

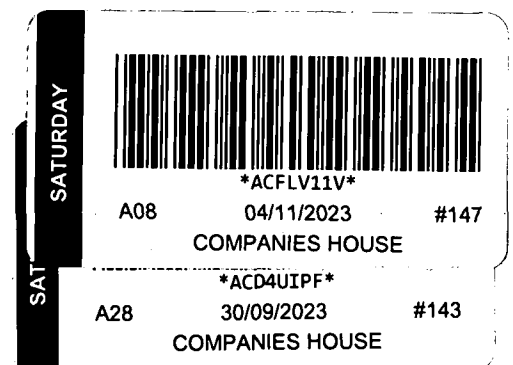


U.S. Bank Trustees Limited

Directors' Report and Financial Statements

31 December 2022

Registered Number: 02379632



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## Directors and Other Information

### **Board of Directors**

Tom Cubitt  
Josephine Murray

### **Company Secretary**

Ed Leedham

### **Registered Office**

U.S. Bank Trustees Limited  
Level 5  
125 Old Broad Street  
London  
EC2N 1AR

### **Solicitors**

A&L Goodbody  
North Wall Quay  
Dublin 1

### **Auditors**

Mazars  
Chartered Accountants & Statutory Audit Firm  
Block 3  
Harcourt Centre  
Harcourt Road  
Dublin 2

**Registered Number:** 02379632

## Directors' Report

The Directors present their report together with the audited Financial Statements for the year ended 31 December 2022.

### Principal activities

The principal activity of U.S. Bank Trustees Limited ('the Company') is providing trust services. The Company is a wholly owned subsidiary of USB Investment Services (Holdings) Limited (the 'Parent'), a company incorporated in Ireland. The Company's ultimate parent undertaking is U.S. Bancorp, a company incorporated in Delaware, U.S.A.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

### Review of development and performance of the business and position during the financial year

The Directors are satisfied with the Company's performance and financial position for the year which are set out in the Statement of Comprehensive Income and the Statement of Financial Position on pages 8 and 9 respectively.

On 31 December 2019, the Company became a wholly owned subsidiary of USB Investment Services (Holdings) Limited (the 'Parent'), a company incorporated in Ireland. The Company's ultimate parent undertaking is U.S. Bancorp, a company incorporated in Delaware, U.S.A.

### Results for the year

Profit for the year from ordinary activities before taxation was GBP 578 thousand (2021: GBP 493 thousand).

### Dividend

No dividend is proposed for the year (2021: nil). The Directors do not recommend the payment of dividend.

### Research and development

No research and development activities have been carried out by the Company in 2022 (2021: nil).

### Subsequent events

There were no significant events since the reporting period that require adjustment to or disclosure in the Financial Statements.

### Going concern

The Directors have a reasonable expectation, having made appropriate enquiries that the Company and its Parent, USB Investment Services (Holdings) Limited, have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to prepare Financial Statements on a going concern basis.

### Capital management

Details of the Company's capital management objectives and policies are set out in note 14 to the Financial Statements.

### Accounting records

The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper books of account, as outlined in Section 386 of the Companies Act 2006, are the use of appropriate systems and procedures and the employment of competent persons and ensure that the requirements of the legislation are complied with. The accounting records are kept at Block F1, Cherrywood Business Park, Loughlinstown, Dublin 18, D18 W2X7.

## Directors' Report (continued)

### Directors' and Secretary's shareholdings

The Directors and Company Secretary who held office during the year ended 31 December 2022 are listed on page 1. Unless otherwise indicated, they served as Directors for the entire year.

The Directors have not at any time during the year held any beneficial interests in the shares of the Company.

### Principal risks and uncertainties

Details of the Company's financial risk management objectives and policies are set out in Note 13 to the financial statements. These include credit risk, foreign currency risk and liquidity risk. There are no areas of concern that carry significant risks of causing material adjustments to the carrying value of assets and liabilities.

The COVID-19 pandemic has continued to have a significant effect on the operating environment in the early part of 2022. However, as social distancing restrictions lifted, these conditions eased. Operationally, the Company had been actively tracking the spread of COVID-19 since the start of 2020 and invoked business continuity plans at the time. These plans included moving almost all staff to remote working arrangements. This response was successful and was executed without service interruption or other adverse consequences for customers or other stakeholders.

The Company is closely monitoring the ongoing conflict in Ukraine. The Company does not have any material direct or indirect exposure to Ukraine, Russia or Belarus. However, the adverse economic effects of the conflict may impact on the sectors and jurisdictions to which the Company provides services

### Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report 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, the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union. 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 assets, liabilities and financial position of the Company at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2006. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, and
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards.

The Directors are responsible for ensuring that the Company keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2006 and enable the Financial Statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Directors' Report (continued)

### Company outlook

It is considered that the Company's business mix, sound strategies and prudent business model puts the Company in a strong position for the years ahead.

### Charitable and political donations

No charitable or political donations were made during the year (2021: nil).

### Provision of information to Auditors

Each Director confirms that:

- So far as they are 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 the relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Mazars, Chartered Accountants and Statutory Audit Firm has expressed their willingness to continue in office and were reappointed by the Board in accordance with the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 21 September 2023.

E-SIGNED by Tom Cubitt  
on 2023-09-22 08:06:34 GMT

Tom Cubitt  
Director

E-SIGNED by Josephine Murray  
on 2023-09-21 15:04:24 GMT

Josephine Murray  
Director

## Independent auditor's report to the members of U.S. Bank Trustees Limited

### Opinion

We have audited the financial statements of U.S. Bank Trustees Limited (the 'Company') for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the 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 IFRSs as adopted by the European Union; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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.

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

### Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

## **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

## **Auditor's 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 auditor's 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 the 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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, employment regulation, anti-bribery, corruption and fraud, money laundering, 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 preparation of the financial statements, such as the Companies Act 2006.



We evaluated the directors' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

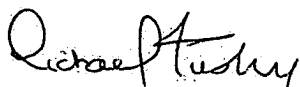
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of the audit report

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.



Michael Tuohy  
for and on behalf of Mazars  
Chartered Accountants and Statutory Auditor  
Block 3  
Harcourt Centre  
Harcourt Road  
Dublin 2

Date: 29 September 2023

**U.S. Bank Trustees Limited**  
**Statement of Comprehensive Income for the year ended 31 December**

<i>In thousands of GBP</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Fee and commission income	<b>3</b>	6,943	5,990
Interest expense		(26)	-
<b>Total operating income</b>		<b>6,917</b>	<b>5,990</b>
Other operating expense	<b>4</b>	(6,896)	(5,350)
Foreign exchange loss	<b>4</b>	557	(147)
<b>Profit for the year from continuing operations before taxation</b>		<b>578</b>	<b>493</b>
Income tax	<b>10</b>	(145)	(120)
<b>Profit for the year, net of tax</b>		<b>433</b>	<b>373</b>

The Company has no recognised gains or losses other than those included in the results above and therefore no Statement of Other Comprehensive Income has been presented.

The results above are all derived from continuing activities.

Approved by the Board of Directors and authorised for issue on 21 September 2023.

E-SIGNED by Tom Cubitt  
on 2023-09-22 08:06:39 GMT

Tom Cubitt  
Director

E-SIGNED by Josephine Murray  
on 2023-09-21 15:04:31 GMT

Josephine Murray  
Director

**U.S. Bank Trustees Limited**  
**Statement of Financial Position as at 31 December**

<i>In thousands of GBP</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
Due from Banks	<b>5</b>	366	1,086
Investment services receivables	<b>6</b>	4,382	2,626
Intangible asset	<b>7</b>	1,600	1,600
Other assets	<b>8</b>	1,026	620
<b>Total assets</b>		<b>7,374</b>	<b>5,932</b>
<b>Liabilities</b>			
Current tax liability		61	17
Other liabilities	<b>9</b>	5,178	4,213
<b>Total liabilities</b>		<b>5,239</b>	<b>4,230</b>
<b>Equity</b>			
Share capital	<b>11</b>	250	250
Retained earnings		1,885	1,452
<b>Total equity</b>		<b>2,135</b>	<b>1,702</b>
<b>Total liabilities and equity</b>		<b>7,374</b>	<b>5,932</b>

Approved by the Board of Directors and authorised for issue on 21 September 2023.

E-SIGNED by Tom Cubitt  
on 2023-09-22 08:06:44 GMT

Tom Cubitt  
Director

E-SIGNED by Josephine Murray  
on 2023-09-21 15:04:35 GMT

Josephine Murray  
Director

**U.S. Bank Trustees Limited**  
**Statement of Changes in Equity for the year ended 31 December**

<i>In thousands of GBP</i>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance as at 1 January 2021</b>	250	1,079	1,329
Profit for the year	-	373	373
<b>Balance as at 31 December 2021</b>	<b>250</b>	<b>1,452</b>	<b>1,702</b>
Profit for the year	-	433	433
<b>Balance as at 31 December 2022</b>	<b>250</b>	<b>1,885</b>	<b>2,135</b>

**U.S. Bank Trustees Limited**  
**Statement of Cash Flows for the year ended 31 December**

<i>In thousands of GBP</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Profit before tax		578	493
Adjustments to reconcile profit before tax to net cash:			
Amortisation of intangibles assets	4	189	134
Taxation paid		(102)	(112)
Working capital adjustments:			
Net change in investment services receivables	6	(1,756)	(105)
Net change in other assets	8	(407)	199
Net change in other current tax assets		-	(4)
Net change in current tax liability		-	13
Effect of foreign exchange on operating activities		(187)	
Net change in other liabilities	9	965	2,206
<b>Net cash used in operating activities</b>		<b>(720)</b>	<b>2,824</b>
<b>Cash flows from investing activities</b>			
Additions to intangible assets	7	-	(1,738)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(1,738)</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>		<b>(720)</b>	<b>1,086</b>
Cash and cash equivalents at the beginning of the year		1,086	-
<b>Cash and cash equivalents at the end of the year</b>		<b>366</b>	<b>1,086</b>

## Notes to the Financial Statements

### 1 Basis of Preparation

#### Reporting entity

U.S. Bank Trustees Limited (the "Company") is a company incorporated and domiciled in the United Kingdom. The address of the Company's registered office is Level 5, 125 Old Broad Street, London, EC2N 1AR.

On 31 December 2019, the Company became a wholly owned subsidiary of USB Investment (Holdings) Limited (the 'Parent'), a company incorporated in Ireland. The Company's ultimate parent undertaking is U.S. Bancorp, a company incorporated in Delaware, U.S.A.

#### Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applicable as at 31 December 2022.

#### Basis of measurement

The Financial Statements have been prepared on a historical cost basis.

#### Functional and presentation currency

The Financial Statements of the Company are presented in sterling (also referred to as "GBP" and "£") which is also the functional currency of the Company.

#### Use of estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Management's judgement involves making estimates concerning the likelihood of future events - the actual results could differ from those estimates. Estimates and judgements are continually evaluated and revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The recognition and presentation of revenue requires management to make judgements, estimates and assumptions. The Company determines accounting treatment by methods that include, but are not limited to; reviewing contract terms, roles and obligations of parties to a contract, and the transaction price. Judgement may be required in instances where guidance is principles based, such as principal versus agent guidance which determines gross versus net revenue Financial Statement presentation.

## Notes to the Financial Statements

### 2 Summary of Significant Accounting Policies

The significant accounting policies that the Company applied in the preparation of the Financial Statements for the year ended 31 December 2022 are set out below.

#### **Foreign currency translation**

##### *Transaction and balances*

As at the reporting date, assets and liabilities denominated in a foreign currency are translated into the Company's presentation currency, GBP, at the exchange rate on the Statement of Financial Position date and items in the Statement of Comprehensive Income are translated at the rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate prevailing at year end. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year end exchange rates of the amortised cost of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

#### **Revenue recognition**

Trust and investment management fees are recognised over the period in which services are performed and are based on a percentage of the fair value of the assets under management or administration, fixed based on account type, or transaction-based fees. Trust contracts may include acceptance fees which are one-time charges related to the establishment of the trust agreement. The performance obligation related to these fees is over time as the trust is utilised by the customer. The Company defers and amortises the fees over the 3-year estimated life of trust relationships. Services provided to clients include trustee, transfer agent, custodian, fiscal agent and escrow.

#### **Operating expense**

Operating expenses consists of administration services received during the year from affiliate companies, auditor's remuneration and other operating expenses. These are expenses incurred during the normal course of business and are recognised in the Statement of Comprehensive Income

#### **Income tax**

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

#### **Due from banks**

For the purposes of the Statement of Cash Flows, due from banks comprise amounts of cash and cash equivalents and money market placements. Cash and cash equivalents and money market placements are convertible into cash with an insignificant risk of change in value and with original maturities of less than seven days.

#### **Intangible asset**

Intangible assets acquired separately are capitalised at cost and those identified in a business acquisition are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at amortised cost less any accumulated amortisation and accumulated impairment losses and these expenses are included on the Statement of Comprehensive income within other operating expense.

## Notes to the Financial Statements

### 2 Summary of Significant Accounting Policies (continued)

#### Other assets and other liabilities

Other assets and other liabilities are initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred.

#### Shareholders' equity

##### Share capital

Share capital refers to the funds that a Company raises in exchange for issuing an ownership interest in the Company in the form of shares.

##### Retained earnings

Retained earnings represent the undistributed accumulated profits of the Company.

#### New accounting pronouncements with a future effective date

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board that are not yet effective (Amendments to IAS 8 Definition of Accounting Estimates, and Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction).

The Company has not yet adopted any of these before their effective date on 1 January 2023 and does not expect any material impact on the Consolidated Financial Statements in the period of initial application.

### 3 Fee and Commission Income

Fee and Commission Income		
<i>In thousands of GBP</i>	2022	2021
Fee and commission income - corporate trust revenue	6,943	5,990
<b>Total fee and commission income</b>	<b>6,943</b>	<b>5,990</b>

### 4 Other Operating Expense

Operating Expense		
<i>In thousands of GBP</i>	2022	2021
<b>Auditor's remuneration</b>		
Statutory audit	13	12
<b>Total Auditor's remuneration</b>	<b>13</b>	<b>12</b>
 <b>Other operating expense</b>		
Services provided by affiliate companies	6,260	5,034
Other operating expenses - other	422	166
Amortisation of intangible assets	189	134
Professional services	12	4
<b>Total other operating expense</b>	<b>6,896</b>	<b>5,350</b>
 Foreign exchange (gain) / loss	(557)	147
<b>Total operating expense</b>	<b>6,339</b>	<b>5,497</b>

## Notes to the Financial Statements

### 5 Due from Banks

Due from Banks		
<i>In thousands of GBP</i>	2022	2021
Cash and balances with banks	366	1,086
<b>Total due from banks as at 31 December</b>	<b>366</b>	<b>1,086</b>

As at 31 December 2022 the Company had no overdrafts (2021: Nil)

### 6 Investment Services Receivables

Investment Services Receivables		
<i>In thousands of GBP</i>	2022	2021
Investment services receivables	4,382	2,626
<b>Total investment services receivables as at 31 December</b>	<b>4,382</b>	<b>2,626</b>

### 7 Intangible Asset

Intangible Assets		
<i>In thousands of GBP</i>	2022	2021
<b>Cost</b>		
Opening balance	1,738	-
Additions	-	1,738
Exchange movements	210	-
<b>Closing Balance as at 31 December</b>	<b>1,948</b>	<b>1,738</b>
<b>Accumulated amortisation</b>		
Opening Balance	138	-
Amortisation charge for the year	189	138
Exchange movements	21	-
<b>Closing Balance as at 31 December</b>	<b>348</b>	<b>138</b>
<b>Net Book Value as at 31 December</b>	<b>1,600</b>	<b>1600</b>

### 8 Other Assets

Other Assets		
<i>In thousands of GBP</i>	2022	2021
Tax debtors	165	190
Receivables from affiliate companies	861	430
<b>Total other assets as at 31 December</b>	<b>1,026</b>	<b>620</b>



## Notes to the Financial Statements

### 9 Other Liabilities

<b>Other Liabilities</b>		
<i>In thousands of GBP</i>	<b>2022</b>	<b>2021</b>
Accruals and sundry creditors	42	85
Deferred revenue	2,122	1,937
Payable to affiliate companies	3,014	453
Other liabilities	-	1,738
<b>Total other liabilities as at 31 December</b>	<b>5,178</b>	<b>4,213</b>

### 10 Income Taxes

<b>Income Taxes</b>		
<i>In thousands of GBP</i>	<b>2022</b>	<b>2021</b>

#### (a) Analysis of charge for year:

Corporation tax based on profit/loss for the year at 19% (2021: 19%)	146	120
Prior year adjustment	(1)	-
	<b>145</b>	<b>120</b>

#### (b) Factors affecting tax charge for year:

	<b>2022</b>	<b>2021</b>
Profit on ordinary activities before tax	<b>578</b>	<b>493</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	110	120
Effects of:		
Non deductible expenses	35	-
	<b>145</b>	<b>120</b>

### 11 Share Capital

<b>Share Capital</b>		
<i>In thousands of GBP</i>	<b>2022</b>	<b>2021</b>
<b>Allotted, fully paid</b>		
250,000 ordinary shares of £1 each	250	250
<b>Total share capital as at 31 December</b>	<b>250</b>	<b>250</b>

### 12 Employees

The Company did not have any employees during the year (2021 : nil).

## Notes to the Financial Statements

### 13 Risk Management

The Company regards managing risks as an essential part of successfully operating a financial services company. Material risks are deemed to be those risks which may impact the Company's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Company's reputation and brand or cause financial loss exceeding normal business plan tolerances.

#### *Credit Risk*

Credit Risk is the risk of loss resulting from a counterparty or obligor being unable to meet contractual obligations agreed with the Company in respect of financial transactions. The Company's main credit risk concentration relates to investment services receivables.

#### *Operational risk*

The Company defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company maintains a system of controls with the objective of providing proper transaction authorisation and execution, safeguarding of assets from misuse or theft, and ensuring the reliability of financial and other data. Management is responsible for ensuring that the controls are appropriate and are implemented as designed.

#### *Interest rate risk*

Interest rate risk is primarily related to interest bearing assets and liabilities. To minimise the volatility of net interest income and the market value of assets and liabilities, the Company monitors its exposure to changes in interest rates through asset and liability management activities.

Currently, none of the Company's assets and liabilities are exposed to interest rate risk and hence, interest rate sensitivity analysis is not applicable.

#### *Market Risk*

Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in price of financial assets and financial liabilities and risk related factors such as market volatilities. None of the Company's financial assets and financial liabilities are exposed to market risk.

#### *Liquidity risk*

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Company's inability to meet its liabilities when they come due. The Company's approach to liquidity risk management is designed to maintain sufficient liquidity in both normal operating environments as well as in periods of severe stress.

<b>Liabilities by their contractual undiscounted cash flows</b>					
<i>In thousands of GBP</i>	<b>Demand and less than 1 month</b>	<b>From 1 to 6 months</b>	<b>From 6 to 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
Current tax liability	-	61	-	-	61
Accruals and sundry creditors	-	42	-	-	42
Deferred revenue	-	-	2,122	-	2,122
Payable to affiliate companies	-	-	3,014	-	3,014
Other liabilities	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>-</b>	<b>103</b>	<b>5,136</b>	<b>-</b>	<b>5,239</b>

## Notes to the Financial Statements

### 13 Risk Management (continued)

<b>Liabilities by their contractual undiscounted cash flows</b>					
<i>In thousands of GBP</i>	<b>Demand and less than 1 month</b>	<b>From 1 to 6 months</b>	<b>From 6 to 12 months</b>	<b>Over 12 months</b>	<b>Total</b>
Current tax liability	-	17	-	-	17
Accruals and sundry creditors	-	85	-	-	85
Deferred revenue	-	-	1,937	-	1,937
Payable to affiliate companies	-	-	453	-	453
Other liabilities	-	-	1,738	-	1,738
<b>As at 31 December 2021</b>	-	<b>102</b>	<b>4,128</b>	-	<b>4,230</b>

#### *Foreign Exchange Risk*

The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure which are monitored daily.

The Company is exposed to currency risk in the normal course of business, principally on revenues generated in EUR, PLN, CHF & USD.

The table below is a sensitivity analysis which demonstrates the current exposure in the exchange rate of the given currencies in GBP in the Statement of Comprehensive income.

<b>Foreign Exchange Risk</b>		
<i>In thousands of GBP</i>	<b>2022 Statement of Income</b>	<b>2021 Statement of Income</b>
EUR	1,633	2,651
PLN	-	(2)
USD	3,491	1,169
Other	(986)	43
<b>Total</b>	<b>4,138</b>	<b>3,861</b>

### 14 Capital Management

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2022 and 2021.

### 15 Related Party Transactions

The Company is a subsidiary of USB Investment Services (Holdings) Limited, a company incorporated in the Republic of Ireland.

The Company's ultimate parent company and controlling party is U.S. Bancorp, which is incorporated in Delaware (United States of America). This is the smallest and largest group to prepare consolidated Financial Statements, which include the Financial Statements of the Company that are available for public viewing.

## Notes to the Financial Statements

### **15 Related Party Transactions (continued)**

No transactions involving Directors of the Company or its Parent occurred during the year. The Directors received no remuneration for the years presented in the Financial Statements.

The Company entered into day-to-day transactions with U.S. Bancorp and its subsidiaries, mainly comprising of the recharging of various costs incurred and transfer pricing transactions. The costs incurred in respect of these transactions totalled GBP 6,260 thousand during 2022 (2021: GBP 5,034 thousand).

As at 31 December 2022, the Company had receivables from affiliate companies of GBP 861 thousand (2021: GBP 430 thousand) and payables to affiliate companies of GBP 3,014 thousand (2021: 453 thousand).

### **16 Subsequent Events**

There were no significant events after the reporting date that require disclosure in the Financial Statements.

### **17 Approval of Financial Statements**

The Company's Financial Statement were authorised for issue by the Board of Directors on the 21 September 2023.