

Columbia Threadneedle Group (Management) Limited

(formerly BMO AM Group
(Management) Limited)
(Registered Number 2368461)

Annual Report & Financial Statements
for the year ended
31 October 2021

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COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

DIRECTORS AND ADVISERS

REGISTERED NUMBER:

2368461

DIRECTORS:

P J Doel
R A Watts

SECRETARY:

R D Burgin

REGISTERED OFFICE:

Exchange House
Primrose Street
London
EC2A 2NY

SOLICITORS:

Norton Rose Fulbright LLP
3 More London Riverside
London
SE1 2AQ

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

AUDITOR:

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for Columbia Threadneedle Group (Management) Limited (formerly BMO AM Group (Management) Limited) (the Company) for the year ended 31 October 2021. The Company was part of the BMO Global Asset Management (BMO GAM) business within the BMO Financial Group (BMO) until 8 November 2021 when the BMO GAM business in Europe, the Middle East and Africa (EMEA) was acquired by Ameriprise Financial, Inc. (Ameriprise). Further details are disclosed in note 13. The Company subsequently changed its name on 1 July 2022, as part of a broader fund and group entity rebranding project.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as a holding company for subsidiaries engaged in the management of investments.

BUSINESS AND FINANCIAL REVIEW

Results

The Financial Statements show a loss for the 2021 financial year of £2,516,000 (2020: profit of £2,108,000).

Trading performance and development of the business

Interest receivable on loans owed by the Company's immediate parent company and another Columbia Threadneedle AM (Holdings) plc (formerly BMO Asset Management (Holdings) plc) Group (the Group) subsidiary continue to be based on the loan balances and the prevailing interest rate levels during the year, with income for the year ended 31 October 2021 decreasing to £480,000 (2020: £838,000).

A loss after tax of £2,516,000 for the year ended 31 October 2021 was recognised (2020: profit of £2,108,000) due to the combination of the Company recognising a further impairment loss of £2,901,000 on the Company's loan receivables and the decrease in interest receivable outlined above.

Given the principal activity of the Company is to act as a holding company, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors manage the risks as part of the overall risk management framework within the Group. Members of the Group's Executive Committee are responsible for identifying and addressing any material or systematic issues or risks facing their areas of the business. However, as the Company no longer has any trading activity, the Directors are of the view that these risks are now significantly diluted from previous years. The principal risks and uncertainties facing the Company are broadly grouped as follows:

Financial risk

The Group adopts a low risk approach to treasury management and financial risks in relation to equity, seeking to manage and preserve its capital. The Group's treasury function ensures that sufficient cash is available to the Company in respect of short-term working capital requirements.

Investments in subsidiaries

The Company is exposed to financial risk as a significant element of the Company's assets relate to the carrying value of its investments in subsidiaries. Whilst any permanent reduction in the profits of these subsidiaries could lead to an impairment in the value of the Company's investments and have a potentially significant impact on the Company's financial results, the Directors consider that no impairment exists at the reporting date.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

STRATEGIC REPORT (continued)

Market risk (interest rate risk)

The Company is exposed to interest rate risk through fluctuations in the variable rate of interest, impacting interest received on loans owed by the immediate parent company and a group subsidiary which are subject to interest based on LIBOR rates. The point of reference for the calculation of the Columbia Threadneedle Treasury Limited (formerly BMO AM Treasury Limited) loan was changed from LIBOR to SONIA with effect from 1 November 2021.

Credit risk

The Company is exposed to credit risk if a counterparty to a financial instrument is unable to pay, in full, amounts when contractually due. In particular, the Company is exposed to credit risk in relation to its loan receivables which, at the reporting dates, are in respect of loans owed by other group subsidiaries. As the Group's working capital is monitored on a group-wide basis, the risk of default is considered minimal, although an expected credit loss allowance continues to be recognised on certain loans as a result of a review of the expected timing of their recoverability.

Liquidity risk

The Company does not hold a bank account, however the overall Group cash position is monitored by the treasury team within the Group as a whole and each individual company within the Group draws on the available cash balances to meet its working capital requirements.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) OF THE COMPANIES ACT 2006

Directors of the Company are required to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole. This requires the Directors to have regard to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and the environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

The principal activity of the Company is to act as a holding company, with Columbia Threadneedle Management Limited (CTML) (formerly BMO Asset Management Limited), a regulated entity, being its most significant subsidiary.

As part of an integrated financial services group, the Company's stakeholders are largely aligned with the key stakeholders in the wider Group. The Group considers the views and interests of a wider set of stakeholders including its shareholders, regulators and counterparties.

While under the ownership of BMO, the Directors were encouraged to consider BMO's Purpose when taking key decisions.

Examples of how stakeholder interests were considered this year and, in the period prior to approval of the Financial Statements, are listed below:

Customers/clients – The Company does not have any clients or customers. Nevertheless, the Directors have had close focus on the impact of the sale of BMO GAM EMEA to Ameriprise (the "Transaction") on the Group's clients, particularly as BAML is a key trading entity in the Group.

Employees – The Company has no employees but, as a member of the Group it, and its subsidiaries, are provided resourcing by Columbia Threadneedle (Services) Limited (formerly BMO Asset Management (Services) Limited). The Board is committed to maintaining a strong culture aligned with corporate values.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

STRATEGIC REPORT (continued)

This year, amid the continuing global pandemic, the Directors placed increased focus on employee safety, health and wellbeing. This was reflected by a decision to introduce a soft opening of offices from August 2021 on a voluntary basis; staff continued to work effectively in both home and office working environments throughout the year. The Directors remained committed to ensuring a high standard of workplace safety whilst prioritising employees' physical and mental health needs, whilst also being adaptable to a hybrid working model.

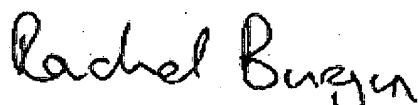
As part of the wider BMO Financial Group, the Directors also continued to champion diversity and inclusion initiatives. Following the Black Lives Matter movement, increased focus was given to racial equality initiatives both within the Group and as part of the wider BMO Financial Group. This included strengthening our awareness through employee education as well as initiatives to improve BAME representation through a culture of sponsorship and providing equitable opportunities in the talent pipeline. For example, during the year, employees were invited to participate in an Indigenous Communities Education Programme and a National Indigenous History Month. Diversity and inclusion will remain an important focus following the Ameriprise acquisition.

Community and Environment – The Group is committed to giving back to the communities in which it operates. A number of Group employees, including some Directors, are actively involved in fundraising and volunteering activities.

This year, the Group supported Farms for City Children in the UK. Employees and contractors participated in a major fundraising initiative which involved sponsored walks, runs and cycle rides. The Corporate Responsibility Committee agreed to make a significant donation to this initiative.

The Company is also committed to improving sustainability in its business operations. Within its operations, the Group office at Exchange House has signed up to the 'Plastic Free City' Scheme and has achieved "Platinum" status. The Group offices at Exchange House and Quatermile 4 maintain an ISO 14001 accreditation that sets out the requirements for an Environmental Management System. This system is used to identify and better manage the buildings' environmental aspects and impacts and helps the Group to continually improve its environmental performance through a more efficient use of resources and reduction of waste. The electricity used at both offices is derived from 100 per cent. renewable resources.

BY ORDER OF THE BOARD



R D Burgin
Secretary
7 July 2022

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report and audited Financial Statements for the year ended 31 October 2021.

RESULTS AND BUSINESS REVIEW

The Company's results for the year ended 31 October 2021 are shown in the Income Statement on page 11. A Strategic Report for the same period is set out on pages 2 to 4.

The Company recognised a loss for the 2021 financial year of £2,516,000 (2020: profit of £2,108,000).

DIVIDENDS

No dividends were approved or paid during the year ended 31 October 2021 (2020: £nil).

FUTURE DEVELOPMENTS

The Directors do not anticipate any major change in the activity of the business within the foreseeable future.

GOING CONCERN

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

On the basis of their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the financial year were as follows:

P J Doel
R A Watts

There have been no appointments or resignations of Directors since 31 October 2021.

No individual Director has any beneficial interest in the share capital of the Company.

DIRECTORS' AND OFFICERS' LIABILITY

The Group maintains insurance cover in respect of Directors' and Officers' liability.

AUDITOR

KPMG LLP are not seeking re-appointment as auditor of the Company. It is expected that a resolution proposing the appointment of PricewaterhouseCoopers LLP (PwC) as auditor of the Company will be submitted to the Board of Directors later this year for their consideration and approval, recognising that PwC is the current auditor of Ameriprise.

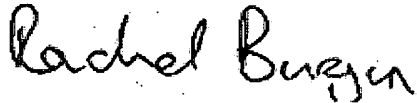
COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

REPORT OF THE DIRECTORS (continued)

ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITOR

The Directors who held office at the date of approving this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has 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 auditor is aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Rachel Burgin". The signature is written in a cursive, flowing style.

R D Burgin
Secretary
7 July 2022

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

Opinion

We have audited the Financial Statements of Columbia Threadneedle Group (Management) Limited ("the Company") for the year ended 31 October 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the Financial Statements.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud:

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes to assess for any discussion of fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. We also performed procedures including identifying journal entries to test based on high-risk criteria and comparing the identified entries to supporting documentation. These included all material post year end closing journals.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED (continued)

On this audit we have rebutted the fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and reasonably straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: key areas of financial services regulations and market abuse regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic Report and Report of the Directors

The Directors are responsible for the Strategic Report and the Report of the Directors. Our opinion on the Financial Statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Report of the Directors and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Report of the Directors;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the Financial Statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

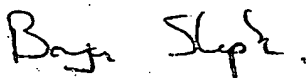
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Bryan Shepka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2EG
7 July 2022

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	2021 £000	2020 £000
Operating (expenses)/income	3	(2,905)	1,428
Operating (loss)/profit		(2,905)	1,428
Finance income	5	480	838
(Loss)/profit before tax		(2,425)	2,266
Tax expense	6	(91)	(158)
(Loss)/profit for the financial year		(2,516)	2,108

All amounts are derived from continuing activities.

There are no items of comprehensive income which have not already been presented in arriving at the (loss)/profit for the current or previous financial years. Accordingly, the (loss)/profit for the financial years is the same as the total comprehensive (expense)/income for that year.

The notes on pages 14 to 23 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

(Registered Number 2368461)

	Notes	31 October 2021 £000	31 October 2020 £000
ASSETS			
Non-current assets			
Investments in subsidiaries	7	161,664	161,664
Loan receivables	8	141,361	143,976
TOTAL ASSETS		303,025	305,640
LIABILITIES			
Current liabilities			
Other payables	9	253	352
TOTAL LIABILITIES		253	352
EQUITY			
Share capital	10	58,493	58,493
Share premium account	11	214,840	214,840
Merger reserve	11	20,746	20,746
Capital redemption reserve	11	2	2
Retained earnings	11	8,691	11,207
TOTAL EQUITY		302,772	305,288
TOTAL LIABILITIES AND EQUITY		303,025	305,640

The Financial Statements were approved by the Board of Directors and authorised for issue on 7 July 2022.
They were signed on its behalf by:



R A Watts
Director

The notes on pages 14 to 23 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

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

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 November 2019	58,493	214,840	20,746	2	9,099	303,180
Profit for the financial year and total comprehensive income	-	-	-	-	2,108	2,108
At 31 October 2020	58,493	214,840	20,746	2	11,207	305,288
Loss for the financial year and total comprehensive expense	-	-	-	-	(2,516)	(2,516)
At 31 October 2021	58,493	214,840	20,746	2	8,691	302,772

The notes on pages 14 to 23 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ENTITY INFORMATION

Columbia Threadneedle Group (Management) Limited is a private company limited by share capital, incorporated and domiciled in England. The Company's registered office is Exchange House, Primrose Street, London, EC2A 2NY.

These Financial Statements present information about the Company as an individual undertaking and do not include information about its group.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements, as it is a wholly owned subsidiary of Columbia Threadneedle AM (Holdings) plc, which prepares consolidated Financial Statements. The results of Columbia Threadneedle Group (Management) Limited are included in the consolidated Annual Report and Financial Statements of Columbia Threadneedle AM (Holdings) plc, which are available from 6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

The Company's Financial Statements are presented in Sterling, the Company's functional and presentational currency and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

2. ACCOUNTING POLICIES

Basis of preparation

As the Company meets the definition of a qualifying entity under Financial Reporting Standard 100 *Application of Financial Reporting Requirements*, the Financial Statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The Company has applied the recognition, measurement, disclosure and presentation requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), making amendments where necessary in order to comply with the Companies Act 2006.

In the application of FRS 101, the Company has taken advantage of the following disclosure exemptions:

- (a) Information regarding the entity's objectives, policies and processes for managing capital;
- (b) A Statement of Cash Flows and related notes;
- (c) Financial instruments disclosures;
- (d) The effects of new but not yet effective IFRSs;
- (e) Disclosures of key management personnel compensation; and
- (f) Disclosures in respect of related party transactions with wholly-owned subsidiaries.

Measurement convention

The Financial Statements are prepared under the historical cost convention.

Going concern

As part of the Directors' assessment of going concern they have considered, to the best of their knowledge, the potential impact of COVID-19 on the Company. Due to the nature of the Company's activities, the Directors do not currently expect this to have a significant direct or indirect impact on the Company. Notwithstanding net current liabilities of £253,000 as at 31 October 2021, the Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

The Company has net assets that support the Directors' assessment that the Company has adequate resources to continue in business for a period of at least 12 months from the date of approval of the Financial Statements and the Directors expect to be able to obtain sufficient repayment of the intra-group loan receivables to enable all liabilities to be met as they fall due, including those within 12 months. Accordingly, the Financial Statements have been prepared on a going concern basis.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

New and amended standards and interpretations

Several new and amended standards and interpretations apply for the first time in the year ended 31 October 2021, but do not have an impact on the Company's Financial Statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting estimates, assumptions and judgements

The preparation of financial statements necessitates the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting dates as well as the reported income and expenses for the reporting periods. While estimates are based on management's best knowledge and judgement using information and financial data available to them, the actual outcome may differ from these estimates.

The key sources of assumptions and estimation uncertainty which could affect the future carrying amounts of assets and liabilities are as follows:

- Significant estimation has been exercised in the impairment review of investments in subsidiaries as disclosed in note 7.
- The calculation of the allowance for expected credit losses (ECLs) on the Company's loan receivable balance, as disclosed in note 8, involves estimation uncertainty. The Company uses a discounted cash flow model to determine the ECL which involves an estimation, under a number of scenarios, of the timing of when the loan balance will be repaid. Any change to the assumptions around the timing and amounts of cash flows could impact the allowance for ECLs at the reporting date.

Summary of significant accounting policies

(a) Finance income

Finance income comprises interest receivable on a loan owed by the immediate parent company and a loan owed by a group subsidiary. Interest income is recognised in the Income Statement as it accrues using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the underlying loan balance to its net carrying amount.

(b) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate ruling at the reporting date, and any exchange differences arising are taken to the Income Statement.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate ruling at the date of transaction and are not subsequently restated. Non-monetary assets and liabilities stated at fair value in a foreign currency are translated at the exchange rate ruling at the date the fair value was determined.

(c) Income tax

The income tax expense disclosed on the face of the Income Statement represents current tax.

Current tax is the expected tax payable to, or receivable from, the taxation authorities on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and includes any adjustment to tax payable in respect of previous years.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(d) Investments in subsidiaries

Investments in subsidiaries are held at cost. The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as debt instruments measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amounts outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting cash flows, selling the financial assets or both.

Subsequent measurement

Subsequent to initial recognition, financial assets at amortised cost are measured using the EIR method. Gains and losses are recognised in the Income Statement when an asset is derecognised or impaired, as well as through the amortisation process. The Company's financial assets at amortised cost consist of loan receivables.

Derecognition of financial assets

A financial asset or, where applicable, part of a financial asset, is derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Company considers the requirement to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For loan receivables, the Company uses a discounted cash flow model to determine the lifetime ECL. This model assesses the maximum credit exposure, taking in to account inputs concerning probabilities of default. Corresponding movements in the ECL allowance are recognised in operating expenses.

The Company considers a loan receivable to be in default if the borrower's financial position is such that it is incapable of repaying the loan in line with the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as trade and other payables. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. The Company's financial liabilities consist of amounts owed to an intermediate parent company and group relief payable.

Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

iii) *Offsetting of financial assets and liabilities*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(f) *Share capital*

Share capital is recorded at the proceeds of issue after deducting directly attributable transaction costs.

Gains and losses resulting from dealings in own shares are recorded directly in equity. Upon cancellation of any share capital, an equivalent amount is recorded in a capital redemption reserve in order to maintain the equity of the Company.

3. OPERATING (EXPENSES)/INCOME

Total operating income is comprised of the following:

	2021 £000	2020 £000
Impairment (loss)/reversal on loan receivables	(2,901)	1,432
Auditor's remuneration – audit of these Financial Statements	(4)	(4)
Total operating (expenses)/income	(2,905)	1,428

Amounts receivable by the Company's auditor in respect of services to the Company, other than for the audit of the Company's Financial Statements, have not been disclosed as the information is disclosed on a consolidated basis in the Annual Report and Financial Statements of the Company's intermediate parent company, Columbia Threadneedle AM (Holdings) plc.

The Company had no employees during the year ended 31 October 2021 (2020: nil).

4. DIRECTORS' REMUNERATION

The Company does not remunerate Directors, nor can their remuneration paid from elsewhere in the Group be apportioned meaningfully in respect of their services to the Company.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. FINANCE INCOME

	2021 £000	2020 £000
Financial assets measured at amortised cost:		
Interest receivable on loan owed by immediate parent company	480	822
Interest receivable on loan owed by group subsidiary	-	16
	<u>480</u>	<u>838</u>

6. INCOME TAX

(a) Analysis of tax expense in the year

The tax expense recognised in the Income Statement is as follows:

	2021 £000	2020 £000
Current income tax:		
UK Corporation Tax		
Current tax on profit for the year	91	158
Tax expense reported in the Income Statement	<u>91</u>	<u>158</u>

(b) Reconciliation of total tax expense for the year

A reconciliation between the actual tax expense and the accounting (loss)/profit multiplied by the Company's domestic tax rate for the years ended 31 October 2021 and 31 October 2020 is as follows:

	2021 £000	2020 £000
(Loss)/profit before tax	<u>(2,425)</u>	<u>2,266</u>
At the Company's statutory income tax rate of 19% (2020: 19%)	(461)	430
Non-taxable income	<u>552</u>	<u>(272)</u>
Tax expense reported in the Income Statement	<u>91</u>	<u>158</u>

(c) Effective rate of tax and factors affecting future tax charges

The current UK Corporation Tax rate of 19% became effective from 1 April 2017, resulting in a statutory UK Corporation Tax rate of 19% for the year ended 31 October 2021 for the Company.

The UK Government announced an increase in the UK Corporation Tax rate from 19% to 25% effective from 1 April 2023. This was substantively enacted on 24 May 2021.

The increase in the UK Corporation Tax rate will lead to a statutory UK Corporation Tax rate for the Company of 22.52% for the year ending 31 October 2023 and 25% for years ending 31 October 2024 onwards.

No additional UK Corporation Tax rate changes have been substantively enacted since the reporting date.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES

£000

Cost and net book value:

At 1 November 2019, 31 October 2020 and 31 October 2021

161,664

The Directors assess the Company's investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable.

The carrying value of the Company's investments in subsidiaries was tested for impairment at the reporting date. The most significant estimates, assumptions and judgements applied to the value in use calculation relate to the future levels of net cash flows and the discount rate and perpetuity growth rate applied to those cash flows.

This review determined that the carrying value of the investments in subsidiaries was not impaired at 31 October 2021 and no impairment loss was recognised during the year.

Details of the Company's subsidiaries and joint arrangement are as follows:

Company name	Share class	Percentage interest and voting rights	Country of incorporation
Columbia Threadneedle Holdings Limited (formerly BMO AM Holdings Limited)*	Ordinary shares	100	England [#]
Columbia Threadneedle Management Limited (formerly BMO Asset Management Limited)	Ordinary shares	100	England [#]
F&C Unit Management Limited	Ordinary and Deferred shares	100	England [#]
FCEM Holdings (UK) Limited	Ordinary shares	100	England [#]
F&C Emerging Markets Limited	Ordinary shares	100	England [#]
Columbia Threadneedle Investment Services Limited (formerly BMO AM Investment Services Limited)	Ordinary shares	100	England [#]
F&C (CI) Limited	Ordinary shares	100	England [#]
F&C Private Equity Nominee Limited	Ordinary shares	100	England [#]

* Direct holding by the Company.

[#] The registered office is Exchange House, Primrose Street, London, EC2A 2NY.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. LOAN RECEIVABLES

	31 October 2021 £000	31 October 2020 £000
Non-current:		
Loan owed by subsidiary (i)	84,399	84,399
Loan owed by immediate parent company (ii)	60,292	60,326
Loan owed by group subsidiary (iii)	5,243	4,923
	<u>149,934</u>	<u>149,648</u>
Allowance for expected credit losses	(8,573)	(5,672)
	<u>141,361</u>	<u>143,976</u>

- (i) The loan is to Columbia Threadneedle Holdings Limited, a subsidiary company. It is unsecured, repayable on demand and not subject to interest. The Company does not expect to receive repayment of this loan within the next year.
- (ii) The loan is to Columbia Threadneedle Group (Holdings) Limited (formerly BMO AM Group (Holdings) Limited), the Company's immediate parent. It is unsecured, repayable on demand and subject to interest at 6-month LIBOR plus 0.70% margin. The Company does not expect to receive repayment of this loan within the next year.
- (iii) The loan is to Columbia Threadneedle Treasury Limited, a Group subsidiary, and is unsecured, repayable on demand and subject to interest at 3-month LIBOR minus 0.25% margin. The Company does not expect to receive full repayment of this loan within the next year.

Columbia Threadneedle Holdings Limited, Columbia Threadneedle Group (Holdings) Limited and Columbia Threadneedle Treasury Limited do not have a credit rating.

With effect from 1 November 2021, the Company's loan owed by Columbia Threadneedle Treasury Limited is subject to interest of the average SONIA rate less 40%. This is the rate used when assessing the allowance for expected credit losses.

An impairment analysis is performed on the loan receivables balance at each reporting date to measure expected credit losses, with the loans deemed to be in default on the basis that the borrower's financial position is such that it is incapable of immediately repaying the loan in line with the contractual terms. The recovery of the loan receivables balances have been assessed on a 'repay over time' strategy based on the Group's forecast results and cash generation. The assessment has deemed that full recovery is possible over time, therefore the ECL is limited to the effect of discounting. The credit risk of the loans have not increased significantly since the previous reporting period. The discount rate applied to the Columbia Threadneedle Group (Holdings) Limited loan at 31 October 2021 was 1.16% per annum (31 October 2020: 1.55% per annum). The discount rate applied to the Columbia Threadneedle Treasury Limited loan at 31 October 2021 was 0.03% per annum (31 October 2020: 0.57% per annum). An additional impairment allowance of £2,901,000 was recognised during 2021 resulting in an impairment allowance of £8,573,000 at 31 October 2021.

9. OTHER PAYABLES

	31 October 2021 £000	31 October 2020 £000
Current:		
Group relief payable	249	348
Amounts owed to intermediate parent company	4	4
	<u>253</u>	<u>352</u>

In the Directors' opinion there are no discernible differences between the carrying amounts and fair values of the balances disclosed due to the short-term maturities of these amounts payable.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. SHARE CAPITAL

	Number of shares	31 October 2021 £000	Number of shares	31 October 2020 £000
Authorised:				
Equity interests				
Ordinary shares of US\$0.001	6,000,000	4	6,000,000	4
Ordinary shares of £1	54,861,140	54,861	54,861,140	54,861
		<u>54,865</u>		<u>54,865</u>
Non-equity interests				
Deferred 'A' shares of £1	2,000,000	2,000	2,000,000	2,000
Deferred 'B' shares of £1	2,000,000	2,000	2,000,000	2,000
		<u>4,000</u>		<u>4,000</u>
Total authorised share capital		<u>58,865</u>		<u>58,865</u>
Issued and fully paid:				
Equity interests				
Ordinary shares of US\$0.001	1,859,552	1	1,859,552	1
Ordinary shares of £1	54,861,140	54,861	54,861,140	54,861
		<u>54,862</u>		<u>54,862</u>
Non-equity interests				
Deferred 'A' shares of £1	1,815,549	1,815.5	1,815,549	1,815.5
Deferred 'B' shares of £1	1,815,549	1,815.5	1,815,549	1,815.5
		<u>3,631.0</u>		<u>3,631.0</u>
Total issued and fully paid share capital		<u>58,493</u>		<u>58,493</u>

The US Dollar and Sterling denominated Ordinary shares entitle the holder to receive dividends as declared from time to time, to capital distribution rights (including on a winding up), and to one vote per share at meetings of the Company. The Ordinary shares do not confer any rights of redemption.

The holder of both 'A' and 'B' Deferred shares are not entitled to receive notice of, or to attend any general meeting of the Company, or to vote on any resolution to be proposed at such meetings. The deferred 'A' and 'B' shares have no entitlement to receive dividends or any other income out of the profits of the Company.

On a distribution of assets on a winding-up or other return of capital (other than on conversion, redemption or repurchase by the Company of its shares), holders of Deferred shares are entitled to receive the amount paid up on their shares after distribution to the holders of Ordinary shares of the amount of £100,000,000 in respect of each Ordinary share held.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RESERVES

The analysis of movements in reserves is disclosed within the Statement of Changes in Equity on page 13.

Nature and purpose of reserves:

Share premium account

The share premium account is used to record the issue of share capital in excess of par value.

Merger reserve

The merger reserve is used to record share premium on shares issued by way of consideration in respect of acquisitions.

Capital redemption reserve

The capital redemption reserve is used to maintain the capital of the Company when shares are bought back or redeemed and subsequently cancelled. This reserve is non-distributable.

Retained earnings

Movements in retained earnings comprise net profits and losses recognised through the Income Statement.

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent is Columbia Threadneedle Group (Holdings) Limited, a company registered in England.

The smallest group of which the Company is a member and for which Group Financial Statements are prepared is Columbia Threadneedle AM (Holdings) plc. Copies of the Group Annual Report and Financial Statements can be obtained from its registered office at 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

At the reporting date, the Company's ultimate parent company and controlling party is Bank of Montreal, a company incorporated in Canada. The consolidated financial statements of Bank of Montreal are available from Corporate Communications Department, BMO Financial Group, 28th Floor, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

13. EVENTS AFTER THE REPORTING PERIOD

Acquisition of the BMO Global Asset Management (Europe) Group by Ameriprise

On 12 April 2021, BMO announced that agreement had been reached to sell its asset management business in EMEA to Ameriprise Financial, Inc (Ameriprise), which is incorporated in Delaware, United States of America. The transaction completed on 8 November 2021.

The Company is part of the BMO Global Asset Management (Europe) Group (BMO GAM E Group), which formed a significant element of BMO's asset management business in EMEA. Therefore, as part of the broader transaction agreed with BMO, Ameriprise, via its subsidiary Columbia Threadneedle Investments UK International Limited, has acquired the entire share capital of BMO Global Asset Management (Europe) Limited (which has now changed its name to Columbia Threadneedle (Europe) Limited), and as such, the BMO GAM E Group has transferred to become part of the Columbia Threadneedle Investments asset management business within Ameriprise.

The acquisition has had no impact on the Company's results for the year to 31 October 2021, or the financial position at that date. While at this time it is not possible to quantify the extent of any financial impact on the year ending 31 October 2022 and beyond, given the nature of the Company's activities any impact is expected to be limited. From 8 November 2021, Ameriprise is now the Company's ultimate parent. Copies of the consolidated financial statements of Ameriprise Financial, Inc can be obtained from the Corporate Secretary's Office, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, 55474, United States of America.

COLUMBIA THREADNEEDLE GROUP (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

13. EVENTS AFTER THE REPORTING PERIOD *(continued)*

Russia/Ukraine conflict

During late February 2022, the eastern part of Europe entered into a phase of instability following the military action taken by Russia against Ukraine (the "Situation"). The worsening military situation in Ukraine has led to a humanitarian crisis and deterioration of the Ukrainian economy. As a result, many leading global countries have unveiled a series of sanctions against Russia in an attempt to bring economic pressure on Russia. In addition to the direct impact on the concerned economies and parties in Ukraine and Russia, the impact on other economies is inevitable. More specifically, this is expected to impact economic growth across the United Kingdom, Europe and the United States.

The Group is monitoring the effects of the Situation on the Company and other stakeholders and have assessed that the Situation does not impact the Financial Statements as at 31 October 2021, nor does it impact the ability of the Company to continue as going concern.