

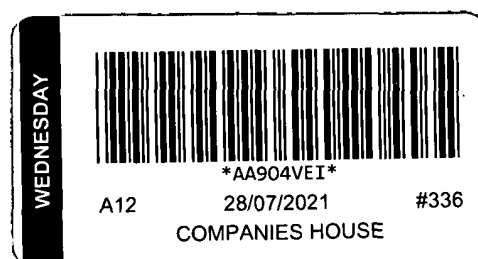
FP Asset Management Holdings Limited

(Registered Number 2999393)

Annual Report & Financial Statements
for the year ended
31 October 2020

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FP ASSET MANAGEMENT HOLDINGS LIMITED

DIRECTORS AND ADVISERS

REGISTERED NUMBER:

2999393

DIRECTORS:

P J Doel
R A Watts

SECRETARY:

R D Burgin
95 Queen Victoria Street
London
EC4V 4HG

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

FP ASSET MANAGEMENT HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for FP Asset Management Holdings Limited (the Company) for the year ended 31 October 2020. The Company is part of the BMO Global Asset Management (BMO GAM) business within the BMO Financial Group.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as a holding company.

BUSINESS AND FINANCIAL REVIEW

Results

The Financial Statements show a loss for the 2020 financial year of £30,917 (2019: loss of £54,465).

Trading performance and development of the business

The Company incurred no operating expenses during 2020 compared to £3,023 of operating expense in 2019 comprising the annual audit fee. However, for the year ended 31 October 2020 the Company's audit fees were paid by BMO Asset Management (Holdings) plc, an intermediate parent company. Finance costs of £38,175 in 2020, compared to £64,226 in 2019, comprise interest payable on a loan owed to a fellow BMO Asset Management (Holdings) plc Group (the Group) subsidiary which continues to be based on the loan balance and the prevailing interest rate levels during the year. The decrease in interest payable resulted in a decrease in the loss after tax for 2020 to £30,917 (2019: loss of £54,465).

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.

Going concern

The Company has net liabilities of £844,960 at 31 October 2020 (31 October 2019: net liabilities of £814,043) as a result of losses made since 2009. Therefore, the Company is dependent on continuing finance being made available by its immediate parent company, BMO Asset Management (Holdings) plc, to enable it to continue operating and to meet its liabilities as they fall due. BMO Asset Management (Holdings) plc has provided support to the Company for those purposes. The Directors believe that it is therefore appropriate to prepare the Financial Statements on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors manage the risks of the Company as part of the overall risk management framework BMO GAM EMEA (Europe, the Middle East and Africa). Members of the BMO GAM EMEA Regional Committee are responsible for identifying and addressing any material or systematic issues or risks facing their areas of the business. 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.

Investment 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 a further impairment in the value of the Company's investments and have a potentially significant impact on the Company's financial results, the Directors consider this risk to be low at the reporting date.

FP ASSET MANAGEMENT HOLDINGS LIMITED

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Market risk (interest rate risk)

The Company is exposed to interest rate risk through market fluctuations in the variable rate of interest, impacting interest paid on a loan owed to a group subsidiary which is subject to interest based on LIBOR rates.

Credit risk

The Company is exposed to credit risk if a counterparty to a financial instrument is unable to pay, in full, amounts when due.

Other receivables at the reporting date are in respect of group relief receivable. As the Group's working capital is monitored on a group-wide basis, the risk of non-recovery is considered minimal.

The Group treasury policy limits the exposure to any one counterparty (in respect of cash and cash equivalents), recognising that each counterparty has been approved by the BMO GAM Counterparty Credit Committee.

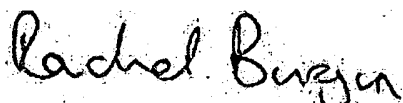
Liquidity risk

The treasury policy set by the Group only allows financial assets attributable to equity holders to be invested in low risk deposits or money market instruments where the risk of capital loss is low, with prior approval required for any exception to this principle.

While the Company has net liabilities of £844,960 at 31 October 2020 (31 October 2019: net liabilities of £814,043), it is recognised that these liabilities are intra-group with liquidity risk therefore considered to be low given the common overall ownership and control of the entities involved.

The overall 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, recognising that BMO Asset Management (Holdings) plc has agreed to provide financial support to the Company, if required, in order that it can meet any liabilities arising.

BY ORDER OF THE BOARD



R D Burgin
Secretary
22 July 2021

FP ASSET MANAGEMENT HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report and audited Financial Statements for the year ended 31 October 2020.

RESULTS AND BUSINESS REVIEW

The Company's results for the year ended 31 October 2020 are shown in the Income Statement on page 9. A Strategic Report for the same period is set out on pages 2 and 3. The Company recognised a loss for the 2020 financial year of £30,917 (2019: loss of £54,465).

DIVIDENDS

No dividends were approved or paid during the year ended 31 October 2020 (2019: £nil).

FUTURE DEVELOPMENTS

The Directors do not anticipate any major change in the principal 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	(appointed 18 February 2020)
D J Sloper	(resigned 16 January 2020)
R A Watts	

There have been no appointments or resignations of Directors since 31 October 2020.

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

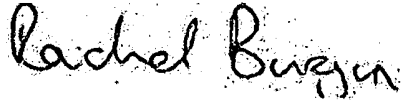
FP ASSET MANAGEMENT HOLDINGS LIMITED

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 that reads "Rachel Burgin". The signature is written in a cursive, flowing style.

R D Burgin
Secretary
22 July 2021

FP ASSET MANAGEMENT HOLDINGS 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.

FP ASSET MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FP ASSET MANAGEMENT HOLDINGS LIMITED

Opinion

We have audited the Financial Statements of FP Asset Management Holdings Limited ("the Company") for the year ended 31 October 2020 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 2020 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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.

FP ASSET MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FP ASSET MANAGEMENT HOLDINGS 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

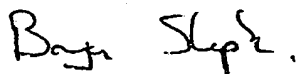
Auditor's responsibilities

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
22 July 2021

FP ASSET MANAGEMENT HOLDINGS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	2020 £	2019 £
Operating expenses	3	-	(3,023)
OPERATING LOSS		-	(3,023)
Finance income	5	6	8
Finance costs	6	(38,175)	(64,226)
LOSS BEFORE TAX		(38,169)	(67,241)
Tax income	7	7,252	12,776
LOSS FOR THE FINANCIAL YEAR		<u>(30,917)</u>	<u>(54,465)</u>

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 for the current or previous financial years. Accordingly, the loss for both financial years is the same as the total comprehensive expense for that year.

The notes on pages 12 to 19 form an integral part of these Financial Statements.

FP ASSET MANAGEMENT HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2020

(Registered Number 2999393)

	Notes	31 October 2020 £	31 October 2019 £
ASSETS			
Non-current assets			
Investments in subsidiaries	8	10,249,000	10,249,000
Current assets			
Other receivables	9	20,028	21,103
Cash and cash equivalents	10	3,151	3,145
Total current assets		<u>23,179</u>	<u>24,248</u>
TOTAL ASSETS		<u>10,272,179</u>	<u>10,273,248</u>
LIABILITIES			
Current liabilities			
Interest-bearing loans and borrowings	11	11,117,139	11,084,268
Other payables	12	-	3,023
TOTAL LIABILITIES		<u>11,117,139</u>	<u>11,087,291</u>
EQUITY			
Share capital	13	3,682,362	3,682,362
Retained earnings	14	(4,527,322)	(4,496,405)
TOTAL EQUITY		<u>(844,960)</u>	<u>(814,043)</u>
TOTAL LIABILITIES AND EQUITY		<u>10,272,179</u>	<u>10,273,248</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 22 July 2021.
They were signed on its behalf by:



R A Watts
Director

The notes on pages 12 to 19 form an integral part of these Financial Statements.

FP ASSET MANAGEMENT HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

	Share capital £	Retained earnings £	Total equity £
At 1 November 2018	3,682,362	(4,441,940)	(759,578)
Loss for the financial year and total comprehensive expense	-	(54,465)	(54,465)
At 31 October 2019	3,682,362	(4,496,405)	(814,043)
Loss for the financial year and total comprehensive expense	-	(30,917)	(30,917)
At 31 October 2020	3,682,362	(4,527,322)	(844,960)

The notes on pages 12 to 19 form an integral part of these Financial Statements.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ENTITY INFORMATION

FP Asset Management Holdings 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 BMO Asset Management (Holdings) plc, which prepares consolidated Financial Statements. The results of FP Asset Management Holdings Limited are included in the consolidated Annual Report and Financial Statements of BMO Asset Management (Holdings) plc, which are available from 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

The Company's Financial Statements are presented in Sterling, the Company's functional and presentational currency.

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 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, as best they can, 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 liabilities of £844,960 as at 31 October 2020, the Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

The Company is dependent on continuing finance being made available by its immediate parent company, BMO Asset Management (Holdings) plc, to enable it to continue operating and to meet its liabilities as they fall due. BMO Asset Management (Holdings) plc has agreed to provide sufficient funds for these purposes. BMO Asset Management (Holdings) plc has provided a letter of support to enable the entity to meet any liabilities as they fall due for at least 12 months from the date of the letter and approval of these Financial Statements. The Company's liabilities are all intra-group.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements, and therefore have prepared the Financial Statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

New and amended standards and interpretations

Several new and amended standards and interpretations apply for the first time in the year ended 31 October 2020, 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.

No significant estimates or judgements have been applied in the preparation of these Financial Statements.

Summary of significant accounting policies

(a) Finance income

Finance income comprises interest on bank accounts and 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 financial instrument to its net carrying amount.

(b) Finance costs

Finance costs comprise interest payable on a loan owed to a group subsidiary. These costs are recognised in the Income Statement on an EIR basis.

(c) Income tax

The income tax 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.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(d) Investments in subsidiaries

Investments in subsidiaries are held at cost less cumulative impairment. 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 group relief receivable and cash at bank.

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 expected credit losses (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.

The Company considers a financial asset to be in default when contractual payments are past due. 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.

FP ASSET MANAGEMENT HOLDINGS 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 a loan owed to a group subsidiary and amounts owed to the immediate parent company.

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) Cash and cash equivalents

Cash and cash equivalents comprise cash balances held in a current account with a bank.

(g) Share capital

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

3. OPERATING EXPENSES

Operating expenses in 2019 consist of auditor's remuneration of £3,023. The audit fees for the year ended 31 October 2020 of £3,674 were paid by BMO Asset Management (Holdings) plc, an intermediate parent company. No audit fees were recharged to the Company.

The Company had no employees during the year ended 31 October 2020 (2019: 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.

5. FINANCE INCOME

	2020 £	2019 £
Financial assets measured at amortised cost:		
Bank interest receivable	6	8

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FINANCE COSTS

	2020 £	2019 £
Financial liabilities recognised at cost using the EIR method:		
Interest payable on loan owed to group subsidiary	38,175	64,226

7. INCOME TAX

(a) Analysis of tax income in the year

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

	2020 £	2019 £
Current income tax:		
UK Corporation Tax		
Current tax on loss for the year	(7,252)	(12,776)
Tax income reported in the Income Statement	(7,252)	(12,776)

(b) Reconciliation of total tax income for the year

The tax assessed for the year ended 31 October 2020 is equal to the standard rate of Corporation Tax in the UK of 19% (2019: 19%) multiplied by the loss before tax for the year of £38,169 (2019: £67,241).

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

The current 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 2020 for the Company.

A future UK Corporation Tax rate reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016. The reduction in the UK Corporation Tax rate would have led to a Company statutory UK Corporation Tax rate of 17.83% for 2020 and 17% from 2021 onwards.

However, the Chancellor of the Exchequer's Budget on 11 March 2020 announced that the UK Corporation Tax rate would remain at 19% from 1 April 2020 rather than reduce to 17%, and this change was substantively enacted on 17 March 2020. The statutory UK Corporation Tax rate for the Company was therefore expected to remain at 19% from 2020 onwards.

In a further statement by the Chancellor of the Exchequer on 3 March 2021, it was announced that the UK rate of Corporation Tax will increase to 25% on 1 April 2023. This change was substantively enacted on 24 May 2021 and will result in a Company statutory UK Corporation Tax rate of 22.52% for 2023 and 25% from 2024 onwards.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENTS IN SUBSIDIARIES

	£
Cost:	
At 1 November 2018, 31 October 2019 and 31 October 2020	<u>16,000,000</u>
Cumulative impairment:	
At 1 November 2018, 31 October 2019 and 31 October 2020	<u>(5,751,000)</u>
Net book value:	
At 1 November 2018, 31 October 2019 and 31 October 2020	<u>10,249,000</u>

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 2020 and no impairment loss was recognised during the year.

The Company holds 100% of the ordinary share capital of BMO Asset Managers Limited, a company incorporated in England. BMO Asset Managers Limited's registered office is Exchange House, Primrose Street, London, EC2A 2NY.

9. OTHER RECEIVABLES

	31 October 2020 £	31 October 2019 £
Current:		
Group relief receivable	<u>20,028</u>	<u>21,103</u>

In the Directors' opinion there is no discernible difference between the carrying amount and fair value of the receivable balance disclosed due to the short-term maturity of this amount.

10. CASH AND CASH EQUIVALENTS

	31 October 2020 £	31 October 2019 £
Cash at bank	<u>3,151</u>	<u>3,145</u>

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

The Company determined that the expected credit losses on cash and cash equivalents were immaterial at both reporting dates. The fair value of cash and cash equivalents at the reporting dates is as shown above.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INTEREST-BEARING LOANS AND BORROWINGS

	31 October 2020 £	31 October 2019 £
Current:		
Loan owed to group subsidiary	11,117,139	11,084,268

The loan is from BMO AM Treasury Limited, a group subsidiary. The loan is unsecured, repayable on demand and is subject to interest at the 3-month LIBOR minus 0.25% margin.

In the Directors' opinion there is no discernible difference between the carrying amount and fair value of the payable balance disclosed due to the short-term maturity of this amount.

12. OTHER PAYABLES

	31 October 2020 £	31 October 2019 £
Current:		
Amounts owed to immediate parent company	-	3,023

In the Directors' opinion there is no discernible difference between the carrying amount and fair value of the payable balance disclosed due to the short-term maturity of this amount.

13. SHARE CAPITAL

	31 October 2020 £	31 October 2019 £
Authorised:		
20,000,000 Ordinary shares of £1 each	20,000,000	20,000,000
Issued and fully paid:		
3,682,362 Ordinary shares of £1 each	3,682,362	3,682,362

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

14. RESERVES

The analysis of movements in reserves is disclosed within the Statement of Changes in Equity on page 11.

Nature and purpose of reserves:

Retained earnings

Retained earnings comprise net profits and losses recognised through the Income Statement and dividend distributions.

FP ASSET MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent is BMO Asset Management (Holdings) plc, a company registered in Scotland.

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

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.

16. EVENTS AFTER THE REPORTING PERIOD

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 Company is part of the BMO Global Asset Management (Europe) Group (BMO GAM E Group), which forms a significant element of BMO's asset management business in EMEA. Therefore, as part of the broader transaction agreed with BMO, the BMO GAM E Group will transfer to become part of the Columbia Threadneedle Investments asset management business within Ameriprise.

The proposed transaction is subject to the satisfaction of certain regulatory approvals and other conditions. It is currently expected that this transaction would complete before the end of the 2021 calendar year.

While the proposed acquisition has had no impact on the Company's results for the year to 31 October 2020, or the financial position at that date, it could impact the results of the Company for the year to 31 October 2021 and beyond. Once the transaction completes, Ameriprise is expected to become the Company's ultimate parent.