

**Columbia
Threadneedle
(Services) Limited**
(formerly BMO Asset Management (Services) Limited)
(Registered Number: SC233297)

**Annual Report and Financial Statements
for the 14-month period from
1 November 2021 to
31 December 2022**

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COLUMBIA THREADNEEDLE (SERVICES) LIMITED

COMPANY INFORMATION

REGISTERED NUMBER: SC233297

DIRECTORS: P J Doel
D Logan
R A Watts

SECRETARY: R D Burgin

REGISTERED OFFICE: 6th Floor
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Edinburgh
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INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for Columbia Threadneedle (Services) Limited (formerly BMO Asset Management (Services) Limited) (the Company) for the 14-month period ended 31 December 2022. 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). The Company subsequently changed its name on 30 June 2022 as part of the broader fund and group entity rebranding project.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a UK employee services company for the Columbia Threadneedle AM (Holdings) plc (formerly BMO Asset Management (Holdings) plc Group (the Group). The Company receives revenue from recharges of staff related costs and other operating expenses to companies within the Group.

BUSINESS AND FINANCIAL REVIEW

Results

The Financial Statements show a profit for the 14-month period ended 31 December 2022 of £5,141,000 (year ended 31 October 2021: profit of £7,104,000, restated, as disclosed in note 3).

Key performance indicators

Given the nature of the business, the Company's Directors are of the opinion that the following key performance indicators are relevant to its business:

	14-month period ended 31 December 2022	Year ended 31 October 2021
Average employee numbers	589	615
Total employee benefit expenses*	£116,565,000	£117,559,000
Operating profit	£4,894,000	£6,670,000
Operating margin	3.2%	4.7%

* Stated before expenses recovered from other Group entities.

Trading performance and development of the business

On 12 April 2021, BMO announced that agreement had been reached to sell its asset management business in EMEA to Ameriprise, which is incorporated in Delaware, United States of America. The transaction completed on 8 November 2021. The Company was 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. As part of the broader transaction agreed with BMO, Ameriprise, via its subsidiary Columbia Threadneedle Investments UK International Limited, acquired the entire share capital of BMO Global Asset Management (Europe) Limited (which has now changed its name to Columbia Threadneedle (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.

In order to align the Company's reporting date with Ameriprise, the Company's accounting reference date was extended from 31 October to 31 December, resulting in a reporting period of 14 months to 31 December 2022. Therefore, certain amounts presented in these Financial Statements for the 14-month period ended 31 December 2022 are not directly comparable with those for the year ended 31 October 2021.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT (continued)

The Company's revenue for the period ended 31 December 2022 was £153,016,000 (year ended 31 October 2021: £142,724,000) and is a function of its cost base. The increase reflects the longer reporting period, however, on a pro-rated basis revenues have decreased in the reporting period. In 2021, the Company incurred a higher level of expenses, primarily reflecting the increased share-based payment expense associated with the significant increase in the BMO share price which was experienced during the year, together with a number of increased costs arising in the lead up to the completion of the Ameriprise acquisition.

Total operating expenses have increased from £136,857,000 in the year ended 31 October 2021 to £145,819,000 in the 14 months ended 31 December 2022. The increase in these expenses and revenue, in addition to a £2,303,000 impairment loss recognised on the Company's loan receivable contributed to a decreased profit of £5,141,000 for the 14-month period ended 31 December 2022 compared to £7,104,000 (restated, as disclosed in note 3) for the year ended 31 October 2021.

The decrease in operating margin from 4.7% in the year ended 31 October 2021 to 3.2% in the 14-month period ended 31 December 2022 reflects a change in the mix of operating cost categories which attract markups dependent upon the nature of the costs, recognising that employee benefit expenses are recharged at a higher markup than other operating costs incurred by the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors manage the risks faced by the Company as part of the overall risk management framework within 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. The principal risks and uncertainties facing the Company are broadly grouped as follows:

Financial risk

The Group adopts a low-risk approach to treasury management and financial risks in relation to equity, seeking to manage and preserve its capital. The Group's treasury function ensures that sufficient cash is retained by the Company in respect of short-term working capital requirements.

Market risk

The Company is indirectly exposed to market price risk through the assets held by the defined benefit pension plan. The surplus recognised within the Company's Financial Statements is impacted by the combination of movements in the assets held by the pension plan, and the variables which impact the obligations of the plan. Further details of the plan are disclosed in note 25.

The Company is exposed to interest rate risk through fluctuations in the variable rate of interest, impacting interest receivable on a loan owed by a group subsidiary which is subject to interest based on LIBOR rates. The point of reference for the calculation of interest was changed from LIBOR to SONIA with effect from 1 November 2021.

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 a loan owed by another Group subsidiary and amounts owed by Group subsidiaries. As the Group's working capital is monitored on a Group-wide basis, the risk of non-recovery of these intra-group balances is considered minimal, although an expected credit loss provision has been recognised on the loan receivable as a result of a review of the expected timing of its recoverability.

Liquidity risk

The treasury policy set by the Group only allows financial assets attributable to equity holders to be invested in low-risk deposits or money market instruments where the risk of capital loss is low, with prior approval required for any exception to this principle.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT (continued)

The overall cash position is monitored by the treasury team across the Group as a whole and each individual company within the Group draws on the available cash balances to meet its working capital requirements.

Integration risk

There is a clear objective to integrate the Group into the broader Columbia Threadneedle Investments operating model and the work required to meet this objective continues following detailed timelines and plans. By its very nature, integration activity can increase the inherent risks in a number of areas of the business, including increased operational risk where changes to people, process or systems are initiated; the risk that consultant ratings of products move to 'hold' while integration activity is executed, potentially impacting new business generation; and strain being placed on employees of the Group, recognising they are key to the successful integration of the business. Failure to adequately plan and control the activities required to meet the integration objective on a timely basis may result in excessive project costs, a weakened control environment, failure to achieve the desired results, slower than planned growth or the loss of clients or key employees. In addition, these activities must be completed in a manner which is cognisant of and compliant with prescribed regulatory requirements in the relevant jurisdictions.

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 us to focus on minimising harms to our clients, market participants and the Group as we proceed. 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.

COVID-19 pandemic

COVID-19 (also referred to as "coronavirus") continued to impact economies, financial markets and businesses around the world throughout 2022. 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.

Uncertain economic outlook

The Company earns its revenues from the recharge of costs to other Group entities which earn asset management revenues. These companies offer competitive products across a range of asset classes, including equities, fixed income, alternatives and multi-asset, with this diversified range limiting its exposure to the impact of market volatility in any one market or asset class. Furthermore, a number of the Group's investment solutions products are much longer term in nature, with some based on a fixed fee, and their performance and marketability are less impacted by short-term market volatility. The Group also continues to closely monitor developments around the relationship between the UK and the EU so as to ensure that any adverse impact is appropriately mitigated, as far as possible, in the management of European asset classes.

Operational risk

The Company, as a key service provider for the wider Group, is exposed to operational risks which could result from the loss of key employees, a weakness in the Group's IT infrastructure and systems, or potential cyberattacks, as detailed below:

- *Loss of key employees*

The success of the Group depends on the support of its employees in key areas including investment, distribution, marketing, product development, operations and support functions. The loss of key employees, or indeed the ability to attract new employees, may prevent the Company or the Group from winning new business or meeting its strategic goals, and may therefore lead to client outflows and the loss of key mandates. Employee retention risk is inherently heightened as a result of the integration activity underway.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT (continued)

The Group's compensation model targets the long-term retention of key employees, as well as providing market-competitive packages to attract new employees. All employees receive an annual appraisal which reviews their performance against clearly defined objectives with the aim of encouraging strong performance. Reliance on key individuals is mitigated by the Group's team-based approach to investment management. Moreover, we seek to reduce our dependence on key staff through the recruitment of suitably skilled individuals, promoting training and by ensuring succession plans are in place for senior roles to provide emergency or immediate cover. As part of Columbia Threadneedle Investments, we are also able to leverage a wider range of support for our investment, distribution and support function capabilities through inter-group arrangements with affiliates that form part of the wider Columbia Threadneedle Investments business.

- *Business continuity, information technology (IT) and cyber security*

The Group's success is dependent on access to a resilient IT infrastructure and appropriate IT systems that are sufficient to support the Group in meeting its strategic objectives. The Group is exposed to the risk that its infrastructure and systems are unable to meet the demands of clients, or regulatory and/or technology change.

The Group has a short-term and medium-term IT plan with clear objectives to meet mandatory change requirements, deliver further integration of systems and enhance the agility, security and resilience of the Group. The Group maintains and periodically tests its critical technology disaster recovery arrangements. The Group also has detailed business continuity plans in place to enable events to be managed, location specific actions to be taken and key business processes to be maintained in the event of a disaster.

The Group is exposed to a variety of potential cyber risks, and a failure to prevent or defend against such risks could have a material adverse effect on the Group's operations and its clients. Attacks could result in a denial of services, or loss of client data or other sensitive information, thereby potentially impacting the Group financial results and/or its reputation.

The Group relies on the effectiveness of its internal policies and associated procedures, infrastructure and capabilities to protect the confidentiality, integrity and availability of information held on its computer systems, networks and mobile devices. These include security, access control and data leakage protection measures. In addition, the Group holds an ISO 27001 security accreditation.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172 (1) OF THE COMPANIES ACT 2006

The Directors believe they perform their duties in a way which promotes good faith and the success of the Company for the benefit of its members (having regards to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act). This requires the Directors to have regard to the:

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

in the decisions taken during the 14-month period ended 31 December 2022.

The Company aims to deliver outcomes that meet the needs of its stakeholders and is committed to act responsibly, transparently and in the best interests of those stakeholders.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT (continued)

The Group's corporate responsibility strategy focuses on the core roles it plays: Responsible Partner to our clients; Responsible Investor; Responsible Employer; and Responsible Citizen. When taking key decisions, the Directors receive information from across the Company and wider Group. Information is informed by stakeholder engagement at an operational level, which helps the Directors gain a better understanding of the impact of their decisions on relevant stakeholder interests.

Whilst considering a broad range of interests is an important part of their decision making, the Directors acknowledge that decisions may not result in a positive outcome for all stakeholders.

Examples of how stakeholder interests were considered this reporting period are listed below:

Employees – This Company is the main employing entity for the Group in the UK. In line with this, the Board has received reports on HR, Pensions, and Finance (in the context of employee costs). The Board considered the impact of the Ameriprise Transaction on employees, including the opportunities associated with integration, the risks of higher staff attrition and changes to the defined benefit scheme. The Board also considered and approved a Modern Slavery Act Statement.

The Group's employees are fundamental to the success of the business, and during 2022 the Group continued to prioritise the health, safety and well-being of employees as it responded to COVID-19 and periods of remote working for the vast majority of employees. The Group provides a range of resources to support the physical and mental well-being of employees, including private healthcare; self-referral for physiotherapy; access to telephone GP appointments; a confidential counselling service and an online well-being hub. Flexible working remains an important component of the Group's approach to maintaining an inclusive culture and healthy work-life balance.

Suppliers and services providers to Group entities – The board annually approves a Modern Slavery Act Statement to ensure modern slavery is not occurring in their business, their clients and supply chains. The Board received attestations that the policies, standards, codes, guidance and practices cited in the statement were true and accurate in relation to the non-occurrence of modern slavery.

Community and environment – The Group strives to be a responsible member of the community in which it operates and to influence positive change. During 2022 the wider Columbia Threadneedle Investments group of companies published its first climate change report which details how it manages climate risks and opportunities in investment portfolios and across business operations under the Task Force on Climate-related Financial Disclosures ("TCFD") framework. In addition, the Group also set out its Net Zero Carbon Emissions targets, reaffirming its commitment to working in partnership with clients to reach net zero carbon emissions by 2050, or sooner, across all assets under management, subject to internal, fund board, regulatory and client approvals. This disclosure was the first as a signatory of the Net Zero Asset Managers ("NZAM") initiative. The Group acknowledges that reaching this aspiration depends on the mandates agreed with its clients and the wider regulatory environment. In addition, the office at Exchange House signed up to the 'Plastic Free City' Scheme and has achieved "Platinum" status. This office and the office at Quartermile 4 maintain an ISO 14001 accreditation that sets out the requirements for an Environmental Management System. This system is used to identify and better manage the buildings' environmental aspects and impacts and helps the Group to continually improve its environmental performance through a more efficient use of resources and reduction of waste. The electricity used at both offices is derived from 100 per cent. renewable resources.

In 2022, the Group also supported the Spitalfields City Farm Team Challenge; Spitalfields City Farm is a local community resource, and also the Legal Walk, a charity which supports frontline free legal advice services in London and the South-East.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STRATEGIC REPORT (continued)

It is the Board's commitment to maintain the Company's reputation by continuing to operate in a responsible manner, within high standards of business conduct and good governance of a business such as that of the Company. The governance structure that sits below the Group's Board is headed by an Executive Committee, which is responsible for the day-to-day management of the business in line with the strategies, business plans, budgets and other initiatives delegated by the Group. It is not a sub-committee of the Board but assists the Chief Executive Officer in the execution of their responsibilities. Below this, responsibility for running the business is overseen by several other management committees, functional and leadership teams, which are responsible for the day-to-day running of the business lines of the Group as well as strategy implementation. The Board believes that these governance arrangements enable the Group to deliver its business plans in a rigorously controlled manner.

The Directors are committed to fulfil the requirements of Section 172 of the Companies Act including behaving in a responsible manner to promote the success of the Company for the benefit of its Shareholders, whilst have having regard to various other stakeholder interests.

BY ORDER OF THE BOARD



R D Burgin
Secretary
27 September 2023

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report and audited Financial Statements for the 14-month period ended 31 December 2022.

RESULTS AND BUSINESS REVIEW

The Company's results for the 14-month period ended 31 December 2022 are shown in the Income Statement on page 14. A Strategic Report for the same period is set out on pages 2 to 7.

The Company recognised a profit for the 14-month period ended 31 December 2022 of £5,141,000 (year ended 31 October 2021: profit of £7,104,000, restated, as disclosed in note 3).

DIVIDENDS

No dividends were approved or paid during the 14-month period ended 31 December 2022 (year ended 31 October 2021: £nil).

EMPLOYEES

Employee involvement

The Company provides employees with information about the Group and wider Ameriprise Group through internal presentations and publications to keep them informed about developments in the business. Employees are encouraged to participate in surveys conducted by the Ameriprise Group to enable them to provide feedback on a range of subjects. Wherever appropriate, employees are consulted to ensure that their views are taken into account before decisions are taken which are likely to affect their interests.

Statement of diversity policy

The Company recognises the value of a diverse workforce and aims to attract and retain the best people from the widest pool of talent, drawn from all sections of society. We believe that differences in background, perspective, expertise and culture are an asset to the Company and the wider Group.

Equal opportunities

The Company aims to provide equal opportunities for all, without discrimination on the grounds of race, religion, marital status, age, gender, sexual orientation or disability. We recruit and promote those best suited for the job. The Company respects the dignity of individuals and their beliefs and does not tolerate any sexual, racial, physical or mental harassment of staff in the workplace. The Company acknowledges its responsibility to make reasonable adjustments to work arrangements or physical aspects of the workplace for applicants or employees with disabilities.

FUTURE DEVELOPMENTS

The Directors do not anticipate any major change in the principal activities of the business within the foreseeable future. The Directors will continue to take an active role in assessing the impact of integration activity connected with the Ameriprise transaction, to the extent it will impact the operation of the Company or its interaction with Group or other Columbia Threadneedle Investments entities.

GOING CONCERN

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

On the basis of their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company 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.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

REPORT OF THE DIRECTORS (continued)

STREAMLINED ENERGY AND CARBON REPORTING

Disclosures are provided on a Group basis in the consolidated Annual Report and Financial Statements of Columbia Threadneedle Investments UK International Limited.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company who were in office during the 14-month period ended 31 December 2022 and up to the date of approval of the Financial Statements were as follows:

P J Doel
D Logan
R A Watts

There have been no appointments or resignations of Directors since 31 December 2022.

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

DIRECTORS' LIABILITIES

During the reporting period and at the date of approval of the Financial Statements, the Company had in force a qualifying third-party indemnity provision in favour of one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. The Group maintains insurance cover in respect of Directors' and Officers' liability.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP (PwC) were appointed as independent auditors of the Company during the period in accordance with section 485 of the Companies Act 2006. PwC were appointed on 29 July 2022 to align the audit provision across the Ameriprise Group.

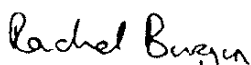
CHARITABLE CONTRIBUTIONS

During the 14-month period ended 31 December 2022, the Company made various charitable contributions totalling £91,000 (year ended 31 October 2021: £71,000).

ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITORS

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

BY ORDER OF THE BOARD



R D Burgin
Secretary
27 September 2023

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 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 company will continue in business.

The Directors are 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 are also 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.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE (SERVICES) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Columbia Threadneedle (Services) Limited (formerly BMO Asset Management (Services) Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the period from 1 November 2021 to 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement and the Statement of Changes in Equity for the period 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 company 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 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.

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.

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

Our responsibilities and the responsibilities of the directors 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 directors 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 on or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE (SERVICES) LIMITED (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.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA THREADNEEDLE (SERVICES) LIMITED (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the posting of inappropriate manual journal entries. Audit procedures performed by the engagement team included:

- Enquiries with management, 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 containing unusual account descriptions, entries posted by unexpected users and entries posted with unusual amounts, where any such journal entries were identified;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing over certain areas; and
- Reviewing relevant board meeting minutes.

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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

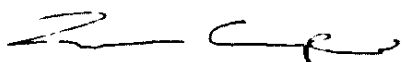
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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
27 September 2023

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

INCOME STATEMENT FOR THE 14-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 (*as restated) £000
Revenue	4	153,016	142,724
Operating expenses	5(a)	(145,819)	(136,857)
Net impairment (losses)/reversal on financial assets	6	(2,303)	803
Operating profit		4,894	6,670
Finance income	9	2,181	1,207
Finance costs	10	(565)	(565)
Profit before tax		6,510	7,312
Income tax expense	11	(1,369)	(208)
Profit for the financial period/year		5,141	7,104

* The restatement is explained in note 3 to the Financial Statements.

All amounts are derived from continuing activities.

The notes on pages 18 to 51 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 14-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 (*as restated) £000
Profit for the financial period/year		5,141	7,104
Other comprehensive (expense)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Net actuarial losses on defined benefit pension arrangements	25(d)	(10,397)	(1,613)
Tax income on net actuarial losses on defined benefit pension arrangements	11(a)	1,976	306
Tax income/(expense) arising from corporation tax rate change in respect of defined benefit pension arrangements	11(a)	22	(3,659)
Other comprehensive expense for the period/year		(8,399)	(4,966)
Total comprehensive (expense)/income for the period/year		(3,258)	2,138

* The restatement is explained in note 3 to the Financial Statements.

The notes on pages 18 to 51 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Registered Number: SC233297)

		31 December 2022	31 October 2021 (*as restated)
	Note	£000	£000
ASSETS			
Non-current assets			
Property, plant and equipment	12	1,990	3,631
Right-of-use assets	13	14,618	18,335
Intangible assets	14	795	1,634
Deferred tax assets	15	10,379	11,093
Pension surplus	25	62,153	71,028
Loan receivable	16	44,357	86,441
Total non-current assets		134,292	192,162
Current assets			
Loan receivable	16	37,699	-
Trade and other receivables	17	37,308	45,682
Cash and cash equivalents	18	1,600	3,929
Total current assets		76,607	49,611
TOTAL ASSETS		210,899	241,773
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	15	15,446	17,155
Provisions	19	1,448	3,896
Employee benefit liabilities	20	3,577	22,320
Trade and other payables	21	51	29
Lease liabilities	13	12,554	16,466
Total non-current liabilities		33,076	59,866
Current liabilities			
Provisions	19	5,552	7,942
Employee benefit liabilities	20	59,824	56,465
Trade and other payables	21	8,120	12,556
Lease liabilities	13	3,111	3,104
Total current liabilities		76,607	80,067
TOTAL LIABILITIES		109,683	139,933
EQUITY			
Called up share capital	22	-	-
Retained earnings	23	101,216	101,840
TOTAL EQUITY		101,216	101,840
TOTAL LIABILITIES AND EQUITY		210,899	241,773

* The restatement is explained in note 3 to the Financial Statements

The Financial Statements on pages 14 to 51 were approved by the Board of Directors and authorised for issue on 27 September 2023 and were signed on its behalf by:



R A Watts
Director

The notes on pages 18 to 51 form an integral part of these Financial Statements.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE 14-MONTH PERIOD ENDED 31 DECEMBER 2022

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 November 2020	-	99,702	99,702
Profit for the financial year (*as restated)	-	7,104	7,104
Other comprehensive expense	-	(4,966)	(4,966)
Total comprehensive income (*as restated)	-	2,138	2,138
At 31 October 2021 (*as restated)	-	101,840	101,840
Profit for the financial period	-	5,141	5,141
Other comprehensive expense	-	(8,399)	(8,399)
Share-based payments credited to equity	-	8,373	8,373
Recharge of share-based payment expense	-	(5,844)	(5,844)
Tax income in respect of share-based payments	-	105	105
Total comprehensive expense	-	(624)	(624)
At 31 December 2022	-	101,216	101,216

* The restatement is explained in note 3 to the Financial Statements.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ENTITY INFORMATION

Columbia Threadneedle (Services) Limited is a private company limited by share capital, incorporated in Scotland, the United Kingdom. The Company's registered office is 6th Floor, Quatermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG and its principal place of business during the reporting period was Exchange House, Primrose Street, London, EC2A 2NY.

The results of Columbia Threadneedle (Services) Limited are included in the consolidated Annual Report and Financial Statements of Columbia Threadneedle Investments UK International Limited, which are available from Cannon Place, 78 Cannon Street, London, EC4N 6AG.

The Company's Financial Statements are presented in Sterling, the Company's functional and presentational currency, and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently for the 14-month period ended 31 December 2022 and the year ended 31 October 2021.

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).

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

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) A Statement of Cash Flows and related notes;
- (c) Certain disclosures in respect of share-based payment awards;
- (d) Financial instruments disclosures;
- (e) The effects of new but not yet effective IFRSs;
- (f) Disclosures of key management personnel compensation;
- (g) Disclosures of comparative information for property, plant and equipment;
- (h) Disclosures of comparative information for intangible assets; and
- (i) Disclosures in respect of related party transactions with wholly-owned subsidiaries of the Group.

Measurement convention

The Financial Statements are prepared under the historical cost convention with the exception of the cash-settled share-based payment liability and the defined benefit plan assets and obligations, which are measured at fair value.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report on pages 2 to 7 and on page 8 of the Report of the Directors.

The Company has net assets that support the Directors' assessment that the Company has adequate resources to continue in business for a period of at least 12 months from the date of approval of the Financial Statements and the Directors expect to be able to obtain sufficient repayment of the intra-group loan receivable to enable all liabilities to be met as they fall due, including those within 12 months. Accordingly, the Financial Statements have been prepared on a going concern basis.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

New and amended standards and interpretations

Several new and amended standards and interpretations apply for the first time in the 14-month period ended 31 December 2022, 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.

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.

The critical judgement in applying accounting policies is disclosed as follows:

- **Recognition of pension surplus** - The Company has considered the availability of a refund or reduction in future contributions, based on the Plan Rules, in recognising the surplus in respect of the F&C Asset Management (FCAM) Pension Plan, as disclosed in note 25.

The key sources of assumptions and estimation uncertainties in applying the accounting policies outlined below are disclosed, where appropriate, in the following notes to the Financial Statements:

- **Pension assumptions** - The Company has exercised judgement over the mortality assumptions, discount rates, rates of salary increases and inflation increases used in the valuation of the pension obligation. The sensitivities of the amounts recognised to changes in assumptions are disclosed in note 25(b)(iv).
- **Deferred tax assets** - Management judgement is required to determine the amount of deferred tax assets that can be recognised, as detailed in note 15. This is based upon assumptions as to the future profitability of the Company and other UK Group companies to which the assets relate and the timing of when such profits arise.
- **Provisions** -
 - The long-term sickness provision disclosed in note 19 involves judgement relating to assumptions used in the period over which the payments will be made.
- **Loan receivable** - The calculation of the provision for expected credit losses (ECLs) on the Company's loan receivable balance, as disclosed in note 16, involves estimation uncertainty. The Company uses a discounted cash flow model to determine the ECL which involves an estimation, under a number of scenarios, of the timing of when the loan balance will be repaid. Any change to the assumptions around the timing and amounts of cash flows could impact the provision for ECLs at the reporting date.
- **Determination of lease terms and lease discount rates** - The Company has made assumptions about the determination of lease terms and the exercise of lease extensions or termination options on the Company's properties and other third-party services. Properties have been assumed to run until the end of the lease extensions (in line with previous experience) and rolling leases are based on management's best estimates of the likely timeframes. The Company has also made assumptions about the discount rates used in calculating lease liabilities based on the applicable borrowing rates for the Company. Leasing disclosures are given in note 13.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Summary of significant accounting policies

(a) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate ruling at the reporting date, and any exchange differences arising are taken to the Income Statement.

(b) Revenue

The Company's primary source of revenue is from services provided to other Group entities. A contract with a customer is a formal agreement specifying the services to be performed. The Company considers its customers to be other Group entities that have contracted with the Company to obtain employment and business support services. The Company has generally concluded that it is the principal in its revenue arrangements, because it controls the services provided.

The Company's contracts are considered to be formal transfer pricing agreements. Revenue represents recharges of staff-related costs and other operating expenses to companies within the Group, together with a "cost plus" uplift in accordance with the transfer pricing policy applied by the Company, and is recognised in the Income Statement over the period which these services are provided, regardless of when the payment is due.

The Company recognises revenue when it provides a service to a fellow Group entity. 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. The majority of the Company's revenue is recognised over time, as the associated activities generally reflect an ongoing provision of employee services on a daily basis.

Amounts invoiced for services provided to Group entities and accrued income for services provided which have not yet been invoiced are included within amounts owed by group subsidiaries.

(c) Finance income

Finance income comprises net interest income on the pension scheme surplus and interest receivable on a loan owed by a group subsidiary. The loan interest receivable 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.

(d) Finance costs

Finance costs comprise interest on lease liabilities, other interest payable and charges payable on bank accounts. These costs are recognised in the Income Statement on an EIR basis.

(e) Leases

The Company assesses whether a contract is, or contains, a lease at the inception of the contract. A lease is identified if the contract conveys the right to control the use or economic benefits of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases for individual low value assets. The Company's primary leasing arrangements are in respect of its office in the UK.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(i) Right-of-use assets

The Company recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the expected lease term and the estimated useful lives of the assets, as follows:

Leasehold land and buildings	– 7 - 12 years
Datacentres	– 4 years

Where applicable, the Company's ROU asset for leased office premises also includes an estimate of costs incurred by the lessee in restoring the office to the condition required by the terms and conditions of the lease (known as dilapidations). The ROU assets are also subject to impairment assessments. Refer to accounting policy (i) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Company has assessed its incremental borrowing rate to be either the borrowing rate it can obtain from the wider Ameriprise Group or, for smaller items, the rate it could borrow from within the Group. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included within current and non-current lease liabilities according to expected payment dates.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office and computer equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease "low value assets recognition exemption" to leases of office and computer equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(f) Income tax

The income tax expense disclosed on the face of the Income Statement represents the aggregate of current tax and the movement in deferred tax.

Current income tax

Income tax is recognised in the Income Statement for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the Statement of Comprehensive Income or equity. In such cases the gain or loss shown in equity is stated separately from the attributable income tax, which is also recognised directly in equity.

Current tax is the expected tax payable to, or receivable from, the taxation authorities on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and includes any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit or loss, accounted for using the reporting date liability method.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Any legal restrictions on the utilisation of available taxable profits are also considered, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. 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, with the exception of motor vehicles, is depreciated so as to write off the cost of assets using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	– over 10 years (or lease term if shorter)
Computer equipment	– 3 years
Office furniture and equipment	– 3-5 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.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

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.

(h) Intangible assets

Intangible assets comprise both internally generated software and acquired licences. Separately purchased software and licences have a finite life and are shown at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the Income Statement in equal annual instalments, based on the following useful economic lives:

Software – 3-7 years

Licences – 3 years (or over contractual term)

Subsequent expenditure on capitalised software and licences is expensed as incurred.

(i) Impairment of non-financial assets

At each reporting date the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Any impairment arising is recognised in the Income Statement.

(j) 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.

i) 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 a loan owed by a group subsidiary, amounts owed by group subsidiaries, group relief receivable, other receivables, amounts owed by a parent company, amounts owed by Group entities and cash at bank.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Derecognition of financial assets

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

Impairment of financial assets

The Company considers the requirement to recognise a provision for 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.

For loan receivables, the Company uses a discounted cash flow model to determine the lifetime ECL. This model assesses the maximum credit exposure, taking into account inputs concerning probabilities of default. Corresponding movements in the ECL provision are recognised in operating expenses.

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.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as trade and other payables. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. The Company's financial liabilities consist of trade and other payables.

Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

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

iii) 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.

(k) Provisions

A provision is recognised in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. No provision is established where a reliable estimate of the obligation cannot be made.

Where the Company expects some or all of a provision to be recovered from external parties, the recovery is recognised as a separate asset but only when the reimbursement is virtually certain.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(l) Financial guarantees

The Company assesses, at each reporting date, whether it is required to recognise a liability in respect of any guarantee it has issued. A liability is only recognised if it is probable that an outflow of economic benefits will be required to settle the obligation.

(m) Employee benefits

i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services. Bonus entitlements are included in short-term employee benefits and are recognised when there is a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Short-term compensated absences are recognised, in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences or, in the case of non-accumulating compensated absences, when the absences occur.

ii) Post-employment benefits

Defined benefit scheme

The Company operates a defined benefit pension scheme which provides benefits based on final pensionable salary.

The pension surplus recognised in the Statement of Financial Position is the net of the present obligation of the employer, which is the estimated present value of future benefits that employees have earned in return for their services in the current and prior years, less the value of the plan assets in the schemes. A pension surplus is recognised where there is the availability of a refund to the sponsoring entity, reduction in future contributions, or residual interest in the plan. The discount rate applied to the employees' benefits is the appropriate corporate bond yield at the reporting date which has a maturity date similar to the terms of the Company's obligations. A qualified actuary performs the calculation annually using the projected unit credit method.

The defined benefit pension expense in the Income Statement is analysed into:

- current service costs, which are the actuarially calculated present value of the benefits earned by the active employees in each period; and
- the net interest income on the net defined benefit surplus. This represents the change during the period in the net defined benefit surplus that arises from the passage of time. This net interest income is recognised in finance income.

The actuarial gains and losses, which arise from any new valuation and from updating the previous actuarial valuation to reflect conditions at the reporting date, are taken in full to the Statement of Comprehensive Income for the period.

Defined contribution schemes

Contributions made to these schemes are charged to the Income Statement as they become payable, in accordance with the rules of the schemes.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

iii) Other long-term employee benefits

Other long-term employee benefits are recognised at the discounted present value of the obligation at the reporting date. The benefit is determined using actuarial techniques to estimate the amount of benefit employees have earned for their services at the reporting date.

iv) Termination benefits

Termination benefits are recognised as a liability and an expense when the Company is committed to the termination of employment before the normal retirement date. Termination benefits are recognised only when the offer cannot be withdrawn, or when the related restructuring costs are recognised as a provision.

(n) Share-based payments

The Company participates in the Ameriprise Deferred Share Unit Programme. Deferred stock units ("DSU") based on Ameriprise Financial, Inc. ordinary stock are equity settled transactions.

On award the DSU value is based on the market price of Ameriprise shares at the date of grant. The employee is entitled to notional equivalent dividends on a quarterly basis, as if they held the shares and are subject to income tax on receipt of these dividends.

DSUs vest equally over one, two and three years and on vesting the employee receives an equivalent amount of Ameriprise shares. The shares are received net of income taxes. DSUs are expensed on a straight-line basis over the vesting period based on estimated fair value of the awards on the date of grant. This fair value is charged to the Income Statement reflecting the benefits received from employment in the period to vesting. The Income Statement charge is offset by a credit to retained earnings.

(o) Share capital

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

3. PRIOR YEAR ADJUSTMENT

The forecast profitability information used in the assessment of the recognition of deferred tax for unused tax losses at 31 October 2021 should have better reflected the uncertainty over future taxable profits in the Company and the UK Group. This would have then impacted the decision to recognise a deferred tax asset on these losses at that date. As a result, the recognition of deferred tax assets for losses was incorrect at 31 October 2021.

The Company has therefore restated the financial statement line items affected for the prior period, as follows:

Income Statement for the year ended 31 October 2021

	As previously reported £000	Adjustment £000	As restated £000
Profit before tax	7,312	-	7,312
Tax income/(expense)	922	(1,130)	(208)
Profit for the financial year	8,234	(1,130)	7,104

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. PRIOR YEAR ADJUSTMENT (continued)

Statement of Comprehensive Income for the year ended 31 October 2021

	As previously reported £000	Adjustment £000	As restated £000
Profit for the financial year	8,234	(1,130)	7,104
Other comprehensive expense for the year	(4,966)	-	(4,966)
Total comprehensive income for the year	3,268	(1,130)	2,138

Statement of Financial Position as at 31 October 2021

	As previously reported £000	Adjustment £000	As restated £000
Deferred tax assets	12,223	(1,130)	11,093
TOTAL ASSETS	242,903	(1,130)	241,773
Retained earnings	102,970	(1,130)	101,840
TOTAL EQUITY	102,970	(1,130)	101,840
TOTAL LIABILITIES AND EQUITY	242,903	(1,130)	241,773

4. REVENUE

The Company employs all UK-based personnel in the Group and procures a number of assets and services which support the activities performed by employees, primarily for the benefit of UK-domiciled regulated companies in the Group. The revenue of the Company, therefore, is comprised entirely of recharges of employment and other expenses incurred by the Company, together with an agreed uplift on costs, under transfer pricing agreements with these Group companies.

Details of the costs of services provided are disclosed in notes 5(a) and 7.

The services are invoiced monthly. Most employment and administrative services are provided over a continual period of time, although certain expenses may relate to individual transactions and, therefore, be charged as they arise. The majority of the Company's revenue is invoiced in GBP, even when contracting with its non-UK Group entities, so there is little exposure to changes in foreign exchange rates.

As the Company's revenue is primarily based on a fixed uplift of the recharge of expenses, the levels of revenue will vary directly with the level of expenditure, but the Company does not bear any significant risk from the net exposure.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OPERATING EXPENSES

(a) Total operating expenses

Total operating expenses can be summarised into the following categories:

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Employee benefit and related expenses*		122,586	120,481
Employee expenses recovered from other Group entities*		(1,845)	(7,861)
Communication and information technology expenses		10,332	8,495
Premises expenses		3,447	2,944
Depreciation and amortisation expenses	5(b)	6,497	5,469
Other expenses		4,526	7,147
Promotional and client servicing expenses		276	182
		<u>145,819</u>	<u>136,857</u>

* This includes £3,729,000 (year ended 31 October 2021: £2,922,000) of employment-related expenses (e.g. recruitment costs, travel, training, etc.), which are not employee benefit expenses and are therefore excluded from the table in note 7 and £2,292,000 of staff costs recharged to the Company from other Ameriprise Group entities (year ended 31 October 2021: nil) which are also excluded from note 7 as they do not relate to the Company's employees.

Employee expenses recovered from other Group entities represent a share of employee remuneration borne by other companies outside of the Group.

(b) Operating expenses

Operating expenses include the following:

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Depreciation of property, plant and equipment	12	1,910	1,729
Depreciation of ROU assets	13	3,722	3,073
Amortisation of intangible assets	14	865	667
Auditors' remuneration – audit of these Financial Statements		64	44
Net (gain)/loss on foreign exchange		(80)	59
Loss on disposal of property, plant and equipment		46	6
Operating lease rentals – premises		<u>1*</u>	<u>3*</u>

* These amounts represent leases of low-value assets and short-term leases with lease terms that end within 12 months of the date of initial application and are therefore not included within the amounts disclosed in note 13.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. NET IMPAIRMENT (LOSSES)/REVERSAL ON FINANCIAL ASSETS

During the period/year, the following (losses)/reversals were recognised in the Income Statement in relation to financial assets:

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Impairment (loss)/reversal on loan receivable	16	(2,303)	803

7. EMPLOYEE BENEFIT EXPENSES

Total employee benefit expenses, including remuneration of the Directors for their services to the Group, were:

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Short-term employee benefits:			
Salaries and related benefits		52,148	43,291
Bonus		25,713	28,045
Social security costs		12,305	14,405
		<u>90,166</u>	<u>85,741</u>
Post-employment benefits:			
Defined contribution pension expense		5,330	4,563
Defined benefit pension expense	25(d)	753	737
Defined benefit pension recovery*		(298)	(307)
		<u>5,785</u>	<u>4,993</u>
Other long-term employee benefits		(22)	(7)
Termination expenses		2,561	1,227
Share-based payment expense	26	19,116	27,680
Share-based payment recovery*		(1,041)	(2,075)
		<u>116,565</u>	<u>117,559</u>
Total employee benefit expenses			

* In relation to employees seconded to other Group entities.

The monthly average number of employees of the Company during the 14-month period ended 31 December 2022 was 589 (year ended 31 October 2021: 615). The average monthly number of employees is categorised as follows:

	14-month period ended 31 December 2022	Year ended 31 October 2021
Administration	311	326
Investment Management	204	206
Sales	74	83
Total	<u>589</u>	<u>615</u>

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DIRECTORS' REMUNERATION

Details of Directors' remuneration for services provided to the Company are as follows:

	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Aggregate emoluments and amounts received under long-term incentive schemes	542	203
Aggregate contributions paid to defined contribution pension schemes	-	-
	<u>542</u>	<u>203</u>

During the period/year the number of Directors who were receiving benefits and share incentives was as follows:

	14-month period ended 31 December 2022 No.	Year ended 31 October 2021 No.
Received or were entitled to receive shares under long-term incentive schemes	3	3
Accruing benefits under defined benefit pension scheme	-	-

The amounts in respect of the highest paid Director are as follows:

	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Aggregate emoluments and amounts received under long-term incentive schemes	305	111
Aggregate contributions paid to defined contribution pension schemes	-	-
	<u>305</u>	<u>111</u>

The highest paid Director received share awards in respect of qualifying services to the Company under a long-term incentive scheme during the reporting period.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCE INCOME

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Other finance income:			
Interest income on pension scheme surplus	25(d)	1,514	1,207
Financial assets measured at amortised cost:			
Interest receivable on loan owed by group subsidiary		667	-
Total finance income		2,181	1,207

No income was recognised on the loan owed by a group subsidiary during the previous year as the effective interest rates during the year were negative.

10. FINANCE COSTS

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Other finance costs:			
Interest on lease liabilities	13	553	557
Other interest payable		7	4
Financial assets measured at amortised cost:			
Bank charges payable		5	4
Total finance costs		565	565

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INCOME TAX EXPENSE

(a) Analysis of income tax expense in the period/year

The major components of income tax expense recognised in the Income Statement are:

	Note	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 (*as restated) £000
Current income tax:			
<i>UK corporation tax</i>			
Current tax on profit for the period/year		265	1,490
Adjustments in respect of previous periods		(4)	61
Total current income tax		<u>261</u>	<u>1,551</u>
Deferred tax:			
Origination and reversal of temporary differences		1,758	786
Adjustments in respect of previous periods		(32)	(112)
Adjustments in respect of corporation tax rate change		(618)	(2,017)
Total deferred tax	15(b)	<u>1,108</u>	<u>(1,343)</u>
Income tax expense reported in the Income Statement		<u>1,369</u>	<u>208</u>

* The restatement is explained in note 3 to the Financial Statements.

	Note	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Deferred and current income tax related to items charged or credited directly to equity:			
Tax income on net actuarial losses on defined benefit pension arrangements		(1,976)	(306)
Tax (income)/expense arising from corporation tax rate change in respect of defined benefit pension arrangements		(22)	3,659
Tax (income)/expense recognised directly in the Statement of Comprehensive Income		<u>(1,998)</u>	<u>3,353</u>
Tax income in respect of share-based payments		(105)	-
Tax (income)/expense recognised in the Statement of Changes in Equity	15(b)	<u>(2,103)</u>	<u>3,353</u>

Deferred tax assets and liabilities are shown in note 15.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INCOME TAX EXPENSE (continued)

(b) Reconciliation of the total tax expense for the period/year

A reconciliation between the actual income tax expense and the accounting profit before tax multiplied by the standard rate of corporation tax in the UK for the 14-month period ended 31 December 2022 and year ended 31 October 2021 is as follows:

	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 (*as restated) £000
Profit before tax	6,510	7,312
At the standard rate of corporation tax of 19% (year ended 31 October 2021: 19%)	1,237	1,389
Disallowed expenses	495	13
Share-based payments	43	(93)
Non-taxable income	(4)	(163)
Adjustments in respect of previous periods	(36)	(51)
Adjustments in respect of corporation tax rate change	(618)	(2,017)
Write-off of unutilised current year tax losses	252	-
Write-off of historical tax losses	-	1,130
Income tax expense reported in the Income Statement	1,369	208

* The restatement is explained in note 3 to the Financial Statements.

(c) Effective rate of tax and factors affecting future tax expenses

The current UK corporation tax rate of 19% became effective from 1 April 2017, resulting in a statutory UK corporation tax rate of 19% for the 14-month period ended 31 December 2022 for the Company.

The UK Government announced an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. This was substantively enacted on 24 May 2021. The effect of this rate change has been to increase the deferred tax assets of the Company by a £618,000 credit through the Income Statement and a £22,000 credit to equity.

The increase in the UK corporation tax rate will lead to a statutory UK corporation tax rate for the Company of 23.5% for the year ending 31 December 2023 and 25% for years ending 31 December 2024 onwards.

The deferred tax asset has been stated at the rate at which the temporary differences are expected to reverse, except where the timing of the reversal is clearly known.

No additional UK corporation tax rate changes have been substantively enacted since the reporting date.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Computer equipment £000	Office furniture and equipment £000	Total £000
Cost:				
At 1 November 2021	3,875	9,554	1,908	15,337
Additions	40	217	39	296
Disposals	(41)	(827)	(45)	(913)
At 31 December 2022	3,874	8,944	1,902	14,720
Depreciation:				
At 1 November 2021	2,828	7,117	1,761	11,706
Charge for the year	306	1,495	109	1,910
Disposals	(20)	(827)	(39)	(886)
At 31 December 2022	3,114	7,785	1,831	12,730
Net book value:				
At 31 December 2022	760	1,159	71	1,990
At 31 October 2021	1,047	2,437	147	3,631

There are no restrictions on the Company's title to the above assets and none are pledged as security for liabilities. The cost of fully depreciated property, plant and equipment which is still in use at 31 December 2022 is £8,771,000 (31 October 2021: £5,739,000).

13. LEASES

Company as a lessee

The Company has lease contracts predominantly for office buildings, but also for datacentres used by the Company and the Group. Leases generally have lease terms between 4 to 12 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are some lease contracts which include extension and termination options and variable lease payments.

The Company also leases certain items of IT and office equipment with lease terms of 12 months or less and has some low value leases. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. LEASES (continued)

Set out below are the carrying amounts of ROU assets recognised and the movements during the year:

	Note	Property £000	Datacentres £000	Intangibles £000	Total £000
ROU assets					
At 1 November 2020		20,075	935	-	21,010
Additions		-	515	475	990
Depreciation expense	5(b)	(2,588)	(406)	(79)	(3,073)
Other movements		(621)	29	-	(592)
At 31 October 2021		16,866	1,073	396	18,335
Additions		-	5	-	5
Depreciation expense	5(b)	(2,955)	(582)	(185)	(3,722)
At 31 December 2022		13,911	496	211	14,618

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Lease liabilities			
At 1 November		19,570	22,439
Additions		-	990
Accretion of interest	10	553	557
Payments		(4,463)	(3,819)
Other movements		5	(597)
At 31 December/31 October		15,665	19,570
		31 December 2022 £000	31 October 2021 £000
Non-current		12,554	16,466
Current		3,111	3,104

Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. At 31 December 2022 £312,000 (31 October 2021: £617,000) of the Company's lease liabilities are subject to inflation-linked rentals and a further £3,227,000 (31 October 2021: £18,032,000) are subject to rent reviews. Rental reviews typically occur no more frequently than every five years.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. LEASES (continued)

The following are the amounts recognised in profit or loss:

		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
	Note		
Depreciation expense of ROU assets	5(b)	3,722	3,073
Interest expense on lease liabilities	10	553	557
Expense relating to short-term leases (included in operating expenses)		14	15
Expense relating to leases of low-value assets (included in operating expenses)		4	3
Total expense recognised in profit or loss		4,293	3,648

The Company has lease contracts for office buildings that contain variable payments based on annual increases in rent based on CPI.

The Company had fixed rent payments of £3,820,000 per annum in the 14-month period ended 31 December 2022 (year ended 31 October 2021: £3,820,000).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased office buildings and IT infrastructure and align with the Group's business needs. In accounting for the leases, management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

No termination options are expected to be exercised at 31 December 2022.

14. INTANGIBLE ASSETS

	Software and licences £000
Cost:	
At 1 November 2021	16,811
Additions	26
Disposals	(1,825)
At 31 December 2022	15,012
Amortisation:	
At 1 November 2021	15,177
Charge for the year	865
Disposals	(1,825)
At 31 December 2022	14,217
Net book value:	
At 31 December 2022	795
At 31 October 2021	1,634

Software and licences additions consists of £nil (31 October 2021: £545,000) of internally generated software and £26,000 (31 October 2021: £351,000) of acquired licences. The cost of fully amortised software and licences which are still in use at 31 December 2022 is £11,717,000 (31 October 2021: £12,461,000).

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. DEFERRED TAX ASSETS AND LIABILITIES

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 December 2022			31 October 2021 (*as restated)		
	Assets £000	Liabilities £000	Net £000	Assets £000	Liabilities £000	Net £000
Employee benefits	7,373	(15,446)	(8,073)	8,069	(17,155)	(9,086)
Property, plant and equipment	3,006	-	3,006	3,024	-	3,024
Deferred tax assets/(liabilities)	10,379	(15,446)	(5,067)	11,093	(17,155)	(6,062)

* The restatement is explained in note 3 to the Financial Statements.

Based on the profit forecasts of the Company and other fellow UK subsidiaries of Ameriprise, the Directors believe it is appropriate to recognise these deferred tax assets as it is considered probable that there will be suitable future taxable profits in the Company and other fellow UK subsidiaries of Ameriprise in the next five years from which the underlying temporary differences can be deducted. Under current UK corporation tax legislation, all of the temporary differences disclosed above can be carried forward indefinitely to utilise against appropriate future profits.

(b) Movement in temporary differences during the year

	1 November 2021 (*as restated) £000	Charged to profit or loss £000	Tax income recognised in equity £000	31 December 2022 £000
Employee benefits	(9,086)	(1,090)	2,103	(8,073)
Property, plant and equipment	3,024	(18)	-	3,006
	(6,062)	(1,108)	2,103	(5,067)

	1 November 2020 £000	Credited/ (charged) to profit or loss (*as restated) £000	Tax expense recognised in equity £000	31 October 2021 (*as restated) £000
Employee benefits	(7,825)	2,092	(3,353)	(9,086)
Property, plant and equipment	2,852	172	-	3,024
Unused tax losses	921	(921)	-	-
	(4,052)	1,343	(3,353)	(6,062)

* The restatement is explained in note 3 to the Financial Statements.

(c) Unrecognised deferred tax assets

At 31 December 2022 the Company has unrecognised gross tax losses of £4,811,000 (31 October 2021: £4,811,000 gross tax losses, as restated). Deferred tax assets have not been recognised in respect of these losses as there is uncertainty around the timing of when suitable taxable profits will arise in the Company against which the losses can be offset.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. LOAN RECEIVABLE

	31 December 2022 £000	31 October 2021 £000
Loan owed by group subsidiary	84,402	86,484
Expected credit loss provision	(2,346)	(43)
	<u>82,056</u>	<u>86,441</u>
Split as follows:		
Non-current	44,357	86,441
Current	<u>37,699</u>	<u>-</u>
	<u>82,056</u>	<u>86,441</u>

The loan is between the Company and Columbia Threadneedle Treasury Limited (formerly BMO AM Treasury Limited). The loan is unsecured, repayable on demand and, with effect from 1 November 2021, subject to interest of the average SONIA rate less 40% (year ended 31 October 2021: subject to interest at 3-month LIBOR minus 0.25% margin). The loan has been classified as current or non-current according to the period in which it is expected to be realised.

An impairment analysis is performed on the loan receivable balance at each reporting date to measure ECLs. The calculation reflects the time value of money associated with recovery of the loan receivable. The discount rate applied, based on the effective loan interest rate, at 31 December 2022 was 2.06% per annum (31 October 2021: 0.03% per annum). An additional impairment charge of £2,303,000 was recognised during the 14-month period ended 31 December 2022 resulting in an impairment provision of £2,346,000 at 31 December 2022.

17. TRADE AND OTHER RECEIVABLES

	31 December 2022 £000	31 October 2021 £000
Current:		
Amounts owed by group subsidiaries	32,188	39,028
Prepayments	1,914	1,645
VAT receivable	719	698
Employee benefit assets	712	937
Amounts owed by Ameriprise Group entities	707	-
Amounts owed by parent company	537	-
Other receivables	433	1,259
Amounts owed by BMO Group entities	98	786
Group relief receivable	-	1,329
	<u>37,308</u>	<u>45,682</u>

Amounts owed by group subsidiaries and amounts owed by parent company at 31 December 2022, include £20,642,000 (31 October 2021: £21,250,000) in relation to accrued income for intra-group revenues.

In the Directors' opinion there are no discernible differences between the carrying amounts and fair values of the receivable balances disclosed due to the short-term maturities of these amounts.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. CASH AND CASH EQUIVALENTS

	31 December 2022 £000	31 October 2021 £000
Cash at bank	1,600	3,929

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

The Company determined that the expected credit losses on cash and cash equivalents were immaterial at both reporting dates. The fair value of cash and cash equivalents at the reporting dates is as shown above.

19. PROVISIONS

	NIC on share schemes £000	Long-term sickness £000	Restructuring £000	Long-term service award £000	Total £000
At 1 November 2020	6,052	1,201	284	131	7,668
Provided during the year	4,883	187	1,443	-	6,513
Utilised during the year	(1,663)	(167)	(280)	(3)	(2,113)
Released during the year	(219)	-	(4)	(7)	(230)
At 31 October 2021	9,053	1,221	1,443	121	11,838
Provided during the year	2,468	293	-	-	2,761
Foreign exchange revaluation	-	-	(13)	-	(13)
Utilised during the year	(5,382)	(293)	(1,430)	(3)	(7,108)
Released during the year	(116)	(342)	-	(20)	(478)
At 31 December 2022	6,023	879	-	98	7,000
At 31 December 2022					
Non-current liabilities	738	612	-	98	1,448
Current liabilities	5,285	267	-	-	5,552
At 31 October 2021					
Non-current liabilities	2,793	982	-	121	3,896
Current liabilities	6,260	239	1,443	-	7,942

NIC on share schemes

This provision represents the expected employer's NIC liabilities in respect of a number of share-based payment schemes operated by the Company. The provision is subject to movements in the relevant share price, movements in exchange rates, the extent to which awards are forfeited and, where eligible, the timing of when employees choose to exercise options. The current element of the provision for NIC on share schemes relates to awards which are scheduled to vest within one year.

Long-term sickness

The Company has long-term sickness insurance arrangements which cover the cost of absence from work of all current employees. However, the cost of employees who became long-term absentees prior to these arrangements being established is self-insured by the Company. The provision represents the expected present value of income protection payments due to these individuals. This provision has been quantified on the assumption that all employees currently on long-term sick leave will not return to the employment of the Company. The discount rate and salary growth assumptions used in each year are identical to those used for the purposes of determining UK defined benefit pension obligations (as disclosed in note 25(b)(iii)).

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. PROVISIONS (continued)

Restructuring

A restructuring provision was recognised, as part of a wider ongoing Group restructuring programme, reflecting the expected redundancy costs associated with the achievement of planned operational efficiencies. During the 14-month period 31 December 2022, £1,430,000 (year ended 31 October 2021: £280,000) of this provision was utilised, with the remaining reduction in the provision representing a foreign exchange revaluation of £13,000 (year ended 31 October 2021: £nil).

Long-term service award

This provision represents the obligation in respect of long-term service benefits to which some employees are entitled, including incremental holiday entitlement and long-term service awards. The exact number of employees who will receive this award is uncertain in nature.

20. EMPLOYEE BENEFITS LIABILITIES

	Note	31 December 2022 £000	31 October 2021 £000
Non-current:			
Share-based payment liabilities	26	45	18,488
Other employee benefit payables		874	1,493
Bonus accruals		2,275	1,978
Employment related taxation accruals		383	361
		<u>3,577</u>	<u>22,320</u>
Current:			
Bonus accruals		27,390	29,531
Employment related taxation accruals		15,689	4,614
Share-based payment liabilities	26	12,560	19,633
Other employee benefit payables		4,185	2,687
		<u>59,824</u>	<u>56,465</u>

21. TRADE AND OTHER PAYABLES

	31 December 2022 £000	31 October 2021 £000
Non-current:		
Accruals	51	29
Current:		
Amounts owed to Ameriprise Group entities	3,774	-
Accruals	2,204	6,581
Group relief payable	1,744	1,490
Other payables	257	38
Trade payables	141	2,213
Amounts owed to BMO Group entities	-	1,838
Amounts owed to parent company	-	396
	<u>8,120</u>	<u>12,556</u>

In the Directors' opinion there are no discernible differences between the carrying amounts and fair values of the payable balances disclosed due to the short-term maturities of these amounts.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. CALLED UP SHARE CAPITAL

	31 December 2022 £	31 October 2021 £
Issued and fully paid:		
1 Ordinary share of £1	1	1

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

23. RESERVES

The analysis of movements in reserves is disclosed within the Statement of Changes in Equity on page 17.

Retained earnings

Movements in retained earnings comprise:

- net profits and losses recognised through the Income Statement;
- actuarial gains and losses recognised on pension obligations;
- deferred tax on actuarial gains and losses; and
- transactions relating to equity-settled share-based payments, and deferred tax movement on share-based payments reflected through equity.

24. COMMITMENTS

Capital commitments

There was no capital expenditure contracted for, but not provided for, in the Financial Statements at 31 December 2022 or 31 October 2021.

25. PENSION BENEFITS

The Company operates a defined benefit pension plan in the United Kingdom, the F&C Asset Management Pension Plan (FCAM Plan). The Company is the sole participating employer in the FCAM Plan. This UK plan provides benefits calculated using salary data of the participants. The defined benefit plan is closed to new entrants, with all new employees being eligible to benefit from defined contribution arrangements, which provide greater certainty over the future cost to the Company.

The Company's defined benefit pension plan is based on final salary payments and benefits are adjusted in line with the plan's rules (e.g. in line with price inflation) once in payment during retirement. The level of benefits provided depends on the member's length of service and pensionable salary at retirement date or date of leaving, if earlier. The defined benefit pension plan requires contributions to be made to a separately administered fund. The Plan is wholly funded.

The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. Further details are set out under 25(g).

The net pension surplus is recognised in the Statement of Financial Position and is stated gross of the related deferred tax liability.

The results of the latest full actuarial valuation were updated at 31 December 2022 by a qualified independent actuary.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

The net pension surplus of the Company in respect of the FCAM Plan is as follows:

	Note	31 December 2022 £000	31 October 2021 £000
Fair value of plan assets	25(d)	254,067	399,664
Benefit obligations	25(d)	(191,914)	(328,636)
Total net pension surplus		62,153	71,028

Disclosure relating to the Company's defined benefit pension obligations

(a) Plan assets

	31 December 2022		31 October 2021	
	£000	%	£000	%
Plan assets				
Liability Driven Investment (LDI) pools	172,811	68	291,366	73
Bonds and private credit funds	64,666	25	75,638	19
Equity instruments	16,633	7	29,778	8
Cash and cash equivalents	4,627	2	5,735	1
Insurance contracts	(4,670)	(2)	(2,853)	(1)
Total fair value of plan assets	254,067	100	399,664	100

Included in the table below is the fair value of plan assets that have a quoted market price in an active market (i.e. level 1 assets as defined by IFRS 13 Fair value measurement):

	31 December 2022 £000	31 October 2021 £000
Plan assets		
Liability Driven Investment (LDI) pools	162,687	278,858
Equity instruments	-	13,428
	162,687	292,286

The plan assets do not include Ordinary shares issued by Ameriprise.

(b) Major assumptions used by the scheme's actuary in respect of benefit obligations

(i) Mortality assumptions

The mortality assumptions used for the FCAM Plan are:

	31 December 2022	31 October 2021
Mortality table for males retiring in the future	106% S3PMA L CMI 2021 1.5%	100% S3PMA L CMI 2018 1.5%
Mortality table for females retiring in the future	107% S3PFA L CMI 2021 1.5%	99% S3PFA L CMI 2018 1.5%
Mortality table for current male pensioners	99% S3PMA L CMI 2021 1.5%	96% S3PMA L CMI 2018 1.5%
Mortality table for current female pensioners	97% S3PFA L CMI 2021 1.5%	93% S3PFA L CMI 2018 1.5%

The mortality improvements use a smoothing factor (s-kappa) of 7.5 and an initial improvement adjustment parameter A=0.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

(ii) Impact of mortality assumptions

To demonstrate what these mortality assumptions mean in respect of the FCAM Plan, the expected ages at death of members retiring at age 60 are as follows:

	31 December 2022 Years	31 October 2021 Years
Expected age at death for a male retiring in the future at age 60, currently aged 40	90	90
Expected age at death for a female retiring in the future at age 60, currently aged 40	91	92
Expected age at death for a current male pensioner aged 60	89	89
Expected age at death for a current female pensioner aged 60	90	91

(iii) Discount rate and growth assumptions

The assumptions used to determine benefit obligations are as follows:

	31 December 2022	31 October 2021
Discount rate	4.99%	1.82%
Rate of salary increase	2.00%	2.00%
Rate of pension increases (LPI 5%)*	3.00%	3.23%
Rate of inflation increase (RPI)†	3.22%	3.43%

* LPI - Limited Price Indexation

† RPI - Retail Price Index

The assumptions used to determine the net pension income for each year, are as follows:

	31 December 2022	31 October 2021
Discount rate	1.80-1.82%	1.68-1.73%
Rate of salary increase	2.00%	2.00%
Rate of pension increases (LPI 2.5%)	2.04%	1.93%
Rate of inflation increase (RPI)	3.43%	2.95%

(iv) Sensitivities

The sensitivity impact has been measured based on reasonably possible changes of each assumption at the reporting date, while holding all other assumptions constant. In practice, it is unlikely that any assumption would change in isolation.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

An estimate of the sensitivities regarding the principal assumptions used to measure the FCAM Plan's liabilities are set out below:

Assumption	Change in assumption	Estimated impact on FCAM Plan liabilities at 31 December 2022
Life expectancy	Increase by 1 year	Increase by 2.9%
Discount rate	Increase/decrease by 0.5%	Decrease/increase by (6.8%)/7.6%
Inflation	Increase/decrease by 0.5%	Increase/decrease by 6.7%/(6.1%)
Pension increases	Increase/decrease by 0.5%	Increase/decrease by 5.7%/(5.3%)
Salary increases	Increase/decrease by 0.5%	Increase/decrease by 0%*

* The salary increase sensitivity is shown as nil as the FCAM Plan has a limit on pensionable salary increases of 2.0% per annum. Given the current level of assumed future inflation, there is no effect from a 0.5% change in future salary increases.

The sensitivity analysis has been prepared using a similar method to the benefit obligation with one assumption varied in isolation. There have been no changes to the methods used to prepare the sensitivity analysis since the previous reporting year. The assumptions used have changed in line with those used to calculate the benefit obligation.

(c) Profile of Plan membership

The profile of the current membership of the Company's defined benefit arrangement is as follows:

	31 December 2022		31 October 2021	
	% of total membership	Average age	% of total membership	Average age
Active members	2%	53	3%	52
Deferred members	58%	53	65%	51
Pensioners	40%	70	32%	69
	<u>100%</u>		<u>100%</u>	

The member profile of the liabilities of the defined benefit Plan is as follows:

	31 December 2022 £000	31 October 2021 £000
Active members	12,461	24,681
Deferred members	72,043	117,690
Pensioners	<u>107,410</u>	<u>186,265</u>
Benefit obligations	<u>191,914</u>	<u>328,636</u>

The weighted average duration of benefit obligations at 31 December 2022 is 15 years (31 October 2021: 20 years). This is based on the life expectancy assumptions for the relevant obligation.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

The expected future benefit payments from the defined benefit arrangements are as follows:

	£000
Expected future benefit payments:	
Year ended 31 December 2023	7,150
Year ended 31 December 2024	7,720
Year ended 31 December 2025	8,244
Year ended 31 December 2026	8,645
Year ended 31 December 2027	9,132
Years ended 31 December 2028-2032	<u>54,791</u>

(d) Disclosures

	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Change in benefit obligations:		
Benefit obligations at 1 November 2021 and 1 November 2020	328,636	327,654
Current service cost	753	713
Interest cost on pension obligations	6,906	5,452
Actuarial losses/(gains)		
<i>Arising from experience</i>	16,190	(2,932)
<i>Arising from changes in financial assumptions</i>	(144,612)	9,568
<i>Arising from changes in demographic assumptions</i>	(2,979)	-
	<u>(131,401)</u>	<u>6,636</u>
Benefits paid*	<u>(12,980)</u>	<u>(11,819)</u>
Benefit obligations at 31 December 2022/31 October 2021	<u>191,914</u>	<u>328,636</u>

* Benefits paid includes individuals who have transferred out of the FCAM Plan.

	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Change in plan assets:		
Fair value of plan assets at 1 November 2021 and 1 November 2020	399,664	399,193
Interest income on plan assets	8,420	6,659
Administrative expenses	-	(24)
Actuarial (losses)/gains	(141,798)	5,023
Employer contributions	761	632
Benefits paid*	<u>(12,980)</u>	<u>(11,819)</u>
Fair value of plan assets at 31 December 2022/31 October 2021	<u>254,067</u>	<u>399,664</u>

* Benefits paid includes individuals who have transferred out of the FCAM Plan.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

Components of defined benefit pension expense/(income)

	Notes	14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Operating expenses:			
Current service costs		753	713
Administrative expenses		-	24
	7	753	737
Finance income:			
Interest income on pension scheme surplus	9	(1,514)	(1,207)
Total defined benefit pension income recognised in the Income Statement		(761)	(470)
		14-month period ended 31 December 2022 £000	Year ended 31 October 2021 £000
Net actuarial losses immediately recognised in the Statement of Comprehensive Income		(10,397)	(1,613)
Cumulative actuarial gains recognised in the Statement of Comprehensive Income		47,699	58,096
		2022 £000	2021 £000
Actual return on plan assets		(133,378)	11,682

(e) FCAM Plan pension scheme's details

Date of last triennial actuarial valuation	31 March 2022
Scheme Actuary	Mercer Limited
Method of valuation	Projected Unit
Market value of assets at actuarial valuation date	£367.0m
Level of funding	106%

The FCAM Plan's assets, which are managed by the Group and other external investment managers, are held under the control of the Trustees and are used to secure benefits for the members of the FCAM Plan and their dependants in accordance with the Trust Deed and Rules.

The Plan is subject to the UK Statutory Funding Objective regime, overseen by The Pensions Regulator, which is a form of minimum funding requirement for the purposes of IAS 19 Employee Benefits (revised).

Trustee Board of the FCAM Plan

The appointment of Trustees is determined by the FCAM Plan's trust documentation. The Trustee Board currently consists of three employer appointed Trustees, three member-selected Trustees and an independent Trustee. The independent Trustee is a corporation and also currently the Chair of the Trustee Board. Of the current three employer-appointed and three member-selected Trustees, two are employees of the Group and four are retired and receiving a pension from the FCAM Plan.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

Relationship between the Group and the Trustees of the FCAM Plan

The FCAM Plan's assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The Trustees of the FCAM Plan are required to act in the best interests of the FCAM Plan's beneficiaries.

(f) Future funding requirements

With effect from 1 July 2020, the Group agreed to pay a minimum of 42.1% of pensionable salaries in respect of ongoing benefit accrual. Following finalisation of the 31 March 2022 triennial actuarial valuation, this was revised to 43.9% of pensionable salaries with effect from 1 July 2023. No further deficit recovery contributions are required. The Group also agreed to meet the administrative expenses of the Plan up to an annual maximum of £600,000, and to continue to meet the levies charged by the Pension Protection Fund and any life assurance premiums. The minimum estimated contribution expected to be paid into the Plan during the year ended 31 December 2023 is £575,000 (year ended 31 October 2022: £583,000).

As the FCAM Plan is a closed scheme, under the projected unit method the current service cost will tend to increase as a percentage of pensionable salaries as the average age of members increases.

Contributions to defined benefit scheme

Amounts paid into the Company's defined benefit scheme in the past two reporting periods, and expected future payments over the next five years, are as follows:

	£000
Contributions paid:	
Year ended 31 October 2021	632
14-month period ended 31 December 2022	761
	<hr/>
	£000
Expected future contributions:	
Year ended 31 December 2023	575
Year ended 31 December 2024	586
Year ended 31 December 2025	597
Year ended 31 December 2026	609
Year ended 31 December 2027	619
	<hr/>

(g) Risk management

Market (investment) risk

The Trustees set the general investment policy but delegate the responsibility for the selection of specific investments (other than investments in respect of members' voluntary contributions) to the investment managers. The Trustees regularly monitor the FCAM Plan's investments.

The Trustees seek advice from their investment advisor and believe they have sufficient skills and expertise to make investment decisions based on this advice. The Trustees have set performance and risk targets for the investment managers. The performance objectives are long-term, and the Trustees monitor the investment managers on a regular basis in order to ensure that the FCAM Plan is on track to meet its long-term objectives. If the assets of the FCAM Plan do not perform as expected, the Company may have to make additional contributions to make up the shortfall.

The results of an asset-liability review undertaken alongside the 31 March 2019 actuarial valuation of the FCAM Plan have been used to assist the Trustees and the Company in managing volatility in the underlying investment performance and the risk of a significant change in the FCAM Plan's surplus by providing information used to determine the FCAM Plan's investment strategy. A further review will be undertaken in 2023 following completion of the 31 March 2022 actuarial valuation.

There were no changes to the investment strategy during the period. The holding in short dated corporate bonds is included in the Bonds and private credit funds category disclosed in 25(a).

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. PENSION BENEFITS (continued)

Interest rate and inflation risk

The liabilities of the FCAM Plan are calculated with respect to the yields available on government bonds. In addition, a large part of the benefits under the FCAM Plan are linked to price inflation. Hence, if interest rates fall, or inflation expectations rise without a corresponding increase in the value of the FCAM Plan assets, a shortfall will arise and the Company may have to make additional contributions in order to rectify this.

The Trustees have implemented an LDI strategy in order to hedge the interest and inflation risk. This strategy uses leverage such that the exposure to interest rates and inflation is higher than the face value of the LDI asset.

Longevity risk

If members live longer than anticipated, the value of the FCAM Plan's liabilities will increase. The current assumptions include an allowance for life expectancy to increase over time; however, it is possible that rates of improvement could be faster than assumed. The corresponding increase in liabilities could lead to an increase in the contributions required to fund the FCAM Plan.

During 2016, the Trustees, with the agreement of Columbia Threadneedle AM (Holdings) plc, extended their liability hedging strategy by entering into a named-life longevity swap contract in respect of the pensioner members of the Plan at that point. No initial consideration was paid but the FCAM Plan will make a series of fixed payments over the expected lifetimes of the named members and in return will receive a series of floating payments over the actual lifetimes of those members. The effect of this longevity hedge is to fix the FCAM Plan's exposure to longevity for the pensioners covered and transfer their longevity risk to an insurance company regulated by the Prudential Regulation Authority. This eliminates the risk of additional contributions being required in the event of the relevant members living longer than expected. A premium for the risk transfer is paid incrementally over the life of the long-term insurance contract.

Currency risk

In order to increase the diversification of the equity portfolio, the FCAM Plan invests in overseas assets. However, the FCAM Plan's liabilities are denominated entirely in Sterling and, therefore, there is a risk that the appreciation of Sterling against other currencies will reduce the return from overseas assets.

Operational risk

The investment managers do not directly hold any of the FCAM Plan's securities; these are held by an external custodian. The assets are ring-fenced from the Group's creditors and are therefore transferable.

(h) Cost of Company defined contribution plan

	31 December 2022 £000	31 October 2021 £000
Company personal pension plan contributions	5,295	4,542

The Company had no outstanding pension contributions as at 31 December 2022 (31 October 2021: £nil).

26. SHARE-BASED PAYMENTS

The Group operates and participates in the Ameriprise Group share-based payment plans as part of its total employee compensation arrangements. The legacy BMO Omnibus Restricted Share Unit Plan was considered to meet the criteria of a share-based payment criteria until the acquisition on 8 November 2021, when the underlying shares no longer formed part of the Group. However, the legacy arrangements continue until they vest. A new award made by Ameriprise was effective during the period ended 31 December 2022 (Threadneedle Deferred Stock Unit Plan).

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. SHARE-BASED PAYMENTS (continued)

Summary

The total expense recognised during the period in respect of equity-settled share-based payment plans is as follows:

	14-month period ended 31 December 2022 £000
By Plan	
Threadneedle Deferred Stock Unit Plan (Threadneedle DSU)	8,374
Total share-based payment expense recognised in the Income Statement	8,374

Details of the Threadneedle DSU plan are disclosed below.

Details of key assumptions used and the fair value of Threadneedle DSU awards have been disclosed only for awards granted during the period ended 31 December 2022.

The fair value of services received in return for awards granted is measured by reference to the fair value of share awards granted. Awards are settled in Ameriprise shares and are not subject to an exercise price.

The cumulative expense for each award is adjusted during, and at the end of, the vesting period, after allowing for actual forfeitures.

The price of Ameriprise shares at 31 December 2022 was USD 311.37.

The following table provides analysis of the awards granted during the period ended 31 December 2022:

Threadneedle DSUs

Award	Threadneedle DSU	Threadneedle DSU	Threadneedle DSU
Award date	1 April 2022	28 January 2022	1 December 2021
Number of awards granted	246	52,132	12,931
Grant value per unit*	USD 297.41	USD 298.09	USD 284.94
Exercise price	N/A	N/A	N/A
Vesting period	10 - 34 months	12,24,36 months	12,24,36 months
Full term of award	10 - 34 months	12,24,36 months	12,24,36 months
Expected dividend yield (%)	2.0%	2.0%	2.0%
Expected forfeiture rate (%)	0%	0%	0%
Fair value per award at measurement date	USD 297.41	USD 298.09	USD 284.94
Valuation basis	Market price	Market price	Market price

(a) Threadneedle DSU

The Threadneedle DSU plan is an incentive plan designed to reward recipients for performance over the medium term.

The plan is designed for legacy BMO employees who transferred to Ameriprise in 2021.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. SHARE-BASED PAYMENTS (continued)

The Threadneedle DSU plan awards are phased vesting awards which vest equally over one, two and three years.

At 31 December 2022 the following Threadneedle DSU awards were outstanding:

Grant date	Vesting date	No. of awards outstanding
28 January 2022	28 January 2023	14,073
1 April 2022	1 February 2023	24
1 April 2022	1 December 2023	88
28 January 2022	28 January 2024	14,073
1 April 2022	1 February 2024	24
1 April 2022	1 December 2024	86
28 January 2022	28 January 2025	14,220
1 December 2021	31 January 2025	12,931
28 January 2022	31 January 2025	9,766
1 April 2022	1 February 2025	24
		65,309

The awards outstanding at 31 December 2022 have a weighted average outstanding term of 1.4 years.

(b) BMO Omnibus Restricted Share Unit Plan (BMO RSUs)

A legacy BMO share-based payment (SBP) Plan for the Company's employees continues to operate until all awards have vested. It is no longer considered to meet the definition of a SBP award as the company whose shares the awards are based on is no longer part of the Group. The awards are all cash settled and vary with the Bank of Montreal share price.

The total expense recognised in the Profit and Loss Account in respect of these awards for the period ended 31 December 2022 was £10,742,000 (year ended 31 October 2021: £27,529,000).

The total carrying amount of cash-settled liabilities at 31 December 2022 was £12,605,000 (year ended 31 October 2021: £38,121,000).

The remaining awards have vesting dates of 1 January 2023, 1 December 2023 and 1 March 2024.

27. CONTINGENT LIABILITIES

Ongoing business operations

In the normal course of its business, the Company may be subject to matters of litigation or dispute. While there can be no assurances, at this time the Directors believe, based on the information currently available to them, that it is not probable that the ultimate outcome of any of these matters will have a material adverse effect on the financial condition of the Company.

COLUMBIA THREADNEEDLE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent is Columbia Threadneedle AM (Holdings) plc, which is registered in Scotland. The Company's ultimate parent undertaking and controlling party is Ameriprise Financial, Inc, a company incorporated in the United States of America.

The smallest group of which the Company is a member and for which Group Financial Statements are prepared is 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. The consolidated financial statements of Ameriprise Financial, Inc are available from The Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, 55474, United States of America.

29. EVENTS AFTER THE REPORTING PERIOD

Share-based payment awards

New awards under the Threadneedle Deferred Stock Unit Plan were made in January 2023.

The following awards were granted after the reporting date:

Award	Grant date	Vesting date	Vesting period	No. of shares awarded	Grant value per share
Threadneedle DSU award	27 January 2023	27 January 2024	12 months	12,980	USD 344.45
Threadneedle DSU award	27 January 2023	27 January 2025	24 months	12,980	USD 344.45
Threadneedle DSU award	27 January 2023	27 January 2026	36 months	13,143	USD 344.45

Relocation from Exchange House

A decision was made in 2023 to relocate employees from Exchange House to Cannon Place as part of the integration of the Group and the Columbia Threadneedle Investments business. As a result, the right-of-use lease asset in respect of Exchange House was impaired as the property was no longer being actively used by the Group. The impairment recognised is expected to be of the region of £9,900,000.