

Registration number: 09084372

# Boston Partners (UK) Limited

Annual report and financial statements

for the year ended 31 December 2021

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## **Boston Partners (UK) Limited**

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## **Boston Partners (UK) Limited**

### **Company information**

<b>Directors</b>	W G Butterly W T Pawson K C Schrader M S Kuzminskas G A Varner
<b>Company secretary</b>	W G Butterly Corporation Service Company (UK) Limited
<b>Registered office</b>	5 Churchill Place 10th Floor London United Kingdom E14 5HU
<b>Independent Auditor</b>	KPMG LLP (Senior Statutory Auditor) 15 Canada Square London E14 5GL
<b>Registration number</b>	09084372

## **Boston Partners (UK) Limited**

### **Directors' report for the year ended 31 December 2021**

The directors present their annual report on the affairs of Boston Partners (UK) Limited (the 'Company') together with the financial statements for the year ended 31 December 2021.

The directors took advantage of the small companies' exemption to not prepare a Strategic report.

#### **Principal activity**

The principal activity of the Company is the provision of consultancy services specific to Boston Partners Global Investors (the 'parent company') products.

#### **Directors of the Company**

The directors who held office during the year and up to the date of this report, were as follows:

W G Butterly - Company secretary and director

W T Pawson

K C Schrader

M S Kuzminskas

G A Varner

#### **Results and dividends**

The profit for the year after taxation amounted to £5,389,940 (2020: £672,026). The directors do not recommend the payment of a dividend (2020: £nil).

#### **Political donations**

The Company made no political donations during the year (2020: £nil).

#### **Future developments**

The Company is examining the potential to expand the client service team with an additional hire to better service the clients and prospects in the UK and Continental Europe. The Company is currently focused on promoting their global long/short alternative SICAV fund and their long-only global and U.S. equity range and will continue to do so in the future.

#### **Business overview**

The parent, Boston Partners Global Investors, is an investment organization with core offerings being both long only and long/short value equities. Revenue is primarily investment management fees collected for providing services to clients. Revenue is spread across a variety of investment vehicles such as mutual funds or separately managed funds. A significant portion of Boston Partners revenue is derived from institutional investors which provides a stable base of clientele as these companies have mandates to maintain a value portion in their portfolios. The Company provides consultancy services for the parent's products, for which it is compensated on a cost plus basis.

#### **Effects of Brexit**

Based on the information currently available, the directors have assessed that the impact of Brexit is of low risk to the Company due to the following reasons:

- The majority of turnover will continue to be derived from consultancy services fees from a fellow group company based in the USA. All of the Company's turnover is denominated in U.S. Dollars.
- The Company does not have and does not expect to conduct business directly with entities based in EU member states.
- The Company does not have any employees or agency staff whose right to employment in the UK is dependent on rights relating to the movement of workers among EU member states and does not expect a need to recruit outside the UK.

## **Boston Partners (UK) Limited**

### **Directors' report for the year ended 31 December 2021 (continued)**

#### **Business overview (continued)**

##### *Effects of COVID-19*

The Company successfully adapted to working remotely during COVID-19 and it has not disrupted business operations. However, the COVID-19 outbreak has had a significant impact on global economies and markets and the ultimate economic fallout and the impact on the Company and on the parent company remains unknown. The directors will continue to monitor the situation and put in place measures to address issues as they arise.

##### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities for at least 12 months from the date of approval of these financial statements. Thus, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Company's only customer is its parent company, with which it trades on a cost-plus basis. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period. When assessing the Company's ability to continue as a going concern, the directors have also considered the forecast performance of the parent company, including possible downsides from the global effects of COVID-19. The Company was also able to continue conducting operations remotely without significant impact on the business during the COVID-19 pandemic.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

##### **Directors indemnities**

As permitted by the Articles of Association, the Company has made third party indemnity provisions for the benefit of its directors which were made during the period and remain in force.

##### **Financial risk management**

Details of financial risk management are detailed in note 21.

##### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

##### **Reappointment of auditor**

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

**Boston Partners (UK) Limited**

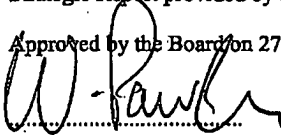
**Directors' report for the year ended 31 December 2021 (continued)**

**Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption from preparing a Strategic Report provided by Section 415A of the Companies Act 2006.

Approved by the Board on 27 April 2022 and signed on its behalf by:



W T Pawson  
Director

## **Boston Partners (UK) Limited**

### **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Boston Partners (UK) Limited**

### **Opinion**

We have audited the financial statements of Boston Partners (UK) Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash-flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.



## **Independent auditor's report to the members of Boston Partners (UK) Limited (continued)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post-closing journals.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## **Independent auditor's report to the members of Boston Partners (UK) Limited (continued)**

### **Fraud and breaches of laws and regulations – ability to detect (continued)**

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)*

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

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

we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

**Independent auditor's report to the members of Boston Partners (UK) Limited  
(continued)**

**Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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



.....  
**Neil Palmer (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

27 April 2022

**Boston Partners (UK) Limited****Statement of profit and loss and other comprehensive income  
For the year ended 31 December 2021**

	Note	2021 £	2020 £
Revenue		7,861,333	6,543,468
Cost of sales		<u>(5,694,896)</u>	<u>(4,260,590)</u>
<b>Gross profit</b>		2,166,437	2,282,878
Administrative expenses		(462,008)	(579,945)
Foreign exchange movement		(119,870)	115,587
Realised gains on investments		201,120	34,667
Unrealised gain on investments held at fair value through profit and loss	11	<u>5,709,685</u>	<u>160,225</u>
<b>Operating profit</b>		7,495,364	2,013,412
Finance income	4	1,269	5,345
Finance costs	4	<u>(1,060,325)</u>	<u>(1,286,422)</u>
<b>Profit before tax</b>	8	6,436,308	732,335
Income tax	9	<u>(1,046,368)</u>	<u>(60,309)</u>
<b>Profit for the year</b>		<u>5,389,940</u>	<u>672,026</u>

The above results were derived from continuing operations.

There were no comprehensive income or losses for the current or preceding period other than those included above and as such no separate Statement of comprehensive income has been presented.

The notes on pages 15 to 34 form an integral part of these financial statements.

**Boston Partners (UK) Limited**

**Statement of financial position  
As at 31 December 2021**

	Note	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	10	4,420	57,459
Investments at fair value through profit and loss	11	36,159,409	39,327,146
Right-of-use assets	12	10,849	132,188
		<u>36,174,678</u>	<u>39,516,793</u>
<b>Current assets</b>			
Deferred tax asset	13	-	646,697
Trade and other receivables	14	7,906,431	6,516,020
Cash and bank balances	15	16,019,605	13,036,355
		<u>23,926,036</u>	<u>20,199,072</u>
<b>Total assets</b>		<u>60,100,714</u>	<u>59,715,865</u>
<b>Current liabilities</b>			
Trade and other payables	16	4,416,805	3,809,845
Finance lease liabilities	19	11,250	124,166
Loans and borrowings	17	13,188,131	-
		<u>17,616,186</u>	<u>3,934,011</u>
<b>Net current assets</b>		<u>6,309,850</u>	<u>16,265,061</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	26,599,136	46,588,166
Finance lease liabilities	19	-	11,249
Deferred compensation plans		3,738,231	2,425,218
		<u>30,337,367</u>	<u>49,024,633</u>
<b>Equity</b>			
Called-up share capital	18	6,110,001	6,110,001
Share premium	18	739,999	739,999
Retained earnings	18	5,297,161	(92,779)
<b>Total equity</b>		<u>12,147,161</u>	<u>6,757,221</u>
<b>Total equity and liabilities</b>		<u>60,100,714</u>	<u>59,715,865</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

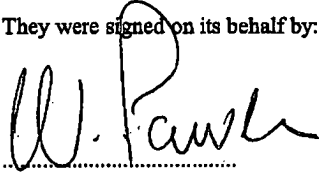
The notes on pages 15 to 34 form an integral part of these financial statements.

**Boston Partners (UK) Limited**

**Statement of financial position  
As at 31 December 2021 (continued)**

The financial statements of Boston Partners (UK) Limited (Registration number: 09084372) were approved by the Board of directors and authorised for issue on 27 April 2022

They were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'W. Pawson', written over a dotted line.

W T Pawson

Director

The notes on pages 15 to 34 form an integral part of these financial statements.

**Boston Partners (UK) Limited**

**Statement of changes in equity  
For the year ended 31 December 2021**

	<b>Called-up share capital £</b>	<b>Share premium £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2020	3,410,001	739,999	(764,805)	3,385,195
Profit for the year	-	-	672,026	672,026
New share capital subscribed	2,700,000	-	-	2,700,000
At 31 December 2020	6,110,001	739,999	(92,779)	6,757,221
	<b>Called-up share capital £</b>	<b>Share premium £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2021	6,110,001	739,999	(92,779)	6,757,221
Profit for the year	-	-	5,389,940	5,389,940
At 31 December 2021	6,110,001	739,999	5,297,161	12,147,161

The notes on pages 15 to 34 form an integral part of these financial statements.

# **Boston Partners (UK) Limited**

## **Statement of cash flows For the year ended 31 December 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		5,389,940	672,026
<b>Adjustments to cash flows for non-cash items:</b>			
Depreciation	8	174,378	174,378
Unrealised gain on investments held at fair value	11	1	(160,225)
Foreign exchange movements*		(96,908)	(251,651)
Realised gain on investments		-	(34,667)
Finance income	4	(1,269)	(5,345)
Borrowing expenses	4	1,060,325	1,286,422
Income tax expense	9	1,046,368	60,309
		<u>7,572,835</u>	<u>1,741,247</u>
<b>Working capital adjustments</b>			
Increase in trade and other receivables	14	(1,378,917)	(1,080,617)
Increase/(decrease) in trade and other payables	16	2,564,329	(804,604)
Income tax paid		<u>(611,131)</u>	<u>(246,420)</u>
<b>Net cash flow used in operating activities</b>		<u>8,147,116</u>	<u>(390,394)</u>
<b>Cash flows from investing activities</b>			
Interest received	4	1,269	5,345
Proceeds from redemption of investments		<u>3,167,737</u>	<u>4,771,798</u>
<b>Net cash flows from investing activities</b>		<u>3,169,006</u>	<u>4,777,143</u>
<b>Cash flows from financing activities</b>			
Interest paid on borrowings		(1,060,325)	(1,622,060)
Loan repayment		(7,272,547)	-
Issue of share capital	18	-	2,700,000
<b>Net cash flows from financing activities</b>		<u>(8,332,872)</u>	<u>1,077,940</u>
<b>Net increase in cash and cash equivalents</b>		<u>2,983,250</u>	<u>5,464,689</u>
Cash and cash equivalents at 1 January		<u>13,036,355</u>	<u>7,571,666</u>
Cash and cash equivalents at 31 December		<u>16,019,605</u>	<u>13,036,355</u>

\*Excluding foreign exchange movements on cash and cash equivalents.

The notes on pages 15 to 34 form an integral part of these financial statements.



## **Boston Partners (UK) Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **1 General information**

Boston Partners (UK) Limited is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

5 Churchill Place  
10th Floor  
London  
United Kingdom  
E14 5HU

These financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

#### **2 Adoption of new and revised Standards**

There are no standards, amendments and interpretations, which will become effective for the first time for the financial year beginning on or after 1 January 2021 that would be expected to have a material impact on the Company.

##### **New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)	1 Apr 2021
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	1 Jan 2022
Annual Improvements to IFRS Standards 2018-2020	1 Jan 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 Jan 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 Jan 2022
IFRS 17 Insurance Contracts	1 Jan 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 Jan 2023
Amendments to IFRS 17	1 Jan 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 Jan 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 Jan 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12 Income Taxes	1 Jan 2023

## **Boston Partners (UK) Limited**

### **Notes to the financial statements For the year ended 31 December 2021 (continued)**

#### **3 Significant accounting policies**

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost convention as modified by financial instruments recognised at fair value.

The preparation of the Company's financial statements in conforming to IFRS required management to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. The directors do not consider any estimates or judgements critical in the preparation of these financial statements.

##### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities for at least 12 months from the date of approval of these financial statements. Thus, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Company's only customer is its parent company, with which it trades on a cost-plus basis. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period. When assessing the Company's ability to continue as a going concern, the directors have also considered the forecast performance of the parent company, including possible downsides from the global effects of COVID-19. The Company was also able to continue conducting operations remotely without significant impact on the business during the COVID-19 pandemic.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

##### **Cost of sales**

Cost of sales consists of staff costs and are recognised on an accruals basis.

##### **Administrative expenses**

Administrative expenses includes foreign exchange movements. The treatment of foreign exchange movements is discussed below in the foreign currencies accounting policy. Other administrative expenses are recognised on an accruals basis.

##### **Revenue recognition**

Revenue relates solely to services provided to the immediate parent company and carried out in the United Kingdom. It is recognised when the Company satisfies its performance obligation and over the period the service is provided. Revenue is only recognised to the extent that it is highly probable that a significant reversal in the revenue recognised will not occur.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021 (continued)**

### **3 Significant accounting policies (continued)**

#### **Finance income and costs**

Interest payable and similar charges include interest payable on borrowings and leases. Other interest receivable and similar income include interest receivable on cash.

#### **Foreign currencies**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences are recognised in the profit or loss in the period in which they arise.

#### **Taxation**

The income tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the end of each reporting period. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

##### *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements For the year ended 31 December 2021 (continued)**

#### **3 Significant accounting policies (continued)**

##### **Property, plant and equipment**

Property, plant and equipment is stated in the Statement of financial position at cost, less any subsequent accumulated depreciation.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation rate and method</b>
Leasehold improvements	Life of the lease
Furniture, fittings and equipment	5 year straight line method
Computer equipment	5 year straight line method

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand.

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of profit and loss over the period of the relevant borrowing.

There will be movements in the GBP carrying value of the USD loan balances to reflect changes in foreign exchange rates as at the balance sheet date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case borrowings are classified as non-current liabilities.

##### **Leases**

###### ***The company as lessee***

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021 (continued)**

### **3 Significant accounting policies (continued)**

#### **Leases (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use assets, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021 (continued)**

### **3 Significant accounting policies (continued)**

#### **Leases (continued)**

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Statement of financial position.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of property, plant and equipment' policy note. The Company did not impair any right-of-use assets during the periods presented.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### **Deferred compensation plans**

The deferred bonus plan is a long-term incentive plan that is awarded to select employees at Boston Partners discretion and shall be paid per the scheduled payment date. The awarded amount is invested in selected investment funds chosen by the parent and the final payment amount is adjusted for market movement. Deferred bonus amounts are subject to forfeiture in the event that the employee chooses to terminate employment for any reason, or employment is terminated by the Company "For Cause" on or prior to scheduled payment date. Cause is defined as material failure to follow the Company's policies or procedures or engaging in conduct which is detrimental to the Company's business.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at cost less any directly attributable transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are derecognised from the statement of financial position when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

## Boston Partners (UK) Limited

### Notes to the financial statements

For the year ended 31 December 2021 (continued)

#### 3 Significant accounting policies (continued)

##### Financial instruments (continued)

###### *Classification of financial assets*

The financial assets and liabilities of the Company are classified into the following categories specified by IAS 39 Financial Instruments: Recognition and Measurement.

Loans and receivables - trade receivables, loans and other receivables with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost less any impairment.

Financial assets/liabilities at fair value through profit or loss ("FVTPL") - assets and liabilities which are held for trading. An asset or liability is classified as held for trading if:

- (i) it has been acquired principally for the purpose of selling or repurchasing in the near term; or
- (ii) on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets and liabilities at FVTPL are stated at fair value, with any gains and losses arising on remeasurement recognised in the income statement.

Other financial liabilities - financial liabilities, including trade payables which are not classified as financial liabilities at FVTPL are measured at amortised cost.

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

Financial assets, other than those held at FVTPL, are assessed for indicators of impairment at each statement of financial position date.

The carrying amount of a financial asset is reduced directly by any impairment loss, for all financial assets except trade receivables where the carrying amount is reduced through the use of an allowance account.

#### 4 Finance income and costs

	2021 £	2020 £
<b>Finance income</b>		
Interest income on bank deposits	1,269	5,345
<b>Finance costs</b>		
Interest expense on lease liabilities	(1,662)	(4,646)
Interest owed on loans from group undertakings	(1,058,663)	(1,279,799)
Other finance costs	-	(1,977)
<b>Total finance costs</b>	<b>(1,060,325)</b>	<b>(1,286,422)</b>

**Boston Partners (UK) Limited****Notes to the financial statements  
For the year ended 31 December 2021 (continued)****5 Staff costs and numbers**

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	4,354,088	3,016,711
Social security costs	479,890	593,532
Pension costs, defined contribution scheme	57,250	57,250
	<u>4,891,228</u>	<u>3,667,493</u>

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration	<u>4</u>	<u>4</u>

**6 Directors' remuneration**

	2021	2020
The number of directors who: Are members of a defined contribution pension scheme	<u>2</u>	<u>2</u>

	2021 £	2020 £
<b>Directors' remuneration</b>		
Emoluments	705,000	710,775
Contributions paid to defined contribution schemes	33,000	38,550
	<u>738,000</u>	<u>749,325</u>

	2021 £	2020 £
<b>Remuneration of the highest paid director:</b>		
Emoluments	365,000	418,775
Contributions paid to defined contribution schemes	19,500	19,500
	<u>384,500</u>	<u>438,275</u>



**Boston Partners (UK) Limited****Notes to the financial statements  
For the year ended 31 December 2021 (continued)****7 Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's accounts	35,000	35,000
Fees payable to the Company's auditor for audit related assurance services		
Regulatory audit	12,000	12,000
Total audit and audited related assurance services fees	47,000	47,000

**8 Profit before tax**

Profit before tax is arrived at after charging:

	2021 £	2020 £
Auditors remuneration (note 7)	47,000	47,000
Depreciation expense (notes 10 and 12)	174,378	174,378
Interest costs (note 4)	1,060,325	1,286,422

**9 Income tax**

Tax charged in the Statement of profit and loss:

	2021 £	2020 £
Corporation income tax		
UK corporation tax	145,240	308,630
UK corporation tax adjustment to prior periods	1,122	3,744
	146,362	312,374
Deferred taxation		
Current year	839,267	(205,638)
Effect of changes in tax rates	60,739	(46,427)
Total deferred taxation	900,006	(252,065)
Tax expense in the Statement of profit or loss	1,046,368	60,309

The tax on profit before tax for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

## Boston Partners (UK) Limited

### Notes to the financial statements

For the year ended 31 December 2021 (continued)

#### 9 Income tax (continued)

	2021 £	2020 £
Profit before taxation	6,436,308	732,335
Corporation tax at standard rate of 19% (2019: 19%)	1,222,899	139,143
Adjustments in respect of prior years	1,122	3,744
Expenses not deductible	(17,851)	7,289
Tax rate changes	60,739	(46,427)
Income not taxable	(1,123,143)	(43,440)
Movement in capital loss/gains	902,602	-
Total tax charge	1,046,368	60,309

#### Factors that may affect future tax charges

The March 2021 Budget announced a further increase to the main rate of corporation tax from 19% to 25% effective from 1 April 2023. As a result, any deferred tax balances that are expected to reverse before 1 April 2023 have been calculated using a rate of 19%, whereas a rate of 25% has been applied to balances that are expected to reverse after this date.

#### 10 Property, plant and equipment

	Leasehold improvements £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	179,008	25,108	43,399	247,515
At 31 December 2021	179,008	25,108	43,399	247,515
<b>Accumulated depreciation</b>				
At 1 January 2021	137,453	19,278	33,325	190,056
Charge for the year	38,359	5,380	9,300	53,039
At 31 December 2021	175,812	24,658	42,625	243,095
<b>Carrying amount</b>				
At 31 December 2021	3,196	450	774	4,420
At 31 December 2020	41,555	5,830	10,074	57,459

## Boston Partners (UK) Limited

### Notes to the financial statements For the year ended 31 December 2021 (continued)

#### 10 Property, plant and equipment (continued)

	Leasehold improvements £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2020	179,008	25,108	43,399	247,515
At 31 December 2020	179,008	25,108	43,399	247,515
<b>Accumulated depreciation</b>				
At 1 January 2020	99,094	13,898	24,025	137,017
Charge for the year	38,359	5,380	9,300	53,039
At 31 December 2020	137,453	19,278	33,325	190,056
<b>Carrying amount</b>				
At 31 December 2020	41,555	5,830	10,074	57,459

#### 11 Investments

	Listed investments £
<b>Reconciliation</b>	
At 1 January 2020	45,267,035
Gains from fair value adjustment	160,225
Foreign exchange loss on revaluation	(1,362,983)
Disposals	(4,737,131)
At 31 December 2020	39,327,146
Gains from fair value adjustment	5,709,685
Foreign exchange gain on revaluation	466,029
Realised fair value gain	164,339
Realised foreign exchange gain	36,781
Disposals	(9,544,571)
At 31 December 2021	36,159,409
<b>Carrying amount</b>	
At 31 December 2021	36,159,409
At 31 December 2020	39,327,146

The fair value of listed investments, which are all traded in active markets, was determined with reference to the quoted market price at the reporting date.

All investments are held at level 1 of the fair value hierarchy. There were no movements between levels during the periods.

## Boston Partners (UK) Limited

### Notes to the financial statements

For the year ended 31 December 2021 (continued)

#### 12 Right-of-use assets

	Property leases £	Office equipment leases £	Total £
<b>Cost</b>			
Balance at 1 January 2021	365,032	9,834	374,866
At 31 December 2021	365,032	9,834	374,866
<b>Accumulated depreciation</b>			
At 1 January 2021	236,778	5,900	242,678
Charge for the year	118,389	2,950	121,339
At 31 December 2021	355,167	8,850	364,017
<b>Carrying amount</b>			
At 31 December 2021	9,865	984	10,849
At 31 December 2020	128,254	3,934	132,188

	2021 £	2020 £
<b>Amounts recognised in profit and loss account</b>		
Depreciation expense on right-of-use assets (note 8)	121,339	121,339
Interest expense on lease liabilities (note 4)	1,662	4,646
	123,001	125,985

#### 13 Deferred tax assets/(liabilities):

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting year.

	2021 £	2020 £
At 1 January	646,697	394,632
Credited to statement of profit or loss	(900,006)	252,065
At 31 December	(253,309)	646,697
	2021 £	2020 £
Temporary differences trading	934,558	649,719
Fixed assets	(233)	(3,022)
Capital losses/gains	(1,187,634)	-
	(253,309)	646,697

**Boston Partners (UK) Limited****Notes to the financial statements  
For the year ended 31 December 2021 (continued)****14 Trade and other receivables**

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	7,768,092	6,366,776
Prepayments	41,428	62,421
Other receivables	73,658	73,659
Other taxes and social security	11,759	13,164
Corporation tax	11,494	-
	<u>7,906,431</u>	<u>6,516,020</u>

Amounts owed by group undertakings are unsecured, repayable on demand and do not bear interest.

**15 Cash and cash equivalents**

	2021 £	2020 £
Cash at bank	<u>16,019,605</u>	<u>13,036,355</u>

**16 Trade and other payables**

	Note	2021 £	2020 £
Trade payables		94,353	66,329
Accrued expenses		177,063	145,031
Amounts owed to group undertakings	17	777,135	610,149
Deferred tax liability	13	253,309	-
Other payables		3,114,945	2,788,370
Corporation tax		-	199,966
		<u>4,416,805</u>	<u>3,809,845</u>

Amounts owed to group undertakings comprise interest payable on loans from the parent undertaking.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## Boston Partners (UK) Limited

### Notes to the financial statements

For the year ended 31 December 2021 (continued)

#### 17 Loans and borrowings

	2021 £	2020 £
<b>Current liabilities</b>		
Amounts owed to group undertakings	<u>13,188,131</u>	<u>-</u>
<b>Non - current liabilities</b>		
Amounts owed to group undertakings	<u>26,599,136</u>	<u>46,588,166</u>

Included in amounts owed to group undertakings are three loans from Boston Partners Global Investors, Inc. the parent undertaking, which consists of loan 1 of \$17,800,000, loan 2 of \$33,900,000 and loan 3 of \$2,000,000. In total the loan value amounts to \$53,700,000 at year end. Interest is charged at 2.483% for loan 1 and at 2.620% for loan 2 and at 3.240% for loan 3 and totalled £1,058,663 (2020: £1,279,799) during the year. At the year end the total amount outstanding for the loans and interest is £40,564,402 (2020: £47,198,315). The loans principal due to group undertakings has a fixed repayment date of 24 November 2022 for loan 1 and 8 January 2023 for loan 2 and 4 January 2024 for loan 3. The unpaid interest has a repayment date of 31 March 2022 and is included in note 16.

#### 18 Called-up share capital and reserves

Authorised, allotted, called-up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>6,110,001</u>	<u>6,110,001</u>	<u>6,110,001</u>	<u>6,110,001</u>

The Company has one class of ordinary shares.

*The Company's other reserves are as follows:*

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

## Boston Partners (UK) Limited

### Notes to the financial statements For the year ended 31 December 2021 (continued)

#### 19 Lease liabilities

	2021 £	2020 £
<b>Maturity analysis:</b>		
Year 1	11,250	125,828
Year 2	-	11,253
Year 3	-	-
	<u>11,250</u>	<u>137,081</u>
Less: unearned interest	-	(1,666)
	<u>11,250</u>	<u>135,415</u>
<b>Analysed as:</b>		
Non-current	-	11,249
Current	<u>11,250</u>	<u>124,166</u>
	<u>11,250</u>	<u>135,415</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

#### 20 Financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Note	FVTPL £	Financial assets amortised cost £	Financial liabilities amortised cost £	Total £
<b>Carrying amount</b>					
<b>At 31 December 2021</b>					
Investments	11	<u>36,159,409</u>	-	-	<u>36,159,409</u>
<b>Financial assets</b>					
Trade and other receivables*	14	-	7,853,509	-	7,853,509
Cash and cash equivalents	15	-	<u>16,019,605</u>	-	<u>16,019,605</u>

**Boston Partners (UK) Limited**

**Notes to the financial statements  
For the year ended 31 December 2021 (continued)**

**20 Financial instruments (continued)**

	Note	FVTPL £	Financial assets amortised cost £	Financial liabilities amortised cost £	Total £
		-	23,873,114	-	23,873,114
<b>Financial liabilities</b>					
Trade and other payables*	16	-	-	4,163,296	4,163,296
Borrowings	17	-	-	39,787,267	39,787,267
Deferred compensation plans		-	-	3,738,231	3,738,231
		-	-	47,688,794	47,688,794
		Level 1 £	Level 2 £	Level 3 £	Total £

**Fair value**

**At 31 December 2021**  
Financial assets at fair value  
through profit and loss - listed  
investments

36,159,409	-	-	36,159,409
36,159,409	-	-	36,159,409

	Note	FVTPL £	Financial assets amortised cost £	Financial liabilities amortised cost £	Total £
<b>Carrying amount</b>					
<b>At 31 December 2020</b>					
Investments	11	39,327,146	-	-	39,327,146
<b>Financial assets not measured at fair value</b>					
Trade and other receivables*	14	-	6,453,599	-	6,453,599
Cash and cash equivalents	15	-	13,036,355	-	13,036,355
		-	19,489,954	-	19,489,954
<b>Financial liabilities not measured at fair value</b>					
Trade and other payables*	16	-	-	3,609,879	3,609,879
Borrowings	17	-	-	46,588,166	46,588,166
Deferred compensation plans		-	-	2,425,218	2,425,218
		-	-	52,623,263	52,623,263



## Boston Partners (UK) Limited

### Notes to the financial statements For the year ended 31 December 2021 (continued)

#### 20 Financial instruments (continued)

	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Fair value</b>				
<b>At 31 December 2020</b>				
Financial assets at fair value through profit and loss - listed investments	39,327,146	-	-	39,327,146
	<u>39,327,146</u>	<u>-</u>	<u>-</u>	<u>39,327,146</u>

\*Trade and other receivables exclude prepayments of £41,428 (2020: £62,421). Trade and other payables excludes corporate taxation payable totalling £- (2020: £199,966).

#### 21 Financial risk management

##### Financial risk management objectives

Financial risks are assessed and managed at Group level. The Groups's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk.

##### Financial risk management objectives (continued)

The Corporate Treasury function reports quarterly to the Groups's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

##### Credit risk

Credit risk is the risk of suffering financial loss should the Company's customers, clients or counterparties fail to fulfil their contractual obligations to the Company. The Company's core business is primarily to advise other Group companies on investment decisions. As a result, the directors do not consider that the Company is exposed to any material third party credit risk as the majority of receivables are from related companies.

Cash is held by one financial institution. In the event that the financial institution is unable to fulfill its obligations, the parent company would be readily available to make capital infusions to fulfill its obligations.

Of the trade receivables balance at the end of the year, £7,768,092 (2020: £6,366,776) is due from Boston Partners Global Investors, the Company's largest customer. Apart from this, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds is considered by the directors to be limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### Market risk

The Company's activities expose it to market risk through the changes in fair value of investments and the financial risks of changes in foreign currency exchange rates and interest rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

## Boston Partners (UK) Limited

### Notes to the financial statements

For the year ended 31 December 2021 (continued)

#### 21 Financial risk management (continued)

##### Foreign exchange risk

The Company's functional currency is Pounds Sterling (GBP). However, during the year the Company had exposure to US Dollars (US\$).

The directors do not feel that it is necessary to maintain any hedge positions and do not anticipate any significant transactions going forward. This position is reviewed on an annual basis.

##### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

##### Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in Sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external investments, as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	2021		2020	
	+10%	-10%	+10%	-10%
Investment	3,287,219	(4,017,712)	3,575,195	(4,369,683)
Loans and borrowings	(3,617,024)	4,420,808	(4,235,288)	5,176,462
Interest payable	(70,649)	86,348	(55,468)	67,794
	<u>(400,454)</u>	<u>489,444</u>	<u>(715,561)</u>	<u>874,573</u>

##### Price risk

The Company does not actively trade in markets and therefore the directors do not consider that it is exposed to either commodity price or equity price risks.

##### Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments or other cash flows. The Company manages liquidity by maintaining sufficient cash with banks to meet its on-going commitments.

As at 31 December 2021, the Company held cash at bank amounting to £16,019,605 (2020: £13,036,355) and had financial liabilities of £4,174,746 (2020: £3,734,045) which are due to mature within 12 months of the reporting date.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021 (continued)**

#### **21 Financial risk management (continued)**

##### **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and longterm funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### **Interest rate risk**

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs or reduced income from the Company's interest bearing financial assets and liabilities. Where loans have fixed interest, there is no risk associated with changes in interest rates. The interest rate risk arising on interest income is immaterial and the directors do not currently consider it necessary to actively manage interest rate risk.

##### **Interest rate risk management**

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs or reduced income from the Company's interest bearing financial assets and liabilities. The Company has a fixed interest loan with a related undertaking. As the loan is fixed interest the directors consider that there is no risk associated with changes in interest rates. The interest rate risk arising on interest income is immaterial and the directors do not currently consider it necessary to actively manage interest rate risk.

##### **Capital management**

The Company provides product specialist support for Boston Partners Global Investors, Inc., the immediate parent company who have been outlined in note 23. In return the immediate parent Company provides Boston Partners (UK) Limited with an annual amount equal to 107.5% of the actual costs and expense incurred in the year. The Company receives the capital by either capital infusion or revenue transfer from the immediate parent company. With this agreement, it ensures the Company has adequate capital management process in place.

##### **Capital management (continued)**

The Company is regulated by the Financial Conduct Authority, and therefore is subject to an externally imposed capital requirement.

#### **22 Related party transactions**

##### **Summary of transactions with parent**

All of the Company's revenue totalling £7,861,333 (2020: £6,543,468) is derived from sales to the immediate parent company, Boston Partners Global Investors, Inc.

At reporting date, the Company had outstanding amounts owed by Boston Partners Global Investors, Inc. totalling £7,768,092 (2020: £6,366,776).

The Company has a number of loans with the parent company as disclosed in note 17, on which interest accrued, as disclosed in notes 4 and 16.

## **Boston Partners (UK) Limited**

### **Notes to the financial statements**

#### **For the year ended 31 December 2021 (continued)**

##### **22 Related party transactions (continued)**

At reporting date, the Company had outstanding amounts owed to Boston Partners Global Investors, Inc. totalling £27,376,271 (2020: £47,198,315) details of which can be found in notes 16 and 17.

The parent company also recharged accountancy service to the Company, with value £40,000 (2020: £50,000), of which £40,000 was outstanding at year end (2020: £50,000).

The amounts outstanding are unsecured and will be settled in cash. All transactions are made on terms equivalent to those that prevail in arm's length transactions.

##### **Remuneration of key management personnel**

The directors of the Company are considered to be key management personnel. The directors remuneration has been disclosed in note 6.

##### **23 Parent and ultimate parent undertaking**

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is ORIX Corporation, a company incorporated in Japan. The parent undertaking of the smallest and largest group, which includes the Company and for which consolidated group accounts are prepared, is ORIX Corporation. Copies of the group financial statements of ORIX Corporation are available from 3-22-8 Shiba, Minato-Ku, 105-8683, Tokyo, Japan. The Company's immediate parent is Boston Partners Global Investors, Inc.

##### **24 Events after the reporting period**

There were no adjusting or other non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.