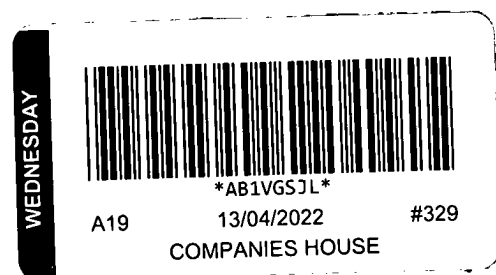


**LORD ABBETT (UK) LTD.**  
**ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**Registered Number: 10804287**



**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

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**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**General Information**

<b>Directors:</b>	Andrew D'Souza Jennifer Karam Frank Paone ( <i>appointed May 2021</i> )
<b>Company Secretary:</b>	7Side Secretarial Limited Churchill House, Churchill Way Cardiff, Wales, CF10 2HH
<b>Bankers:</b>	Bank of America N.A. 2 King Edward Street London, EC1A 1HQ United Kingdom
<b>Legal Advisor:</b>	Dechert LLP 160 Queen Victoria Street London, EC4V 4QQ United Kingdom
<b>Auditor:</b>	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Strategic Report**

The Directors present the strategic report of Lord Abbett (UK) Ltd. (the “Company”) and its subsidiary, Lord Abbett (Uruguay) S.R.L. (“LA Uruguay”) (collectively, the “Group”). The accompanying audited consolidated financial statements of the Group include results of operations for the year ended 30 September 2021 compared to the year ended 30 September 2020.

**Business review**

The Company acts as a distribution agent for Lord Abbett products and services throughout Europe and is an authorized distributor of the Lord Abbett Passport Portfolios PLC. The Company was incorporated on 6 June 2017 and commenced operations on 14 July 2017. The Company is 99% owned by Lord, Abbett & Co. LLC (“LAC”), domiciled in the United States of America and 1% by Lord Abbett (UK) II Ltd. (“LA UK II”), a wholly owned subsidiary of LAC. LAC is an independent money management firm founded in 1929 that provides discretionary and non-discretionary investment management services to a broad range of clients, including registered investment companies. As of 30 September 2021, LAC had \$252 billion in assets under management. LA UK II has no substantial business activities.

The Group made a profit on ordinary activities after taxation for the year ended 30 September 2021 of £485,544.

The Company receives remuneration from LAC and Lord Abbett (Ireland) Limited (“LA Ireland”), a wholly owned subsidiary of LAC, for services it provides at a fixed margin above the cost of providing these services.

As a result of the United Kingdom’s exit from the European Union, marketing operations outside of the United Kingdom formerly performed by the Company are performed by the United Kingdom branch of its affiliate, LA Ireland effective as of January 1, 2021. In connection with this, the two parties have entered into a secondment agreement, pursuant to which LA Ireland compensates the Company for the services of certain Company personnel who effectuate LA Ireland’s marketing activities outside of the United Kingdom as well as a percentage of shared expenses.

Lord Abbett (LA Uruguay) S.R.L (51% owned by the Company and 49% owned by LAC), established in October 2018, was appointed by LAC to provide additional sales and marketing services to the Lord Abbett products for which it receives remuneration at a fixed margin above the cost of providing these services.

Given the straightforward nature of the business, the Directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

**Future developments**

It is the intention of the Directors to continue to develop the business and activities of the Group. This will be achieved by the expansion of distribution, development of new products to meet market demand, and the enhancement of existing products.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Strategic Report**

**Principal risks and uncertainties**

As a result of the remuneration structure described above, the revenue and profit of the Group are stable and predictable relative to the Group's cost structure. The revenue of the Group is entirely derived from the services provided to LA Ireland and LAC. As a result, the principal risks relate to the credit default or liquidity risks associated with receipt of income on a timely basis from these counterparties which are considered to be minimal. These risks are managed through regular dialogue with LA Ireland and LAC to ensure that the Group maintains adequate working capital to cover its liabilities.

From an operational perspective, the key risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the Group being subject to a fine or banned from doing business. This risk is managed through regular review of the Group's compliance framework by management.

As a result of the United Kingdom's exit from the European Union, marketing operations outside of the United Kingdom formerly performed by the Company are performed by the United Kingdom branch of its affiliate, LA Ireland effective as of January 1, 2021. In connection with this, the two parties have entered into a secondment agreement, pursuant to which LA Ireland compensates the Company for the services of certain Company personnel who effectuate LA Ireland's marketing activities outside of the United Kingdom as well as a percentage of shared expenses.

**Going concern**

Whilst the Group remains dependent on revenue from LA Ireland and LAC, the Directors are not aware of any reason that these agreements will be terminated in the foreseeable future. The nature of the agreements with LA Ireland and LAC provide a high degree of certainty that the Group will continue to be profitable and, historically, the Group has received income in a timely manner in order to manage its obligations (which are relatively predictable in nature).

LAC, has committed to continue to provide financial support as the majority owner of the Company. The Directors, having reviewed the financial plan of LAC, have no reason to believe that LAC will not have the capacity to provide financial support to the Group.


The Directors continue to monitor the global impact of the coronavirus ("COVID-19") and its effect on the Company. As at 30 September 2021, there is no material impact for the Company's performance or operations due to COVID-19. Management continues to monitor and evaluate the situation.

After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Strategic Report**

**Signed on behalf of the Board of Directors by:**

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**Andrew D. D'Souza**  
**Director**

**Date: 3 February 2022**

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Directors' Report**

The Directors present their annual report together with the audited consolidated financial statements for Lord Abbett (UK) Ltd. (the "Company") and its subsidiary, Lord Abbett (Uruguay) S.R.L. ("LA Uruguay") (collectively; the "Group"). The accompanying audited consolidated financial statements of the Group include results of operations for the year ended 30 September 2021 compared to the year ended 30 September 2020.

**Principal Activity**

The Company acts as a distribution agent for Lord Abbett products and services throughout Europe and is an authorized distributor of the Lord Abbett Passport Portfolios PLC. The Company is 99% owned by Lord, Abbett & Co. LLC ("LAC"), domiciled in the United States of America and 1% by Lord Abbett (UK) II Ltd. ("LA UK II"), a wholly owned subsidiary of LAC. The Group made a profit on ordinary activities after taxation for the year ended 30 September 2021 of £485,544.

LA Uruguay (51% owned by the Company and 49% owned by LAC), established in October 2018, was appointed by LAC to provide additional sales and marketing services to the Lord Abbett products.

**Key Indicators**

The Company receives remuneration from LAC and Lord Abbett (Ireland) Limited ("LA Ireland"), a wholly owned subsidiary of LAC, for services it provides at a fixed margin above the cost of providing these services.

LA Uruguay receives remuneration from LAC for its sales and marketing services at a fixed margin above the cost of providing these services.

As a result of the United Kingdom's exit from the European Union, marketing operations outside of the United Kingdom formerly performed by the Company are performed by the United Kingdom branch of its affiliate, LA Ireland effective as of January 1, 2021. In connection with this, the two parties have entered into a secondment agreement, pursuant to which LA Ireland compensates the Company for the services of certain Company personnel who effectuate LA Ireland's marketing activities outside of the United Kingdom as well as a percentage of shared expenses.

Given the straightforward nature of the business, the directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

**Dividends**

There were no distributions of dividends made during the period.

**Subsequent events**

Subsequent events have been evaluated by management for the period after the year end and up until the date the consolidated financial statements were authorised for issue on 3 February 2022.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Directors' Report**

**Directors**

The Directors who held office during the period and up to the date of this report were Mr. Andrew D'Souza, Mrs. Jennifer Karam and Mr. Frank Paone.

**Disclosure of information to the auditor**


The Directors who were members of the board at the time of approving the Directors' report are listed above. Each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of these consolidated financial statements of which the Company's auditor is unaware; and
- Each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

**Independent auditor**

Ernst & Young LLP has indicated its willingness to continue in office and a resolution concerning its re-appointment will be proposed at the board meeting held to approve these consolidated financial statements.

**Signed on behalf of the Board of Directors by:**

DocuSigned by:  
  
725B60C7DA8F44D...

**Andrew D. D'Souza**  
**Director**

**Date: 3 February 2022**



**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the audited consolidated 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland') and applicable law. Under the Companies Act 2006, 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 year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group'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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORD ABBETT (UK) LTD.**

**Opinion**

We have audited the consolidated financial statements of Lord Abbett (UK) Ltd. ('the parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes 1 to 16, including a summary of 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 group's and of the parent company's affairs as at 30 September 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; 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 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 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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**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 this 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent company 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 on page 9, 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.

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 parent 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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006).
- We understood how the group and parent company are complying with those frameworks through discussions with management and review of the group and parent company's documented policies and procedures. We assessed the culture and entity level control framework of the group and parent company to consider if appropriate measures are in place around fraud prevention. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and the risk of management override. We tested specific transactions back to source documentation or independent confirmations, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the group and parent company's meeting minutes held during the year and any communications with regulators. Additionally, we have tested journal entries identified by specific risk criteria and reviewed the group and parent company's financial statements to ensure compliance with the reporting requirements.

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

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Use of our report**

This report is made solely to the group and parent 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 group and parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent company and the group and parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

*David Reeves (Senior statutory auditor)*  
*for and on behalf of Ernst & Young LLP, Statutory Auditor*  
*London*  
*Date 07 February 2022*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Consolidated Statement of Comprehensive Income**

		Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
	Notes		
Turnover	4	7,225,526	5,961,494
Administrative expenses		<u>(6,483,061)</u>	<u>(5,124,297)</u>
<b>Operating profit</b>	5	<b>742,465</b>	<b>837,197</b>
Foreign exchange (loss)/gain		(109,381)	(188,958)
Taxation	7	<u>(147,540)</u>	<u>(149,965)</u>
<b>Profit for the year</b>		<u><b>485,544</b></u>	<u><b>498,274</b></u>
<b>Profit/(loss) attributable to:</b>			
Controlling interest		476,041	491,837
Non-controlling interest		<u>9,503</u>	<u>6,437</u>
		<b>485,544</b>	<b>498,274</b>

*The results for the current period are derived from continuing operations.*

*The accompanying notes form an integral part of the consolidated financial statements.*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Consolidated Statement of Financial Position**

		As at 30 September 2021 £	As at 30 September 2020 £
	Notes		
<b>Current assets</b>			
Cash and cash equivalents	8	2,112,934	865,669
Receivable from affiliates	9	2,522,725	2,351,079
Debtors: amounts falling due within one year	9	879,982	115,276
Debtors: amounts falling due after one year	9	78,280	40,660
<b>Total current assets</b>		<u>5,593,921</u>	<u>3,372,684</u>
<b>Creditors: amounts due within one year</b>	10	<u>(4,060,505)</u>	<u>(2,384,602)</u>
<b>Net current assets</b>		<u>1,533,416</u>	<u>988,082</u>
<b>Creditors: amounts due more than one year</b>	10	<u>(65,906)</u>	<u>-</u>
<b>Net assets</b>		<u>1,467,510</u>	<u>988,082</u>
<b>Capital and reserves</b>			
Share capital		373	282
Profit attributable to controlling interest		1,454,523	984,689
Non-controlling interest		12,614	3,111
<b>Total shareholder's equity</b>		<u>1,467,510</u>	<u>988,082</u>
<b>Share capital attributable to non-controlling interest</b>		108	108

*The accompanying notes form an integral part of the consolidated financial statements.*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**


**Company Statement of Financial Position**

		As at 30 September 2021 £	As at 30 September 2020 £
	Notes		
<b>Fixed assets</b>			
Investment in subsidiary	13	112	112
<b>Current assets</b>			
Cash and cash equivalents	8	2,112,934	865,669
Receivable from affiliates	9	1,512,127	1,763,046
Debtors: amounts falling due within one year	9	879,982	115,276
Debtors: amounts falling due after one year	9	78,280	40,660
<b>Total current assets</b>		<u>4,583,323</u>	<u>2,784,651</u>
<b>Creditors: amounts due within one year</b>	10	(3,073,694)	(1,807,178)
<b>Net current assets</b>		<u>1,509,629</u>	<u>977,473</u>
<b>Creditors: amounts due more than one year</b>		<u>(65,906)</u>	<u>-</u>
<b>Net assets</b>		<u><u>1,443,835</u></u>	<u><u>977,585</u></u>
<b>Capital and reserves</b>			
Share capital		200	100
Profit		<u>1,443,635</u>	<u>977,485</u>
<b>Total shareholder's funds</b>		<u><u>1,443,835</u></u>	<u><u>977,585</u></u>

*The accompanying notes form an integral part of the consolidated financial statements.*

The profit of the Company was £466,150 for the year ended 30 September 2021 and £485,137 for the year ended 30 September 2020.

**The consolidated financial statements were approved and authorized for issue by the Board of Directors and were signed on its behalf by:**

DocuSigned by:  
  
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**Andrew D. D'Souza**  
**Director**

**Date: 3 February 2022**



**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Consolidated Statement of Changes in Equity**

	Share capital £	Profit attributable to controlling interest £	Non-controlling interest £	Total equity £
<b>As at 30 September 2019</b>	<b>208</b>	<b>488,886</b>	<b>(3,326)</b>	<b>485,768</b>
Profit for the year *	74	495,803	6,437	502,314
<b>As at 30 September 2020</b>	<b>282</b>	<b>984,689</b>	<b>3,111</b>	<b>988,082</b>
Issuance of share capital	100	-	-	100
Profit/(loss) for the year *	(9)	469,834	9,503	479,328
<b>As at 30 September 2021</b>	<b>373</b>	<b>1,454,523</b>	<b>12,614</b>	<b>1,467,510</b>

\* Includes foreign currency translation gain or loss

*The accompanying notes form an integral part of the consolidated financial statements.*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Company Statement of Changes in Equity**

	<b>Share capital</b>	<b>Profit</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>shareholder's funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>As at 30 September 2019</b>	100	489,150	489,250
Profit for the year	-	488,335	488,335
<b>As at 30 September 2020</b>	<b>100</b>	<b>977,485</b>	<b>977,585</b>
Issuance of share capital	100	-	100
Profit for the year	-	466,150	466,150
<b>As at 30 September 2021</b>	<b>200</b>	<b>1,443,635</b>	<b>1,443,835</b>

*The accompanying notes form an integral part of the consolidated financial statements.*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Consolidated Statement of Cash Flows**

		Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
	Notes		
<b>Operating activities</b>			
Operating profit for the period		742,465	837,197
Adjustments to reconcile operating profit to net cash provided from operating activities:			
Deferred tax asset		-	11,031
Deferred compensation charge	10	65,906	(64,892)
Net change in unrealized depreciation on foreign currency translation		(115,597)	(188,958)
(Increase) in assets:			
Receivable from affiliate	9	(171,646)	(2,011,216)
Other receivables and prepayments	9	(802,326)	(28,711)
Increase/(decrease) in liabilities:			
Personnel services	10	861,912	884,322
Other payables and accrued expenses	10	80,240	(105,998)
Payable to affiliates	10	586,211	463,952
Net cash provided from operating activities		<u>1,247,165</u>	<u>(203,273)</u>
<b>Financing Activities</b>			
Proceeds from issuance of share capital	11	<u>100</u>	<u>-</u>
Net cash provided from financing activities		<u>100</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1,247,265	(203,273)
<b>Cash and cash equivalents</b>			
Beginning of period		<u>865,669</u>	<u>1,068,942</u>
End of period		<u>2,112,934</u>	<u>865,669</u>

*The accompanying notes form an integral part of the consolidated financial statements.*

**LORD ABBETT (UK) LTD.**  
**Registered Number: 10804287**

**Notes to the Consolidated Financial Statements**

**1. General information**

Lord Abbett (UK) Ltd. (the “Company”) was incorporated in England on 6 June 2017 under the Companies Act 2006 and commenced operations on 14 July 2017. The Company’s business address is 119 Marylebone Road, Suite 05-112, London, NW1 5PU, United Kingdom. The registered office of the Company is c/o Legalinx Limited, 3rd Floor, 207 Regent Street, London, W1B 3HH, United Kingdom.

**2. Accounting policies**

The principal accounting policies are summarised below and have all been applied consistently.

*a) Basis of presentation*

On 11 March 2020, outbreak of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization due to the rising rate and scale of infections. The outbreak of COVID-19 and the subsequent global pandemic has impacted the global financial markets and economies since. The ultimate impact of COVID-19 and the extent to which it will impact the Group’s normal course of business, results of operations and cash flows will depend on future developments, which are highly uncertain and difficult to predict. As of now, there is no material impact for the Group’s performance or operations due to COVID-19. Management continues to monitor and evaluate the situation.

The Group provides services on behalf of Lord, Abbett & Co. LLC (“LAC”) and receives a service fee based on the reimbursement of its costs plus a mark up. The Board does not expect COVID-19 to have a material impact on the Group’s future operations or future profitability. The Group is dependent on the ability of LAC and LA Ireland, to which it provides services, to continue to pay the service fee due.

The most likely expected financial impact on the Group is in respect of LAC’s future management fee income as this is calculated based on a percentage of assets under management. It is not possible to quantify the overall impact of COVID-19 as financial markets continue to react to developments and the Group, along with LAC, have a number of actions that they are able to take to protect profitability and solvency. The Directors of the Group have determined that LAC has sufficient financial resources to continue paying the service fee due to the Group, on time, and that the Group also has sufficient financial resources to meet its short-term liabilities as they arise.

Having performed this analysis Management believes the Group will have sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Group expects to be able to meet its obligations as and when they fall due for the foreseeable future.

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**Notes to the Consolidated Financial Statements**

***b) Statement of compliance with Financial Reporting Standard 102 ("FRS 102")***

The consolidated financial statements have been prepared under the historical cost convention and in accordance with FRS 102 and the Companies Act 2006.

The preparation of the consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 3).

***c) Basis of consolidation***

The consolidated financial statements present the results of the Company and its subsidiary as they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

No separate Statement of Comprehensive Income is presented for the Company as permitted under Section 408 of the Companies Act 2016. The profit for the year arising from the operations of the Company was £466,150. For the year ended 30 September 2020, profit arising from operations was £488,335.

***d) Functional and presentation currency***

The consolidated financial statements are presented in pound sterling ("GBP"), which is the currency of the primary economic environment in which the Company operates (the functional currency).

***e) Foreign currency translation***

Foreign currency transactions that are transactions denominated in or require settlement in a foreign currency are translated into the functional currency of the Company. Assets and liabilities expressed in foreign currencies are translated into GBP at rates of exchange ruling at the Statement of Financial Position date.

Transactions denominated in foreign currencies are translated at historical average monthly rates of exchange. The resulting profits or losses arising on translation are included in the Consolidated Statement of Comprehensive Income.

***f) Turnover***

The Group has established a model for revenue recognition, whereby the Company and its subsidiary obtain remuneration for services provided to LA Ireland and LAC at a fixed margin above the costs incurred in the provision of these services. Turnover from its principal activity is recognized on an accrual basis to the extent that the Group obtains the right to consideration in exchange for its performance of its services.

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Certain employees of the Company have been seconded to the United Kingdom branch of LA Ireland on a consultancy basis to assist LA Ireland and the United Kingdom branch with its provision of marketing and oversight services to LA Ireland's clients. As such, shared expenses incurred by the Company, that approximate the derived benefit received by LA Ireland and the United Kingdom branch, are allocated as such.

Turnover is measured at the fair value of the consideration received excluding VAT.

**g) Expenses**

Expenses are accounted for on an accruals basis.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise balances with less than three months' maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**i) Investments**

Investment in subsidiary is measured at cost less accumulated impairment. Any impairment is recognised in the Consolidated Statement of Comprehensive Income.

**j) Debtors**

Debtors are measured at fair value on initial recognition which equates to the amount expected to be receivable on the settlement of the asset. Amounts are assessed for impairment with any impairment recognised in the Consolidated Statement of Comprehensive Income.

**k) Creditors**

Creditors are measured at fair value which approximates to the amount expected to be required to settle the obligations on behalf of the Group.

**l) Operating leases**

Rental payable under an operating lease is charged to the Consolidated Statement of Comprehensive Income on a straight line accrual basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the end of the lease term.

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**Notes to the Consolidated Financial Statements**

***m) Taxation***

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes, as appropriate. The current income tax charge is calculated on the basis of the applicable tax law in the jurisdiction in which it is generated by the Group's activities. It is recognised as an expense for the period except to the extent that such current tax is charged or credited to other comprehensive income or directly to equity.

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

***n) Pensions***

The Group operates a Group Personal Pension Plan for its employees whereby the Group pays fixed contributions into a separate entity.

The contributions are recognised as an expense on an accrual basis in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

***o) Non-controlling interests***

The proportion of the net assets of the Group attributable to non-controlling interests is recognised in the Statement of Financial Position, as applicable, which represents the proportion of the capital introduced by the non-controlling interest.

The proportion of the profits of the Group allocated to non-controlling interests is recognised in the Consolidated Statement of Comprehensive Income. Profits are allocated to non-controlling interests by the Company's subsidiary undertaking on a discretionary basis. Accordingly, the proportion of the profits allocated to non-controlling interests may differ from the overall proportion of capital held by the non-controlling interests.

***p) Deferred compensation plan***

The Company has entered into a deferred compensation agreement with its employees, which is tied to the employee's performance and continued employment. The grant value and performance appreciation and depreciation of the plan vests over a period specified in the grant agreement with a cash payment at various maturity dates as specified in the plan. The vesting of the deferred compensation plan is recognised as deferred compensation expense in the Statement of Comprehensive Income and a creditor created in the Statement of Financial Position.

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**Notes to the Consolidated Financial Statements**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the Group's accounting policies, the Directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the period.

The following are to be significant accounting judgements made during the year:

- Recognition of lease obligations as operating leases.

The estimates made by the Group are based on the evidence available at the time; including historical experience and other applicable factors. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and changes to accounting estimates are recorded in the current period in which the estimate was revised. There were no other items that the Directors considered to be significant accounting estimates or judgements that were made during the reporting period.

**4. Turnover**

The Group receives remuneration from affiliates based on a transfer pricing agreement for services it provides at a fixed margin above the cost of providing these services ("service fees"). The Group earned service fees for the year ended 30 September 2021 of £5,414,714 and £5,961,494 for the year ended 30 September 2020.

As noted above, certain employees of the Company have been seconded to the United Kingdom branch of LA Ireland on a consultancy basis to assist LA Ireland and the United Kingdom branch with its provision of marketing and oversight services to LA Ireland's clients. As such, shared expenses incurred by the Company, that approximate the derived benefit received by LA Ireland and the United Kingdom branch, are allocated as such. For the year ended 30 September 2021, total expenses allocated from the Company to the United Kingdom branch were GBP 1,366,979 which are included in turnover on the Statement of Comprehensive Income. There were no allocated expenses for the year ended 30 September 2020 as the United Kingdom branch was created as of 1 January 2021. The makeup of shared expenses as of 30 September 2021 was:

	Year Ended 30 September 2021 £
Wages, salaries and benefits	1,274,836
Legal fees	20,155
Consulting fees	20,056
Rent	16,986
Travel, entertainment and conferences	14,949
Other miscellaneous	19,997
	<u>1,366,979</u>



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**5. Operating profit**

The operating profit of the Group is stated after charging:

	Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
Operating lease rentals	137,569	289,195
Auditor's remuneration: Non-audit services	23,749	59,326
Auditor's remuneration: Audit services	48,500	48,500
Legal fees	114,111	78,971
Deferred compensation cost	65,906	-

**6. Employees and Directors**

The staff costs of the Group were as follows:

	Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
Wages and salaries	3,843,172	2,801,664
Payroll taxes	1,203,221	938,520
Pension costs	65,233	69,503
Other employee related costs	466,493	448,540
	<u>5,578,119</u>	<u>4,258,227</u>

For the year ended 30 September 2020, certain amounts have been reclassified to ensure that the figures are comparable from the prior year to the current year. This reclassification only impacts the above financial statement disclosure and has no impact to profit for the year ended 30 September 2020.

The average monthly number of employees of the Group was as follows:

	As at 30 September 2021	As at 30 September 2020
Distribution	7	7
Research	1	2
Total	<u>8</u>	<u>9</u>

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The average number of Directors for the period was 2.

The Directors are not entitled to receive director's fees. Mr. D'Souza, Mrs. Karam are employee partners of LAC while Mr. Paone is a seconded employee of the Company as well as an employee partner of LAC. The remuneration of Mr. D'Souza and Mrs. Karam is borne by LAC and has not been recharged to the Company as the costs associated with the services that these Directors provide to the Company are considered to represent a small proportion of the overall responsibilities performed by the Directors on behalf of the wider group. As such, it is not feasible to allocate a portion of Mr. D'Souza and Mrs. Karam's overall remuneration to the Group. Mr. Paone's total compensation is included in the amounts shown in the table above as he is a seconded employee of the Company.

Given the relatively small size of the Group, all the Directors and employees are considered to be key management personnel. As a result, the remuneration payable to key management personnel is equal to the amounts shown in the table above.

## **7. Taxation**

### *Tax on profit on ordinary activities*

The tax charge is made up as follows:

	Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
Current tax:		
UK corporation tax on the profit for the year	121,544	104,522
Foreign corporation tax on profits for the year	34,452	26,369
Tax (over)/under provided in previous year	<u>(8,456)</u>	<u>8,043</u>
Total current tax	147,540	138,934
Deferred tax:		
Prior year movement in timing differences	-	-
Timing differences	<u>-</u>	<u>11,031</u>
Tax on profit on ordinary activities	<u>147,540</u>	<u>149,965</u>

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*Factors affecting the total tax charge*

The tax assessed on the profit on ordinary activities is higher than the standard rate of corporation tax in the UK of 19%. The differences are reconciled below:

	Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
Profit on activities before tax	633,084	648,239
UK Corporation Tax 19%	120,286	123,165
Expenses not deductible for tax purposes	27,442	787
Impact of foreign subsidiary	8,268	17,970
Timing differences	-	-
Tax rate impact	-	-
Tax (over)/under provided in previous year	(8,456)	8,043
Tax on profit on ordinary activities	<u>147,540</u>	<u>149,965</u>

*Deferred Tax*

As at 30 September 2021, there was no deferred tax asset available for use in future periods.

	Year Ended 30 September 2021 £	Year Ended 30 September 2020 £
Beginning balance	-	11,031
Timing differences relating to capital allowances	-	-
Timing differences on deferred compensation	-	(11,031)
Ending balance	<u>-</u>	<u>-</u>

*Factors that may affect future tax charges*

It was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This legislative change was enacted on 10 June 2021. Given that the deferred tax balances for the year ended 30 September 2021 are nil, we do not expect this change to make a significant impact at this time.

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**8. Cash**

Cash and cash equivalents consist of a GBP denominated bank account held with Bank of America N.A.

	As at 30 September 2021 £	As at 30 September 2020 £
Cash	<u>2,112,934</u>	<u>865,669</u>

**9. Debtors**

	<i>Group</i> Year Ended 30 September 2021 £	<i>Group</i> Year Ended 30 September 2020 £	<i>Company</i> Year Ended 30 September 2021 £	<i>Company</i> Year Ended 30 September 2020 £
Amount due from LAC	1,152,545	784,174	142,147	196,346
Amount due from affiliates	1,370,068	1,566,792	1,369,980	1,566,699
Prepaid expenses	879,982	114,553	879,982	114,554
Other receivables	-	723	-	723
	<u>3,402,595</u>	<u>2,466,242</u>	<u>2,392,109</u>	<u>1,878,322</u>

Amounts falling due after more than one year:

Prepaid expenses	<u>78,280</u>	<u>40,660</u>	<u>78,280</u>	<u>40,660</u>
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**10. Creditors**

	<i>Group</i> Year Ended 30 September 2021 £	<i>Group</i> Year Ended 30 September 2020 £	<i>Company</i> Year Ended 30 September 2021 £	<i>Company</i> Year Ended 30 September 2020 £
Amounts due within one year:				
Accruals	344,813	156,873	332,331	152,198
Corporation tax payable	98,833	58,993	78,585	47,161
Compensation payable	2,405,663	1,543,751	2,268,261	1,458,512
Amount due to Parent	1,210,794	624,567	394,405	149,195
Amount due to subsidiary	402	418	112	112
	<u>4,060,505</u>	<u>2,384,602</u>	<u>3,073,694</u>	<u>1,807,178</u>

Amounts falling due after more than one year:

Deferred compensation payable	<u>65,906</u>	<u>-</u>	<u>65,906</u>	<u>-</u>
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**Notes to the Consolidated Financial Statements**

**11. Issued share capital**

	<i>Group</i> As at	<i>Group</i> As at	<i>Company</i> As at	<i>Company</i> As at
<i>Allotted, called up and fully paid</i>	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Ordinary shares of £1 each *	<u>373</u>	<u>282</u>	<u>200</u>	<u>100</u>

\* Includes foreign currency translation gain or loss

At 30 September 2021, the Group had share capital of £373, comprised of £173, which includes foreign currency translation gain/loss, related to LA Uruguay and £200 related to the Company. During the year ended 30 September 2021, 100 additional shares were issued by the Company.

**12. Related parties**

The Group had dealings with only two related parties during the period; LAC and LA Ireland.

The Company obtains service fee income from LA Ireland for services provided as an authorized distributor of the Lord Abbett Passport Portfolios PLC. Service fee income is calculated at a fixed margin above the costs incurred in the provision of these services based on a transfer pricing agreement. As a result of this agreement, the Company received service fees in the amount of £5,031,647 for the period ended 30 September 2021 and £5,322,462 for the period ended 30 September 2020. At 30 September 2021, the Company had £1,131,015 receivable from LA Ireland.

The Company obtains service fee income from LAC for undertaking investment research and providing investment recommendations. Service fee income is calculated at a fixed margin above the costs incurred in the provision of these services based on a transfer pricing agreement. As a result of this agreement, the Company received service fees in the amount of £383,067 for the period ended 30 September 2021 and £196,346 for the period ended 30 September 2020. At 30 September 2021, the Company had £142,247 receivable from LAC.

LA Uruguay provided additional sales and marketing services to the Lord Abbett products and received service fees from LAC at a fixed margin above the costs incurred in the provision of these services based on a transfer pricing agreement. As a result of this agreement, LA Uruguay received service fees in the amount of £443,833 from LAC for the period ended 30 September 2021 and £442,686 for the period ended 30 September 2020. At 30 September 2021, LA Uruguay had £1,010,399 receivable from LAC.

LAC may facilitate the payment of certain amounts on behalf of the Group. At 30 September 2021, an amount of £1,210,794 was payable to LAC for amounts paid by LAC on behalf of the Group. At 30 September 2020, the payable to LAC was £624,567 for amounts paid by LAC on behalf of the Group.

Given the relatively small size of the Group, all the Directors and employees are considered to be key management personnel. During the period ended 30 September 2021, the Group paid £3,843,172 in compensation to key management personnel. For the period ended 30 September 2020, the Group paid £2,801,664 in compensation to key management personnel, See Note 6, Employees and Directors.

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**13. Investment in subsidiary**

The Company owns a 51% interest in subsidiary Lord Abbett (Uruguay) S.R.L. ("LA Uruguay") at 30 September 2021, which provides additional sales and marketing services to the Lord Abbett products. The registered office of the Company is c/o Legalinx Limited, 3rd Floor, 207 Regent Street, London, W1B 3HH, United Kingdom. The Company has equity capital in LA Uruguay at 30 September 2021 in the amount of £112 at 30 September 2021.

**14. Commitments under operating leases**

The Group had future minimum lease payments under a non-cancellable operating lease falling due for payment as follows:

	As at 30 September 2021	As at 30 September 2020
Amounts due:	£	£
Not later than 1 year	242,108	40,800
More than 1 year but less than 5 years	281,868	-

**15. Subsequent events**

Subsequent events have been evaluated by management for the period after the year end and up until the date the consolidated financial statements were authorised for issue on 3 February 2022.

**16. Ultimate parent undertaking and controlling party**

The ultimate parent company and controlling party of the Company is Lord, Abbett & Co. LLC, a limited partnership formed under the laws of the State of Delaware in the United States of America.

The books and records of the Company are maintained at LAC's headquarters in the United States at 90 Hudson Street, Jersey City, NJ 07302.