

# WAM Holdings Ltd

(Registered Number 4131397)

**Annual Report and Financial Statements  
for the 14-month period from  
1 November 2021 to  
31 December 2022**

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# **WAM HOLDINGS LTD**

## ***COMPANY INFORMATION***

**REGISTERED NUMBER:**

4131397

**DIRECTORS:**

P J Doel  
R A Watts

**SECRETARY:**

R D Burgin

**REGISTERED OFFICE:**

Exchange House  
Primrose Street  
London  
EC2A 2NY

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

# **WAM HOLDINGS LTD**

## **STRATEGIC REPORT**

The Directors present their Strategic Report for WAM Holdings Ltd (the Company) for the 14-month period ended 31 December 2022. The Company was part of the BMO Global Asset Management (BMO GAM) business within the BMO Financial Group (BMO) until 8 November 2021 when the BMO GAM business in Europe, the Middle East and Africa (EMEA) was acquired by Ameriprise Financial, Inc. (Ameriprise).

### **PRINCIPAL ACTIVITIES**

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

### **BUSINESS AND FINANCIAL REVIEW**

#### **Results**

The Financial Statements show a loss for the 14-month period ended 31 December 2022 of £26,028,590 (year ended 31 October 2021: profit of £110,059).

#### **Key performance indicators**

Given the Company's only activity is to hold a loan with another Group subsidiary, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

#### **Trading performance and development of the business**

The Company incurred an operating loss of £26,039,404 in the 14-month period ended 31 December 2022 compared to an operating profit of £110,059 in the year ended 31 October 2021 primarily a result of a £25,687,000 impairment charge on the Company's investments in subsidiaries. No impairment on the Company's investments in subsidiaries was recognised in 2021.

In addition, the Company recognised an additional impairment loss on its loan receivable of £352,404 at 31 December 2022, compared to the partial reversal of the impairment loss on the Company's loan receivable of £110,059 at 31 October 2021.

Interest receivable on the loan owed by a group subsidiary continues to be based on the loan balance and the prevailing interest rate levels during the year. Interest income of £13,350 was recognised for the 14-month period ended 31 December 2022 (year ended 31 October 2021: £nil).

On 12 April 2021, BMO announced that agreement had been reached to sell its asset management business in EMEA to Ameriprise, which is incorporated in Delaware, United States of America. The transaction completed on 8 November 2021. The Company was part of the BMO Global Asset Management (Europe) Group (BMO GAM E Group), which formed a significant element of BMO's asset management business in EMEA. As part of the broader transaction agreed with BMO, Ameriprise, via its subsidiary Columbia Threadneedle Investments UK International Limited, acquired the entire share capital of BMO Global Asset Management (Europe) Limited (which has now changed its name to Columbia Threadneedle (Europe) Limited), and as such, the BMO GAM E Group has transferred to become part of the Columbia Threadneedle Investments asset management business within Ameriprise.

In order to align the Company's reporting date with Ameriprise, the Company's accounting reference date was extended from 31 October to 31 December, resulting in a reporting period of 14 months to 31 December 2022. Therefore, certain amounts presented in these Financial Statements for the 14-month period ended 31 December 2022 are not directly comparable with those for the year ended 31 October 2021.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors manage the risks as part of the overall risk management framework within the Columbia Threadneedle AM (Holdings) plc (formerly BMO Asset Management (Holdings) plc) Group (the Group). Members of the Group's Executive Committee are responsible for identifying and addressing any material or systematic issues or risks facing their areas of the business. The principal risks and uncertainties facing the Company are broadly grouped as follows:

# WAM HOLDINGS LTD

## **STRATEGIC REPORT (continued)**

### *Financial risk*

The Group adopts a low-risk approach to treasury management and financial risks in relation to equity, seeking to manage and preserve its capital.

### *Investments in subsidiaries*

The Company is exposed to financial risk as a significant element of the Company's assets relate to the carrying value of its investments in subsidiaries. Any permanent reduction in the profits of these subsidiaries could lead to an impairment in the value of the Company's investments and have a potentially significant impact on the Company's financial results. The Company recognised impairment of £25,687,000 on its investment in subsidiaries in the 14-month period ended 31 December 2022 (year ended 31 October 2021: £nil), as disclosed in note 9.

### *Market risk (interest rate risk)*

The Company is exposed to interest rate risk through market fluctuations in the variable rate of interest, impacting interest received on a loan owed by the Company's immediate parent which was subject to interest based on LIBOR rates. The point of reference for the calculation was changed from LIBOR to SONIA with effect from 1 November 2021.

### *Credit risk*

The Company is exposed to credit risk if a counterparty to a financial instrument is unable to pay, in full, amounts when contractually due. The Company's credit risk is principally in relation to a loan owed by the Company's immediate parent. As the Group's working capital is monitored on a group-wide basis, the risk of default is considered minimal, although an expected credit loss allowance has been recognised on the loan as a result of a review of the expected timing of its recoverability.

### *Liquidity risk*

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

The overall cash position is monitored by the treasury function across the Group as a whole and each individual company within the Group draws on the available cash balance to meet its working capital requirements.

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

The Directors believe they perform their duties in a way which promotes good faith and the success of the Company for the benefit of its members (having regards to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act). This requires the Directors to have regard to the:

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

in the decisions taken during the 14-month period ended 31 December 2022.

The principal activity of the Company is to act as a holding company, with Columbia Threadneedle Fund Management Limited (formerly BMO Fund Management Limited) being its key subsidiary.

# WAM HOLDINGS LTD

## STRATEGIC REPORT (continued)

The Group aims to deliver outcomes that meet the needs of its stakeholders and is committed to act responsibly, transparently and in the best interests of those who trust it to manage their investments.

The Group's corporate responsibility strategy focuses on the core roles it plays: Responsible Partner to our clients; Responsible Investor; Responsible Employer; and Responsible Citizen.

Examples of how stakeholder interests were considered this reporting period are listed below:

**Customers/clients** – The Company does not have any clients or customers. Nevertheless, the Group has a fiduciary duty to its clients and end-customers as managers of their financial assets. Its aim is to provide clients and end-customers with value for money in terms of excellent risk-adjusted investment performance (after fees) and a level of service that meets or exceeds expectations. The Group's commitment to clients is reflected in its Values and in the Code of Conduct.

**Employees** – The Company has no employees but, as a member of the Group, it is provided resourcing by Columbia Threadneedle (Services) Limited (formerly BMO Asset Management (Services) Limited). The Group's employees are fundamental to the success of the business, and during the 14-month period ended 31 December 2022 the Group continued to prioritise the health, safety and well-being of employees as it responded to COVID-19 and periods of remote working for the vast majority of employees. The Group provides a range of resources to support the physical and mental well-being of employees, including private healthcare; self-referral for physiotherapy; access to telephone GP appointments; a confidential counselling service and an online well-being hub. Flexible working remains an important component of the Group's approach to maintaining an inclusive culture and healthy work-life balance.

**Community and environment** – The Group strives to be a responsible member of the community in which it operates and to influence positive change. During the 14-month period ended 31 December 2022 the wider Columbia Threadneedle group of companies published its first climate change report which details how it manages climate risks and opportunities in investment portfolios and across business operations under the Task Force on Climate-related Financial Disclosures ("TCFD") framework. In addition, the Group also set out its Net Zero Carbon Emissions targets, reaffirming its commitment to working in partnership with clients to reach net zero carbon emissions by 2050, or sooner, across all assets under management, subject to internal, fund board, regulatory and client approvals. This disclosure was the first as a signatory of the Net Zero Asset Managers ("NZAM") initiative. In addition, the office at Exchange House has signed up to the 'Plastic Free City' Scheme and has achieved "Platinum" status. This Group's office at 4 Quatermile maintains an ISO 14001 accreditation that sets out the requirements for an Environmental Management System. This system is used to identify and better manage the buildings' environmental aspects and impacts and helps the Group to continually improve its environmental performance through a more efficient use of resources and reduction of waste. The electricity used at both offices is derived from 100 per cent. renewable resources.

This year, the Group also supported the Spitalfields City Farm Team Challenge; Spitalfields City Farm is a local community resource, and also the Legal Walk, a charity which supports frontline free legal advice services in London and the South-East.

It is the Board's commitment to maintain the Company's reputation by continuing to operate in a responsible manner, within high standards of business conduct, good governance and operating within the regulatory framework of the Group. The governance structure that sits below the Group's Board is headed by an Executive Committee, which is responsible for the day-to-day management of the business in line with the strategies, business plans, budgets and other initiatives delegated by the Group. It is not a sub-committee of the Board but assists the Chief Executive Officer in the execution of their responsibilities. Below this, responsibility for running the business is overseen by a number of other management committees, functional and leadership teams, which are responsible for the day-to-day management of the business lines of the Group as well as strategy implementation. The Board believes that these governance arrangements enable the Group to deliver its business plans in a rigorously controlled manner.

## **WAM HOLDINGS LTD**

### ***STRATEGIC REPORT (continued)***

The Directors are committed to fulfil the requirements of Section 172 of the Companies Act including behaving in a responsible manner to promote the success of the Company for the benefit of its Shareholders, whilst have having regard to various other stakeholder interests.

BY ORDER OF THE BOARD



R D Burgin  
Secretary  
9 August 2023

# **WAM HOLDINGS LTD**

## **REPORT OF THE DIRECTORS**

The Directors present their Annual Report and audited Financial Statements for the 14-month period ended 31 December 2022.

### **RESULTS AND BUSINESS REVIEW AND PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's results for the 14-month period ended 31 December 2022 are shown in the Income Statement on page 12. A Strategic Report for the same period is set out on pages 2 to 5 which includes disclosure of the Company's risks and uncertainties.

The Company recognised a loss for the 14-month period ended 31 December 2022 of £26,028,590 (year ended 31 October 2021: profit of £110,059).

### **DIVIDENDS**

The Directors do not recommend the payment of a final dividend (year ended 31 October 2021: £nil) and no interim dividend was approved or paid during the 14-month period ended 31 December 2022 (year ended 31 October 2021: £nil).

### **FUTURE DEVELOPMENTS**

The Directors do not anticipate any significant changes in the principal activity of the business within the foreseeable future.

### **DIRECTORS AND THEIR INTERESTS**

The Directors of the Company who were in office during the 14-month period ended 31 December 2022 and up to the date of approval of the Financial Statements were as follows:

P J Doel  
R A Watts

There have been no appointments or resignations of Directors since 31 December 2022.

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

### **DIRECTORS' LIABILITIES**

During the reporting period and at the date of approval of the Financial Statements, the Company had in force a qualifying third-party indemnity provision in favour of one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. The Group maintains insurance cover in respect of Directors' and Officers' liability.

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP (PwC) were appointed as independent auditors of the Company during the period in accordance with section 485 of the Companies Act 2006. PwC were appointed on 29 July 2022 to align the audit provision across the Ameriprise Group.

# **WAM HOLDINGS LTD**

## ***REPORT OF THE DIRECTORS (continued)***

### **ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITORS**

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

BY ORDER OF THE BOARD



R D Burgin  
Secretary  
9 August 2023



## **WAM HOLDINGS LTD**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

# **WAM HOLDINGS LTD**

## ***INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAM HOLDINGS LTD***

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, WAM Holdings Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period from 1 November 2021 to 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); 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 and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement and the Statement of Changes in Equity for the period 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 directors' 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 directors 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 directors 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.

## **WAM HOLDINGS LTD**

### ***INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAM HOLDINGS LTD (continued)***

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 Report of the Directors, 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 Report of the Directors***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the period ended 31 December 2022 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 Report of the Directors.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### ***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.

## **WAM HOLDINGS LTD**

### ***INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAM HOLDINGS LTD (continued)***

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 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the posting of inappropriate manual journal entries and management bias in accounting estimates, in particular in relation to the impairment of investment in subsidiaries. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, entries posted by unexpected users and entries posted with unusual amounts, where any such journal entries were identified;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing over certain areas; and
- Reviewing relevant board meeting minutes; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the impairment of investment in subsidiaries.

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](http://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.

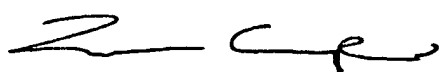
#### **Other required reporting**

##### **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 directors' 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.



Lauren Cooper (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
9 August 2023

# WAM HOLDINGS LTD

## INCOME STATEMENT FOR THE 14-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	14-month period ended 31 December 2022 £	Year ended 31 October 2021 £
Impairment of investment in subsidiaries	9	(25,687,000)	-
Net impairment (losses)/reversal on financial assets	3	<u>(352,404)</u>	<u>110,059</u>
<b>Operating (loss)/profit</b>		<b>(26,039,404)</b>	<b>110,059</b>
Finance income	7	<u>13,350</u>	<u>-</u>
<b>(Loss)/profit before tax</b>		<b>(26,026,054)</b>	<b>110,059</b>
Income tax expense	8	<u>(2,536)</u>	<u>-</u>
<b>(Loss)/profit for the financial period/year</b>		<b><u>(26,028,590)</u></b>	<b><u>110,059</u></b>

All amounts relate to continuing operations.

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

The notes on pages 15 to 22 form an integral part of these Financial Statements.

# WAM HOLDINGS LTD

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Registered Number 4131397)

	Note	31 December 2022 £	31 October 2021 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	9	54,942,832	80,629,832
Loan receivable	10	1,275,279	1,617,234
<b>Total non-current assets</b>		<b>56,218,111</b>	<b>82,247,066</b>
<b>Current assets</b>			
Loan receivable	10	2,536	-
<b>TOTAL ASSETS</b>		<b>56,220,647</b>	<b>82,247,066</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	11	2,536	365
<b>TOTAL LIABILITIES</b>		<b>2,536</b>	<b>365</b>
<b>EQUITY</b>			
Called up share capital	12	8,100,000	8,100,000
Share premium account	13	80,199,201	80,199,201
Accumulated losses	13	(32,081,090)	(6,052,500)
<b>TOTAL EQUITY</b>		<b>56,218,111</b>	<b>82,246,701</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>56,220,647</b>	<b>82,247,066</b>

The Financial Statements on pages 12 to 22 were approved by the Board of Directors and authorised for issue on 9 August 2023. They were signed on its behalf by:



R A Watts  
Director

The notes on pages 15 to 22 form an integral part of these Financial Statements.

# WAM HOLDINGS LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE 14-MONTH PERIOD ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Accumulated losses £	Total equity £
At 1 November 2020	8,100,000	80,199,201	(6,162,559)	82,136,642
Profit for the financial year and total comprehensive income	-	-	110,059	110,059
At 31 October 2021	8,100,000	80,199,201	(6,052,500)	82,246,701
Loss for the financial period and total comprehensive expense	-	-	(26,028,590)	(26,028,590)
<b>At 31 December 2022</b>	<b>8,100,000</b>	<b>80,199,201</b>	<b>(32,081,090)</b>	<b>56,218,111</b>

The notes on pages 15 to 22 form an integral part of these Financial Statements.

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ENTITY INFORMATION

WAM Holdings Ltd is a private company limited by share capital, incorporated and domiciled in England, the United Kingdom. The Company's registered office and principal place of business is Exchange House, Primrose Street, London, EC2A 2NY.

These Financial Statements present information about the Company as an individual undertaking and not about its group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group Financial Statements, as it is a wholly owned subsidiary of Columbia Threadneedle Investments UK International Limited, which prepares consolidated Financial Statements. The results of WAM Holdings Ltd are included in the consolidated Annual Report and Financial Statements of Columbia Threadneedle Investments UK International Limited, which are available from Cannon Place, 78 Cannon Street, London, EC4N 6AG.

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

### 2. ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently for the 14-month period from 1 November 2021 to 31 December 2022 and the year ended 31 October 2021.

#### Basis of preparation

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

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

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

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

#### Measurement convention

The Financial Statements are prepared under the historical cost convention.

#### Going concern

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

#### New and amended standards and interpretations

Several new and amended standards and interpretations apply for the first time in the 14-month period ended 31 December 2022, but do not have an impact on the Company's Financial Statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.



# **WAM HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. ACCOUNTING POLICIES (continued)**

#### **Accounting estimates, assumptions and judgements**

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

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

- Significant estimation has been exercised in the impairment review of investments in subsidiaries. Future estimates of subsidiary entities cash flows and profitability are based on budgets and forecasts which are inherently uncertain in nature. Further details are disclosed in note 9.
- The calculation of the allowance for expected credit losses (ECLs) on the Company's loan receivable balance, as disclosed in note 10, involves estimation uncertainty. The Company uses a discounted cash flow model to determine the ECL which involves an estimation, under a number of scenarios, of the timing of when the loan balance will be repaid. Any change to the assumptions around the timing and amounts of cash flows could impact the allowance for ECLs at the reporting date.

#### **Summary of significant accounting policies**

##### **(a) Finance income**

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

##### **(b) Income tax**

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

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

Deferred tax assets are reviewed at each reporting date and are only recognised to the extent that it is considered probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any legal restrictions on the utilisation of available taxable profits is also considered, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

##### **(c) Investments in subsidiaries**

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

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. ACCOUNTING POLICIES (continued)

#### (d) Financial instruments

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

##### *i) Financial assets*

###### *Initial recognition and measurement*

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

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

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

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

###### *Subsequent measurement*

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

###### *Derecognition of financial assets*

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

###### *Impairment of financial assets*

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

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

The Company considers financial asset to be in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. ACCOUNTING POLICIES (continued)

#### ii) Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as trade and other payables. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Company's financial liabilities consist of group relief payable.

##### *Subsequent measurement*

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

##### *Derecognition of financial liabilities*

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

#### iii) Offsetting of financial assets and liabilities

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

#### (e) Share capital

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

### 3. NET IMPAIRMENT (LOSSES)/REVERSAL ON FINANCIAL ASSETS

During the period/year, the following (losses)/reversals were recognised in the Income Statement in relation to financial assets:

		14-month period ended 31 December 2022	Year ended 31 October 2021
	Note	£	£
Impairment (loss)/reversal on loan receivable	10	(352,404)	110,059

### 4. AUDITORS' REMUNERATION

Audit fees of £16,011 for the 14-month period ended 31 December 2022 (year ended 31 October 2021: £3,778) were paid by Columbia Threadneedle AM (Holdings) plc, an intermediate parent company, and were not recharged to the Company.

### 5. EMPLOYEES

The Company had no employees during the 14-month period ended 31 December 2022 (year ended 31 October 2021: nil).

### 6. DIRECTORS' REMUNERATION

Directors' remuneration is not apportioned to this Company if the time a Director works for the Company represents a negligible proportion of their total responsibilities in respect of the wider Group. Directors' remuneration for the 14-month period ended 31 December 2022 was £nil (year ended 31 October 2021: £nil).

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. FINANCE INCOME

	14-month period ended 31 December 2022 £	Year ended 31 October 2021 £
<b>Financial assets measured at amortised cost:</b>		
Interest receivable on loan owed by immediate parent	13,350	-

No income was recognised during the year ended 31 October 2021 as the effective interest rates during the year were negative.

### 8. INCOME TAX EXPENSE

#### (a) Analysis of income tax expense in the period/year

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

	14-month period ended 31 December 2022 £	Year ended 31 October 2021 £
<b>Current income tax:</b>		
<i>UK corporation tax</i>		
Current tax on (loss)/profit for the period/year	2,536	-
<b>Income tax expense reported in the Income Statement</b>	<b>2,536</b>	<b>-</b>

#### (b) Reconciliation of total income tax expense for the period/year

A reconciliation between the actual income tax expense and the accounting (loss)/profit before tax multiplied by the standard rate of corporation tax in the UK for the 14-month period ended 31 December 2022 and year ended 31 October 2021 is as follows:

	14-month period ended 31 December 2022 £	Year ended 31 October 2021 £
<b>(Loss)/profit before tax</b>	<b>(26,026,054)</b>	<b>110,059</b>
At the standard rate of corporation tax of 19% (year ended 31 October 2021: 19%)	(4,944,950)	20,911
Impairment of subsidiaries	4,880,530	-
Non-taxable items	66,956	(20,911)
<b>Income tax expense reported in the Income Statement</b>	<b>2,536</b>	<b>-</b>

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

The current UK corporation tax rate of 19% became effective from 1 April 2017, resulting in a statutory UK corporation tax rate of 19% for the 14-month period ended 31 December 2022 for the Company.

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

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INCOME TAX EXPENSE (continued)

The increase in the UK corporation tax rate will lead to a statutory UK corporation tax rate for the Company of 23.5% for the year ending 31 December 2023 and 25% for years ending 31 December 2024 onwards.

No additional UK corporation tax rate changes have been substantively enacted since the reporting date.

#### (d) Unrecognised deferred tax assets

At 31 December 2022 the Company has unrecognised gross tax losses of £1,128,495 (31 October 2021: £1,128,495). Deferred tax assets have not been recognised in respect of these losses as there is uncertainty around the timing of when suitable taxable profits will arise, in other UK entities in the same tax grouping, against which these losses can be offset.

### 9. INVESTMENTS IN SUBSIDIARIES

	£
<b>Cost:</b>	
At 31 October 2020, 31 October 2021 and 31 December 2022	<u>91,097,832</u>
<b>Cumulative impairment:</b>	
At 1 November 2021	(10,468,000)
Impairment in the 14-month period ended 31 December 2022	<u>(25,687,000)</u>
At 31 December 2022	<u>(36,155,000)</u>
<b>Net book value:</b>	
At 31 October 2020 and 31 October 2021	<u>80,629,832</u>
At 31 December 2022	<u>54,942,832</u>

The Directors assess the Company's investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. A recent downturn in trading results, and an uncertain future outlook have resulted in the carrying value of the Company's investments in subsidiaries being tested for impairment at the reporting date.

An impairment loss of £25,687,000 (year ended 31 October 2021: £nil) arose in investments in subsidiaries, with this impairment loss recognised in the Income Statement.

The recoverable amount of each subsidiary to which the carrying value has been written down, is based on the aggregate of the subsidiary's working capital position at the reporting date and its value in use, with value in use based on management's latest five-year forecast, as discounted using a pre-tax discount rate of 11.55% derived from the Ameriprise Financial, Inc. post-tax weighted average cost of capital (31 October 2021: 9.25%).

Details of the Company's subsidiaries at 31 December 2022, which are all directly held, are as follows:

Company name	Share class	Percentage interest and voting rights	Country of incorporation
Columbia Threadneedle Managers Limited (formerly BMO Managers Limited)	Ordinary shares	100	England*
Columbia Threadneedle Fund Management Limited (formerly BMO Fund Management Limited)	Ordinary shares	100	England*

\* The registered office is Exchange House, Primrose Street, London, EC2A 2NY.

# WAM HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. LOAN RECEIVABLE

	31 December 2022 £	31 October 2021 £
Loan owed by immediate parent	1,637,086	1,624,101
Allowance for expected credit losses	(359,271)	(6,867)
	<u>1,277,815</u>	<u>1,617,234</u>
<b>Split as follows:</b>		
Non-current	1,275,279	1,617,234
Current	2,536	-
	<u>1,277,815</u>	<u>1,617,234</u>

The loan is between the Company and Columbia Threadneedle Treasury Limited (formerly BMO AM Treasury Limited). The loan is unsecured, repayable on demand and, with effect from 1 November 2021, subject to interest of the average SONIA rate less 40% (year ended 31 October 2021: subject to interest at 3-month LIBOR minus 0.25% margin). The loan has been classified as current or non-current according to the period in which it is expected to be realised.

An impairment analysis is performed on the loan receivable balance at each reporting date to measure ECLs. The calculation reflects the time value of money associated with recovery of the loan receivable. The discount rate applied, based on the effective loan interest rate, at 31 December 2022 was 2.06% per annum (31 October 2021: 0.03% per annum). An additional impairment allowance of £352,404 was recognised during the 14-month period ended 31 December 2022 (year ended 31 October 2021: £110,059 reversal of impairment) resulting in an impairment allowance of £359,271 at 31 December 2022 (31 October 2021: £6,867).

### 11. OTHER PAYABLES

	31 December 2022 £	31 October 2021 £
<b>Current:</b>		
Group relief payable	<u>2,536</u>	<u>365</u>

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

### 12. CALLED UP SHARE CAPITAL

	31 December 2022 £	31 October 2021 £
<b>Issued and fully paid:</b>		
81,000,000 Ordinary shares of £0.10 each	<u>8,100,000</u>	<u>8,100,000</u>

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

# **WAM HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **13. RESERVES**

The analysis of movements in reserves is disclosed within the Statement of Changes in Equity on page 14.

#### **Nature and purpose of reserves:**

##### **Share premium account**

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

##### **Accumulated losses**

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

### **14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company's immediate parent company is Columbia Threadneedle Treasury Limited, a company which is registered in England. The Company's ultimate parent undertaking and controlling party is Ameriprise Financial, Inc., a company incorporated in the United States of America.

The smallest group of which the Company is a member and for which Group Financial Statements are prepared is Columbia Threadneedle Investments UK International Limited. Copies of the Group Annual Report and Financial Statements can be obtained from its registered office at Cannon Place, 78 Cannon Street, London, EC4N 6AG.

The largest group to consolidate these Financial Statements is Ameriprise Financial, Inc. The consolidated financial statements of Ameriprise Financial, Inc. are available from The Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, 55474, United States of America.