

Thames River Capital LLP
Members' Report and Financial Statements
for the year ended 31 March 2023
Registered Number OC310934



Contents

Members' Report	2-5
Statement of Members' responsibilities	6
Independent Auditors' Report	7-9
Income Statement	10
Statement of Financial Position	11
Reconciliation of Members' Interests	12
Notes to the Financial Statements	13-23

Members' Report

The Members of Thames River Capital LLP (the 'LLP') (the 'Members') present their Report and the audited Financial Statements for the year ended 31 March 2023.

Principal activities

The principal activity of the LLP is investment management. The LLP is authorised and regulated by the Financial Conduct Authority ('FCA').

Results and business review

The results and profit available for distribution to Members for the year ended 31 March 2023 are set out in the Income Statement on page 10.

The movements in the LLP's assets under management (AUM) which drive revenue earned during the latest two financial years are summarised in the tables below:

	1 April 2022 £bn	Inflows £bn	Outflows £bn	Net outflows £bn	Market impact £bn	31 March 2023 £bn
Assets under management	2.9	0.4	(0.5)	(0.1)	(0.9)	1.9

	1 April 2021 £bn	Inflows £bn	Outflows £bn	Net inflows £bn	Market impact £bn	31 March 2022 £bn
Assets under management	2.4	0.6	(0.5)	0.1	0.4	2.9

Revenue for the year to 31 March 2023 was £16,489,000 compared with £48,454,000 in the previous year. The decrease in revenue is largely due to a decrease in performance fees of £31,258,000, from £31,314,000 in 2022 to £56,000 earned in 2023.

Operating expenses decreased from £9,520,000 in 2022 to £4,767,000 in 2023, largely due to a decrease in variable remuneration payable to employees in 2023, the level of which is linked to the LLP's financial results in the year.

Operating profit was £10,083,000 for the year ended 31 March 2023 compared to £37,293,000 in the previous year.

Future developments

The Members will continue to focus on the management of pan-European real estate securities funds and on growth opportunities in the markets in which they operate.

Risks

The LLP adopts a low risk approach to treasury management and financial risks in relation to Members' equity, seeking to ensure that its capital is preserved and financial risks are managed accordingly. The Columbia Threadneedle AM (Holdings) plc (formerly BMO Asset Management (Holdings) plc) Group's (the Group) treasury function ensures sufficient cash is retained by the LLP to meet short-term working and regulatory capital requirements.

Members' Report (continued)

Indirect earnings risk through client assets

As an asset manager, the LLP is responsible for managing assets in accordance with the mandates specified by its clients. The assets managed by the LLP are subject to varying degrees of financial risk (market, credit and liquidity). While these risks could result in financial loss or gain through a change in the value of AUM, these risks and rewards are fully borne by, or fall to the benefit of, the LLP's clients. However, as the majority of the LLP's asset management fees are quantified as a percentage of AUM, the LLP's revenues are impacted by movements in client assets which are caused by exposure to financial risks. As a result of the direct link between revenues and the value of client assets, the LLP's interests are aligned to those of its clients.

A key risk to the business is that of poor investment performance, which could lead to the subsequent loss of client assets. A key role of the LLP Management Committee is to monitor the fund performance achieved by the investment team. Where it is necessary, actions are taken to change process or personnel with a view to attaining improved performance.

In addition, the Members recognise that as the LLP operates specialist property sector mandates, a change in market sentiment away from the property sector could lead to client outflows.

Integration

As noted in the 31 March 2022 Financial Statements, the Group was acquired by Ameriprise Financial, Inc. (Ameriprise) on 8 November 2021 and now forms part of the broader Columbia Threadneedle Investments asset management business within Ameriprise. Integration activity will impact systems, infrastructure and some broader aspects of the governance processes surrounding the management of the LLP. However, such integration activity will not change the Members or seconded employees who provide investment or other services to the LLP.

Workstream leaders have collaborated to establish the integration plans for each area of the business. The impact and timeline of future integration work is complex and will affect many functional areas, so robust governance and oversight of the programme has been established to ensure risks and issues are identified and managed, enabling the Group to focus on minimising harms to our clients, market participants and the Group itself as it proceeds. Formal governance reporting to senior management on, among other things, integration progress, risks, approval of resourcing requirements and ensuring continued compliance with all regulatory requirements is in place and will continue for the duration of the integration.

Regulation

The UK, European and global regulatory environments continue to evolve rapidly. The expectations of financial regulators require regulated groups to embed regulatory compliance, and suitable conduct and culture in their business models to an even greater extent than previously required. Regulation has become, in many areas, more complex and onerous, and regulated entities are faced with shorter timelines to interpret and implement new regulation. Regulatory change may lead to consolidation in the marketplace, the launch of new products, withdrawal or commoditisation of existing products, and increased reliance on specialist third-party service providers as asset managers increasingly focus on core activities of investment management, client servicing and distribution.

Members' Report (continued)

The Group Compliance and Legal teams ensure that key regulatory changes are identified at the earliest opportunity. Their impact is then assessed to allow practical guidance on the proper application and interpretation of any changes to be provided to all relevant business areas. Compliance also maintain transparent relationships with regulators. Related business change is supervised through the Group's change management process and dedicated regulatory change projects, and oversight provided through the EMEA Executive Committee, the Group Audit & Compliance Committee and the wider Columbia Threadneedle Global Regulatory Change Steering Committee.

The Group, as part of Ameriprise, has a clearly defined mission to help people feel confident about their financial future ("investing smarter for the world you want"). Values underpin this goal and with that the culture expected of all staff ("Client focused", "Integrity always", "Excellence in all we do" and "Respect for individuals and for the communities in which we live and work").

COVID-19 pandemic

COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout the financial year. As in the previous year, the Group coordinated responses to the pandemic and related restrictions regionally and globally to ensure continued delivery for clients, support employees and maintain business continuity. The Group maintained operational capacity utilising greater remote working than before the pandemic.

Designated Members

The following were Designated Members during the year under review:

S Bennett

P W Stone (appointed as Designated Member on 11 April 2022)

Members' Drawings and Capital subscription and repayment

In accordance with the LLP Deed, each LLP Member is entitled to receive monthly base drawings (Members' remuneration charged as an expense) as agreed by the LLP remuneration committee. To the extent that the base drawings of any Member are in excess of the Member's share of profits in any calendar quarter, together with undrawn profits as brought forward to the beginning of that quarter, the Member in question is obliged to repay this excess to the LLP. If any such excess is not repaid by the Member within three months of the date of receipt of the quarterly management accounts, interest will accrue on the excess at market rates.

The distributable profits of the LLP in respect of each calendar quarter are calculated following the allocation of base drawings, and after taking into account the LLP's working capital and regulatory capital requirements. The Management Committee must pre-approve a distribution of profits to Members. The profits available for distribution are subject to a pre-determined agreement regarding their split between Members. Members can request deferral of the allocation of profits to a later period where agreed with the Management Committee.

Each Member of the LLP is required to subscribe a portion of capital in accordance with the LLP Deed, with the Corporate Member making any additional capital contributions which are necessary to meet the FCA's capital adequacy requirements. No interest is paid by the LLP to Members on their capital contributions. The capital requirements of the partnership are determined by the LLP Management Committee and are reviewed on a regular basis. The LLP's Management Committee can request the Corporate Member to make further capital contributions to meet the FCA's capital adequacy requirements, the working capital requirements of the business, or to finance a transaction approved in line with the provisions of the LLP Deed. The Corporate Member is not obliged to fulfil this contribution request. The non-Corporate Members are not required to make additional capital contributions in any circumstances.

In the case of cessation of membership, any capital repayment due to Members is to be settled by the LLP within a six-month period, provided FCA regulatory capital requirements are met.

Members' Report (continued)

Where the LLP holds regulatory capital in excess of FCA capital adequacy requirements, capital may be repaid to Members provided the capital adequacy minimum requirements continue to be met, and the return of capital to Members is approved in advance by the FCA.

IFPR Disclosures

Under the FCA's Investment Firm Prudential Regime, the LLP is required to make public disclosures relating to its governance, regulatory capital, remuneration policy, investment policy and risk management objectives and policies. The disclosures are provided on Columbia Threadneedle's website (www.columbiathreadneedle.com).

Going concern

The Members have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the LLP to continue as a going concern.

On the basis of their assessment of the LLP's financial position, the Members have a reasonable expectation that the LLP will be able to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

Members' and Officers' Liability

The Group maintains insurance cover in respect of Members' and certain Non-Members' liability.

Adequacy of the information provided to the auditors

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

On behalf of the Members



J Elliott
Member
24 July 2023

Statement of Members' responsibilities

The Members are responsible for preparing the Member's Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the Members to prepare financial statements for each financial year. Under that law the Members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, as applied to limited liability partnerships, Members 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 LLP and of the profit or loss of the LLP for that period. In preparing the financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

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

Independent Auditors' Report to the Members of Thames River Capital LLP

Report on the audit of the financial statements

Opinion

In our opinion, Thames River Capital LLP's financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Members' Report and Financial Statement (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2023; the Income Statement and the Reconciliation of Members' Interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

Independent Auditors' Report to the Members of Thames River Capital LLP (continued)

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

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate manual journal entries to revenue. Audit procedures performed by the engagement team included:

- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Enquiries with management and compliance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions, entries posted by unexpected users and entries posted with unusual amounts, where any such journal entries were identified;

Independent Auditors' Report to the Members of Thames River Capital LLP (continued)

- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing over certain areas; and
- Reviewing relevant meeting minutes, including those of the Members' meetings.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

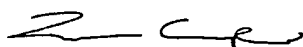
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.

We have no exceptions to report arising from this responsibility.



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

Income Statement
For the year ended 31 March 2023

	Note	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Revenue	3	16,489	48,454
Fee and commission expenses		(1,639)	(1,641)
Net revenue		14,850	46,813
Operating expenses	4	(4,767)	(9,520)
Operating profit		10,083	37,293
Finance income	5	289	14
Finance costs	6	(1)	(1)
Profit for the year before Members' remuneration and profit shares		10,371	37,306
Members' remuneration charged as an expense		(353)	(351)
Profit for the year available for discretionary division among Members		10,018	36,955

All amounts are derived from continuing activities.

There are no items of comprehensive income which are not already recognised in the profit for the current or previous year. Accordingly, the profit is the same as the total comprehensive income for each year.

The notes on pages 13 to 23 form an integral part of these Financial Statements.

Statement of Financial Position
At 31 March 2023
Registered Number OC310934

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Property, plant and equipment	10	183	179
Current assets			
Trade and other receivables	11	2,946	31,502
Cash		13,006	14,060
Total current assets		15,952	45,562
Current liabilities			
Trade and other payables	12	(6,471)	(8,814)
Net current assets		9,481	36,748
Total assets less current liabilities		9,664	36,927
Provisions for liabilities	13	(29)	(29)
Net assets attributable to Members		9,635	36,898
Represented by:			
Loans and other debts due to Members within one year			
Members' capital classified as a liability		22	22
Members' other interests			
Members' capital classified as equity	14	7,000	7,000
Other reserves classified as equity	14	2,613	29,876
Total Members' other interests classified as equity		9,613	36,876
Total Members' interests		9,635	36,898

These Financial Statements on pages 10 to 23 were approved by the Members on 24 July 2023 and were signed on their behalf by:



J Elliott
Member

The notes on pages 13 to 23 form an integral part of these Financial Statements.

Reconciliation of Members' Interests
For the year ended 31 March 2023

	Equity Members' other interests			Liability Loans and other debts due to Members			Total Members' interests
	Members' capital classified as equity £000	Other reserves classified as equity £000	Total equity £000	Members' capital classified as a liability £000	Amounts due to Members classified as a liability £000	Total liability £000	Total £000
Balance at 1 April 2021	7,000	12,053	19,053	22	-	22	19,075
Members' remuneration charged as an expense	-	-	-	-	351	351	351
Members' remuneration paid to Members	-	-	-	-	(351)	(351)	(351)
Profit for the year available for discretionary division among Members	-	36,955	36,955	-	-	-	36,955
Distribution of profits to Members	-	(19,132)	(19,132)	-	-	-	(19,132)
Balance at 31 March 2022	7,000	29,876	36,876	22	-	22	36,898
Members' remuneration charged as an expense	-	-	-	-	353	353	353
Members' remuneration paid to Members	-	-	-	-	(353)	(353)	(353)
Profit for the year available for discretionary division among Members	-	10,018	10,018	-	-	-	10,018
Distribution of profits to Members	-	(37,281)	(37,281)	-	-	-	(37,281)
Balance at 31 March 2023	7,000	2,613	9,613	22	-	22	9,635

The notes on pages 13 to 23 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. Entity information

Thames River Capital LLP is a limited liability partnership, incorporated in the UK. The LLP's registered office is Exchange House, Primrose Street, London, EC2A 2NY.

2. Accounting policies

The principal accounting policies set out below have been applied consistently for the years ended 31 March 2022 and 31 March 2023.

Basis of preparation and statement of compliance

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102), Companies Act 2006 as applicable to LLPs and the Statement of Recommended Practice, Accounting by Limited Liability Partnerships (LLP SORP), issued in December 2018.

The LLP's Financial Statements are presented in Sterling, the LLP's functional and presentational currency, on the basis that this represents the currency of the primary economic environment in which it operates, and are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

The LLP has elected to apply certain exemptions from the FRS 102 disclosure requirements relating to the following areas, for which equivalent disclosure is provided in the consolidated financial statements of Columbia Threadneedle Investments UK International Limited:

- Presentation of a Statement of Cash Flows and related notes;
- Related Party Disclosures – key management personnel compensation; and
- Financial instruments disclosures.

Copies of Columbia Threadneedle Investments UK International Limited's Group Financial Statements, in which the LLP is consolidated, are available from Cannon Place, 78 Cannon Street, London, EC4N 6AG.

Going concern

The LLP's activities, together with the factors likely to affect its future development, performance and position are set out in the Members' Report on pages 2 to 5.

As part of the Members' assessment of going concern they have considered, as best they can, the impact on the business environment emanating from market volatility against the background of domestic and global macro-economic challenges (rising interest rates, inflation). While there can be no absolute certainty, having considered the current results of the LLP and the current liquidity and net assets of the LLP, the Members are satisfied that it remains a reasonable assumption that the LLP has sufficient resources to meet both its working capital and regulatory capital requirements for at least 12 months from the date of approval of the Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis.

Accounting estimates, assumptions and judgements

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

No significant estimates or judgements have been applied in the preparation of these Financial Statements.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Summary of significant accounting policies

The following accounting policies have been applied consistently throughout the reporting period in dealing with items which are considered material in relation to the LLP's Financial Statements.

Revenue recognition

Revenue consists of the investment management and performance fees earned on funds under management, net of rebates. Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment and excluding any taxes.

Management fees are recognised in the Income Statement over the period for which these investment management services are provided, regardless of when the payment is due.

The LLP is entitled to earn performance fees from a number of clients if the actual investment performance of clients' assets exceeds defined benchmarks (and/or the level exceeds previously achieved performance levels) by an agreed level of outperformance in a set time period. Performance fees are recognised when the quantum of the fee can be estimated reliably, usually on or after the date at which the performance fee period ends.

Fee and commission expenses

Fee and commission expenses primarily comprise renewal commission paid to agents. These costs are expensed as the services are provided.

Finance income

Finance income comprises bank interest receivable and is recognised in the Income Statement as it accrues using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Finance costs

Finance costs comprise bank interest and charges payable and are recognised in the Income Statement on an EIR basis.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the LLP's functional currency using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the rate of exchange ruling at the financial reporting date and the gains or losses on translation are included in the Income Statement.

Non-monetary assets and liabilities, are translated using the exchange rate ruling at the date of the transaction and are not subsequently restated.

Operating leases

All leases entered into by the LLP are operating leases, being leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset. Rentals paid under operating leases are charged to the Income Statement on a straight-line basis over the lease term. Lease incentives are recognised by the LLP as a reduction in the rental expense, allocated on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Expenditure on property, plant and equipment is capitalised on initial recognition. Subsequent expenditure is only capitalised when it is probable that there will be future economic benefits associated with the expenditure which can be measured reliably. All other expenditure is recognised in the Income Statement as incurred.

Property, plant and equipment is depreciated so as to write off the cost of assets using the straight-line method over their estimated useful lives as follows:

Leasehold property	– 10 years (or lease term if shorter)
Computer equipment	– 3 years
Office furniture and equipment	– 5 years

Depreciation on property, plant and equipment is recognised as an expense in the Income Statement.

The carrying value of assets and their useful lives are reviewed at each reporting date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the Income Statement in the period in which it arises. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its continued use. Any gain or loss arising on derecognition of the asset (calculated as the fair value less costs to sell) is included in the Income Statement in the reporting period the asset is derecognised.

Cash

Cash comprises cash balances and deposits held at call with banks.

Basic financial instruments – recognition and measurement

A financial asset or financial liability is recognised only when the LLP becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured on initial recognition at the transaction price, including transaction costs.

Financial instruments are classified into the categories described below:

(a) Financial assets that are debt instruments measured at amortised cost

Financial assets that are debt instruments consist of cash, accrued income, amounts owed by group entities, other receivables, amounts owed by Members and interest receivable. Subsequent to initial recognition, these assets are measured at amortised cost using the EIR method and, on the basis that the assets are receivable within one year, are measured at the undiscounted amount of the cash or other consideration expected to be received.

(b) Financial assets that are equity instruments measured at cost less impairment

Financial assets that are equity instruments consist of investments and are held at cost less impairment, which is deemed to approximate to fair value.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

(c) Financial liabilities measured at amortised cost

Financial liabilities consist of amounts owed to group entities, accruals, amounts owed to the Corporate Member and other payables. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the EIR method and, on the basis that the liabilities are payable within one year, are measured at the undiscounted amount of the cash or other consideration expected to be paid.

Basic financial instruments – derecognition

Financial assets

A financial asset or, where applicable, part of a financial asset, is derecognised when the contractual rights to the cash flows from the financial asset expire or are settled.

Financial liabilities

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

Impairment of financial assets

The LLP assesses at each reporting date, whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Offsetting of financial assets and liabilities

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

Provisions

A provision is recognised in the Statement of Financial Position when the LLP has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Taxation

No provision has been made for tax in the Financial Statements. Each Member is exclusively liable for any tax liabilities arising on their interest in the LLP, which is assessed on the individual Members and not on the LLP.

Liability and equity elements of Members' interests

Members' remuneration charged as an expense

Members' base drawings are treated as payments-on-account of profit allocation, and are treated as an expense in the Income Statement, and as a liability in the Statement of Financial Position until paid, classified as:

- Loans and other debts due to Members within one year – Members' capital classified as a liability.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Members' profit share

The LLP Management Committee is responsible for calculating the profit or loss of the LLP on a quarterly calendar basis in accordance with the LLP Deed. Subject to the prior approval of the Management Committee, profits are substantially distributed, with 90% of calculated profits after the deduction of Member base drawings, and after taking into account the LLP's regulatory capital requirements, being allocated to Members in accordance with agreed distribution allocations. The remaining 10% of profits are allocated to Members following the end of the reporting period, again at the discretion of the Management Committee.

Given the Management Committee's approval over distribution of any profits, including the need to consider the adequacy of working and regulatory capital prior to allocating profits, even where the allocation is pre-agreed, the Members' profit share is considered equity rather than debt in nature. The profit share is classified as follows in the Statement of Financial Position:

- Members' other interests – Other reserves classified as equity.

Non-Corporate Members' capital

On leaving the partnership under normal business circumstances, non-Corporate Members are unconditionally entitled to repayment of their capital within a six-month period, provided the FCA capital adequacy requirements have been met. The return of capital to Members is therefore deemed non-discretionary, with the Non-Corporate Members' capital contribution treated as a liability and disclosed in the Statement of Financial Position under:

- Loans and other debts due to Members within one year – Members' capital classified as a liability.

Any amounts owed by Members are recorded as an asset in the Statement of Financial Position, under:

- Trade and other receivables – Amounts owed by Members.

Corporate Member's capital

The Corporate Member's capital is only repayable on either the winding up or the sale of the LLP and is paid out of a surplus of assets or sale proceeds following settlement of all creditor liabilities, in addition to expenses of the winding up or sale respectively. The Members have concluded that due to the residual and discretionary basis of the Corporate Member's capital repayment, the Capital is considered equity in nature, and on this basis has been classified in the Statement of Financial Position under:

- Members' other interests – Member's capital classified as equity.

3. Revenue

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Investment management fees	16,433	17,110
Performance fees	56	31,314
Other income	-	30
	16,489	48,454

Notes to the Financial Statements (continued)

4. Operating expenses

Total operating expenses can be summarised by nature as follows:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Employee and members benefits and related expenses*	2,661	7,274
Administration and other overhead expenses†	1,123	1,371
Communication and information technology expenses	488	470
Third-party administration expenses#	253	223
Premises expenses†	216	173
Depreciation expenses	25	8
Promotional and client servicing expenses†	1	1
Total operating expenses	4,767	9,520

* This includes £86,000 (2022: £33,000) of employment-related expenses (e.g. travel, training etc.) which are not employee benefit expenses and are therefore excluded from the table in note 8. These amounts have predominantly been recharged to the LLP from Columbia Threadneedle (Services) Limited (formerly BMO Asset Management (Services) Limited).

† These amounts have predominantly been recharged to the LLP from Columbia Threadneedle Capital (UK) Limited (formerly BMO AM Capital (UK) Limited).

These amounts have predominantly been recharged to the LLP from Columbia Threadneedle Management Limited (formerly BMO Asset Management Limited).

Operating profit is stated after charging/(crediting):

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Auditors' remuneration:		
- Audit of the LLP's Financial Statements	23	20
- Audit-related assurance services	12	10
Operating lease rentals – premises	137	80
Foreign exchange (gains)/losses	(62)	30
Depreciation of property, plant and equipment	25	8

5. Finance income

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Bank interest receivable	289	14

Notes to the Financial Statements (continued)

6. Finance costs

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Bank interest and charges payable	<u>1</u>	<u>1</u>

7. Remuneration of Members

Members' remuneration has been calculated based on the total of Members' remuneration charged as an expense plus any distributions of profits to Members which have been pre-approved by the Management Committee during the reporting period.

All profits and losses are divided among the Members in accordance with the LLP Deed. The average number of LLP Members during the year ended 31 March 2023 was 3 (2022: 3). The largest entitlement to a share of profits (including Members' remuneration) that were approved for distribution to Members during the year ended 31 March 2023 was £18.7 million (2022: £9.4 million).

8. Employees

Columbia Threadneedle (Services) Limited is the Group's main employee service company in the UK and seconded employees to the LLP. The average number of employees seconded to the LLP (excluding Members) during the year was 8 (2022: 8). The total cost of seconded employees recharged from Columbia Threadneedle (Services) Limited was:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Incentive compensation expenses	1,407	6,099
Wages and salaries expenses	959	885
Social security expenses	128	114
Defined contribution pension expenses	81	72
Compensation payments	<u>-</u>	<u>71</u>
	<u>2,575</u>	<u>7,241</u>

9. Investments

By virtue of the LLP being the contracted investment manager of various open-ended investment funds, the LLP holds management shares in certain companies to facilitate the liquidation of those companies when all the redeemable preference shares of those companies have been redeemed. In every case these shares carry no rights to participate in the profits or assets of the respective fund, other than a return of their nominal value, and no voting rights whilst any redeemable preference shares of the respective fund are in issue. The shares held at both 31 March 2022 and 31 March 2023 are as follows:

Fund name (Country of incorporation)	Number of shares	Nominal value per share	Carrying value £
CT Property Growth & Income Feeder Fund Limited (formerly BMO Property Growth & Income Feeder Fund Limited) (Guernsey)	100 Management shares	£1.00	Nil

These investments are held at cost less impairment, which is deemed to approximate to fair value.

Notes to the Financial Statements (continued)

10. Property, plant and equipment

	Leasehold property £000	Computer equipment £000	Office furniture and equipment £000	Total £000
Cost:				
At 1 April 2022	151	16	28	195
Additions in the year	20	8	1	29
At 31 March 2023	171	24	29	224
Accumulated depreciation:				
At 1 April 2022	5	7	4	16
Charge for the year	19	1	5	25
At 31 March 2023	24	8	9	41
Net book value:				
At 31 March 2023	147	16	20	183
At 31 March 2022	146	9	24	179

11. Trade and other receivables

	31 March 2023 £000	31 March 2022 £000
Current:		
Accrued income	1,813	30,657
Amounts owed by group entities	876	717
Prepayments	117	101
Interest receivable	71	6
Other receivables	66	19
Amounts owed by Members	3	2
	2,946	31,502

Notes to the Financial Statements (continued)

12. Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Current:		
Amounts owed to group entities	5,628	7,957
Accruals	761	806
Amounts owed to Corporate Member	64	35
Other payables	13	3
VAT payable	5	13
	6,471	8,814

In the event of a winding up or disposal of the business, creditors rank above Members' other interests in order of repayment. Further details are disclosed in note 14.

13. Provisions for liabilities

	End of lease dilapidations £000
At 1 April 2022 and 31 March 2023	29

The LLP has obligations to reinstate leased premises back to its original condition when the lease expires. The exact quantum and timing of this remedial work is inherently difficult to estimate given its nature.

14. Nature and purpose of Members' interests

Members' capital

Members are required to make capital contributions in accordance with the LLP Deed as determined by the Management Committee. No member is entitled to receive interest on their capital contribution. The Management Committee can determine to return capital contributions to Members provided sufficient regulatory capital exists and the transaction is approved by the FCA.

In the event of (i) the winding up or (ii) any sale of the business and assets of the LLP:

- (i) Any surplus assets of the LLP over its liabilities remaining at the conclusion of the winding up after payment of all monies due to creditors of the LLP and all expenses of the winding up; or
- (ii) The sale proceeds after payment of all expenses of the sale together with the amount standing to the credit of the Members' capital accounts, shall be payable to the Members in the following order of priority:
 - (1) the Corporate Member shall first be entitled to receive the sum of £6,600,000;
 - (2) the Corporate Member is entitled to a sum equal to the cash capital contribution made by it pursuant to FCA capital adequacy requirements;
 - (3) each Member shall then receive an amount equal to the value of their capital contributions, reduced to the extent the amounts realised in respect of the assets or proceeds of the LLP are insufficient to repay the total of such capital contributions;

Notes to the Financial Statements (continued)

14. Nature and purpose of Members' interests (continued)

- (4) the remaining surplus assets or sale proceeds after payment of the amounts above shall be distributed in proportions firstly to reflect the value of a Division relative to the value of the entire LLP as a whole immediately prior to the wind up or sale of the LLP and secondly between the Corporate Member and the other Members.

In the case of cessation of membership, any capital repayment due to Members is to be settled by the LLP within a six-month period, provided FCA regulatory capital requirements are met.

Members' profit shares

Profits of the LLP, other than those automatically distributed by way of Members' base drawings, are available for distribution by the Management Committee. Approved allocations of profits are distributed to Members in accordance with pre-agreed proportions.

15. Commitments

Operating leases

The LLP has the following future minimum rentals payable in respect of non-cancellable operating leases relating to premises and other operating lease contracts at the year end:

	31 March 2023	31 March 2022
	£000	£000
Premises		
Not later than one year	134	75
Later than one year and not later than five years	451	487
Later than five years	441	539
	1,026	1,101

Commitments in respect of premises leases exclude service charges and other costs, which are variable in nature, and cannot be reliably estimated.

Notes to the Financial Statements (continued)

16. Related party transactions

The LLP has taken advantage of the exemption in Section 33 'Related Party Disclosures' of FRS 102 to not provide details of transactions between the LLP and other entities in the Group on the basis that these entities are wholly owned by the Group.

The non-Corporate Members are considered to be related parties as they are involved in the management of the LLP.

Transactions with non-Corporate Members for each year and the balances due from those Members are as follows:

	Transactions for the year ended 31 March 2023 £000	Outstanding at 31 March 2023 £000	Transactions for the year ended 31 March 2022 £000	Outstanding at 31 March 2022 £000
Members' remuneration charged as an expense	353	-	351	-
Profit approved and distributed to Members during the year	24,225	-	12,510	-
Amounts owed by Members	-	3	-	2

The Members are not aware of any other related party transactions.

17. Ultimate controlling party

Columbia Threadneedle Capital (UK) Limited, a subsidiary of Columbia Threadneedle AM (Holdings) plc, is the Corporate Member of the LLP. At 31 March 2023, the smallest group of which the LLP was a member and for which an Annual Report and Financial Statements was prepared was Columbia Threadneedle Investments UK International Limited. Copies of the Group Annual Report and Financial Statements can be obtained from its registered office at Cannon Place, 78 Cannon Street, London, EC4N 6AG.

The largest group to consolidate these Financial Statements is Ameriprise Financial, Inc.. Copies of the consolidated financial statements of Ameriprise Financial, Inc. can be obtained from the Corporate Secretary's Office, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, 55474, United States of America.

18. Events after the Reporting Date

Members' profit distributions

During the period between the reporting date and the date of approval of these Financial Statements, profit distributions of £1,270,000 were paid to the Members.