

# GMO

## REPORTS & FINANCIAL STATEMENTS

For the year ending

31 December 2021

GMO UK LIMITED  
Company Number: 04658801

THURSDAY



\*AB3C05EH\*

A05

05/05/2022

#252

COMPANIES HOUSE

## **CONTENTS**

Strategic Report	1 - 3
Directors' Report	4 - 5
Remuneration Code	6
Independent Auditor's Report	7 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Financial Statements	16 – 29

**STRATEGIC REPORT**

**For the year ended 31 December 2021**

The Directors present their strategic report of GMO UK Limited (the “Company”) and its subsidiary GMO Investment Management Company (Ireland) Limited (“GMO IMC”), (together the “Group”) for the year ended 31 December 2021.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Company is a wholly-owned subsidiary of Grantham, Mayo, Van Otterloo & Co. LLC (“GMO LLC”), a limited liability company organised under the laws of the Commonwealth of Massachusetts, USA.

The Group’s principal activity is that of investment management services and during the period includes GMO IMC providing management services to collective investment schemes authorised by the Central Bank of Ireland (“CBI”). There have not been any material changes in the Group’s principal activity in the year under review.

In late 2020, the Central Bank of Ireland released its findings regarding the CP86 Thematic Review in an industry letter (the “Industry Letter”). Among other things, the Industry Letter set forth a requirement that UCITS companies have a management function with substance on the ground in Ireland. To address this requirement, the board of directors of GMO Investments ICAV (the “ICAV”) for which GMO IMC serves as the management company approved the engagement of a third-party to serve as the management company of the ICAV effective 1 January 2022. As a result, as of 31 December 2021, GMO IMC ceased providing management services to collective investment schemes authorised by the Central Bank. On 21 March 2022, the Central Bank withdrew GMO IMC’s authorisation as a management company pursuant to the UCITS Regulations. GMO IMC will be placed into liquidation in 2022.

In late February 2022, Russia began an invasion of Ukraine. Following the invasion, the United States, the European Union, the United Kingdom, Australia, Singapore, and other countries and entities imposed wide-ranging sanctions on Russia, the President of Russia and other members of the Government of Russia as well as entities owned or controlled by, or acting on behalf of, the Government of Russia. The Government of Russia has also imposed countersanctions and taken other actions in response to the sanctions. The scope and scale of the sanctions may be expanded and the conflict between Russia and Ukraine may further deteriorate. The full effect of the conflict and the sanctions on the financial markets and the global economy is not yet known. The Company’s revenues and results for the next financial year and beyond may be adversely impacted.

As shown in the Statement of Comprehensive Income, the Group’s turnover decreased by 1% (2020: decreased by 29%), administrative expenses decreased by less than 0.01% (2020: decreased by 18%) and other operating income decreased by 67% in the year (2020: increased by 213%). In 2020, other operating income (see note 2) included a £7.1m gain recognised on the transfer of the Dutch branch and the intangible assets. Excluding this gain, other operating income decreased by 14%. The Group’s profit after tax decreased by 44% (2020: increased by 20%).

The consolidated balance sheet shows the Group’s net assets decreased by 26% from £13.9m as at 31 December 2020 to £10.3m as at 31 December 2021.

**Key performance indicators of the Group are:**

	<b>2021</b>	<b>2020</b>
Assets serviced by the Group as at 31 December	£10.22bn	£9.38bn
Increase/(decrease) in assets serviced by the Group for the year ended 31 December	9%	(24%)
New business won by the Group for the year ended 31 December	£0.05bn	£0.03bn

Other than the aforementioned transactions the Directors are not aware, at the date of this report, of any material changes in the Group’s activities in the next year.

**DIVIDEND**

Dividends of £12,000,000 (2020: £22,237,327) were distributed to GMO LLC during the year (see note 8). On 06 April 2022, the Directors approved the payment of a dividend to GMO LLC of £2,500,000 reducing the shareholder’s funds by the corresponding amount.

**STRATEGIC REPORT (continued)**  
**For the year ended 31 December 2021**

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's primary objective is advising clients and arranging for their investment in products with the goal of delivering superior investment performance. In this context, the principal risks related to the Group's business have been identified as: (a) poor investment performance by the GMO LLC Group leading to a loss of client revenue; (b) changes in the demands of clients, which may lead them to allocate assets away from the Group or its affiliates; (c) a material fall in financial markets, which would impact asset-based revenues; and (d) the loss of clients related to unsatisfactory service.

Additionally, the Group has identified the following other potential risks: (a) losing key personnel; (b) financial risk and fraud; (c) liquidity risk; (d) operational and information technology risk (including cyber security risk); (e) remuneration risk; (f) regulatory risk; (g) conduct risk; and (h) business continuity risk in the event of a disaster.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group closely monitors its exposure to financial risk. The Group does not enter into any hedging transactions for its own accounts. The Group's principal financial assets are bank balances and trade and other debtors. These represent the Group's exposure to credit risk in relation to financial assets. The Group has no borrowings and, therefore, its exposure to interest rate risk is limited to returns achieved on any investments of its financial assets. The Group is exposed to currency risk from the conversion of the fees received and expenses in currencies other than pound sterling, which is the functional currency of the Company and the subsidiary undertaking, and the presentational currency of the Group. These risks are within the Group's appetite.

## SECTION 172(1) STATEMENT

The Directors acknowledge that they must act in a way they consider, in good faith, is most likely to promote the success of the Group for the benefit of its members, while also considering the broad range of stakeholders who interact with and are impacted by our business. Throughout the year, while discharging their duties, section 172(1) requires directors to have regard, amongst other matters, to the:

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

The Directors consider the following to be the Group's key stakeholders:

### ***Shareholders***

The Group is a wholly-owned subsidiary of GMO LLC, a private partnership whose sole business is investment management. The Group benefits from the infrastructure and policies of the global GMO business and aligns to an overall willingness to act and communicate our investment insights with conviction for the benefit of our clients, which differentiates us from competitors who may temper advice to limit career risk and firm conflicts.

### ***Employees***

The Company regularly engages with employees through various initiatives. Notably, Company employees, together with all GMO LLC employees, participate in regular "Town Hall" meetings, where information about the GMO LLC group strategic direction, recent financial results and other information is broadly disseminated. Such meetings include active Q&A sessions to encourage employee engagement and gather feedback. The Group is focused on employee wellbeing and conducts periodic surveys focused on culture and engagement. In addition, the Group invests in its people, across all career stages, with the same long-term view that is brought to investing on behalf of our clients. The Group offers learning and development opportunities for all employees and seeks to foster an environment that encourages and supports continuous growth. The Group offers competitive compensation and benefits and strives to provide a flexible working environment in which all employees are able to excel.

**STRATEGIC REPORT (continued)**  
**For the year ended 31 December 2021**

***Customers***

The Group is committed to upholding the Financial Conduct Authority's Treating Customers Fairly ("TCF") objectives. The Company aims to treat clients fairly and deliver high quality services which meet their expectations through their relationship with the GMO LLC group.

Both the Company and the GMO LLC group value client relationships and collaborate with clients over the long term to provide the investment results, research and candid advice clients need to meet their goals. We strive to offer clients good, honest advice under all circumstances, regardless of the potential impact to our bottom line. We believe that our patience – taking a longer-term view, even if it is out of line with market consensus – provides tremendous advantages for our investors.

***Community and environment***

Both the Company and the GMO LLC group recognise our own environmental responsibility, and we are acting as a company to reduce our carbon footprint. At the same time, we are working to positively impact social equity. GMO's 2021 Sustainability and Responsible Investing Report discusses the steps we are taking in these crucial areas. To obtain a copy of the report, visit [www.gmo.com/europe/esg-investing/](http://www.gmo.com/europe/esg-investing/).

*Arron Day*

.....

***Arron Day***  
***Director***

06 APRIL 2022

Registered Office:  
1 London Bridge  
London  
SE1 9BG

**DIRECTORS' REPORT**

**For the year ended 31 December 2021**

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2021.

**DIRECTORS**

The Directors, who held office during the year, and/or up to the date of signing, are:

A Bark  
A Day  
C Haley  
J P Mittaz (resigned 31 March 2021)  
T Pari (appointed 14 April 2021)  
G Pottle  
P Zachos

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for this Directors' Report and for the financial statements to be prepared in accordance with applicable law and regulations.

Company law requires the Directors to prepare or cause to be prepared financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, "UK GAAP" (United Kingdom Accounting Standards, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and applicable law). 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 the Group and of the profit or loss of the Group for that period. The Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis provided this basis continues to be appropriate.

The Directors are responsible for adequate accounting records to be kept that are sufficient to: (1) show and explain the Group's transactions, (2) disclose with reasonable accuracy at any time the financial position of the Group and (3) ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' INDEMNITY**

The Company's Articles of Association, subject to the provisions of, and to the extent permitted by UK legislation, provide every director or other officer of the Company an indemnity out of the assets of the Company against any liability incurred in the actual or purported execution or discharge of duties, or the exercise or purported exercise of powers or otherwise in relation to, or in connection with such duties, powers or office, but:

- this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
- the indemnity is subject to such officer taking all responsible steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced.

Directors' and Officers' Liability insurance cover is in place in respect of the Group's Directors.

**GMO UK LIMITED – Company Number 04658801**

**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2021**

**PILLAR 3**

In accordance with the rules of the Financial Conduct Authority, the Company has published its Pillar 3 disclosure on the Company's website – <https://www.gmo.com>.

**MATTERS OF STRATEGIC IMPORTANCE**

The Company has chosen, in accordance with S414c(11) of the Companies Act 2006, to disclose matters of strategic importance in the Strategic Report. The Company has done so in respect to:

- Review of the business and future development
- Principal risks and uncertainties
- Financial risk management objectives and policies
- Consideration of the Group's key stakeholders

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

As Directors, we have taken all the necessary steps to make us aware of any relevant information and to establish that the auditors are aware of that information.

As far as the Directors are aware, there is no relevant information of which the Group's auditors are unaware.

**AUDITORS**

The reappointment of RSM UK Audit LLP as auditors to the Company will be considered at a subsequent Board meeting.

*Arron Day*

.....

**Arron Day**  
**Director**

**06 APRIL 2022**

Registered Office:  
1 London Bridge  
London  
SE1 9BG

## REMUNERATION CODE

### *Introduction*

This report has been prepared in accordance with the Remuneration Code (the “Code”) adopted pursuant to SYSC 19A of the Financial Conduct Authority (the “FCA”) Handbook as applicable to the Company, which is classified as a Level 3 firm.

### *Remuneration policy*

The Company’s remuneration policy is intended to ensure that the Company has a risk-focused remuneration policy which is consistent with, and promotes, effective risk management and does not expose the Company to excessive risk. The policy reflects the application of the FCA’s Remuneration Code (the “Remuneration Code”) and the FCA’s principles of proportionality and reflects the Company’s size and internal organisation and the nature, scope and complexity of its activities.

### *Link between remuneration and performance*

The Company considers all appropriate factors in determining remuneration, including but not limited to: the Remuneration Code and the Company’s remuneration policy, the Company’s revenue and operating income for the current year, the Company’s revenue and operating income forecasts for the next year, GMO LLC Group long-term and short-term performance, the scope of the employee’s responsibilities, whether the employee achieved the objectives outlined at the beginning of the review period, the employee’s performance during the year and over the long-term, (including how the employee demonstrated: that the employee acted in the best interest of the Company, including compliance with Company policies, the employee’s commitment to the Company, and the employee’s focus on the Company’s directions and goals), the relevant business unit’s performance during the year, client satisfaction levels and client relationship matters and any feedback from risk management and compliance functions.

### *Quantitative information on remuneration*

For purposes of compliance with Capital Requirements Directive IV and pursuant to the requirements of the Remuneration Code, the Compliance Officer, in consultation with the CEO, has identified those employees who are either senior management or whose actions have a material impact on the risk profile of the Company. The aggregate breakdown of remuneration payable by the Company to those employees is as follows:

#### **Remuneration – Senior Management**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,366,407	3,420,910
Social security costs	188,564	465,831
Pension costs	38,252	33,334
	<b>1,593,223</b>	<b>3,920,075</b>

#### **Remuneration – Employees whose actions have a material impact on the risk profile of the Company**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	5,878,533	4,141,191
Social security costs	811,238	570,134
Pension costs	16,000	6,712
	<b>6,705,771</b>	<b>4,718,037</b>



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GMO UK LIMITED

We have audited the financial statements of GMO UK Limited and its subsidiary for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### ***In our opinion, the financial statements:***

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Conclusions relating to going concern***

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

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

Our responsibilities and the responsibilities of the Directors with respect to the application of the going concern basis of accounting are described in the relevant sections of this report.

### ***Other information***

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GMO UK LIMITED (continued)**

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

***Responsibilities of Directors***

As explained more fully in the Directors' responsibilities statement set out in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

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

***The extent to which the audit was considered capable of detecting irregularities, including fraud***

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- \* obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Group and parent company operates in and how the Group and parent company is complying with the legal and regulatory framework;
- \* inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GMO UK LIMITED (continued)**

- \* discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting relevant correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations. We inspected compliance documentation, enquired over any risks or breaches in the year, reviewed certain regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls, revenue recognition and group recharges as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; testing the completeness, accuracy and existence of revenue, and challenging judgements; and by reviewing the calculation of recharges in conjunction with the US parent and assessing the assumptions and mark-ups used for reasonableness.

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

***Use of our report***

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

.....  
**David Fenton (Senior Statutory Auditor)**

For and on behalf of RSM UK Audit LLP  
Chartered Accountants and Statutory Auditor  
25 Farringdon Street  
London, EC4A 4AB

06 April 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	2	19,422,867	19,679,185
Administrative expenses		(12,982,427)	(12,982,625)
Other operating income	2	3,837,067	11,544,653
OPERATING PROFIT	3	10,277,507	18,241,213
Interest receivable and similar income	4	277	170,205
Interest payable and similar expense	5	(1,117)	(3,731)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,276,667	18,407,687
Taxation	7	(1,940,058)	(3,411,392)
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		8,336,609	14,996,295
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		8,336,609	14,996,295

Notes on pages 16 to 29 form part of these financial statements.  
All activities relate to continuing operations.

**CONSOLIDATED BALANCE SHEET**  
as at 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	332,469	349,306
CURRENT ASSETS			
Debtors	11	8,030,936	9,558,254
Cash at bank and in hand		9,385,227	11,497,731
		<u>17,416,163</u>	<u>21,055,985</u>
CREDITORS			
Amounts falling due within one year	12	(7,189,342)	(7,161,737)
NET CURRENT ASSETS		<u>10,226,821</u>	<u>13,894,248</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,559,290</u>	<u>14,243,554</u>
CREDITORS: Amounts falling due after more than one year	12	(183,283)	(205,273)
PROVISIONS FOR LIABILITIES	13	(118,041)	(116,924)
NET ASSETS		<u><u>10,257,966</u></u>	<u><u>13,921,357</u></u>
CAPITAL AND RESERVES			
Share capital		2,500,000	2,500,000
Profit and loss account		7,757,966	11,421,357
EQUITY SHAREHOLDER'S FUNDS		<u><u>10,257,966</u></u>	<u><u>13,921,357</u></u>

Notes on pages 16 to 29 form part of these financial statements.

Approved and authorised by the Board of Directors on 06 April 2022 and signed on their behalf by:

*Arron Day*

.....  
**Arron Day**  
**Director**

06 APRIL 2022

**GMO UK LIMITED – Company Number 04658801**

**COMPANY BALANCE SHEET**  
**as at 31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	9	332,469	349,306
Investments	10	84,153	84,153
		<u>416,622</u>	<u>433,459</u>
<b>CURRENT ASSETS</b>			
Debtors	11	7,624,360	9,318,095
Cash at bank and in hand		8,438,922	11,024,216
		<u>16,063,282</u>	<u>20,342,311</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(6,099,160)	(6,703,956)
		<u>9,964,122</u>	<u>13,638,355</u>
<b>NET CURRENT ASSETS</b>		<u>10,380,744</u>	<u>14,071,814</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(183,283)</u>	<u>(205,273)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12		
		<u>(118,041)</u>	<u>(116,924)</u>
<b>PROVISIONS FOR LIABILITIES</b>	13		
		<u>10,079,420</u>	<u>13,749,617</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital		2,500,000	2,500,000
Profit and loss account		7,579,420	11,249,617
		<u>10,079,420</u>	<u>13,749,617</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>			
		<u>10,079,420</u>	<u>13,749,617</u>

Notes on pages 16 to 29 form part of these financial statements.

The Company is exempt under Section 408 of Companies Act 2006 from disclosing its own Statement of Comprehensive Income.

The profit of the Company for the year was £8,329,803 (2020: £14,987,184).

Approved and authorised by the Board of Directors on 06 April 2022 and signed on their behalf by:

*Arron Day*

.....  
**Arron Day**  
**Director**

06 APRIL 2022

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2021

	Share capital	Profit and loss Account reserve	Total
	£	£	£
As at 1 January 2020	2,500,000	18,662,389	21,162,389
Profit for the year	-	14,996,295	14,996,295
Total comprehensive income	2,500,000	33,658,684	36,158,684
Dividends (note 8)	-	(22,237,327)	(22,237,327)
As at 31 December 2020	2,500,000	11,421,357	13,921,357
Profit for the year	-	8,336,609	8,336,609
Total comprehensive income	2,500,000	19,757,966	22,257,966
Dividends (note 8)	-	(12,000,000)	(12,000,000)
As at 31 December 2021	2,500,000	7,757,966	10,257,966

**Reserves**

*Profit and loss account reserve*

The profit and loss account reserve represents cumulative profits and losses of the Group.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2021

	Share capital	Profit and loss Account reserve	Total
	£	£	£
As at 1 January 2020	2,500,000	18,499,760	20,999,760
Profit for the year	-	14,987,184	14,987,184
Total comprehensive income	2,500,000	33,486,944	35,986,944
Dividends (note 8)	-	(22,237,327)	(22,237,327)
As at 31 December 2020	2,500,000	11,249,617	13,749,617
Profit for the year	-	8,329,803	8,329,803
Total comprehensive income	2,500,000	19,579,420	22,079,420
Dividends (note 8)	-	(12,000,000)	(12,000,000)
As at 31 December 2021	2,500,000	7,579,420	10,079,420

**Reserves**

*Profit and loss account reserve*

The profit and loss account reserve represents cumulative profits and losses of the Company.



**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 December 2021**

	Notes	2021 £	2020 £
<b>Operating activities</b>			
<b>Operating profit</b>		10,277,507	18,241,213
Adjustments for:			
Depreciation of tangible assets	9	53,686	46,858
Foreign exchange (gain)/loss	3	23,640	(3,179)
Gain on sale of Dutch branch	2	-	(7,095,267)
Operating cash flow before movement in working capital		10,354,833	11,189,625
Decrease in trade and other debtors	11	1,527,318	4,679,205
Increase in trade and other creditors	12	183,756	412,208
Interest received	4	277	18,827
Income tax paid		(2,118,199)	(4,855,030)
<b>Net cash flows from operating activities</b>		9,947,985	11,444,835
<b>Investing activities</b>			
Purchase of tangible assets	9	(36,849)	(86,445)
<b>Net cash flows used in investing activities</b>		(36,849)	(86,445)
<b>Financing activities</b>			
Dividends paid	8	(12,000,000)	(15,000,000)
Interest paid	5	-	(2,611)
<b>Net cash flows used in financing activities</b>		(12,000,000)	(15,002,611)
<b>Net decrease in cash and cash equivalents</b>		(2,088,864)	(3,644,221)
Cash and cash equivalents at the beginning of the year		11,497,731	15,138,773
Effect of exchange rates on cash and cash equivalents	3	(23,640)	3,179
<b>Cash and cash equivalents at end of the year</b>		9,385,227	11,497,731

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

**1. ACCOUNTING POLICIES**

**(a) General information**

GMO UK Limited ("the Company") is a limited company incorporated in the United Kingdom ("UK"). The address of its registered office and principal place of business is 1 London Bridge, London, SE1 9BG. The Company, and its subsidiary undertaking GMO Investment Management Company (Ireland) Limited ("GMO IMC"), (together referred to as the "Group"), carry out investment management services.

These financial statements have been presented in Pound Sterling, rounded to the nearest Pound, as this is the currency of the primary economic environment in which the Company operates.

**(b) Basis of preparation**

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, "UK GAAP" (United Kingdom Accounting Standards, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")) and applicable law. These financial statements have been prepared under the historical cost convention.

In preparing the Company financial statements, the Company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The Company has therefore complied with the applicable conditions, including providing notification of the use of exemptions to the Company's shareholder who has not objected to the use of such disclosure exemptions.

In preparing the Company financial statements, the Company has taken advantage of the following exemptions:

- (i) from preparing a Cash Flow Statement in accordance with Section 7 *Cash Flow Statements*;
- (ii) from providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the Group consolidated financial statement; and
- (iii) from disclosing the Company's key management personnel compensation, as required by paragraph 7 of Section 33 *Related Party Disclosures*.

**(c) Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking up to 31 December 2021.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**(d) Investments in subsidiary undertakings**

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

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

**For the year ended 31 December 2021**

**(e) Turnover**

Turnover represents fees receivable from discretionary and advisory segregated client accounts, net fees receivable from pooled funds managed or sponsored by GMO LLC and its affiliates, including fees receivable through net revenue sharing income from GMO LLC. Turnover from the provision of asset management services is recognised when the services have been provided and the fees can be ascertained and charged.

The Group has entitlement to earn performance fees from a number of clients where the actual performance of the clients' assets managed by the Group's affiliates exceeds certain benchmarks by an agreed level of performance in a set time period. Performance fees are recognised when the quantum of the fee can be ascertained and charged, which is normally at the end of the performance period when this occurs on or before the reporting date.

**(f) Tangible fixed assets**

Tangible fixed assets are initially recognised at cost, which is the purchase price plus any directly attributable costs, and subsequently measured at cost less accumulated depreciation and impairment losses.

Tangible fixed assets are depreciated over their expected useful lives on a straight-line basis using the following rates per annum:

Leasehold improvements - Over the life of the lease  
Office equipment - 25%  
Furniture and fittings - 25%

**(g) Taxation and deferred taxation**

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the reporting date. No provision is made for taxation on permanent differences. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised only to the extent it is deemed probable that the assets will be recovered.

**(h) Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into Pound Sterling at the rates of exchange prevailing at the reporting date. Income and expenses expressed in foreign currencies are translated into sterling at the rates of exchange prevailing on the date of the transaction. Differences arising on the translation of such items are dealt with in the profit and loss account.

**(i) Operating leases**

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease. Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

**(j) Financial Instruments**

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds basic financial instruments, which comprise cash and cash equivalents, trade and other debtors and trade and other creditors. The Group has chosen to apply the provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments* of FRS 102.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**Financial assets – classified as basic financial instruments**

*Cash and cash equivalents*

Cash and cash equivalents may include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

*Trade and other debtors*

Trade and other debtors are recognised at the transaction price, including any transaction costs. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that any debtor amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debtors. The amount of any provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of any provision is recognised immediately in profit or loss.

**Financial liabilities – classified as basic financial instruments**

*Trade and other creditors*

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and where appropriate are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

**(k) Provisions**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

**(l) Employee benefits**

*Short term benefits*

The Company provides short term benefits, including holiday pay and other similar non-monetary benefits to its employees. Short term benefits are recognised as an expense in the period in which the service is received. An accrual is recognised for short term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

The Company operates a defined contribution pension scheme. Obligations for contributions to the defined contribution pension scheme are charged to the profit or loss in the period to which the contributions relate.

**(m) Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. GMO IMC will be placed into liquidation in 2022 (see note 18). This liquidation will not impact the adequacy of available operational resources; thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**(n) Judgements and estimates**

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 the revision and future periods, if the revision affects both current and future periods.

**Critical judgements in applying the Group's accounting policies**

The critical judgements that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

*Assessing indicators of impairment*

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Determining useful economic lives of property, plant and equipment*

The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**2. TURNOVER**

	2021	2020
	£	£
<b>Turnover by category</b>		
Asset based fees	19,422,026	18,022,848
Performance based fees	841	1,656,337
	<u>19,422,867</u>	<u>19,679,185</u>
<b>Other operating income by category</b>		
Management recharges	10,878,056	10,816,381
Parent company cost allocation	(4,126,289)	(4,393,545)
Investment advisory fee in respect of GMO IMC	(2,914,700)	(1,973,450)
Gain on sale of Dutch branch and the intangible assets*	-	7,095,267
	<u>3,837,067</u>	<u>11,544,653</u>

- \* Following approval by the Directors, effective 1 January 2020, the Company (i) transferred the business of the Company's Dutch branch to its sister company, GMO Netherlands B.V. ("GMO BV") in exchange for the issue of shares in GMO BV, and; (ii) transferred the shares in GMO BV to GMO LLC by way of a dividend in specie, and; (iii) sold to GMO BV intangible assets representing underlying customer relationships and all related intangibles for certain clients domiciled in the European Union and European Economic Area. The intangible assets sold represented approximately 30% of the assets serviced by the Group. The Company's Dutch branch was deregistered from the Dutch Chamber of Commerce (KvK) effective 1 January 2020

**3. OPERATING PROFIT**

	2021	2020
	£	£
<b>Operating profit is stated after charging / (crediting):</b>		
Staff costs (note 6)	10,848,515	10,869,174
Depreciation of tangible fixed assets (note 9)	53,686	46,857
Foreign exchange loss/(gain)	23,640	(3,179)
Fees payable to the Company's auditor for the audit of the Group's annual accounts	44,770	46,070
Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiary pursuant to legislation	3,858	7,965
Operating lease charges:		
- Land and buildings	487,158	505,676

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

For the year ended 31 December 2021

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest arising on cash at bank	277	18,827
Interest charged on intercompany loan to GMO BV on sale of intangible assets	-	151,378
	<u>277</u>	<u>170,205</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on taxation	-	2,611
Finance costs arising on provisions	1,117	1,120
	<u>1,117</u>	<u>3,731</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2021

**6. EMPLOYEE AND DIRECTOR COSTS**

<b>Remuneration - All Group and Company employees</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,469,662	9,418,550
Social security costs	1,194,980	1,275,696
Pension costs	183,873	174,928
	<u>10,848,515</u>	<u>10,869,174</u>

The average monthly number of persons (including Directors) employed by the Group and Company during the year was:

	<b>2021</b>	<b>2020</b>
By activity:		
Management and administration	16	15
Client service professionals	5	5
Investment professionals	7	7
	<u>28</u>	<u>27</u>

<b>Remuneration – Directors and key management personnel</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	430,934	407,088
Pension contributions	4,000	1,720
	<u>434,934</u>	<u>408,808</u>
Total remuneration of Directors and key management personnel		
	<u>434,934</u>	<u>408,808</u>
Total Director emoluments (including pension contributions)	434,934	408,808
Total emoluments of the highest paid Director	434,934	408,808
Total social security costs of Directors and key management personnel	59,469	55,449



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**7. TAXATION ON THE PROFIT FOR THE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>(a) Total tax expense recognised in the statement of comprehensive income, other comprehensive income and equity:</b>		
Current tax:		
UK corporation tax	1,949,678	3,381,392
Foreign tax	3,229	
Adjustment in respect of prior periods	(170,555)	159,625
	<hr/>	<hr/>
Current tax charge for the year	1,782,352	3,542,331
Deferred tax:		
Origination and reversal of timing differences	(2,289)	24,530
Adjustments in respect of prior periods (deferred tax)	145,778	(142,281)
Effect of tax rate change on opening balance	14,217	(13,188)
	<hr/>	<hr/>
Total deferred tax	157,706	(130,939)
	<hr/>	<hr/>
Total tax	<u>1,940,058</u>	<u>3,411,392</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**7. TAXATION ON THE PROFIT FOR THE YEAR (continued)**

**(b) Reconciliation of tax charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2020: lower than the standard rate of 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	10,276,667	18,407,687
Profit on ordinary activities multiplied by the standard rate of corporation tax in UK of 19% (2020: 19%)	1,952,566	3,497,461
<i>Effects of:</i>		
Fixed asset differences	(2,769)	-
Expenses not deductible for tax purposes	3,156	30,746
Income not taxable for tax purposes	-	(115,325)
Adjustments in respect of previous periods	(170,555)	159,625
Adjustments in respect of previous periods (deferred tax)	145,778	(142,281)
Remeasurement of deferred tax for changes in tax rates	13,667	(13,188)
Foreign tax	(1,785)	(669)
Other movements	-	(4,977)
Total tax charge for the year	<u>1,940,058</u>	<u>3,411,392</u>

**(c) Deferred tax assets and liabilities**

	Assets		Liabilities		Net	
	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
Accelerated capital allowances	-	145,778	(56,946)	(45,018)	(56,946)	100,760
Tax assets/(liabilities)	<u>-</u>	<u>145,778</u>	<u>(56,946)</u>	<u>(45,018)</u>	<u>(56,946)</u>	<u>100,760</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**8. DIVIDENDS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividend paid on 2,500,000 ordinary shares	12,000,000	15,000,000
Dividend in specie on 2,500,000 ordinary shares	-	7,237,327
	<u>12,000,000</u>	<u>22,237,327</u>
Total dividend	<u><u>12,000,000</u></u>	<u><u>22,237,327</u></u>

**9. FIXED ASSETS – TANGIBLE ASSETS**

<b>Group and Company</b>	<b>Leasehold Improvements</b>	<b>Office Equipment</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
As at 1 January 2021	604,995	287,593	143,194	1,035,782
Additions	-	34,058	2,791	36,849
Disposals	-	-	-	-
	<u>604,995</u>	<u>321,651</u>	<u>145,985</u>	<u>1,072,631</u>
<b>DEPRECIATION</b>				
As at 1 January 2021	376,684	167,776	142,016	686,476
Charge for the year	21,219	31,556	911	53,686
Disposals	-	-	-	-
	<u>397,903</u>	<u>199,332</u>	<u>142,927</u>	<u>740,162</u>
<b>NET BOOK VALUE</b>				
As at 31 December 2020	<u>228,311</u>	<u>119,817</u>	<u>1,178</u>	<u>349,306</u>
As at 31 December 2021	<u><u>207,092</u></u>	<u><u>122,319</u></u>	<u><u>3,058</u></u>	<u><u>332,469</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**10. FIXED ASSETS - INVESTMENTS**

<b>Investments in subsidiary undertakings</b>	<b>Company</b>
At 1 January and 31 December 2021	<b>£</b>
	84,153

Additional information regarding the subsidiary held by GMO UK Limited:

<b>Name of Company</b>	<b>Country of incorporation/registration and operation</b>	<b>Class of share held</b>	<b>Percentage of share held</b>	<b>Nature of business</b>
GMO Investment Management Company (Ireland) Limited	Ireland	€1 Ordinary	100%	Investment management

**11. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year:				
Other debtors	240,577	63,203	240,577	63,203
Deferred tax asset	-	100,760	-	100,760
Amounts due from parent undertaking	7,040,357	8,697,448	7,040,357	8,697,448
Amounts due from fellow subsidiaries or other group undertakings	30,836	100,356	30,836	100,356
Prepayments and accrued income	719,166	596,487	312,590	356,328
<b>Total debtors</b>	<b>8,030,936</b>	<b>9,558,254</b>	<b>7,624,360</b>	<b>9,318,095</b>

Unless there is a specific loan agreement in place, amounts due from the parent undertaking and other group undertakings are unsecured, subject to the right of set-off, interest-free and repayable as soon as practicable after the conclusion of each fiscal quarter. There are no loan agreements in place on the balances owing as at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	44,971	33,586	44,971	29,235
Amounts due to parent undertaking	1,003,100	402,000	-	-
Taxation and social security	1,687,334	1,464,802	1,687,334	1,464,802
Corporation tax	28,493	206,634	26,503	206,623
Accruals and deferred income	4,425,444	5,054,715	4,340,352	5,003,296
<b>Total creditors</b>	<b>7,189,342</b>	<b>7,161,737</b>	<b>6,099,160</b>	<b>6,703,956</b>

Amounts due to the parent undertaking are unsecured, subject to the right of set-off, interest-free and repayable as soon as practicable after the conclusion of each fiscal quarter.

**CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax liability	56,946	-	56,946	-
Leasehold incentive liability	126,337	205,273	126,337	205,273
<b>Total creditors</b>	<b>183,283</b>	<b>205,273</b>	<b>183,283</b>	<b>205,273</b>

**13. PROVISIONS FOR LIABILITIES**

	<b>Group and Company</b>
	<b>2021</b>
	<b>£</b>
At 1 January 2021	116,924
Unwind of discount	1,117
<b>At 31 December 2021</b>	<b>118,041</b>

The above obligation relates to the expected cost of £126,395 for restoring the office back to its original state at the end of the lease agreement in 2029. The cost is an estimate based on a professional quote and the timing of payment may vary if the lease is renewed.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**14. PENSION COMMITMENTS**

The Company operates a defined contribution pension scheme with assets held in a separately administered pension fund for each member. Contributions totalling £Nil (2020: £Nil) were payable to the fund at year end. Contributions charged for the year were £183,873 (2020: £174,928).

**15. CAPITAL AND OTHER COMMITMENTS**

As at 31 December 2021, the Group had the following total minimum commitments under non-cancellable operating leases:

	2021	2020
	£	£
<b>Land and buildings:</b>		
Not later than one year	595,233	585,968
Later than one year and not later than five years; and	2,590,034	2,491,472
Later than five years	1,626,540	2,251,060

**16. ULTIMATE PARENT UNDERTAKING**

The immediate and ultimate parent undertaking and controlling party is GMO LLC, a limited liability company organised under the laws of the Commonwealth of Massachusetts USA, which is the parent of both the Company and the Group for which group accounts are drawn up.

**17. RELATED PARTY TRANSACTIONS**

During the year, GMO IMC received fee income from GMO Investments ICAV (the "ICAV"), for serving as the investment manager. Fees receivable from the ICAV for the year amounted to £3,041,434 (2020: £2,025,855). At the balance sheet date, GMO IMC was due £406,576 from the ICAV (2020: £240,156).

## **18. POST BALANCE SHEET EVENTS**

In late 2020, the Central Bank of Ireland released its findings regarding the CP86 Thematic Review in an industry letter (the "Industry Letter"). Among other things, the Industry Letter set forth a requirement that UCITS companies have a management function with substance on the ground in Ireland. To address this requirement, the board of directors of GMO Investments ICAV (the "ICAV") for which GMO IMC serves as the management company approved the engagement of a third-party management company to serve as the management company of the ICAV effective 1 January 2022. As a result, as of 31 December 2021, GMO IMC ceased providing management services to collective investment schemes authorised by the Central Bank. On 21 March 2022, the Central Bank withdrew GMO IMC's authorisation as a management company pursuant to the UCITS Regulations. GMO IMC will be placed into liquidation in 2022.

In late February 2022, Russia began an invasion of Ukraine. Following the invasion, the United States, the European Union, the United Kingdom, Australia, Singapore, and other countries and entities imposed wide-ranging sanctions on Russia, the President of Russia and other members of the Government of Russia as well as entities owned or controlled by, or acting on behalf of, the Government of Russia. The Government of Russia has also imposed countersanctions and taken other actions in response to the sanctions. The scope and scale of the sanctions may be expanded and the conflict between Russia and Ukraine may further deteriorate. The full effect of the conflict and the sanctions on the financial markets and the global economy is not yet known. The Company's revenues and results for the next financial year and beyond may be adversely impacted.

There were no other post balance sheet events relevant to these financial statements.