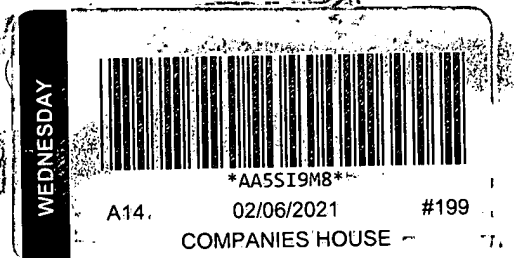


Company Registration No. 01880176

NS PARTNERS LTD

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2020



Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

NS PARTNERS LTD

CONTENTS

COMPANY INFORMATION.....	1
DIRECTORS' REPORT	2
STRATEGIC REPORT.....	4
INDEPENDENT AUDITORS' REPORT	7
INCOME STATEMENT	11
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF CHANGES IN EQUITY	13
STATEMENT OF CASH FLOWS.....	14
NOTES TO THE FINANCIAL STATEMENTS	15

NS PARTNERS LTD

COMPANY INFORMATION

DIRECTORS

I J Beattie
T J Bray
M W Freund
A E Kirk
J W Stoddart
M J Walsh

COMPANY NUMBER

01880176

REGISTERED OFFICE

One Knightsbridge Green
London
SW1X 7QA

AUDITORS

Pitt Godden & Taylor LLP
Unit 3, Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

BANKERS

HSBC plc
17 Gerrard Street
London
W1D 6HB

HSBC Bank Canada
885 West Georgia Street
Vancouver BC Canada
V6C 3G1

NS PARTNERS LTD

DIRECTORS' REPORT

for the year ended 31 December 2020

The Directors present their report and the financial statements of NS Partners Ltd, ("the Company") for the year ended 31 December 2020.

RESULTS AND APPROPRIATIONS

The profit for the year, after taxation, amounted to £81,000 (2020: £74,000).

Dividends of £77,100 were declared during the year (2020: £70,900).

DIRECTORS

The Directors who served during the year were:

I J Beattie
T J Bray
M W Freund

AE Kirk
J W Stoddart
M J Walsh

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, Strategic Report and the Financial Statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practices.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRATEGIC REPORT

The company has chosen in accordance with S414C(11) Companies Act 2006 to set out in the company's Strategic Report information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts & Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and disclosure required under s172 (1) of the Companies Act 2006 regarding engagement with stakeholders.

NS PARTNERS LTD

DIRECTORS' REPORT

for the year ended 31 December 2020

PROVISION OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

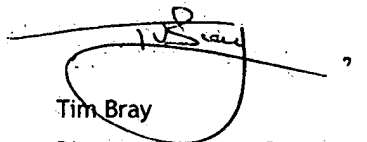
POST BALANCE SHEET EVENTS

There are no matters to report as post balance sheet events.

AUDITORS

Pitt Godden & Taylor LLP will be deemed to continue in office under S.487(2) of the Companies Act 2006.

This report was approved by the Board of Directors on 16 March 2021 and signed on its behalf by:


Tim Bray
Director, acting as Secretary

NS PARTNERS LTD

STRATEGIC REPORT

for the year ended 31 December 2020

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company continued its partnership with Connor, Clark & Lunn Financial Group Ltd ("CCLFG"). CCLFG is one the largest investment management firms in Canada with \$86 billion (CAD) under management at 31 December 2020. The parent of the group that includes the Company is NS Partners UK LLP ("the Partnership"), a partnership between CCLFG and a group of individuals. The individuals render their services as professional investment managers to the Partnership and the Partnership in turn renders its services to the Company.

The Partnership delivers investment management services to the Company and CCLFG delivers most of the non-investment management functions; most significantly information systems, back office and marketing support. CCLFG also assists with accounting and legal support in areas where local expertise is not required. Both the Partnership and CCLFG charge the Company fees for these services. The use of CCLFG support services, allows the Partnership's investment team to focus on investment management unencumbered by administrative matters.

NS Partners continued to grow in terms of assets under management in 2020. The company also had its best year in terms of performance on its developed market portfolios and had another excellent twelve months on its emerging market products.

Two new support staff were added during the year and the two analysts that joined in early 2019 were made principals of the firm.

The challenges of working remotely were met having had the advantage of some team members already operating some days at home.

Inflows from existing clients and strong equity markets and relative performance have pushed AUM to over US\$3.5bn at year end. The new business pipeline is the best it's been since the founding of the partnership. New products planned for 2021 include China only and EM ex China funds.

With performance strong and profitability rising NS approaches its 10th anniversary in July with renewed confidence and optimism.

The Company and Partnership remain focussed on delivering excellent service and performance to existing clients while capitalising on CCLFG's operational strength in the areas of marketing and distribution to help grow the business and add new clients.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the Company is the performance of its funds under management as these are its only source of revenue. The immediate risk to the Company therefore is that market underperformance will lead to a reduction in assets under management, either through a decline in the market value of client accounts or outright loss of clients, resulting in a decline in revenue.

Regular stress testing is undertaken to review the potential impact of certain events and to ensure the company retains adequate capital in the business.

SECTION 172 (1) OF THE COMPANIES ACT 2006

The directors are aware of and in compliance with their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith would most likely to promote the success of the company for the benefits of its members as a whole and, in doing so, to have regards (amongst other matters) to:

- likely consequences of any decisions 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 environment;
- desirability of the company maintaining a reputation for high standards of business conduct;
- the need to act fairly between members of the company.

NS PARTNERS LTD

STRATEGIC REPORT

for the year ended 31 December 2020

SECTION 172 (1) OF THE COMPANIES ACT 2006 continued

The Board of Directors meet regularly and have due regard to the provisions in the Companies Act in fulfilling their duty to promote the success of the company in all aspects of the decision-making process. This includes consideration of its key stakeholders, namely its employees, clients, business relationships and the community at large as well as ensuring the continuing good reputation of the business.

All the senior employees and fund managers of NS Partners are Partners in the parent company. It is key to the company's philosophy that the Fund Managers, as Partners, share in the profits of the business as a whole avoiding any specific market or product related performance bonuses, thus avoiding any conflicts of interest or excessive risk taking. It is through this philosophy that the company is able to seek and retain high calibre individuals whom are focused on aligning their interests with those of the Company and its clients.

Management are committed to a workplace that values the unique talents and contributions of every individual. Having a meaningfully diverse team means recognizing, the complex factors which make up individuals and embracing them - ensuring they are beneficial and not detrimental to the workplace. Management do not see diversity as a tick box exercise or a quota to fill. Diversity as a team with a variety of perspectives, experiences and values is embraced within the company's culture and is seen as an asset.

NS Partners Ltd focus on achieving outstanding performance while providing exceptional service to the clients and acting on behalf of the client's long term interest. A unique combination of economic profit analysis and stringent risk controls to construct high quality global equity portfolios. The overall objective is to maximize exposure to the best market opportunities while keeping portfolios within acceptable risk tolerance levels and ensuring proper diversification of investment ideas. To consistently add value through all phases of the market cycle, management believes it is necessary to have a process that is systematic and disciplined. All components of portfolio construction are considered carefully.

At each quarterly management committee meeting, the committee as well as reviewing investment management performance and strategy, considers updates on such matters as risk, compliance, financial reporting, operations, distributions, regulatory matters and governance.

Enterprise Risk Management is the integration, across the firm, of the methods and processes used to identify and manage risks, which impact the achievement of our mission and objectives.

The Financial Conduct Authority (FCA) in the United Kingdom is the main regulator for the Company and for ensuring the Company acts with honesty and integrity. The compliance team plays a key role in supporting senior management in ensuring there is an effective compliance culture within the company and ensuring the Company demonstrates compliance with the relevant rules and regulations and that all new regulatory changes in the year including the implementation of the Senior Managers Certification Regime and requisite training to all staff has been met and the Company is focused on meeting its stewardship and governance requirements.

The company is committed to incorporating Environmental, Social and Governance (ESG) considerations into the investment process. NS Partners' primary responsibility is the fiduciary duty to the clients which includes acting and investing with prudence. NS Partners believes that ESG factors play a material role in determining risk and return of securities and that all else being equal, over time companies with better ESG practices will outperform those with poorer ESG practices. By ensuring that financially material ESG factors are captured in the investment process, the policy on responsible investing aligns with the fiduciary duty to seek the best returns for clients.

Engagement with Companies is part of the investment management process. NS Partners is committed to encouraging companies to adopt policies that enhance long term financial performance. The objective for engagement is generally to promote disclosure and transparency regarding ESG risk.

Since February 2016 we have been signatories to the United Nations-supported Principles of Responsible Investment (PRI). The PRI encourages investors to use responsible investment to enhance returns and better manage risks. As a signatory we report annually on our Environmental Social and Governance (ESG) activities which includes stewardship and voting activities.

Brexit has not had a significant impact on the Company as its client base is largely outside of Europe.

NS PARTNERS LTD

STRATEGIC REPORT

for the year ended 31 December 2020

COVID 19

The unprecedented events created by the COVID-19 global pandemic is now approaching its one year anniversary. As management have navigated the uncertainties of this challenging time, the wellbeing of the Company's staff, clients and the broader community has remained a priority. Management have continuously monitored and adhered to government advice, which ensured uninterrupted service to clients and maintain the health and safety of staff. This has resulted in the majority of staff working from home for much of the last twelve months.

From the onset of the outbreak, management have implemented many policies and preventative measures as outlined in our business continuity plan (BCP), including restricting business travel, health awareness campaigns, and the use of video and teleconference capabilities. The implementation of the Company's BCP protocol was successful with no disruption to our services. Going forward, management will continue to diligently monitor the ongoing COVID-19 developments and adjust operations according to the recommendations of health authorities and government bodies.

CAPITAL REQUIREMENTS DIRECTIVE

Under Pillar 3 of the Capital Requirements Directive prescribed in the United Kingdom by the FCA, the Company is required to disclose information relating to its capital and risk management objectives and policies. These disclosures can be found on its website: www.cclgroup.com/nspartners/legal.aspx

UK STEWARDSHIP CODE AND SRD

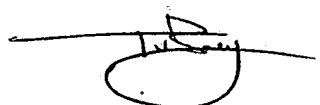
Under 2.2A.5 and 2.2B.5 of the FCA's Code of Conduct Business sourcebook the Company must disclose its commitment to the UK Stewardship Code and its implementation of its engagement policy under the Shareholder Rights Directive. These disclosures can be found on its website.

GOING CONCERN

The Company has sufficient financial resources together with long standing contracts with a number of clients and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the Board of Directors on 16 March 2021 and signed on its behalf by:



Tim Bray
Director

NS PARTNERS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NS PARTNERS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NS Partners Ltd (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS REGARDING GOING CONCERN

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

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

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

NS PARTNERS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NS PARTNERS LTD

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 in this regard.

RESPONSIBILITIES OF DIRECTORS

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

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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, skills and ability to identify any non-compliance with laws and regulations;
- we identified the laws and regulations applicable to the company via discussions with the directors and other management and from our knowledge of the sector in which the client operates;
- we focused on the laws which we felt were of particular significance to the company's operations, which included the Companies Act 2006 and particularly the rules and regulations of the Financial Conduct Authority, under whose authority the LLP conducts its' trade; and
- we assessed the extent of the compliance with the laws and regulations identified above through enquiry of management and also detailed testing of systems and controls undertaken in our performance of the CASS Limited Assurance audit work.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
- we documented, assessed and tested the internal controls in place to reduce the likelihood of any incidences of fraud or non-compliance.

To assess the risk of fraud through management bias and override of controls, we:

- performed analytical review procedures; and
- we reviewed and sample tested journal entries to confirm that they were genuine transactions.

NS PARTNERS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NS PARTNERS LTD

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the disclosures in the financial statements to underlying documentation;
- reviewing the minutes of those charged with governance; and
- enquiring of management as to actual potential claims and liabilities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of any relevant regulatory correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

NS PARTNERS LTD

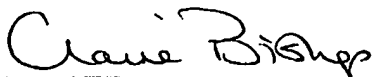
**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NS PARTNERS LTD**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



CLAIRE BISHOP (Senior Statutory Auditor)

For and on behalf of Pitt Godden & Taylor LLP
Statutory Auditor

Unit 3, Ambrose House

Meteor Court

Barnett Way

Barnwood

Gloucester

GL4 3GG

16 March 2021

NS PARTNERS LTD

INCOME STATEMENT for the year ended 31 December 2020

	Note	2020 £000	2019 £000
REVENUE	1,3	9,358	7,052
Administration expenses		(9,355)	(7,060)
OPERATING PROFIT/(LOSS)	4	3	(8)
Interest receivable		-	1
Other income		100	100
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		103	93
Tax on profit on ordinary activities	7	(22)	(19)
PROFIT FOR THE FINANCIAL YEAR		81	74
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		81	74

All amounts relate to continuing operations.

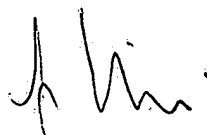
NS PARTNERS LTD

STATEMENT OF FINANCIAL POSITION as at 31 December 2020

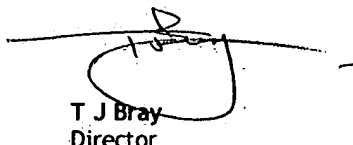
	Notes	£000	2020 £000	2019 £000
FIXED ASSETS				
Tangible fixed assets	8	14	17	
TOTAL FIXED ASSETS			14	17
CURRENT ASSETS				
Trade receivables	10	2,481	1,829	
Cash		1,512	1,266	
		3,993	3,095	
CREDITORS: amounts falling due within one year	11	(2,731)	(1,840)	
NET CURRENT ASSETS			1,262	1,255
TOTAL ASSETS LESS CURRENT LIABILITIES			1,276	1,272
EQUITY				
Called up share capital	13	120	120	
Profit and loss account		1,156	1,152	
TOTAL EQUITY		1,276	1,272	

The notes on pages 15 - 23 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 16 March 2021 and were signed on its behalf by:



A E Kirk
Director



T J Bray
Director

Company Registration No. 01880176

NS PARTNERS LTD

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Share Capital £000	Retained Earnings £000	Total £000
BALANCE AT 1 JANUARY 2019	120	1,149	1,269
Profit for the year and total comprehensive income	-	74	74
Dividends paid	-	(71)	(78)
	<hr/>	<hr/>	<hr/>
BALANCE AT 31 DECEMBER 2019 AND 1 JANUARY 2020	120	1,152	1,272
	<hr/>	<hr/>	<hr/>
Profit for the year and total comprehensive income	-	81	81
Dividends paid	-	(77)	(77)
	<hr/>	<hr/>	<hr/>
BALANCE AT 31 DECEMBER 2020	120	1,156	1,276
	<hr/>	<hr/>	<hr/>

NS PARTNERS LTD

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	2020 £000	2019 £000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after taxation	81	74
Depreciation	10	10
Interest Income	-	(1)
Taxation	21	19
	<u>112</u>	<u>102</u>
MOVEMENTS IN WORKING CAPITAL		
(Increase)/Decrease in trade and other receivables	(652)	34
Increase in trade and other payables	889	19
	<u>237</u>	<u>53</u>
Taxation paid	(19)	(17)
NET CASH GENERATED BY OPERATING ACTIVITIES	<u>218</u>	<u>36</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment	(7)	(10)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(77)	(71)
Finance income received	-	1
	<u>(77)</u>	<u>(70)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>246</u>	<u>58</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,266</u>	<u>1,208</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,512</u>	<u>1,266</u>

NS PARTNERS LTD

Notes to the Financial Statements

PRINCIPAL PLACE OF BUSINESS

NS Partners Ltd is a company incorporated and domiciled in England and has its registered office and principal place of business at 1 Knightsbridge Green, London, SW1X 7QA.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared on a going concern basis.

These financial statements have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £000.

1.2 MANAGEMENT AND ADVISORY FEES

Management and advisory fees are recognised in the accounting period in which the services are provided.

1.3 TAXATION

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit as reported in the income statement because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.4 CASH AND CASH EQUIVALENTS

Cash comprises cash in hand and deposits repayable on demand and other short term highly liquid investments with original maturities at three months or less,

1.5 FOREIGN CURRENCIES

Foreign currency transactions during the year have been translated at the exchange rate ruling at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into pound sterling at the exchange rate ruling at the balance sheet date. Any such exchange gains and losses are included in the Income Statement.

NS PARTNERS LTD
Notes to the Financial Statements

1.6 DIVIDENDS

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

1.7 FIXED ASSETS

Tangible Assets are stated at cost less accumulated depreciation and impairment losses. Cost represents purchase cost, together with any directly attributable expenses of acquisition. Depreciation is charged to the Income Statement on a straight line basis over the estimated life as follows:-

Leasehold improvements - 5 years

Computer hardware - 3 years

Furniture & equipment - 3 years

1.8 PENSION SCHEME ARRANGEMENTS

The employees of the Company are eligible to join defined contribution pension schemes. Contributions are charged to the Income Statement as they become payable in accordance with contractual terms.

1.9 OPERATING LEASES

Rentals payable under operating leases are recognised as an expense on a straight line basis over the lease term.

1.10 GOING CONCERN

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.11 FINANCIAL ASSETS AND LIABILITIES

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the discounted amount of cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognized only when the obligation specified in the contract is discharged, cancelled or expires.

NS PARTNERS LTD
Notes to the Financial Statements

1.12 IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.13 DERIVATIVE FINANCIAL INSTRUMENTS

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NS PARTNERS LTD
Notes to the Financial Statements

3. REVENUE

Revenue, which is stated net of value added tax, arises from the provision of investment management services. The revenue is derived from clients based in the USA, Canada and the Isle of Man.

4. OPERATING LOSS

The operating loss is stated after charging:

	2020 £000	2019 £000
Operating leases	98	98
Foreign exchange (profit)/ loss	(4)	4
Inter-group administration charge	772	745
Auditor's remuneration	16	16
Depreciation	10	10

5. EMPLOYEES

Personnel costs for the year (including Directors)

	2020 £000	2019 £000
Wages and salaries	316	235
Social security	34	25
Pension costs	11	5
	<u>361</u>	<u>265</u>

The average number of persons employed by the Company (excluding Directors) during the year was as follows:

	2020	2019
Investment professionals	2	2
Administration Staff	1	-

NS PARTNERS LTD
Notes to the Financial Statements

6. DIRECTORS' REMUNERATION

All directors' retirement benefits are accruing under defined contribution schemes.

During the last year, M W Freund, J W Stoddart and M J Walsh were employed and remunerated as directors and executives of Connor, Clark & Lunn Financial Group Ltd. The Directors believe that it is not practicable to apportion part of their remuneration to their services as Directors of the Company.

I Beattie, T Bray and A Kirk were remunerated by NS Partners UK LLP and any charges for their services are paid through management fees.

7. TAXATION

	2020 £000	2019 £000
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profits for the year	22	19
TOTAL CURRENT TAX	<u>22</u>	<u>19</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The current tax charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £000	2019 £000
Profit on ordinary activities before tax	103	93
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%):	21	18
EFFECTS OF:		
Expenses not deductible for tax purposes	2	1
Capital allowances for year in excess of depreciation	(1)	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>22</u>	<u>19</u>

NS PARTNERS LTD
Notes to the Financial Statements

8. TANGIBLE FIXED ASSETS

	Tangible Fixed Assets £000
COST OR VALUATION	
Cost at 1 January 2020	102
Additions in the year	7
Disposals in the year	<u>(28)</u>
Cost at 31 December 2020	<u>81</u>
 ACCUMULATED DEPRECIATION AT 1 JANUARY 2020	 85
Depreciation	10
Disposals in the year	<u>(28)</u>
Accumulated depreciation at 31 December 2020	<u>67</u>
NET BOOK VALUE AT 31 DECEMBER 2020	<u>14</u>
NET BOOK VALUE AT 31 DECEMBER 2019	<u>17</u>

The tangible assets include leasehold improvements, computer equipment and software.

9. FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
CARRYING AMOUNT OF FINANCIAL ASSETS		
Debt instruments measured at amortised cost	<u>2,252</u>	<u>1,588</u>
CARRYING AMOUNT OF FINANCIAL LIABILITIES		
Measured at amortised cost	2,698	1,813
Measured at fair value - other financial liabilities	<u>10</u>	<u>7</u>

NS PARTNERS LTD
Notes to the Financial Statements

10. TRADE RECEIVABLES

	2020 £000	2019 £000
Trade receivables	116	50
Amounts owed by Participating Interests	902	679
Other receivables	120	142
Prepayments and accrued income	1,343	958
	<u>2,481</u>	<u>1,829</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £000	2019 £000
Trade creditors	896	768
Amounts owed to Group Companies	1,275	748
Amounts owed to Participating Interests	238	156
Corporation tax	21	19
Accruals and deferred income	291	142
Other tax and social security payable	10	7
	<u>2,731</u>	<u>1,840</u>

12. PENSION AND OTHER POST RETIREMENT BENEFIT COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

	2020 £000	2019 £000
Contributions payable by the Company for the year	11	5

13. SHARE CAPITAL

	2020 £000	2019 £000
ALLOTTED, CALLED UP AND FULLY PAID		
120,000 Ordinary shares of £1 each	120	120

NS PARTNERS LTD
Notes to the Financial Statements

14. DIVIDENDS

	2020 £000	2019 £000
Dividends paid on equity capital	77	71

15. RELATED PARTY TRANSACTIONS

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered in to and trading balances outstanding at 31 December 2020 are as follows:

	Management Fees from related parties £000	Services provided by related parties £000
Connor Clark & Lunn Private Capital Ltd	5,062	-
Connor Clark & Lunn Investment Management	111	-
Connor, Clark & Lunn (Canada) Ltd	4	-
Scheer, Rowlett & Assoc Investment Mgt Ltd	16	-
Connor Clark & Lunn Financial Group Ltd		772
NS Partners UK LLP		5,919

	Amounts owed from related parties £000	Amounts owed to related parties £000
Connor Clark & Lunn Private Capital Ltd	854	-
Connor Clark & Lunn Investment Management	28	-
Connor, Clark & Lunn (Canada) Ltd	4	-
Scheer, Rowlett & Assoc Investment Mgt Ltd	16	-
Connor Clark & Lunn Financial Group Ltd.	-	218
Connor Clark & Lunn Financial Group LP	-	20
WorldInvest Management Limited	-	206
NS Partners UK LLP	-	814
Connor Clark & Lunn UK Limited	-	254

NS PARTNERS LTD
Notes to the Financial Statements

16. OPERATING LEASES

At 31 December 2020 the company had outstanding commitments for future minimum lease payments under non- cancellable property operating leases, as follows:-

	2020	2019
	£000	£000
Operating Leases which expire:		
Between one and two years	<u>115</u>	<u>164</u>
Between one and two years	<u>3</u>	<u>5</u>

17. FORWARD FOREIGN CURRENCY CONTRACTS

The company uses forward foreign currency contracts to eliminate its exposure to foreign exchange risk as its trade receivables are denominated exclusively in US\$ and Canadian\$. At the year end, the Company has a number of contracts in place with the Royal Bank of Canada for settlement in February and April 2021.

Outstanding Contracts	Average Contracted Exchange Rate		Notional Value		Fair Value	
	2020	2019	2020	2019	2020	2019
	1.35	1.31	£	£	£	£
Sell US\$	1,291,500	633,000	944,801	477,831	11,444	6,097
	1.74	1.72	£	£	£	£
Sell Canada\$	2,615,300	1,926,300	1,501,751	1,121,344	(189)	1,214

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is WorldInvest Management Limited in which NS Partners UK LLP (NSP LLP) holds 100% of the share capital. The ultimate parent company is NSP LLP, a limited liability partnership incorporated in England. Consolidated accounts are prepared and are available from the registered office.

19. POST BALANCE SHEET EVENTS

The Board of Directors has not received, as at 16 March 2021 being the date the financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, which have not been reflected in the financial statements as presented.