Restricted Stock Units ("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. The shares are received net of income taxes. RSUs are expensed on a straight-line basis over the vesting period based on estimated fair value of the awards on the date of grant. 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.

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 2p.

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

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

4 Share-based payments (continued)

	2022	2021
Dividend yield	2.00%	2.50%
Expected volatility	34.98%	35.99%
Risk-free interest rate	1.66%	0.43%
Expected life years	5.0	5.0
Weight average share price	£258.28	£224.87

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 592 (2021: 693) Ameriprise stock options.

Restricted Stock Unit ("RSU")

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

During the year, 3,639 (2021: 9,999) 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):

	2022 Award £	2022 Fair Value £	2021 Award £	2021 Fair Value £
Stock option	57.48-63.74	80.10-85.04	34.36 - 37.56	82.38-83.29
Restricted stock unit	222.52-235.39	260.15	146.19 - 220.34	220.34

The total cost in respect of the share-based payment schemes was £1,124,000 (2021: £1,036,000).

Share based tax obligations for RSUs are paid by the Company on the behalf of the beneficiary. The estimated deferred share tax charge for the Group is £1,669,000 (2021: credit £1,249,000) (Note 15).

5 Revenue

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

	2022 £ 000	2021 £ 000
UK	32,030	31,780
Rest of world	-	176
	<u>32,030</u>	<u>31,956</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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:

	2022	2021
	No.	No.
Investment management	36	32
Administration	7	9
	<u>43</u>	<u>41</u>

The costs of these staff were as follows:

	2022	2021
	£ 000	£ 000
Wages and salaries	8,010	7,447
Social security costs	1,365	1,913
Other pension costs	432	435
Share-based payment expenses	1,124	1,036
	<u>10,931</u>	<u>10,831</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:

	2022	2021
	£ 000	£ 000
Remuneration	1,266	884
Pension contributions	2	3
	<u>1,268</u>	<u>887</u>

	2022	2021
	£ 000	£ 000

In respect of highest paid director:

Aggregate emoluments and amounts receivable under long-term incentive plans

<u>677</u>	<u>564</u>
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Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

6 Directors and employees (continued)

The highest paid director received (2021: received) options or units in other companies of the Group under long-term incentive schemes in respect of qualifying services but did not (2021: did not) exercise any share options in the current a year.

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

	2022 No.	2021 No.
Received or were entitled to receive shares under long term incentive schemes	4	4
Accruing retirement benefits under the Defined Benefits Contribution pension scheme	<u>1</u>	<u>2</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

	2022 £ 000	2021 £ 000
Interest income on bank deposits	22	2
Intra-group interest receivable	515	191
Interest income - corporate and government bonds	87	114
Interest income - certificates of deposit	<u>-</u>	<u>2</u>
	<u>624</u>	<u>309</u>

9 Finance costs

	2022 £ 000	2021 £ 000
Finance lease interest	30	37
Intra-group interest payable	34	25
Interest on bank overdrafts and borrowings	<u>-</u>	<u>1</u>
	<u>64</u>	<u>63</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

10 Profit before taxation

Profit before taxation is stated after (crediting)/charging:	2022	2021
	£ 000	£ 000
Foreign exchange (gains)/ losses	(23)	25
Auditors' remuneration for audit of the financial statements	55	55

Fees payable to the auditors for audit related services during the year under review were £110,200 (2021: £110,200).

11 Dividends

	2022	2021
	£ 000	£ 000
Interim dividend of £Nil (2021 - £14.91) per ordinary share	<u>-</u>	<u>31,310</u>

12 Income tax expense

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

	2022	2021
	£ 000	£ 000
Current taxation		
UK corporation tax	3,112	3,102
UK corporation tax adjustment to prior periods	<u>98</u>	<u>(2)</u>
	<u>3,210</u>	<u>3,100</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	216	(114)
Arising from changes in tax rates and laws	(6)	(146)
Adjustments in respect of prior periods	<u>(3)</u>	<u>-</u>
Total deferred taxation	<u>207</u>	<u>(260)</u>
Tax expense in the Statement of Comprehensive income	<u>3,417</u>	<u>2,840</u>

b) Factors affecting the tax charge

The tax on profit before taxation for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

12 Income tax expense (continued)

The differences are explained below:

	2022 £ 000	2021 £ 000
Profit before taxation	<u>16,929</u>	<u>16,825</u>
Corporation tax at standard rate	3,217	3,197
Decrease from effect of different UK tax rates on some earnings	(6)	(146)
Decrease in current tax from adjustment for prior periods	96	(2)
Permanent differences for tax purposes	<u>110</u>	<u>(209)</u>
Total tax charge	<u><u>3,417</u></u>	<u><u>2,840</u></u>

13 Trade and other receivables

	2022 £ 000	2021 £ 000
Trade debtors	4,666	2,330
Debtors from related parties	38,011	7,457
Prepayments and accrued income	<u>75</u>	<u>159</u>
	<u><u>42,752</u></u>	<u><u>9,946</u></u>

The amounts owed by group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to SONIA + 0.93% (2021: LIBOR +0.90%).

14 Other financial assets

	2022 £ 000	2021 £ 000
Financial assets at fair value through other comprehensive income - Corporate and Government bonds	4,613	22,664
Financial assets at fair value through profit and loss - Money market deposits	<u>165</u>	<u>163</u>
	<u><u>4,778</u></u>	<u><u>22,827</u></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. All other financial assets are designated as level 1.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

15 Deferred tax asset

The movement on the deferred tax asset is as follows:

	2022 £ 000	2021 £ 000
As at 1 January	2,736	1,227
Amount (Charged)/credited to the profit and loss account in the financial year	(210)	260
Amount (charged)/credited to other reserves	(1,669)	1,249
Adjustments in respect of prior years	4	-
As at 31 December	861	2,736

	2022 £ 000	2021 £ 000
The deferred tax asset comprised:		
Decelerated capital allowances	4	-
Other short-term temporary differences	857	2,736
	861	2,736

The main rate of UK corporation tax is due to rise to 25% on 6 April 2023. The deferred tax rate for 2023 will be 23.50% with the rates thereafter to be 25%. Deferred tax balances have been measured at the rate of tax applicable to the year in which the balance is expected to reverse.

16 Creditors: Amounts falling due within one year

	2022 £ 000	2021 £ 000
Amount owed to group undertakings	1,067	1,259
Income tax liability	3,672	6,193
Accrued expenses	1,327	2,828
Social security and other taxes	1,012	529
Other payables	3,222	2,873
	10,300	13,682

The amounts due to related parties are unsecured, repayable on demand and subject to interest rates ranging from interest free to SONIA + 0.93% (2021: LIBOR + 0.90%).

17 Creditors: Amounts falling due after more than one year

	2022 £ 000	2021 £ 000
Accrued expenses	594	-

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

18 Called up share capital.

Allotted, called up and fully paid shares

	2022		2021		1 January 2021	
	No. 000	£ 000	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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.

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.

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 2022, no financial liabilities were past due (2021: £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
Annual Report and Financial Statements for the year ended 31 December 2022

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") were effective from 1 January 2022:

- *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.*

The Company also adopted the following improvements to IFRS Standards 2018-2020 that were finalised effective 1 January 2022.

- *IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.*
- *IFRS 16 Leases - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.*
- *IFRS 1 First-time Adoption of International Financial Reporting Standards - allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.*

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

b) New IFRS standards, amendments and interpretations in issue but not yet effective

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 1 (effective 1 January 2023) - Classification of liabilities as Current or Non-Current.*
- *Amendments to IAS 12 (effective 1 January 2023) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*
- *IFRS 17 Insurance Contracts. (Effective 1 January 2023, deferred from 1 January 2021).*

Threadneedle Portfolio Services Limited
Annual Report and Financial Statements for the year ended 31 December 2022

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.

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

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.

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.

22 Subsequent event

On 8 March 2023, the Company approved the payment of an interim dividend of £21.9m to its parent company, Threadneedle Asset Management Holdings Limited ("TAMHL").