

NS ASSET MANAGEMENT UK LTD

Company Registration No. 02946806

**Report and Financial Statements
For the Year Ended 31 December 2021**

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GENERAL INFORMATION

<i>Director</i>	E.J.L. Macpherson	Chief Executive
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<i>Non-Executive Directors</i>	C.G. Dings E.H.J. Laget C. Verbaere
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<i>Secretary</i>	D.O. Kimberley
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<i>Company number</i>	02946806
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<i>Registered office</i>	25 Upper Brook Street London W1K 7QD
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<i>Auditors</i>	Buzzacott LLP 130 Wood Street London EC2V 6DL
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DIRECTORS' REPORT

The directors present their report together with the Strategic Report and the audited financial statements of NS Asset Management Ltd ("the Company") for the year ended 31 December 2021. The Company was previously called Notz Stucki (London) Limited but changed its name on 13 September 2021 in line with other companies within the NS Partners group.

Principal Activity

The principal activity of the Company during the year was the provision of investment management services. The Company is authorised and regulated by the Financial Conduct Authority.

Employees

Information regarding staff numbers and costs is set out in note 4.

Directors and their Interests

The current directors are listed on page 1. Mr Verbaere joined the Board on 8 March 2022. Mr C.S. Molyneux served as a director during the year until 31 May 2021.

Political and Charitable Donations

Charitable donations of £3,423 (2020 - £500) were made during the year.

Pillar Three Disclosures

In accordance with the rules of the Financial Conduct Authority, the Company has published information on its risk management objectives and policies on its regulatory capital requirements and resources. This information is set out in the unaudited appendix to the financial statements.

Auditor

Buzzacott LLP was appointed as auditor in place of Ernst & Young LLP during 2021 and will be retained as the Company's auditor for the current year.

Matters included in the Strategic report

The company has chosen in accordance with s.414 C (11) of the Companies Act 2006 to set out in the Company's Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of future developments.

Disclosure of Information to Auditors

So far as each person who was a director at the date of approval of this report is aware, there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware.

Having made appropriate enquiries of fellow directors and the Company's auditors for that purpose each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

E.J.L. Macpherson

Director

14 April 2022

STRATEGIC REPORT

Results and Business Review

The profit for the year after taxation was £105,297 (2020: £32,924). The results for the period and financial position of the Company are as shown in the annexed financial statements. Assets under management rose during the year principally as a result of a rise in the value of assets. No dividend was paid during the year (2020 - £Nil).

Future Developments and Covid 19

Since early 2020 the whole of the world economy has been impacted by the Covid-19 pandemic. The Company successfully implemented its business continuity plan in response to the pandemic, which has consequently and subsequently had little impact on its business. The business is now operating normally with all employees attending the office.

While the Company's scale of business and principal activities are unlikely to change materially in the immediate future the directors have decided to place greater emphasis on business development and will focus on increasing the assets under management by the Company.

Principal Risks and Uncertainties

The Company operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The directors review and consider the risks to which the Company may be exposed on a regular basis and have documented them and the measures designed to mitigate them, as part of the ICAAP process, which will shortly be replaced by the Internal Capital and Risk Assessment (ICARA) process introduced by the new Investment Firms Prudential Regime.

Going Concern

The Company's results for the year are set out in the Statement of Income and Retained Earnings on page 8. The Company continues to perform satisfactorily and has adequate financial resources, so that there is a reasonable expectation that it will continue to operate for the foreseeable future. The going concern basis has accordingly been adopted in preparing these financial statements.

Directors' Statement of Compliance with Duty to Promote the Success of the Company

The directors recognise their responsibility under S. 172 of the Companies Act 2006 to promote the success of the Company when conducting their duties. The likely long-term consequences of any action to be taken by the Company is always considered by the Board before reaching a decision.

The Company is highly dependent on its employees and their interests are always considered by the directors. The Company operates a bonus scheme to align the interests of the Company and its employees.

The business is also highly dependent on the Company maintaining first class relationships with clients, which is achieved through a high level of personal contact with them. In order to foster good relations, the directors promote the desirability of the Company maintaining its reputation for high standards of business conduct.

The nature of the Company's business means that the impact of its own operations on the community and the environment are limited. These are however matters that are considered by the investment policies that are applied to clients' portfolios.

The Company has only one ultimate holding company so the directors need to act fairly between members is not felt to be a priority.

Directors' Indemnity and Liability Insurance

The Company and its directors and officers are indemnified by a group investment management insurance.

E.J.L Macpherson

Director

14 April 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NS ASSET MANAGEMENT UK LTD

Opinion

We have audited the financial statements of NS Asset Management UK Ltd for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1-15 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 director with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 our audit:

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NS ASSET MANAGEMENT UK LTD

Matters on which we are required to report by exception

In the 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 Strategic report and the Director's report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 these financial statements.

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing regulated investment management firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with members and other management at the planning stage, and from our knowledge and experience of regulated investment management firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, The Financial Services and Markets Act 2000, employment legislation and taxation legislation; and
- we considered the impact of Brexit on the company and the laws and regulations above.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NS ASSET MANAGEMENT UK LTD

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- tested the completeness of turnover by obtaining third party confirmation from customers and reviewing the investment management agreements between the company and its managed portfolios; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Financial Conduct Authority and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

Use of our 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 him 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.

Peter Chapman (Senior Statutory Auditor)

for and on behalf of Buzzacott LLP

Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 April 2022

STATEMENT OF INCOME AND RETAINED EARNINGS

Expressed in Pounds Sterling

	Notes	Year Ended 31 Dec. 2021	Year Ended 31 Dec. 2020
Turnover	2	1,769,279	1,710,504
Operating expenses		(1,634,200)	(1,669,058)
Operating profit	3	135,079	41,446
Other interest receivable and similar income		7	81
Profit on Ordinary Activities Before Taxation		135,086	41,527
Tax on profit on ordinary activities	5	(29,789)	(9,233)
Retained Profit for the Year		105,297	32,294
Retained earnings as at 1 January		1,178,377	1,146,083
Retained earnings as at 31 December		<u>1,283,674</u>	<u>1,178,377</u>

All income, expenses, profits and losses shown in the financial statements relate to continuing operations.

The Company has no recognised gains or losses other than the results for the current and preceding financial years, as set out above.

The Notes to the Accounts numbered 1 to 19 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Expressed in Pounds Sterling

	Notes	As at 31 Dec. 2021	As at 31 Dec. 2020
Fixed assets			
Tangible assets	6	2,464	3,193
Current assets			
Debtors	7	898,550	979,874
Cash and cash equivalents		1,146,654	901,256
		2,045,204	1,881,130
Creditors: amounts falling due within one year	8	(703,894)	(645,846)
Net current assets		1,341,310	1,235,284
Total assets less current liabilities		1,343,774	1,238,477
Capital and reserves			
Called up share capital	10	60,100	60,100
Profit and loss account	11	1,283,674	1,178,377
Shareholders' Funds		1,343,774	1,238,477

These financial statements were approved by the Board of Directors on 14 April 2022 and signed on behalf of the Board on 14 April 2022 by:

E.J.L Macpherson
Director

Company Registration No. 02946806

The Notes to the Accounts numbered 1 to 19 form part of these financial statements.

STATEMENT OF CASH FLOWS
Expressed in Pounds Sterling

	Year Ended 31 Dec. 2021	Year Ended 31 Dec. 2020
Operating Activities		
Profit on ordinary activities before taxation	135,086	41,527
<i>Adjustments for non-cash items:</i>		
Depreciation of fixed assets	3,002	5,944
Interest income	(7)	(81)
Change in debtors and other receivables	51,535	(302,067)
Change in creditors and other payables	58,048	90,551
Cash Generated from Operating Activities	247,664	(164,126)
Taxation repaid	-	34
Net Cash Flows From Operating Activities	247,664	(164,092)
Investing activities		
Purchase of fixed assets	(2,273)	(5,905)
Interest income	7	81
Net cash (Used in) or Generated from Investing Activities	(2,266)	(5,824)
Net change in cash and cash equivalents	245,398	(169,916)
Cash and cash equivalents at the start of the year	901,256	1,071,172
Cash and cash equivalents at end of the year	1,146,654	901,256

The Notes to the Accounts numbered 1 to 19 form part of this Statement of Cash Flows.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

1 Principal accounting policies

(a) Basis of accounting

The financial statements of the Company are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention on a going concern basis. The principal accounting policies adopted are set out below.

The Directors have performed a going concern assessment using information available at the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios on the Company's operations, liquidity, solvency and regulatory capital position. It has also considered the stresses that the Company's financial position would have to endure before there is any likelihood of a breach of the relevant regulatory capital requirements. The analysis has included all of the factors that management considers relevant, including the value of assets under management and possible mitigating actions.

Having performed this analysis the Directors have concluded that all regulatory capital requirements will continue to be met and that the Company will have sufficient cash to meet its obligations as and when they fall due for the foreseeable future so that the going concern basis remains appropriate.

(b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

(c) Debtors and Creditors

Short term debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

(d) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(e) Foreign Currencies

These financial statements are presented in pounds sterling, which is the Company's functional and presentation currency. Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted into sterling at appropriate rates ruling during the period. All differences on exchange are dealt with in the Statement of Income and Retained Earnings.

(f) Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

(g) Operating leases

Rentals under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

1 Principal accounting policies (Continued)

(h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of an asset, less its estimated residual value, evenly over its expected useful economic life as follows:

Leasehold improvements	over the period to the next rent review.
Office equipment and computers	3 years

2 Turnover

The turnover shown in the Statement of Income and Retained Earnings represents fees earned for services provided in the normal course of business stated net of valued added tax.

The Company's turnover was derived from its principal activity. The Company earns investment management and advisory fees from other members of the NS Partners group and third-party customers. Turnover attributable to the different geographical markets has not been disclosed as it is considered to be prejudicial to the Company's interest.

3 Operating profit

	2021	2020
The operating profit is stated after charging:		
Depreciation	3,002	5,944
Auditor's remuneration:		
Statutory audit	16,000	26,500
Operating leases - land and buildings	118,594	123,825
Foreign exchange loss	12,234	8,860
	<u> </u>	<u> </u>

Auditor's remuneration for the year ended 31 December 2020 was payable to the previous auditor of the Company.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

4 Employees

The average number of people employed by the Company during the year amounted to 4 (2020: 5). All of these staff were employed within office and management. Staff costs, including directors, were:

	2021	2020
Wages and salaries	1,026,762	1,038,122
Social security costs	139,890	139,966
Pension costs	3,850	4,802
	<u>1,170,502</u>	<u>1,182,890</u>

The Company has a defined contribution pension scheme. At 31 December 2021 £3,956 (2020: £4,230) was accrued in respect of pension payments.

Directors' remuneration comprised:	2021	2020
Emoluments	774,541	808,022
Pension	1,433	3,260
Benefits in kind	7,890	8,827
	<u>783,864</u>	<u>820,109</u>

The number of directors to whom pension benefits are accruing under defined contribution schemes is 1 (2020: 1). The amounts in respect of highest paid director are as follows:

	2021	2020
Emoluments	713,084	674,897
Benefits in kind	2,483	2,745
	<u>715,567</u>	<u>677,642</u>

5 Tax on loss on Ordinary Activities

	2021	2020
United Kingdom corporation taxation - current year	-	-
Deferred tax (note 9)	29,789	9,233
	<u>29,789</u>	<u>9,233</u>

The tax charge for the years 2021 and 2020 is higher than the current standard rate of corporation tax in the United Kingdom of 19% (2020 - 19%). The differences are explained below:

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

5 Tax on loss on Ordinary Activities

(Continued)

	2021	2020
Tax Reconciliation		
Factors affecting the tax charge for the period		
Profit/(Loss) on ordinary activities before tax	135,086	41,527
Tax at the standard rate of tax 19%	25,666	7,890
Expenses not deductible for tax purposes	4,123	1,343
Prior year deferred tax and other items	-	-
Movement due to change in tax rate	-	-
Actual tax charge	29,789	9,233

Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From that date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

6 Tangible fixed assets

	Leasehold premises £	Computer Equipment £	Office Equipment £	Total £
Cost				
At 1 January 2021	22,938	108,976	113,823	245,737
Additions	-	1,796	477	2,273
Fully depreciated assets written off	(22,938)	(95,939)	(102,756)	(221,633)
At 31 December 2021	-	14,833	11,544	26,377
Depreciation and impairment				
At 1 January 2021	22,938	105,783	113,823	242,544
Depreciation charged in the year	-	2,872	130	3,002
Fully depreciated assets written off	(22,938)	(95,939)	(102,756)	(221,633)
At 31 December 2021	-	12,716	11,197	23,913
Net book value				
At 31 December 2021	-	2,117	347	2,464
At 1 January 2021	-	3,193	-	3,193

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

7 Debtors

	2021	2020
Trade debtors	121,906	134,013
Trade debtors - group undertakings	684,308	709,736
Deferred tax recoverable (note 9)	20,203	49,992
VAT recoverable	14,439	14,624
Prepayments and accrued income	57,694	71,509
	<u>898,550</u>	<u>979,874</u>

The amounts owed by group undertakings solely comprise amounts due from parent and fellow subsidiary undertakings.

8 Creditors: amounts falling due within one year

	2021	2020
Trade creditors - group undertakings	21,460	-
Other taxation and social security	20,943	22,742
Accruals and deferred income	661,491	623,104
	<u>703,894</u>	<u>645,846</u>

9 Deferred taxation asset

	2021	2020
At 1 January	49,992	59,225
Origination and reversal of timing differences	(29,789)	(9,233)
	<u>20,203</u>	<u>49,992</u>
At 31 December	<u>20,203</u>	<u>49,992</u>
Accelerated capital allowances	217	229
Pension contributions unpaid at the year end	121	752
Unutilised trade losses carried forward	19,865	49,011
	<u>20,203</u>	<u>49,992</u>
At 31 December	<u>20,203</u>	<u>49,992</u>

Deferred taxation at 31 December 2021 and 2020 reflected in these financial statements has been calculated at 19% being the tax rate that was substantively enacted at 31 December 2021 and was expected to apply to the reversal of the timing difference.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

10 Share capital

	2021	2020
Authorised share capital		
100 A ordinary shares of £1 each	100	100
1,000,000 B ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,100</u>	<u>1,000,100</u>
Allocated, called up, and fully paid		
100 A ordinary shares of £1 each	100	100
1,000,000 B ordinary shares of £1 each	60,000	60,000
	<u>60,100</u>	<u>60,100</u>

The A ordinary shares carry the right to receive or participate in any dividend or other distribution paid or made by the Company out of profits or income earned after 31 December 2000. On a return of capital, on a winding up or otherwise, they participate pari passu with the B ordinary shares up to their nominal value but thereafter are not entitled to any further right of participation in the profit or surplus assets of the Company.

11 Reserves

The profit and loss account includes all retained profits and losses.

12 Controlling party

The ultimate and immediate parent Company is Notz Stucki Holding Ltd, a company registered in Bermuda. The directors consider there to be no ultimate controlling party.

13 Lease and other commitments

The Company has an annual commitment of £73,000 under operating leases under which the following amounts are payable:

	2021	2020
Land and Buildings		
Within one year	73,000	119,167
Between two and five years	146,000	-
In over five years	-	-
	<u>-</u>	<u>-</u>

14 Analysis of net funds

	1 January 2021	Cash flow	31 December 2021
	£	£	£
Cash and cash equivalents	901,256	245,398	1,146,654
Total	<u>901,256</u>	<u>245,398</u>	<u>1,146,654</u>

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

15 Related party disclosures

All companies listed below are related by virtue of the ultimate parent company, apart from NS Partners Europe SA, whose ultimate holding company is NS International Holding Company Pte Ltd, incorporated in Singapore.

The following transactions in connection with investment management, advisory and other fees occurred between the Company and its related parties.

For the year ended 31 December 2021	Fees receivable for 2021	Fees receivable at 31 Dec. 2021
Related party		
NS Partners SA	123,193	20,999
NS Management Ltd	1,398,629	623,309
NS Partners Europe SA	41,889	40,000
	<u>1,563,711</u>	<u>684,308</u>
For the year ended 31 December 2020	Fees receivable for 2020	Fees receivable at 31 Dec. 2020
Related party		
NS Partners SA	114,763	36,708
NS Management Ltd	1,321,712	633,028
NS Partners Europe SA	45,832	40,000
	<u>1,482,307</u>	<u>709,736</u>

There were fees payable by the Company to NS Partners SA for 2021 of £39,811 (2020 - £41,974). Of these £21,460 (2020 - £nil) was outstanding at 31 December 2021.

17 Post Balance Sheet Events

The directors do not consider that there are any material Post Balance Sheet Events to be disclosed.

18 Contingent liabilities

The Company had no contingent liabilities at 31 December 2021 or 31 December 2020.

19 Capital commitments

The Company had no capital commitments at 31 December 2021 or 31 December 2020.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

Unaudited Appendix to the Financial Statements

NS Asset Management UK Ltd ("the Company")
Company Registration No. 2946806

PILLAR 3 DISCLOSURE

Introduction

The Basel Committee on Banking Supervision introduced the Basel framework with the primary goal of promoting the safety and soundness of the financial system. The framework consists of three Pillars. In the United Kingdom, the Financial Conduct Authority ("FCA") introduced the framework's requirements into its rules as set out in the General Prudential Sourcebook ("GENPRU") and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU").

The FCA framework follows the Basel framework and also consists of three 'Pillars':

- Pillar 1 sets out the minimum capital required to meet firms' credit, market and operational risks;
- Pillar 2 requires the firm to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the FCA; and
- Pillar 3 requires disclosure of specific information about the underlying risk management controls and capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure as they apply to firms in the United Kingdom. The purpose of this document is to meet the Company's Pillar 3 obligations.

The rules permit firms to omit required disclosures if they believe that the information is immaterial and that omission would be unlikely to change or influence the decision of a reader relying on that information. They also allow firms to omit required disclosures where they believe that the information is regarded as proprietary or confidential. We have taken the view that proprietary information is that which, if it were shared, would undermine our competitive position and that information should be considered to be confidential where there are obligations binding us to confidentiality with our clients, suppliers or counterparties. We have made no omissions on the grounds of immateriality, proprietary information or confidentiality.

Scope and Application of the Requirements

The Company is authorised and regulated by the Financial Conduct Authority. As a regulated firm it is subject to minimum regulatory capital requirements. The Firm is categorised as a BIPRU limited activity firm by the FCA for capital purposes. As a limited activity firm it has no trading book exposures.

The Company is a member of a group but does not hold subsidiary or associated undertakings is therefore not required to make consolidated reports for prudential purposes.

Risk Management

The Company is governed by its directors who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining its governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces.

The directors also determine how the risks that the business faces may be mitigated and assess, on an ongoing basis, the arrangements to manage those risks. The directors meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The directors manage the Company's risks through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles, rules and guidance) with the aim of operating a defined and transparent risk management framework. These policies and procedures are updated as required.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

Unaudited Appendix to the Financial Statements

(Continued)

The directors have identified that business, operational, market and credit risks are the main areas of risk to which the Company is exposed. The directors review the risks, and the controls and other risk mitigation arrangements and assess their effectiveness at least annually. Where the directors identify material risks they consider the financial impact of these risks as part of the business planning and capital management and consider whether the amount of regulatory capital set aside for each risk is adequate.

Regulatory Capital

The Company is a limited liability company with a share capital as established in its articles of association. At 31 December 2020 the capital available for use in its business amounted to £1,238,477 comprising issued share capital of £60,100 and retained profits of £1,178,377. Further details of the Company's capital are set out in notes 10 to 12 of its financial statements for the year ended 31 December 2020.

The main features of the Firm's capital resources for regulatory purposes are as follows:

Capital item	£'000
Core Tier 1 Capital, less innovative tier 1 capital	1,344
Total Tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	-
	<hr/>
Total Capital Resources, net of deductions	1,344
	<hr/>

The Company is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable and cash at bank in foreign currency, and credit risk from management and performance fees receivable from the funds under its management. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk.

As discussed above the firm is a BIPRU limited licence firm and as such its capital requirements are the greater of:

- Its base capital requirement of €50,000; and
- Its fixed overhead requirement. At 31 December 2021 this amounted to £291,000.

FCA Remuneration Code (the "Code")

The Company is a proportionality tier four firm for the purpose of the Code. This disclosure relates to the year ended 31 December 2021.

Remuneration policy is the responsibility of the board and is determined in conjunction with senior executives of Notz, Stucki & Cie S.A. The policy aims to ensure that remuneration arrangements are consistent with, and promote, effective risk management, although the nature of the Company's business means that the Company's own balance sheet is not directly at risk.

The PMC considers remuneration in the context of a wide agenda including retention, recruitment, motivation and talent development and the external market environment. It also receives updates on regulatory developments and general remuneration issues, as well as market and benchmarking data.

Information on the relationship between pay and performance.

The various components of total remuneration, which comprise base salary, discretionary bonus and benefits, are considered and are balanced appropriately having regard to the role fulfilled by each particular individual.

NOTES TO THE ACCOUNTS

All Monetary Amounts Expressed in Pounds Sterling

Unaudited Appendix to the Financial Statements

(Continued)

Group, Company and individual performance are all contributors to the determination of discretionary bonus awards. The principal objective in determining variable bonus awards is to reward individual performance whilst ensuring that such payments are warranted given business results. In this context performance can include financial and non-financial measures, risk measures and other relevant factors.

Quantitative information on remuneration

The Company considers that it has a single business. The average number of people employed by the Company during the year was 4 (2020 - 5) and their total remuneration was £1,170,502. This includes the aggregate remuneration of the Company's Code Staff who numbered 3. Their total remuneration was £783,864.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.