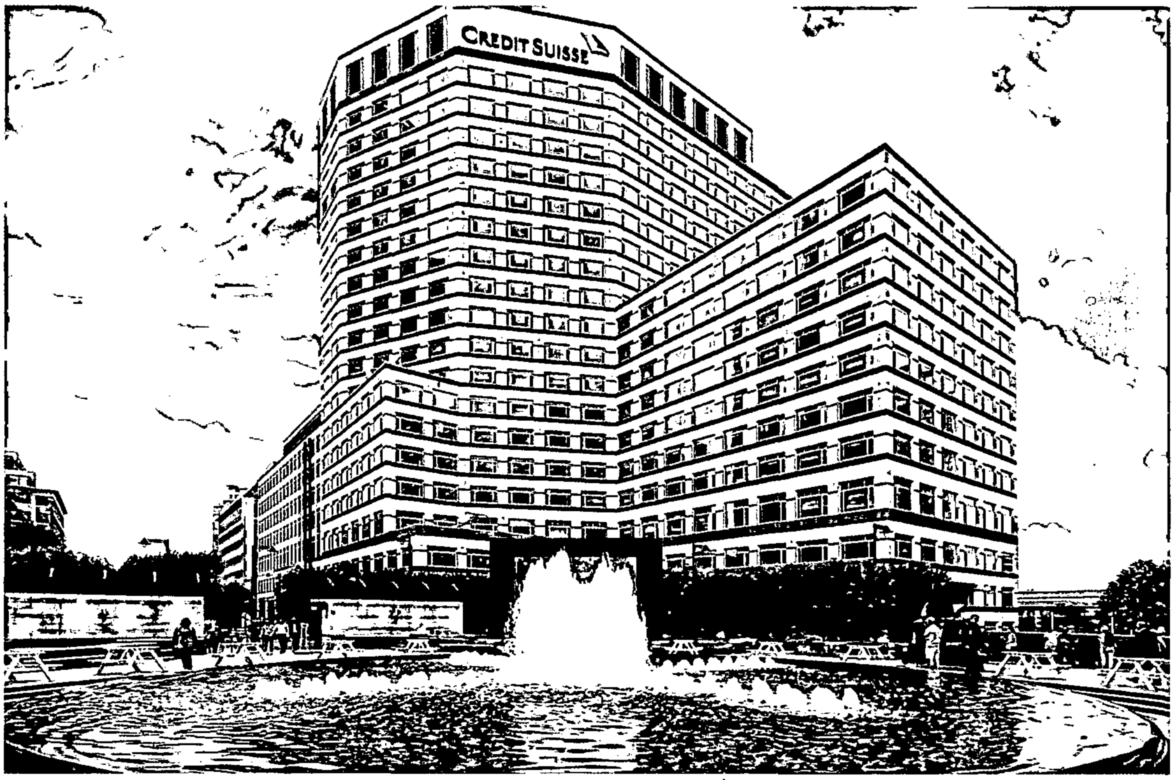
Credit Suisse Asset Management (UK) Holding Limited

CREDIT SUISSE

Annual Report 2020



Company Registration Number 03045295

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Company Information

Board of Directors as at 20 April 2021 (forms part of the Directors' Report)
Tracy Cherrington (Chair)
Marc Berryman
Caron Hughes

Company Secretary
Paul E. Hare

Company Registration Number
03045295

Registered Office
One Cabot Square London E14 4QJ

Independent Auditors
PricewaterhouseCoopers LLP 7 More London London SE1 2RT

Strategic Report

Credit Suisse Asset Management (UK) Holding Limited at a Glance

Business Model

Entity Structure

Credit Suisse Asset Management (UK) Holding Limited (the 'Company' or 'CSAMH') is a limited company domiciled in the United Kingdom ('UK'), and is partly (77.52%) owned by Credit Suisse AG ('CSAG') and partly (22.48%) by Credit Suisse Holding Europe (Luxembourg) S.A. CSAG is domiciled in Switzerland and its ultimate parent is Credit Suisse Group AG ('CSG'), which is the parent of a worldwide group of companies (collectively referred to as the 'CS group'). CSAG prepares financial statements under US Generally Accepted Accounting Principles ('US GAAP'). These accounts are publicly available and can be found at www.credit-suisse.com.

The principal activity of CSAMH is that of a holding company for its subsidiary, Credit Suisse Asset Management Limited ('CSAML'). CSAML is a limited company domiciled in the UK and is authorised and regulated by the Financial Conduct Authority ('FCA'). CSAML's principal activities are the provision of management and advisory services, placement agency and advisory services to third party private equity managers, and the provision of sales and marketing support to Credit Suisse's global Asset Management group via its distribution group.

Annual Report and Financial Statements

The CSAMH Annual Report and Financial Statements are presented in Great British Pounds ('GBP' and '£'), which is the functional currency of CSAMH. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006. The directors present their Annual Strategic Report, Directors' Report and the Annual Financial Statements for the year ended 31 December 2020. The Annual Financial Statements were authorised for issue by the directors on 20 April 2021.

Operating Environment

CSAMH is impacted by a range of political, macroeconomic, regulatory and accounting developments. The operating environment continues to evolve resulting in the need for CSAMH to continue evaluating, assessing and adapting its strategy.

Economic Environment

Operating conditions were impacted by unprecedented events primarily driven by the global COVID-19 pandemic as well as geopolitical and macroeconomic uncertainties relating to the UK's withdrawal from the EU as well as the U.S. Presidential Elections.

Performance

Key Performance Indicators ('KPIs')

CSAMH uses a range of KPIs to manage its financial position.

	2020	2019
Earnings and Profitability		
(Loss)/profit after tax (£k)	(1,545)	114
Statement of Financial Position		
Total Assets (£k)	164,340	162,801

Performance

Earnings and Profitability
For the year ended 31 December 2020, the Company reported a loss after tax of £1,545k (2019: profit of £114k).

The Company's operating expenses were £3,149k in 2020 (2019: £1,265k). The increase in the year relates mainly to the transfer into the company of the employees for the Private Credit Opportunities ('PCO') business. The Company transferred the PCO business to its subsidiary CSAML in December 2020 and at the close of 2020 there are no employees in the Company.

The QT Fund LTD was liquidated during April 2020, the Company redeemed its investment and recognised a loss of £39k.

Statement of Financial Position
As at 31 December 2020, CSAMH had total assets of £164,340k (2019: £162,801k) and total equity of £158,698k (2019: £160,243k).

Principal Risks and Uncertainties

CSAMH is a holding company and its main risk is that of impairment of its investment in its subsidiary, CSAML. CSAMH also faces credit risk on its receivables, which are primarily from other CS group companies. CSAMH's financial risk management objectives and policies are outlined in Note 21 - Financial risk management. The risks for CSAMH are actively managed within its subsidiary.

Significant risks

a) Conduct risk

Conduct risk is the risk that the conduct of Credit Suisse, its employees, associates or representatives gives rise to:

- Financial or non-financial detriment to clients, customers, or counterparties, whether dealt with directly or via third parties;
- Damage to the integrity of the financial markets;
- Ineffective competition in the markets in which Credit Suisse participates; or
- Non-compliance with the law or the requirements and expectations of regulators, shareholders or other relevant stakeholders (e.g. Government bodies and tax authorities).

b) Reputational risk

Reputational risk is the risk arising from negative perception on the part of CSAMH's and its subsidiary, CSAML's stakeholders (i.e., customers, counterparties, shareholders, employees, regulators) that can adversely affect CSAMH's and its subsidiary ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

CSAMH and its subsidiary operates under the policies and procedures of CS group for the management and mitigation of reputational risk. CS group's policy is to avoid any action or transaction that brings with it a potentially unacceptable level of risk to its reputation. Reputational risk may arise from a variety of sources, including the nature or purpose of a proposed transaction, the identity or nature of a potential client, the regulatory or political climate in which the business will be transacted or significant public attention surrounding the transaction itself.

c) Country risk

Country risk is the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity, and/or currency markets.

d) Legal risk

The Company faces legal risks in its businesses. Legal risks include, among other things, disputes over the terms of trades and other transactions in which the Company participates; the unenforceability or inadequacy of the documentation used to give effect to transactions in which the Company participates; investment suitability concerns; compliance with the laws and regulations (including change in laws or regulations) of the many countries in which the Company does business. Some of these transactions or disputes may result in potential or actual litigation that the Company must incur legal expenses to defend.

The Company seeks to minimise legal risk through the adoption of compliance and other policies and procedures, continuing to refine controls over business practices and behaviour, employee training sessions, the use of appropriate legal documentation and the involvement of the Legal and Compliance department and outside legal counsel.

e) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk is inherent in most aspects of the Company's business, including the systems and processes that support its activities. It comprises a large number of disparate risks that can manifest in a variety of ways. Particularly relevant examples of operational risk include the risk of trade processing errors, business disruptions, and failures in regulatory compliance, defective transactions, and unauthorised trading events. Operational risk can arise from human error, inappropriate conduct, failures in systems, processes and controls, or natural and man-made disasters.

Outlook

COVID-19 has dramatically altered the day to day functioning of organisations across the global economy. CSAMH is closely monitoring the COVID-19 situation and the effects on its subsidiary. In addition, the company continues to monitor infection rates, and the vaccine roll out across the EMEA region.

UK EU Exit

There was minimal impact on CSAMH from the UK EU exit.

Liquidity

The CS group considers a strong and efficient liquidity position to be a priority. The CS group continues to provide confirmation that it will provide sufficient funding to CSAMH to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations.

Capital Resources

As the parent of a firm authorised and regulated by the FCA, CSAMH is required at all times to monitor and comply with the FCA's regulatory capital requirements. CSAMH has put in place processes and controls to monitor and manage its capital adequacy. No breaches were reported to the FCA during the year. Throughout 2020, CSAMH maintained a strong and stable capital position.

The Pillar 3 disclosures can be found separately at www.credit-suisse.com.

Corporate and Social Responsibility

Overview

For CS group, including CSAMH and CSAML, corporate responsibility is about creating sustainable value for clients, shareholders, employees and other stakeholders. Stakeholders are informed openly and transparently about the ways in which CS group addresses economic, environmental and social challenges in daily business activities, as well as about the principles that guide in the work that is done. The principles are enshrined in the CSG purpose statement and underpinned in the Code of Conduct and in the Conduct and Ethics Standards.

CSG publishes a comprehensive Corporate Responsibility Report which can be found at
https://www.credit-suisse.com/about-us/en/reports-research/corporate-responsibility-report.html

Environmental Matters

CS group believe that it is in the interests of CSAMH to develop and support measures that contribute to a more environmentally sustainable economy. These commitments are based on the Code of Conduct which includes a commitment to sustainability. The "Statement on Sustainability" explains the aims relating to the balancing of economic, environmental and social issues when performing financial services activities. The UN Global Compact and the Sustainable Development Goals adopted by the UN in 2015 are other important points of references.

CSG publishes a comprehensive Sustainability Report which can be found on CS group's website at www.credit-suisse.com/sustainabilityreport. The Sustainability Report describes how CS group including CSAML, assumes its various responsibilities towards society and the environment.

Further information:
- Risk Management and Sustainability: www.credit-suisse.com/riskmanagement
- Addressing Climate Change: www.credit-suisse.com/climate
- Responsible Investments Products and Services: www.credit-suisse.com/conservationfinance
- Environmental Management: www.credit-suisse.com/environmentalmanagement

Economy and Society

The primary function of CS group is to be a reliable and professional partner to the clients around the world, offering them a range of financial products and services to meet their individual needs. In this context, CS group performs functions that are viewed as systemically relevant, including deposit-taking and lending. CS group plays an important role as a financial intermediary, bringing together borrowers and lenders of capital globally, from companies and public sector bodies to private individuals and institutions. CS group supplies businesses with the capital resources they need to expand their activities and finance innovation, thus helping to drive economic growth and job creation.

In addition to its core banking activities, CS group including CSAMH is committed to acting as a reliable partner and to making a targeted contribution to economic and social development in the regions where CS group operate. CS group, together with the Credit Suisse EMEA Foundation, recognise Financial Inclusion, Financial Education and Future Skills as effective tools to promote economic growth and social change and as a means of helping people to help themselves.

More details can be found at www.credit-suisse.com/responsibility/society.

Employee Matters

CSAMH is an equal opportunity employer, focused on Diversity and Inclusion, supported by a global Conduct and Ethics framework, and has initiatives in place to support the wellbeing, work life balance and career goals for all employees.

During 2020 CS group, including the Company, has been focused in particular on supporting employee wellbeing during the current pandemic, with a wide range of events made available to all employees including sessions on sleep, resilience, positivity, nutrition, exercise, managing stress etc. There is an active wellbeing and care network and over 100 people trained as mental health first aiders to offer peer support. In 2020, a Virtual GP provision was implemented, along with 'Stronger Minds', a medical pathway to support employees experiencing mental health issues, without the need to see a GP first. Additional measures introduced in 2020 to support employees included 'Family Leave', which was introduced in March for all employees to support those unable to work from home whilst also looking after children or other family members; employees were also able to requisition equipment to help them work more effectively from home (IT, desks, chairs etc.).

CS group is committed to keeping employees informed of changes within the organisation, including but not limited to, financial and economic factors affecting the performance of CS group, including CSAMH and CSAML. This is achieved using many different approaches, such as regular town hall meetings and Q&A sessions with senior management, podcasts, divisional and functional line management meetings, webcasts, intranet updates and email bulletins focussing on specific issues. Additionally, during 2020, employees were consulted on the changes made to the office working environment for staff voluntarily re-entering the workplace during the pandemic, along with four Pulse Surveys to gauge their views on whether they felt supported and informed throughout the year.

Modern Slavery and Human Trafficking

In its role as an employer, and as a user and provider of services, CS group is committed to human rights and respects them as a key element of responsible business conduct. CS group voluntarily pledged to uphold to international human rights-related agreements, including: Equator Principles, Principles for Responsible Investment and UN Global Compact.

CSAMH adopts a number of internal policies, commitments and controls which are already in place and help to eradicate modern slavery and human trafficking in the supply chain and across the business. In addition, the CS group Supplier Code of Conduct aims to ensure that the CS group's external business partners, including their employees, subsidiaries and subcontractors, respect human rights, labour rights, employment laws and environmental regulations. In 2016, CS group introduced a formal Third Party Risk Management ('TPRM') framework to scrutinise and monitor the operational, financial and reputational risk associated with third party relationships. The TPRM framework provides for structured due diligence assessments of all suppliers to identify where modern slavery and human trafficking risks may exist. CSAMH operates within this framework in respect of its supplier relationships.

The complete statement, made pursuant to section 54, Part 6 of the Modern Slavery Act 2015, is publicly available and can be found at www.credit-suisse.com/humanrights.

Anti-Corruption and Bribery Matters

CS group, including CSAMH, strives to prevent the improper use of products and service by third parties. As part of the efforts to fulfil its due diligence requirements, CS group uses strict internal control policies, which govern topics such as business relations with politically exposed persons, the prevention of money laundering and terrorist financing, and adherence to applicable economic and trade sanctions laws. Furthermore, the CS group is actively involved in the development and implementation of industry standards to combat money laundering and corruption.

CSAMH employees were required to regularly complete mandatory online training courses on topics ranging from the prevention of money laundering, terrorist financing and corruption to compliance with economic sanctions. Additionally, employees have a duty to report concerns of potential legal, regulatory or ethical misconduct to their line managers or to Financial Crime Compliance and Regulatory Affairs. Employees worldwide also have the option of calling a CS group Integrity Hotline, where they can report such issues anonymously, where permitted by local law.

Corporate Governance

Members of the Board

The Board of Directors ('Board') is responsible for governance arrangements that ensure effective and prudent management of CSAMH, including the segregation of duties and the prevention of conflicts of interest.

For further information on the changes in the directorate, please refer to the Directors' Repot.

Board Responsibility

The directors are ultimately responsible for the effectiveness of internal controls. Policies and procedures have been designed for safeguarding assets; for maintaining proper accounting records; and for assuring the reliability of financial information used within the business and for that provided to external users. Such policies and procedures are designed to mitigate and manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. Internal control procedures for the ongoing identification, evaluation and management of the significant risks faced by CSAMH have been in place throughout the year and up to the date of approval of the Annual Report and Financial Statements for 2020.

The Board receives regular reports on key risks and strategic matters - including those pertaining to its subsidiary, CSAML - that need to be brought to its attention. Significant risks identified in connection with the development of new activities are subject to consideration by the Board.

Board Diversity

CSAMH recognises and embraces the benefits of building a diverse and inclusive culture and having a diverse Board. A diverse Board will include and make good use of differences in the skills, regional and industry experience, independence and knowledge, background, race, gender and other distinctions between directors. The Board considers these attributes in determining the optimum composition of the Board and when possible will be balanced appropriately. Since Timothy Bradshaw's resignation in September 2020, the Board has a majority female representation; the Board continues to monitor its diversity through periodic reviews of structure, size, composition and performance.

Board Meetings

Eight Board Meetings were held in 2020, including four ad hoc Board Meetings. All Members of the Board are expected to spend the necessary time outside of these meetings needed to discharge their responsibilities appropriately. The Chair calls the meetings with sufficient notice and prepares an agenda for each meeting. The Chair has the discretion to invite Members of management or others to attend the meetings. The directors attended all Board Meetings.

On behalf of the Board

Tracy Cherrington
Director

One Cabot Square
London E14 4QJ
22 April 2021

Directors' Report

Directors

The names of the directors as at the date of this report are set out on page 3. Changes in the directorate from 1 January 2020 to the date of this report are as follows:

Appointment:
- Caron Hughes was appointed on 10 March 2020; and
- Marc Berryman was appointed on 12 June 2020.

Resignation:
- Stephen Foster resigned on 29 May 2020; and
- Timothy Bradshaw resigned on 3 September 2020.

None of the directors who held office at the end of the financial year were directly beneficially interested, at any time during the year, in CSAMH's shares. CSAMH's directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. Stephen Foster continues to serve as a Senior Advisor.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare CSAMH's Financial Statements for each financial year. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

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, relevant and reliable;
- 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 its 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 a 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.

Fair, Balanced and Understandable

The directors confirm to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair, balanced and understandable view of the assets, liabilities, financial position and profit or loss of CSAMH and the undertakings; and
- The Strategic Report includes a fair, balanced and understandable review of the development and performance of the business and the position of CSAMH and the undertakings, together with a description of the principal risks and uncertainties faced.

Risk and Capital

The way in which the risks are managed is detailed in the Strategic Report, and the risks are detailed in Note 21 - Financial risk management. Changes made to the capital structure are set out in Note 15 - Called-up share capital.

Dividends

No dividends were paid or are proposed for the year ended 31 December 2020 (2019: £nil).

Political Donations

No political donations were made or political expenditure incurred during the 2020 financial year (2019: nil).

Independent auditors

During 2020, the Board and shareholders approved PricewaterhouseCoopers LLP ('PwC') as the new statutory auditors for CSAM Holding, effective for the fiscal year ending 31 December 2020.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which CSAMH's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and establishing that CSAMH's auditors are aware of that information.

Exemption from Preparation of Group Accounts

Pursuant to section 401 of the Companies Act, 2006, CSAMH is exempt from preparing and delivering group financial statements as the company is a wholly-owned indirect subsidiary of CSG, incorporated in Switzerland, which prepares consolidated financial statements.

Subsequent events

Subsequent events following the year ended 31 December 2020 are set out in Note 23 - Subsequent events.

On behalf of the Board

Tracy Cherrington
Director

One Cabot Square
London E14 4QJ
22 April 2021

Report on the audit of the financial statements

Opinion

In our opinion, Credit Suisse Asset Management (UK) Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2020; Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

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

In preparing the financial statements, the members 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls),and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting and other relevant Committee minutes to identify any significant or unusual transactions or other matters that could require further investigation;
- Challenging assumptions and judgements made by management in determining significant accounting estimates, in particular those related to the recoverable amount of investments in subsidiaries; and
- Identifying and testing journal entries, including those posted with particular descriptions, relating to particular dates or with other unusual characteristics.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Nick Morrison

Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 April 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		£000	£000
Interest income	4	21	127
- of which relates to financial instruments held at amortised cost		21	127
Interest expense	4	(4)	(49)
- of which relates to financial instruments held at amortised cost		(4)	(49)
Net interest income		**17**	**78**
Management advisory, performance and other service fees	5	1,159	1,366
Allowance for credit losses	6	2	(1)
Net revenue		**1,178**	**1,443**
Operating expenses	7	(3,149)	(1,265)
(Loss)/gain on equity method investment		(39)	7
Net foreign exchange gain/(loss)		23	(13)
(Loss)/Profit before tax		**(1,987)**	**172**
Income tax benefit/(expense)	8	442	(58)
(Loss)/Profit after tax		**(1,545)**	**114**
(Loss)/Profit attributable to equity holders of the Company		**(1,545)**	**114**

There were no items of other comprehensive income during the year.

The notes on pages 22 to 44 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Assets			
Cash and due from banks	9	29,653	26,700
Current tax assets		30	567
Amounts owed by CS group companies	10	1,298	2,423
Other receivables	11	5	—
Deferred tax assets	8	1,435	891
Equity method investment		—	301
Investment in subsidiary	12	131,919	131,919
Total assets		**164,340**	**162,801**
Liabilities			
Amounts owed to CS group companies		601	964
Other liabilities	13	4,987	1,544
Short-term borrowings	14	54	50
Total liabilities		**5,642**	**2,558**
Total equity			
Called-up share capital	15	144,199	144,199
Share premium account		23,198	23,198
Capital reserve		114,617	114,617
Accumulated losses		(123,316)	(121,771)
Total equity		**158,698**	**160,243**
Total liabilities and equity		**164,340**	**162,801**

The notes on pages 23 to 44 form an integral part of these Financial Statements.

Approved by the Board on 20 April 2021 and signed on its behalf by

Tracy Cherrington
(Director)

COMPANY REGISTRATION NUMBER: 03045295

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

	Called-up share capital	Share premium	Capital reserve	Accumulated losses	Total shareholders' equity
	£000	£000	£000	£000	£000
Balance as at 1 January 2020	**144,199**	**23,198**	**114,617**	**(121,771)**	**160,243**
Net loss for the year	—	—	—	(1,545)	**(1,545)**
Balance as at 31 December 2020	**144,199**	**23,198**	**114,617**	**(123,316)**	**158,698**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called-up share capital	Share premium	Capital reserve	Accumulated losses	Total shareholders' equity
	£000	£000	£000	£000	£000
Balance as at 1 January 2019	**144,199**	**23,198**	**114,617**	**(121,885)**	**160,129**
Net profit for the year	—	—	—	114	**114**
Balance as at 31 December 2019	**144,199**	**23,198**	**114,617**	**(121,771)**	**160,243**

The notes on pages 23 to 44 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
(Loss)/Profit before tax for the year		(1,987)	172
Adjustments to reconcile (loss)/profit before tax to net cash generated from/(used in) operating activities			
Non-cash items included in (loss)/profit before tax:			
Allowance for credit losses	6	(2)	1
Unrealised loss/(gain) on equity method investment		40	(7)
Net foreign exchange loss		73	46
Cash (used in)/generated from before changes in operating assets and liabilities		**(1,876)**	**212**
Amount owed by CS group companies	10	1,127	(1,281)
Other receivables	11	(5)	7
Net increase/(decrease) in operating assets		**1,122**	**(1,274)**
Amount owed to CS group companies		(363)	348
Other liabilities	13	3,443	(644)
Net increase/(decrease) in operating liabilities		**3,080**	**(296)**
Payment of withholding tax		(8)	—
Group relief received		443	971
Net cash generated from/(used in) operating activities		**2,761**	**(387)**
Cash flows from investing activities			
Equity method investment		278	252
Net cash generated from investing activities		**278**	**252**
Cash flows from financing activities			
Issuance of short-term borrowings	14	4	—
Repayment of short-term borrowings	14	—	(3)
Net cash generated from/(used in) financing activities		**4**	**(3)**
Net increase/(decrease) in cash and cash equivalents		**3,043**	**(138)**
Cash and cash equivalents at the beginning of the year	9	26,700	26,868
Effect of exchange rate fluctuations on cash and cash equivalents held		(90)	(30)
Cash and cash equivalents at the end of the year		**29,653**	**26,700**

The notes on pages 23 to 44 form an integral part of these Financial Statements.

Notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General

Credit Suisse Asset Management (UK) Holding Limited is a company domiciled in the United Kingdom. The address of the Company's registered office is One Cabot Square, London E14 4QJ. The Financial Statements were authorised for issue by the directors on 20 April 2021.

2. Significant accounting policies

a) Statement of compliance

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group financial statements as the Company is a wholly-owned indirect subsidiary of CSG, incorporated in Switzerland, which prepares Consolidated Financial Statements.

b) Basis of preparation

The Company's financial statements are presented in Great British Pounds ('£' or 'GBP') rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments designated by the Company as at fair value through profit and loss. The accounting policies set out below have, unless otherwise stated, been consistently applied to all the periods presented in these Financial Statements.

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Critical accounting estimates and judgements applied to these Financial Statements are set out in Note 3 – Critical accounting estimates and judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

Certain reclassifications and remeasurements have been made to the prior year financial statements of the Company to conform to the current year's presentation and none had any impact on net (loss)/profit or total equity of the Company.

An adjustment was made to the disclosure within note 21. Financial risk management section c. Liquidity risk and note 22. Non-current assets and liabilities to the financial statements. Please refer to the notes for further details.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

Credit Suisse AG continues to provide confirmation that it will provide sufficient funding to CSAMH to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future. Consequently, the directors are confident that CSAMH 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.

CFO has reassessed the financial and capital plan of CSAMH's subsidiary, CSAML, in light of the recent market developments caused by COVID-19. This reassessment was completed with reference to the stress testing processes within the subsidiary's ICAAP, in conjunction with sensitivity analysis, to review the adequacy of capital and liquidity.

All these measures support the going concern of CSAMH.

Standards and Interpretations effective in the current period

The Company has adopted the following amendments in the current year:

- **Amendment to definition of Business (IFRS 3):** In October 2018, the IASB issued 'Definition of a Business' (Amendments to IFRS 3) to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. The Company adopted the Amendments to IFRS 3 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.
- **Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform:- Phase 1:** In September 2019, the IASB issued 'Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 39 and IFRS 7) in order to address the financial reporting consequences of the interest rate benchmark reform in the period before the replacement of an existing interest rate benchmark with an alternative reference rate. The amendments are effective for annual periods beginning on or after 1 January 2020. The Company adopted the Amendments to IFRS 9, IAS 39 and IFRS 7 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

Standards and Interpretations endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective and have been endorsed by the EU.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform:- Phase 2:** In August 2020, IASB issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform- Phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) in order to address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for business combinations occurring in reporting periods starting on or after 1 January 2021. Earlier application is permitted. The amendments will not have an impact to the Company's financial position, results of operation or cash flows.

  Certain remeasurements and reclassifications have been made to the comparative Financial Statements of the Company to confirm to the current year's presentation and had no impact on net (loss)/profit or total equity. These remeasurements and reclassifications are not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

c) Financial assets and liabilities

Financial assets are classified on the basis of two criteria: 1) the business model of why the financial assets are held and how they are managed and 2) the contractual cash flow characteristics of the financial asset. These factors determine whether the financial assets are measured at Amortised Cost, Fair value through Other Comprehensive Income ('FVOCI') or Fair value through Profit & Loss ('FVTPL').

Financial liabilities include intra-group borrowings and payables. Intra-group borrowings, demand deposits and payables are recognised initially at fair value net of transaction costs. These liabilities are subsequently stated at amortised cost using the effective interest rate method. Financial liabilities are classified as current unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

d) Impairment of financial assets

The impairment requirements apply primarily to financial assets measured at amortised cost and fair value through other comprehensive income. The impairment requirements are based on a forward-looking expected credit Loss ('ECL') model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. This requires considerable judgement over how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

Impairment on receivables
Receivables are initially recorded at fair value, plus any directly attributable transaction costs and subsequently are amortised on an effective interest method, less impairment losses. In the event of an impairment loss the effective interest will be re-estimated. When calculating the effective interest, the Company estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transactions costs but not future credit losses.

e) Revenue

The Company has an inter-company cost recharge and fee sharing arrangement which covers all direct and indirect costs incurred in the connection with the rendering of services as well as a profit sharing fee related to the QT Fund's UK business. The QT Fund may generate performance fees which crystallizes at year-end, a portion of which is shared with the Company.

f) Dividends

Dividends on ordinary shares would be recognised as a liability and deducted from equity when they are declared.

g) Cash and due from banks

For the purpose of preparation and presentation of the Statement of Cash Flows, cash and cash equivalents comprise the components of cash and due from banks that are short term, highly liquid instruments with original maturities of three months or less which are subject to an insignificant risk of changes in their fair value and that are held or utilised for the purpose of cash management.

Cash and cash equivalents are measured at amortised cost and are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

h) Income tax

Income tax recognised in the Statement of Comprehensive Income for the year comprises current and deferred taxes.

Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the Statement of Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date. Withholding taxes are also treated as income taxes.

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group company. The surrendering company will be compensated in full for the value of the tax losses surrendered to the claimant company. The surrendering entity will show a benefit received for the losses surrendered which will be recorded as a reduction to current tax expense and taxes payable whereas the claimant entity will have an increase in current tax expense and taxes payable respectively.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The principal temporary differences arise from deferred compensation. The amount of deferred tax provided is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities in the Statement of Financial Position, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. A deferred tax liability is recognised on taxable temporary differences arising on un-remitted earnings of subsidiary except to the extent that it is probable that such temporary differences will not reverse in the foreseeable future.
Information as to the calculation of income tax on the profit or loss for the periods presented is included in Note 8 - Taxation.

i) Foreign currency

The Company's functional currency is GBP. Transactions denominated in currencies other than GBP are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to GBP at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates.

j) Interest income and expense

Interest income and expense is recognised for all financial assets and liabilities measured at amortised cost using the effective interest method.

k) Other receivables

Other receivables are initially recorded at fair value, plus any directly attributable transaction costs and subsequently are amortised on an effective interest method, less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

l) Allocation of expenditure

Administrative expenses include amounts recharged from other CSG subsidiary undertakings on a basis which appropriately reflects the costs applicable to the Company.

m) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date. The fair value measurement guidance establishes a single authoritative definition of fair value and sets out a framework for measuring fair value. Fair value can be based on: quoted market prices (unadjusted); observable inputs other than quoted prices; or unobservable inputs. The inputs that are used to calculate the fair value, determine which level of the fair value hierarchy the instrument is categorised in.

n) Contingent liabilities

Contingent liabilities are possible obligations that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or are present obligations where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation, cannot be measured with sufficient reliability. A contingent liability is not recognised as a liability but is disclosed, unless the possibility is remote, except for those acquired under business combinations, which are recognised at fair value.

o) Provisions

Provisions are recognised for present obligations as a result of past events which can be reliably measured, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. The expense recognised when provisions are established is recorded in general and administrative expenses on the statement of comprehensive income. Provisions for loan losses are recorded in provision for credit losses in the Statement of Comprehensive Income.

p) Investment in subsidiary

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the financial statements for the Company, investments in subsidiaries are recorded at cost and are assessed for impairment on an annual basis. Any charges relating to the impairment of investments in subsidiaries are recognised in the Statement of Comprehensive Income in the period in which the impairment occurs. When investments are disposed, the profit or loss resulting from the disposal is recognised in the statement of comprehensive income. Pre-acquisition dividends received from subsidiary undertakings are treated as a reduction in the value of the subsidiary.

Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

q) Equity method Investments

The Company had made an investment in the QT Fund Ltd for the purposes of hedging deferred compensation liability associated with the Notional Co-Investment Awards ('NCIA') provided to certain QT UK employees, the company sold this investment in April 2020. NCIA represent a general, unsecured obligation of the CS group to pay an amount of cash equal to the value of a hypothetical investment in the QT Fund Ltd. The investment was accounted for as an equity method investment and was initially recorded at cost.

3. Critical accounting estimates and judgements

Management is required to make certain accounting estimates to ascertain the value of assets and liabilities in order to prepare the financial statements in accordance with IFRS. These estimates are based upon judgement and the information available at the time. Actual results may differ materially from these estimates. Management believes that the estimates and assumptions used in the preparation of the financial statements are reasonable and consistently applied.

Management believes that the critical accounting estimates discussed below involve the most significant judgements and assessments. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

Income taxes

Deferred tax valuation

Deferred tax assets and liabilities are recognised to reflect the estimated amounts of income tax recoverable/ payable in future periods in respect of temporary differences and unused carry forward of tax losses. For temporary differences, a deferred tax asset is recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax asset is recognised on unused carry forward tax losses to the extent that it is probable that future taxable profits will be available against which the unused carry forward tax losses can be utilised.

Key Judgements
Periodically, the Company's management evaluates the probability that taxable profits will be available against which the deductible temporary differences and unused carry forward tax losses can be utilised. Within this evaluation process, the Company's management also considers tax-planning strategies. The evaluation process requires significant management judgement, primarily with respect to projecting future taxable profits.

For further information please refer to Note 8. Taxation

4. Interest income and interest expenses

Interest income is earned on cash and cash equivalents held with other CS group companies. Interest expense incurred relates to negative interest on deposits with other CS group companies

5. Management advisory, performance and other service fees

The management advisory, performance and other service fees comprises of a fee sharing arrangement with Credit Suisse Asset Management LLC, whereby the Company recovers all costs associated with the QT UK business.

6. Allowance for credit losses

The allowance for credit losses on amounts owed by CS group companies is £(2)k (2019: £1k)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Operating expenses

The following table sets forth the details of compensation:

	2020	2019
	£000	£000
Salaries and bonuses	(1,471)	(1,008)
Social security	(773)	(55)
Pension	(83)	(71)
Other*	(129)	(19)
Total Compensation	**(2,456)**	**(1,153)**

* Other includes personnel cost of £76k and restructuring cost of £53k.

The following table sets forth the details of other (expenses)/income:

	2020	2019
	£000	£000
Occupancy[1]	(226)	—
Travel and entertainment	(15)	(17)
Professional services	(1,630)	(859)
Market data	(47)	(183)
Expenses reimbursed (to)/by other CS group companies	(151)	16
Expenses reimbursed by the Company's subsidiary	1,629	1,036
Others[2]	(253)	(105)
Net other expenses	**(693)**	**(112)**
Total operating expenses	**(3,149)**	**(1,265)**

[1] represents an allocation of charges from fellow CS group companies.

[2] others primarily include UK Bank Levy of £87k and VAT expenses £26k.

The Company charges certain costs to its subsidiary, including deferred compensation expenses, in respect of a range of administrative services.

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than a trivial amount of their remuneration relates to the qualifying services provided to the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Taxation

a) Analysis of tax benefit/(charge) for the year

	2020	2019
	£000	£000
Current tax		
Current tax for the period	(107)	125
Adjustments in respect of previous periods	5	18
Total current tax (charge)/benefit	**(102)**	**143**
Deferred tax		
Origination and reversal of temporary differences	439	(162)
Adjustments in respect of previous periods	(5)	(39)
Effect of changes in tax rates	110	—
Total deferred tax benefit/(charge)	**544**	**(201)**
Income tax benefit/(charge)	**442**	**(58)**

The income tax benefit/(charge) for the year can be reconciled to the (loss)/profit per the statement of comprehensive income as follows:

	2020	2019
	£000	£000
(Loss)/Profit before tax	(1,987)	172
(Loss)/Profit before tax multiplied by the UK statutory rate of corporation tax at the rate of 19% (2019: 19%)	377	(32)
Non-deductible expenses	(33)	(24)
Adjustments to current tax in respect of previous periods	5	18
Adjustments to deferred tax in respect of previous periods	(5)	(39)
Irrecoverable foreign taxes	(7)	—
Effect on deferred tax resulting from changes to tax rates	110	—
Impact of differential in deferred tax rate and statutory tax rate	(5)	19
Income tax benefit/(charge)	**442**	**(58)**

b) Deferred taxes

Deferred tax assets are recognised on deductible temporary differences and tax loss carry forwards only to the extent that realisation of the related tax benefit is probable.

The movement for the year on the deferred tax position was as follows:

	2020	2019
	£000	£000
Opening Balance	891	1,092
Benefit/(charge) to income for the year	439	(162)
Adjustments in respect of previous periods	(5)	(39)
Effect of change in tax rate	110	—
At the end of the year	**1,435**	**891**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Deferred tax assets are attributable to the following items:

	2020	2019
	£000	£000
Deferred tax assets		
Decelerated tax depreciation	675	737
Employee benefits	760	5
Other short-term temporary differences	—	149
At the end of year	**1,435**	**891**

The deferred tax (benefit)/charge in the statement of comprehensive income are comprised of the following temporary differences:

	2020	2019
	£000	£000
Decelerated tax depreciation	62	162
Employee benefits	(606)	2
Other short-term temporary differences	—	37
Total deferred tax (benefit)/charge in the statement of comprehensive income	**(544)**	**201**

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 19%.

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

9. Cash and due from banks

	2020	2019
	£000	£000
Cash and due from banks	29,653	26,700
Total cash and due from banks	**29,653**	**26,700**

Cash and due from banks are entirely held with CS group companies. The provision for expected credit losses in respect of cash and amounts due from banks is not material.

10. Amounts owed by CS group companies

	2020	2019
	£000	£000
Amount owed by CS group companies	1,298	2,425
Provision for expected credit losses	—	(2)
Net Amount	**1,298**	**2,423**

The amount owed by CS group companies can be paid on demand, however, in practice they are settled periodically.

11. Other receivables

Other receivables amounted to £5k during the year 2020 which relates to VAT receivable (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Investment in subsidiary

The Company has the following investment in a subsidiary as at 31 December 2020.

Direct subsidiary:	Nature of Business	Status
Credit Suisse Asset Management Limited	Management of a range of asset classes and investment vehicles	Going concern

Impairment of investment in subsidiaries

There were no indicators of impairment identified during the year ending 31 December 2020 (2019: Nil) and therefore no impairment of the investment in the subsidiary was deemed necessary.

	2020	**2019**
	£000	£000
Carrying value at 1 January	131,919	131,919
Carrying value as at 31 December	**131,919**	**131,919**

13. Other liabilities

	2020	**2019**
	£000	£000
Deferred compensation	4,087	1,056
Bonus and social security on bonus	43	167
Accrued operating expenses	804	321
Restructuring liability	53	—
Total other liabilities	**4,987**	**1,544**

14. Short-term borrowings

Short-term borrowings of £54k (2019: £50k) are held with CS group companies.

15. Called-up share capital

	2020		**2019**	
	No of Shares	**£000**	**No of Shares**	**£000**
Authorised:				
Ordinary shares of £1 each	150,000,000	150,000	150,000,000	150,000
Called up, allotted, fully paid:				
Ordinary shares of £1 each	144,198,587	144,199	144,198,587	144,199

The Company's wholly-owned subsidiary, CSAML, is authorised and regulated by the FCA and as a consequence the Company heads up a UK regulatory consolidation group. Although the Company is not regulated in its own right, it must have regard to the regulatory capital requirements of both its regulatory consolidation group and that of CSAML.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Related party transactions

The Company is an indirectly wholly-owned subsidiary of the ultimate parent company, Credit Suisse Group AG, which is incorporated in Switzerland. Copies of group financial statements of Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland.

The following table sets forth the details of related party balances and transactions:

a) Related party assets and liabilities

	2020	2019
	£000	£000
	Parent, Subsidiary and Fellow subsidiary	Parent, Subsidiary and Fellow subsidiary
Assets		
Cash and due from banks	29,653	26,700
Investment in subsidiary	131,919	131,919
Amounts owed by CS group companies*	1,298	2,425
Total assets	**162,870**	**161,044**
Liabilities		
Short-term borrowings	54	50
Amounts owed to CS group companies	601	964
Other Liabilities	—	(17)
Total liabilities	**655**	**997**

* The Amounts owed by CS group companies of £1,298k (2019: £2,425k) do not include a provision for expected credit losses of £0k (2019: £2k).

b) Related party revenues and expenses

	2020	2019
	£000	£000
	Parent, Subsidiary and Fellow subsidiary	Parent, Subsidiary and Fellow subsidiary
Net interest income	17	78
Management advisory, performance and other service fees	1,159	1,366
Total operating revenues	**1,176**	**1,444**
Operating expenses	1,893	768
Cost allocation to subsidiary	-1629	(1,036)
Total operating expenses	**264**	**(268)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Employee Share-based Compensation and Other Compensation Benefits

Payment of deferred compensation to employees is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, granting deferred compensation is solely at the discretion of the Compensation Committee and senior management. Special deferred compensation granted as part of a contractual obligation is typically used to compensate new senior employees for forfeited awards from previous employers upon joining the Company. It is the Company's policy not to make multi-year guarantees.

Compensation expense for share-based and other awards that were granted as deferred compensation is recognized in accordance with the specific terms and conditions of each respective award and is primarily recognized over the future requisite service and vesting period. This is determined by the plan, retirement eligibility of employees, two-year moratorium periods on early retirement and certain other terms. All deferred compensation plans are subject to restricted covenants, which generally include non-compete and non-solicit provisions. Compensation expense for share based and other awards that were granted as deferred compensation also includes the current estimated outcome of applicable performance criteria, estimated future forfeitures and mark-to-market adjustments for certain awards that are still outstanding.

Total compensation (income)/expense for cash-settled share-based compensation plans recognised during 2020 and 2019 were £2,452,360 and £31,181 respectively. The total stock award liability recorded as at 31 December 2020 was £2,576,067 (2019: £35,451). The fair value used to calculate the stock award liability was the closing CSG share price as at 31 December 2020 CHF 11.40 (2019: CHF 13.10). The average weighted fair value of awards granted in 2020 was CHF 9.82 (2019: CHF 11.75). The intrinsic value of vested share based awards outstanding as at year end was £1,344,166 (2019: nil).

The recognition of compensation expense for the deferred compensation awards granted in February 2021 began in 2021 and thus had no impact on the 2020 financial statements.

Share awards

Share awards granted in February 2021 are similar to those granted in February 2020. Each share award granted entitles the holder of the award to receive one CSG share, subject to service conditions. Share awards vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (rateable vesting), with the exception of awards granted to individuals classified as risk managers or senior managers under the UK PRA Remuneration Code or similar regulations in other jurisdictions. Share awards granted to risk managers vest over five years with one fifth of the award vesting on each of the five anniversaries of the grant date, while share awards granted to senior managers vest over five years commencing on the third anniversary of the grant date, with one fifth of the award vesting on each of the third to seventh anniversaries of the grant date. Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the CSG share price at the time of delivery.

The share awards include other awards, such as blocked shares and special awards, which may be granted to new employees. These awards entitle the holder to receive one CSG share and are generally subject to continued employment with the Company, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

The number of share awards granted to employees was generally determined by dividing the deferred component of variable compensation being granted as share awards by the average price of a CSG share over the ten consecutive trading days which ended on 4 March 2021. The fair value of each share award was CHF 12.59, the CSG share price on the grant date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The majority of share awards granted include the right to receive dividend equivalents on vested shares.

Movements in the number of share awards outstanding were as follows:

	2020	2019
	£000	£000
As at 1 January	4	5
Granted	45	3
Shares Transferred in	95	—
Delivered	(2)	(4)
Forfeited	—	—
As at 31 December	**142**	**4**

Performance share awards ("PSA")

Certain employees received a portion of their deferred variable compensation in the form of performance share awards. Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, including those awarded in prior years, are subject to performance-based malus provisions.

Performance share awards are subject to a negative adjustment in the event of a divisional loss by the division in which the employees worked as at December 31, 2020, or a negative CSG ROE, whichever results in a larger adjustment. For employees in Corporate Functions and the Asset Resolution Unit, the negative adjustment only applies in the event of a negative CSG ROE and is not linked to the performance of the divisions. The basis for the ROE calculation may vary from year to year, depending on the Compensation Committee's determination for the year in which the performance shares are granted.

The number of performance share awards granted to employees was generally determined by dividing the deferred component of variable compensation being granted as performance share awards by the average price of a CSG share over the ten consecutive trading days which ended on 4 March 2021. The fair value of each performance share award was CHF 12.59, the CSG share price on the grant date.

The majority of performance share awards granted include the right to receive dividend equivalents on vested shares.

Movements in the number of PSA outstanding were as follows:

	2020	2019
	£000	£000
As at 1 January	—	—
Granted	78	—
Shares Transferred in/(out)	59	—
Delivered	—	—
Forfeited	(1)	—
As at 31 December	**136**	**—**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Contingent Capital Awards

Contingent Capital Awards (CCA) were granted in February 2020 and 2019 to certain employees as part of the 2019 and 2018 deferred variable compensation and have rights and risks similar to those of certain contingent capital instruments issued by CSG in the market. CCA are scheduled to vest on the third anniversary of the grant date, other than those granted to individuals classified as risk managers or senior managers under the UK PRA Remuneration Code or similar regulations in other jurisdictions, where CCA vest on the fifth and seventh anniversaries of the grant date, respectively, and will be expensed over the vesting period. CCA generally provide a conditional right to receive semi-annual cash payments of interest equivalents until settled, with rates being dependent upon the vesting period and currency of denomination. CCA granted in 2020 and 2019 that vest five or seven years from the date of grant are not eligible for semi-annual cash payments of interest equivalents. CCA granted to certain regulated employees that vest over three years are not eligible for semi-annual cash payments of interest equivalents.

Below are description for interest equivalents on both, USD and CHF denominated CCAs, however not all entities are granted with both type of awards.

- CCA granted in 2020 and 2019 that are denominated in US dollars and vest three years from the date of grant receive interest equivalents at a rate of 3.77% and 4.46% respectively, per annum over the six-month US dollar London Interbank Offered Rate (LIBOR);
- CCA granted in 2020 and 2019 that are denominated in Swiss francs and vest three years from the date of grant receive interest equivalents at a rate of 3.29% and 3.73%, respectively, per annum over the six-month Swiss francs (LIBOR); and
- The semi-annual interest equivalent cash payment calculation cycle with effect from February 2021, will be based on the Secured Overnight Financing Rate (SOFR) for CCA denominated in US dollars and the Swiss Average Rate Overnight (SARON) for CCA denominated in Swiss francs.

The rates were set in line with market conditions at the time of grant and existing high-trigger and low-trigger contingent capital instruments that CSG has issued. For CCA granted in February 2021, employees who received compensation in Swiss francs received CCA denominated in Swiss francs and all other employees received CCA denominated in US dollars.

As CCA qualify as going concern loss-absorbing capital of CSG, the timing and form of distribution upon settlement is subject to approval by FINMA. At settlement, employees will receive either a contingent capital instrument or a cash payment based on the fair value of the CCA. The fair value will be determined by CSG. In the case of a cash settlement, the CCA award will be converted into the local currency of each respective employee.

CCA have loss-absorbing features such that prior to settlement, the principal amount of the CCA would be written down to zero and forfeited if any of the following trigger events were to occur:

- CSG's reported common equity tier 1 (CET1) ratio falls below 7%; or
- FINMA determines that cancellation of the CCA and other similar contingent capital instruments is necessary, or that CSG requires public sector capital support, in either case to prevent it from becoming insolvent or otherwise failing.

Total compensation expense recognized for CCAs during the year ended 31 December 2020 was £0.4m (2019: £0.005m).

Capital Opportunity Facility awards

As part of the 2011 annual compensation process, CSG awarded a portion of deferred variable compensation for certain employees in the form of 2011 Partner Asset Facility (PAF2) units. PAF2 units were essentially fixed income structured notes that are exposed to a portion of the credit risk that arises in CSG's derivative activities, including both current and possible future swaps and other derivative transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

PAF2 awards were linked to a portfolio of CSG's credit exposures, providing risk offset and capital relief. Due to regulatory changes, this capital relief would no longer be available. As a result, CSG restructured the awards, requiring PAF2 holders to reallocate the exposure of their awards from the pool of counterparty credit risks in the original PAF2 structure to one of the following options, or a combination thereof:

i) Capital Opportunity Facility (COF): participants elected for their award to be referenced to a COF. The COF is a seven-year facility that is linked to the performance of a portfolio of risk-transfer and capital mitigation transactions, to be entered into with CSG, chosen by a COF management team. The value of the COF awards will be reduced if there are losses from the COF portfolio, up to the full amount of the award. Participants who elect the COF will receive semi-annual US dollar cash distributions of 6.5% per annum until settlement in cash in 2021, and such semi-annual distributions will reduce the cash settlement amount payable in 2021; and

ii) CCA: participants elected to receive CCA, with similar terms to the instruments granted as part of the 2013 compensation awards.

Total compensation (income)/ expense recognized for the COF during the year ended 31 December 2020 was £(0.007m) (2019: £0.004m).

Notional Hedge Fund Awards

Certain employees received a portion of their 2019 deferred variable compensation in the form of Notional Hedge Fund (HFN) awards. These awards essentially provide employees with compensation that will be determined by reference to the returns on an investment in one or more Credit Suisse sponsored hedge funds. Each award vests over three years, such that the awards vest equally on each of the three anniversaries of the grant date. The expense recognition will occur over the three-year vesting period, subject to service conditions.

Total compensation expense recognized for the HFN during the year ended 31 December 2020 was £0.6m (2019: nil).

18. Employees

The average number of persons employed during the year was 6 (2019: 4). The average number of employees is calculated using 12 months as the base.

19. Auditors' remuneration

Auditors' remuneration in relation to the statutory audit amounted to £35k (2019: £35k). The following fees were payable by the Company to the auditors, PwC LLP (2019: KPMG LLP).

	2020	**2019**
	£000	**£000**
Fees payable to the Company's auditors for the audit of the Company's annual accounts	35	35
Total	**35**	**35**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Financial Instruments

The disclosure of the Company's financial instruments below includes the following sections:
- Analysis of financial instruments by categories; and
- Fair value of financial instruments not carried at fair value.

a) Analysis of financial instruments by categories

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The following table sets out the carrying amounts and fair values of the Company's financial assets and liabilities by categories.

As at 31 December 2020 £000	**Designated at Fair Value**	**Amortised cost**	**Total carrying amount**	**Fair Value**
Financial Assets				
Cash and due from banks	—	29,653	29,653	29,653
Amount owed by CS group companies	—	1,298	1,298	1,298
Total financial assets	**—**	**30,951**	**30,951**	**30,951**
Financial Liabilities				
Other liabilities	—	703	703	703
Short-term borrowings	—	54	54	54
Amount owed to CS group companies	—	601	601	601
Total financial liabilities	**—**	**1,358**	**1,358**	**1,358**

As at 31 December 2019 £000	**Designated at Fair Value**	**Amortised cost**	**Total carrying amount**	**Fair Value**
Financial Assets				
Cash and due from banks	—	26,700	26,700	26,700
Investments	301	—	301	301
Amount owed by CS group companies*	—	2,425	2,425	2,425
Total financial assets	**301**	**29,125**	**29,426**	**29,426**
Financial Liabilities				
Other liabilities	—	356	356	356
Short-term Borrowings	—	50	50	50
Amounts owed to CS group companies	—	964	964	964
Total financial liabilities	**—**	**1,370**	**1,370**	**1,370**

* The Amounts owed by CS group companies of £2,425k do not include the associated provision for expected credit losses of £2k.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

b) Fair value of financial instruments not carried at fair value

Fair value hierarchy

The financial instruments carried at fair value are categorised under the three levels of the fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or similar liabilities in markets that are not active, that is, markets in which there are few transactions for the asset and liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) input other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).
These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

IFRS requires the disclosure of the fair value of financial instruments not carried at fair value in the statements of financial position. IFRS also requires the disclosure of the fair values of these financial instruments within the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The following table presents the carrying value of the financial instruments that are not held at fair value across the three levels of the fair value hierarchy.

As at 31 December 2020

£000	Level 1	Level 2	Level 3	Total at fair value
Financial assets				
Cash and due from banks	29,653	–	–	29,653
Amount owed by other CS group companies	–	1,298	–	1,298
Total financial assets at fair value	**29,653**	**1,298**	**–**	**30,951**
Financial liabilities				
Other liabilities	–	703	–	703
Short-term borrowings	–	54	–	54
Amount owed to other CS group companies	–	601	–	601
Total financial liabilities at fair value	**–**	**1,358**	**–**	**1,358**

As at 31 December 2019

£000	Level 1	Level 2	Level 3	Total at fair value
Financial assets				
Cash and due from banks	26,700	–	–	26,700
Investments	–	301	–	301
Amounts owed by CS group companies*	–	2,425	–	2,425
Total financial assets at fair value	**26,700**	**2,726**	**–**	**29,426**
Financial liabilities				
Other liabilities	–	356	–	356
Short term borrowing	–	50	–	50
Amounts owed to CS group companies	–	964	–	964
Total financial liabilities at fair value	**–**	**1,370**	**–**	**1,370**

* The Amounts owed by CS group companies of £2,425k do not include the associated provision for expected credit losses of £2k.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Financial risk management

a) Overview

The Company is part of the CS group and its risks are managed in accordance with the group's policies and procedures.

b) Credit risk

Overview

Credit risk is the risk that financial obligations due from counterparties are not met. The Company is a holding company and credit risk arises on its receivables from third-parties and other CS group companies. The Company deposits cash only with other CS group companies.

Maximum exposure to Credit Risk	**2020**	**2019**
	£000	£000
Cash and due from banks	29,653	26,700
Amounts owed by CS group companies	1,298	2,423
Total financial assets	**30,951**	**29,123**

No collateral or credit enhancements are held against cash and due from banks or other receivables.

The amounts in the above table are based on carrying values.

Credit-impaired financial assets

Financial assets carried at amortised cost should be assessed for impaired at each reporting date. A financial asset is 'credit-impaired' when there is evidence that one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes but is not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of an advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company had no credit-impaired financial assets as at 31 December 2020 (2019: Nil).

Maximum exposure to credit risk and credit quality analysis-

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless indicated otherwise, the amounts in the table represent gross carrying amounts.

Explanations of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3 - Critical accounting estimates and judgements .

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Amounts owed by CS group companies and Other receivable

Credit risk exposures by external rating grades

12-month ECL (Stage 1)	**2020**	**2019**
	£000	£000
A+ to A-	1,298	2,132
BBB+ to BBB-	—	293
BB+ to BB-	—	—
Sum	1,298	2,425
Loss allowance	—	(2)
Carrying amount	1,298	2,423

Cash and cash equivalents

The Company held cash and cash equivalents of £29,653k (2019: £26,700k). The cash and cash equivalents are held with CS group companies that are rated at A.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to efficiently meet both expected and unexpected current and future cash flows and collateral needs without affecting either daily operations or its financial condition. The following table sets out details of the remaining undiscounted contractual maturities for financial liabilities.

As at 31 December 2020

£000	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1and 5 years	Due after 5 years	Total
Amounts owed to CS group companies	—	601	—	—	—	601
Other liabilities at amortised cost	38	76	155	211	223	703
Short-term borrowings	—	54	—	—	—	54
Total financial liabilities	**38**	**731**	**155**	**211**	**223**	**1,358**

As at December 2019

£000	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1and 5 years	Due after 5 years	Total
Amounts owed to CS group companies	—	964	—	—	—	964
Other liabilities at amortised cost*	—	177	93	86	—	356
Short-term borrowings	—	50	—	—	—	50
Total financial liabilities	**—**	**1,191**	**93**	**86**	**—**	**1,370**

*Prior year restatement of Liquidity risk:

The Other liabilities reported for the year 2019 is restated in 2020 to exclude Non-financial instruments to the extent of £1.2m.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

d) Market risk

Market risk is the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, and other relevant market parameters, such as market volatilities. The Company does not trade on its own behalf and does not take proprietary market risk positions.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company may enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than GBP.

As at 31 December 2020, the Company had CHF 6k net assets (2019: CHF 420k net assets), EUR (5)k net liabilities (2019: EUR (55)k net liabilities), US$(908)k net liabilities (2019: US$(92)k net liabilities) foreign currency exposure.

The sensitivity analysis, which is for illustrative purposes only, is prepared based on financial instruments that are recognised at the reporting dates. The sensitivity assumes changes in certain market conditions. These assumptions may differ materially from the actual results due to the inherent uncertainties in global financial markets. In practice, market risks rarely change in isolation and are likely to be interdependent. The methods and assumptions used are the same for both reporting periods.

A change of 25% in the foreign exchange rates at the reporting date would have increased/(decreased), equity and profit or loss by the following:

2020

	CHF +25% £000	CHF -25% £000	EUR +25% £000	EUR -25% £000	USD +25% £000	USD -25% £000
Change in equity and profit or loss with foreign currency fluctuation	(1)	1	1	(1)	166	(166)
Total	**(1)**	**1**	**1**	**(1)**	**166**	**(166)**

2019

	CHF +25% £000	CHF -25% £000	EUR +25% £000	EUR -25% £000	USD +25% £000	USD -25% £000
Change in equity and profit or loss with foreign currency fluctuation	82	(82)	(12)	12	(18)	18
Total	**82**	**(82)**	**(12)**	**12**	**(18)**	**18**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk based on the variable interest earned/charged on the bank balances. The maximum exposure of this balance is £29,653k (2019: £26,700k). The Company manages the interest rate risk monthly, by financing overdrafts with short-term borrowings through Treasury team.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased), equity and income or loss by £120k/(£120k) (2019: £108k/(£108k)).

This calculation assumed that the change occurred at the reporting date and had been applied to risk exposures existing at that date and is stated net of income tax assuming the current corporation tax rate of 19% (2019: 19%).

22. Non-current assets and liabilities

Assets and liabilities disclosed below are non-current:

	2020	2019
	£000	£000
Assets		
Deferred tax assets	1,435	891
Equity Method Investment	—	301
Investment in subsidiaries	131,919	131,919
Total assets	133,354	133,111
Other liabilities	434	86
Total liabilities	434	86

*Prior year restatement of Liquidity risk:

The Other liabilities reported for the year 2019 is restated in 2020 to exclude Non-financial instruments to the extent of £569k.

23. Subsequent events

In March 2021, a US-based hedge fund failed to meet its margin commitments to Credit Suisse and a number of other banks, and as a result Credit Suisse has recorded a provision for credit losses of USD 4,669 million in Q1 2021 relating to this matter. CSAMH is not directly impacted and has no direct exposure.

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

On 1 March 2021, the boards of the supply chain finance funds managed by certain CS group subsidiaries decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors. On 4 March 2021, the boards decided to terminate those funds and proceed to their liquidation. Those decisions were based on concerns that a substantial part of the funds' assets was subject to considerable valuation uncertainty. The assets held by the supply chain finance funds, largely consisting of notes backed by existing and future receivables, were originated and structured by Greensill Capital (UK) Limited or one of its affiliates (Greensill Capital). CSAMH is not directly impacted and has no direct exposure.

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