

# **F&C Group ESOP Trustee Limited**

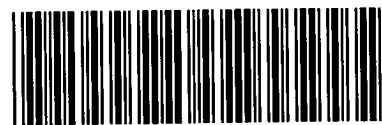
(Registered Number: SC161077)

**Unaudited Annual Report &  
Financial Statements  
for the year ended  
31 October 2021**

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# **F&C GROUP ESOP TRUSTEE LIMITED**

## ***DIRECTORS AND ADVISERS***

**REGISTERED NUMBER:**

SC161077

**DIRECTORS:**

P J Doel  
W M Tonkin  
R A Watts

**SECRETARY:**

R D Burgin

**REGISTERED OFFICE:**

6<sup>th</sup> Floor  
Quartermile 4  
7a Nightingale Way  
Edinburgh  
EH3 9EG

**SOLICITORS:**

Norton Rose Fulbright LLP  
3 More London Riverside  
London  
SE1 2AQ

Shepherd and Wedderburn LLP  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8UL

# **F&C GROUP ESOP TRUSTEE LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors submit their Annual Report and Financial Statements for F&C Group ESOP Trustee Limited (the Company) for the year ended 31 October 2021. The Company was part of the BMO Global Asset Management (BMO GAM) business within the BMO Financial Group (BMO) until 8 November 2021 when the BMO GAM business in Europe, the Middle East and Africa (EMEA) was acquired by Ameriprise Financial, Inc. (Ameriprise). Further details are disclosed in note 9.

### **PRINCIPAL ACTIVITY**

The Company was originally set up to encourage and facilitate participation in the BMO Asset Management (Holdings) plc share ownership schemes and to act as trustee to The Ivory and Sime Employee Benefit Trust (the EBT). Following the purchase of the underlying shares held by the EBT by Bank of Montreal on 7 May 2014, the EBT no longer holds any assets and is now inactive. Whilst the Company continues to operate as trustee to the EBT, it also no longer has any trading activity.

### **RESULTS AND BUSINESS REVIEW**

As the Company did not trade during the current and prior financial years, an Income Statement and Statement of Comprehensive Income are not presented in these Financial Statements.

### **FUTURE DEVELOPMENTS**

The Directors expect the Company to remain inactive for the foreseeable future.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Directors manage the risks as part of the overall risk management framework within the BMO Asset Management (Holdings) plc Group (the Group). Members of the Group's Executive Committee are responsible for identifying and addressing any material or systematic issues or risks facing their areas of the business. However, as the Company no longer has any trading activity and the EBT to which the Company operates as trustee, is now inactive, the Directors consider that the Company's exposure to financial risk is limited to the following:

#### *Credit risk*

The Company is exposed to credit risk if a counterparty to a financial instrument is unable to pay, in full, amounts when due. The Company's credit risk is principally in relation to an amount owed by the immediate parent company. As the BMO Asset Management (Holdings) plc Group's (the Group) working capital is monitored on a group-wide basis, the risk of non-recovery is considered minimal.

### **STRATEGIC REPORT: SMALL COMPANIES EXEMPTION**

The Company has taken advantage of the small companies exemption in section 414B of Statutory Instrument 2013 No. 1970 *The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013* and has not prepared a Strategic Report.

### **GOING CONCERN**

The Directors have undertaken an assessment of the Company's financial position, along with the factors likely to affect its future development, taking into account all available financial information. While the Company has adequate resources to continue in operational existence for the foreseeable future, it has no income or expenses recognised in either the current or prior reporting years. As there is no intention to commence trading activities in the foreseeable future, the Company's Financial Statements have not been prepared on a going concern basis. This basis of preparation has not resulted in any recognition or measurement changes to the Financial Statements.

## **F&C GROUP ESOP TRUSTEE LIMITED**

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

#### **DIRECTORS AND THEIR INTERESTS**

The Directors of the Company during the financial year were as follows:

P J Doel  
W M Tonkin  
R A Watts

There have been no appointments or resignations of Directors since 31 October 2021.

No Director has any beneficial interest in the share capital of the company.

#### **DIRECTORS' AND OFFICERS' LIABILITY**

The Group maintains insurance cover in respect of Directors' and Officers' liability.

BY ORDER OF THE BOARD



R D Burgin  
Secretary  
30 June 2022

## **F&C GROUP ESOP TRUSTEE LIMITED**

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained on page 7, the Directors do not believe that it is appropriate to prepare these Financial Statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# F&C GROUP ESOP TRUSTEE LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

(Registered number SC161077)

	Notes	31 October 2021 £	31 October 2020 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other receivables	5	100	100
<b>TOTAL ASSETS</b>		<u>100</u>	<u>100</u>
<b>EQUITY</b>			
Share capital	6	100	100
<b>TOTAL EQUITY</b>		<u>100</u>	<u>100</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>100</u>	<u>100</u>

As the Company did not trade during the current or prior year, no Income Statement or Statement of Comprehensive Income is presented in these Financial Statements.

For the year ended 31 October 2021 the Company was entitled to the exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

No Members have required the Company to obtain an audit of its Financial Statements for the year ended 31 October 2021 in accordance with section 476.

The Directors acknowledge their responsibility for:

- Ensuring the Company keeps accounting records which comply with section 386;
- Preparing financial statements which give a true and fair view of the state of affairs of the Company at the end of its financial period, and of its profit and loss for the financial period in accordance with sections 393 and 394, and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the Company.

The Financial Statements were approved by the Board of Directors and authorised for issue on 30 June 2022. They were signed on its behalf by:



R A Watts  
Director

The notes on pages 7 to 10 form an integral part of these Financial Statements.

## **F&C GROUP ESOP TRUSTEE LIMITED**

### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2021**

	<b>Share capital £</b>	<b>Total equity £</b>
At 1 November 2019, 31 October 2020 and 31 October 2021	<u>100</u>	<u>100</u>

The notes on pages 7 to 10 form an integral part of these Financial Statements.

# **F&C GROUP ESOP TRUSTEE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ENTITY INFORMATION**

F&C Group ESOP Trustee Limited is a private company limited by share capital, incorporated and domiciled in Scotland. The Company's registered office is 6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

The results of F&C Group ESOP Trustee Limited are included in the consolidated Annual Report and Financial Statements of BMO Asset Management (Holdings) plc, which are available from 6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

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

### **2. ACCOUNTING POLICIES**

#### **Basis of preparation**

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

The Company has applied the recognition, measurement, disclosure and presentation requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), making amendments where necessary in order to comply with the Companies Act 2006.

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

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

#### **Measurement convention**

The Financial Statements are prepared under the historical cost convention.

#### **Going concern**

The Company has no trading activities, with no income or expenses incurred in either the current or prior reporting years. As the Company does not intend to recommence trading activities in the foreseeable future, the Directors have not prepared the Financial Statements on a going concern basis. This basis of preparation has not resulted in any recognition or measurement changes to the Financial Statements.

#### **New and amended standards and interpretations**

Several new and amended standards and interpretations apply for the first time in the year ended 31 October 2021, but do not have an impact on the Company's Financial Statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.



# **F&C GROUP ESOP TRUSTEE LIMITED**

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

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

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

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

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

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

##### **(a) Financial instruments**

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

##### **Financial assets**

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

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

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

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

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

###### *Subsequent measurement*

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

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

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

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

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

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

# F&C GROUP ESOP TRUSTEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. ACCOUNTING POLICIES (continued)

#### (b) Share capital

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

### 3. DIRECTORS' REMUNERATION

The Company does not remunerate Directors, nor can their remuneration paid from elsewhere in the Group be apportioned meaningfully in respect of their services to the Company.

### 4. EMPLOYEES

The Company had no employees during the year ended 31 October 2021 (2020: nil).

### 5. OTHER RECEIVABLES

	31 October 2021 £	31 October 2020 £
<b>Non-current:</b>		
Amounts owed by immediate parent company	100	100

In the Directors' opinion there is no discernible difference between the carrying amount and fair value of the balance disclosed.

### 6. SHARE CAPITAL

	31 October 2021 £	31 October 2020 £
<b>Authorised:</b>		
100 Ordinary shares of £1 each	100	100
<b>Issued and fully paid:</b>		
100 Ordinary shares of £1 each	100	100

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

### 7. THE IVORY & SIME EMPLOYEE BENEFIT TRUST

The Company acts as trustee to The Ivory & Sime Employee Benefit Trust.

On 7 May 2014, following the acquisition of the entire share capital of BMO Asset Management (Holdings) plc by Bank of Montreal, the remaining shares held by the EBT were bought by Bank of Montreal for £1.20 per share and the cash was returned to BMO Asset Management (Holdings) plc. Consequently, at 31 October 2021, the EBT held no assets (31 October 2020: no assets) in respect of beneficiaries of the EBT.

# **F&C GROUP ESOP TRUSTEE LIMITED**

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

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

The Company's immediate parent is BMO Asset Management (Holdings) plc, a company registered in Scotland.

The smallest group of which the Company is a member and for which Group Financial Statements are prepared is BMO Asset Management (Holdings) plc. Copies of the BMO Asset Management (Holdings) plc Annual Report and Financial Statements can be obtained from its registered office 6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG.

At the reporting date, the Company's ultimate parent company and controlling party is Bank of Montreal, a company incorporated in Canada. The consolidated financial statements of Bank of Montreal are available from Corporate Communications Department, BMO Financial Group, 28<sup>th</sup> Floor, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

### **9. EVENTS AFTER THE REPORTING PERIOD**

#### **Acquisition of the BMO Global Asset Management (Europe) Group by Ameriprise**

On 12 April 2021, BMO announced that agreement had been reached to sell its asset management business in EMEA to Ameriprise Financial, Inc (Ameriprise), which is incorporated in Delaware, United States of America. The transaction completed on 8 November 2021.

The Company is part of the BMO Global Asset Management (Europe) Group (BMO GAM E Group), which formed a significant element of BMO's asset management business in EMEA. Therefore, as part of the broader transaction agreed with BMO, Ameriprise, via its subsidiary Columbia Threadneedle Investments UK International Limited, has acquired the entire share capital of BMO Global Asset Management (Europe) Limited, and as such, the BMO GAM E Group has transferred to become part of the Columbia Threadneedle Investments asset management business within Ameriprise.

The acquisition has had no impact on the Company's financial position at 31 October 2021, nor is there expected to be a financial impact on the year ending 31 October 2022 and beyond, given the nature of the Company's activities. From 8 November 2021, Ameriprise is now the Company's ultimate parent. 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.

#### **Russia/Ukraine conflict**

During late February 2022, the eastern part of Europe entered into a phase of instability following the military action taken by Russia against Ukraine (the "Situation"). The worsening military situation in Ukraine has led to a humanitarian crisis and deterioration of the Ukrainian economy. As a result, many leading global countries have unveiled a series of sanctions against Russia in an attempt to bring economic pressure on Russia. In addition to the direct impact on the concerned economies and parties in Ukraine and Russia, the impact on other economies is inevitable. More specifically, this is expected to impact economic growth across the United Kingdom, Europe and the United States.

The Group is monitoring the effects of the Situation on the Company and other stakeholders and have assessed that the Situation does not impact the Financial Statements as at 31 October 2021.