

(Registration number: 2558025)

# Threadneedle Navigator ISA Manager Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

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**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Company Information**

<b>Directors</b>	A J Nicoll M Scrimgeour L Weatherup
<b>Company secretary</b>	A Kaye
<b>Registered office</b>	Cannon Place 78 Cannon Street London England EC4N 6AG
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Strategic Report**

The directors present their strategic report for Threadneedle Navigator ISA Manager Limited for the year ended 31 December 2017.

The Company is a subsidiary of Threadneedle Asset Management Holdings Sàrl, a Luxembourg registered company owned by Ameriprise Financial, Inc. ("Ameriprise"), the ultimate parent company. Threadneedle Asset Management Holdings Sàrl and all its subsidiaries are referred to herein as "the Group".

**Results and performance**

The statement of comprehensive income for the year is set out on page 10. The profit for the financial year was £13 (2016: £503). As at the statement of financial position date (page 11) the value of the net assets of the Company was £605,738 (2016: £605,725). The level of business and the financial position at the end of the year are satisfactory.

**Principal activities**

The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

The Company continues to act as an introducer of clients to a share platform managed by Cofunds Limited, a share supermarket. The directors consider that the operations of the Company will remain substantially unchanged for the foreseeable future.

**Fair review of the business**

The Company's only income is bank interest and this return is minimal due to the low level of bank interest rates. The level of business and the financial position at the end of the year are considered to be satisfactory by the directors.


The results of companies within the Group are managed on a group and business stream basis. Business streams do not correspond directly with individual legal entities, and consequently performance indicators are not set for individual companies. No change is planned for the nature of this entity in the foreseeable future.

Following the Brexit referendum on 23 June 2016 and the serving of notice under article 50 on 29 March 2017 the UK will leave the EU from 30 March 2019. The precise nature of the departure and what this will mean for the Company are unknown. However the Board continues to consider and monitor contingency arrangements in order to mitigate the risk.

**Principal risks and uncertainties**

The principal risks and uncertainties are integrated with the financial risk management policies of the Company and are discussed in the Directors' Report.

Approved by the Board on 18 April 2018 and signed on its behalf by:

  
.....  
L Weatherup  
Director

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Directors' Report**

The directors present their report and the financial statements ("the financial statements") of Threadneedle Navigator ISA Manager Limited ("the Company") for the year ended 31 December 2017.

The Company's registration number is 2558025.

**Directors of the company**

The directors, who held office during the year, were as follows:

T N Gillbanks (resigned 31 March 2017)

A J Nicoll

M Scrimgeour (appointed 14 August 2017)

L Weatherup

**Directors' liabilities**

During the year and also 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.

**Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.

The directors 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.

**Disclosure of information to the auditors**

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Directors' Report**

**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 page 3 and on pages 4 to 6 in the Directors' Report.

The Company is expected to generate positive cash flows in the future and will continue to participate in the Group's centralised treasury arrangements and so shares banking relationships with its parent and fellow subsidiaries.

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.

**Risk management**

The Board of Threadneedle Asset Management Holdings Sàrl has established an Audit and Risk Committee (the "Committee"), which comprises representatives from Ameriprise and Non-Executive directors and which is chaired by a Non-Executive Board member. The primary purpose of the Committee is to provide advice in order to assist the Board in carrying out its responsibilities as they relate to the risk management, internal control and the conduct of its business across Europe, the Middle East and Africa ("EMEA") in accordance with regulation, legislation and business best practice. The Committee is also responsible for review and approval of the EMEA risk management framework, in alignment with the Ameriprise Enterprise Risk Management policies. The Committee meets quarterly.

The Company is exposed to market price risk on the value of financial assets held through the revenue generating activities of its subsidiaries, details of which are in note 18 of the financial statements. The financial assets are held at fair value and the valuation methods adopted take account of the risks associated with these types of investments.

The principal credit risk lies in uncollectible receivables. The Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The directors do not perceive any significant credit risk as the main concentration of trade debtors is with related parties.

The Company is exposed to foreign exchange risk arising from transactions that are denominated in currencies other than sterling. The risk is hedged by entering into forward foreign exchange contracts for any material payables or receivables. The Company participates in the Group's centralised treasury arrangements and has access to sufficient cash and liquid investments such that liquidity and cash flow risk are minimised. The Company monitors the credit rating of its banks to minimise the risk of loss due to counterparty failure. The Company is exposed to interest rate risk through its bank and cash balances and intercompany balances.

The Company is also exposed to non-financial or operational risk which includes the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has completed risk and control assessments to identify potential risks and ensure that adequate controls are in place to mitigate them.


**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Directors' Report**

**Reappointment of auditors**

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 18 April 2018 and signed on its behalf by:

  
.....  
L Weatherup  
Director

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Independent Auditors' Report to the members of Threadneedle Navigator ISA Manager Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Threadneedle Navigator ISA Manager Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

*Independence*

We remained independent of the 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**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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



**Threadneedle Navigator ISA Manager Limited**  
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**Independent Auditors' Report to the members of Threadneedle Navigator ISA Manager Limited**

**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 or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 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 Directors' Report.

**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 set out on page 4, 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.

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Independent Auditors' Report to the members of Threadneedle Navigator ISA Manager Limited**

*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.

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](http://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 received 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



.....  
Tina Ahuja (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

18 April 2018

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Statement of Comprehensive Income**

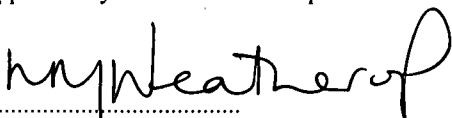
	Note	2017 £	2016 £
Income from shares in group undertakings		-	-
Operating result		-	-
Finance income	6	17	629
Profit before taxation	7	17	629
Income tax expense	8	(4)	(126)
Profit for the financial year		13	503
<b>Total comprehensive income for the financial year</b>		<b>13</b>	<b>503</b>

**Threadneedle Navigator ISA Manager Limited**  
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**Statement of Financial Position**

	Note	2017 £	2016 £
<b>Current assets</b>			
Trade and other receivables	9	1,937	1,924
Cash at bank and in hand		<u>604,067</u>	<u>604,067</u>
		<b>606,004</b>	<b>605,991</b>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(266)</u>	<u>(266)</u>
<b>Net assets</b>		<u><b>605,738</b></u>	<u><b>605,725</b></u>
<b>Capital and reserves</b>			
Called up share capital	11	500,000	500,000
Profit and loss account		<u>105,738</u>	<u>105,725</u>
<b>Total shareholders' funds</b>		<u><b>605,738</b></u>	<u><b>605,725</b></u>

Approved by the Board on 18 April 2018 and signed on its behalf by:



L Weatherup  
Director

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Statement of Changes in Equity**

	Share capital £	Retained earnings £	Total £
<b>At 1 January 2017</b>	<u>500,000</u>	<u>105,725</u>	<u>605,725</u>
Profit for the year	<u>-</u>	<u>13</u>	<u>13</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>13</u>	<u>13</u>
<b>At 31 December 2017</b>	<u><u>500,000</u></u>	<u><u>105,738</u></u>	<u><u>605,738</u></u>

	Share capital £	Retained earnings £	Total £
<b>At 1 January 2016</b>	<u>500,000</u>	<u>105,222</u>	<u>605,222</u>
Profit for the year	<u>-</u>	<u>503</u>	<u>503</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>503</u>	<u>503</u>
<b>At 31 December 2016</b>	<u><u>500,000</u></u>	<u><u>105,725</u></u>	<u><u>605,725</u></u>

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**1 General information**

The Company is a private company limited by share capital, incorporated in England and Wales and domiciled in United Kingdom.

The address of its registered office is Cannon Place, 78 Cannon Street, London, England, EC4N 6AG, United Kingdom.

The Company is a subsidiary of Threadneedle Asset Management Holdings Sàrl, a Luxembourg registered company owned by Ameriprise Financial Inc. ("Ameriprise"), the ultimate parent company. Threadneedle Asset Management Holdings Sàrl and all its subsidiaries are referred to herein as "the Group".

The principal activity of the Company is to act as an introducer of clients to a share platform managed by Cofunds Limited, a share supermarket. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

**2 Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* Disclosure exemptions from EU-adopted International Financial Reporting Standards ("IFRS") for qualifying entities ("FRS 101"). The financial statements have been prepared on the going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

**Threadneedle Navigator ISA Manager Limited**  
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**Notes to the Financial Statements**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods and services received are determined).
- IFRS7, 'Financial instruments: Disclosures'.
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment; and
  - (iii) paragraph 118(e) of IAS 38, 'Intangible assets (reconciliation between the carrying amount at the beginning and the end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows);
  - 10(f), (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16, (statement of compliance with all IFRS);
  - 38A, (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D, (additional comparative information);
  - 40A-D, (requirement for a third statement of financial position);
  - 111, (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

**b Interest income**

Interest receivable is recognised using the effective interest method on an accruals basis.

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**c Currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in Pounds Sterling ("£"), which is the Company's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates ruling at the statement of financial position date are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**d Value added tax**

Irrecoverable value added tax is included with the expense on which it has been suffered. The basis on which it is calculated is the partial exemption method, using the proportion of non-taxable supplies to taxable supplies to determine the irrecoverable input tax.

**e Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in the other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date, in the country where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets or liabilities are recognised on temporary differences that have originated but not reversed by the statement of financial position date and where transactions have occurred that will result in a right to pay less or more tax in the future. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is calculated at the average rate at which it is expected that the tax will arise. Movements in deferred tax are recognised in the statement of comprehensive income for the year in which they arise, except to the extent that these are attributable to a gain or loss that is recognised directly in the statement of total recognised gains and losses.



**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**f Trade and other receivables**

Trade and other receivables are amounts due for services performed in the ordinary course of business, which generally have 30 day payment terms. Provision for specific doubtful debts is made when there is evidence that the Company will not be able to recover balances in full. Balances are written off when the receivable amount is deemed irrecoverable.

Trade and other receivables are initially recognised at fair value, normally equivalent to the invoice amount, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**g Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits at call with banks, other short term highly liquid investment with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing in current liabilities.

**h Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**i Share capital**

Ordinary shares are classified as equity.

**3 Critical accounting judgements and key sources of estimation uncertainty**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Income tax*

Significant judgement is involved in determining the Company's provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on the estimate of whether additional taxes will be due. Where the tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**4 Revenue**

All revenue is derived in the UK from the Company's principal activity. The Company received no revenue in respect of its principal activity in the current year and prior year.

The notes on pages 13 to 25 form an integral part of these financial statements.

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**5 Directors and employees**

**Employees**

The average monthly number of persons (including directors), considered to be directly employed by the Company on a full time basis during the year was nil (2016: nil). The costs associated with the administration of the Company that are performed by employees of fellow subsidiaries of the Group are not recharged to the Company.

**Directors' remuneration**

The remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	104,293	106,296
Pension contributions	2,199	820
Compensation for loss of office	3,351	-
	<u>109,843</u>	<u>107,116</u>

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

	2017 No.	2016 No.
Received or were entitled to receive shares under long term incentive schemes	<u>3</u>	<u>1</u>

	2017 £	2016 £
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**In respect of highest paid director:**

Aggregate emoluments and amounts receivable under long-term incentive plans

Pension contributions

43,473	49,204
-	168
<u>43,473</u>	<u>49,372</u>

2017 £	2016 £
-----------	-----------

**Defined benefit pension scheme:**

Accrued pension at end of year

-	-
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The highest paid director received (2016: received) options or units in other companies of the Group under long-term incentive schemes in respect of qualifying services but did not (2016: did) exercise any share options in the current a year.

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**6 Finance Income**

	2017 £	2016 £
Interest income on bank deposits	-	613
Intra-group interest receivable	17	16
	<u>17</u>	<u>629</u>

**7 Profit before taxation**

The audit fee for the Company of £9,419 (2016: £14,024) was borne by Threadneedle Asset Management Holdings Limited on behalf of the Company and was not recharged. Fees payable to the auditors for non-audit services during the year under review were £3,210 (2016: £nil).

**8 Income tax expense**

a) Income tax expense included in the statement of comprehensive income is as follows:

	2017 £	2016 £
<b>Current taxation</b>		
UK corporation tax	4	126

b) Factors affecting the current tax expense on profit before taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are explained below:

	2017 £	2016 £
Profit before tax	17	629
Corporation tax at standard rate	3	126
Other tax effects for reconciliation between accounting profit and tax expense (income)	1	-
Total tax charge	<u>4</u>	<u>126</u>

With effect from 1 April 2017 the main rate of UK corporation tax fell to 19% and it is due to fall to 18% from 1 April 2020. Deferred tax balances have been measured at 19% as a substantial part of the balances are expected to reverse before 1 April 2017.)

**Threadneedle Navigator ISA Manager Limited**  
**Report and Financial Statements for the year ended 31 December 2017**

**Notes to the Financial Statements**

**9 Trade and other receivables**

	2017	2016
	£	£
Debtors from related parties	<u>1,937</u>	<u>1,924</u>

The amounts owed by group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to LIBOR + 0.75%.

**10 Creditors: Amounts falling due within one year**

	2017	2016
	£	£
Inter-company payable in relation to corporation tax	<u>266</u>	<u>266</u>

The amounts owed to group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to LIBOR + 0.75%.

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**11 Share capital**

**Allotted, called up and fully paid shares**

	2017	2016	1 January 2016
	No.	No.	No.
	£	£	£
Ordinary shares of £1 each	500,000	500,000	500,000

The notes on pages 13 to 25 form an integral part of these financial statements.

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**12 Parent and ultimate parent undertaking**

The Company's immediate parent is Threadneedle Asset Management Holdings Limited, a company incorporated in England and Wales

The ultimate parent is Ameriprise Financial, Inc.

The most senior parent entity producing publicly available financial statements is Ameriprise Financial, Inc. These financial statements are available upon request from The Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at [www.ameriprise.com](http://www.ameriprise.com).

The ultimate controlling party is Ameriprise Financial, Inc.

**Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Ameriprise Financial Inc., incorporated in Delaware, United States of America.

The address of Ameriprise Financial Inc. is:

1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA 55474

The consolidated financial statements of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at [www.ameriprise.com](http://www.ameriprise.com).

The parent of the smallest group in which these financial statements are consolidated is Threadneedle Asset Management Holdings Sàrl, incorporated in Luxembourg.

The address of Threadneedle Asset Management Holdings Sàrl is:

19, rue de Bitbourg, L-1273, Luxembourg.

The consolidated financial statements of Threadneedle Asset Management Holdings Sàrl can be obtained from 19, rue de Bitbourg, L-1273, Luxembourg.

**13 Related party transactions**

See note 5 for disclosure of directors' remuneration.

In all other respects, advantage has been taken of the exemptions from IAS 24 'Related party disclosures' provided by IFRS 101 8 (k) from disclosing details of transactions with Ameriprise and its wholly owned subsidiary undertakings.

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**14 Contingent liabilities**

The Company acts as guarantor, along with other group undertakings, under a set-off agreement ("the Agreement") with Lloyds Bank plc ("the Bank"). The purpose of the Agreement is to pool the bank balances of the respective group undertakings in order to maximise interest earnings for the Group.

Under the Agreement each group undertaking acts as guarantor for the overdraft of any other group undertaking that is party to it, jointly and severally, via a charge on, and limited to, any credit balance it holds with the Bank. At the year end the Company's potential liability was £604,000 (2016: £604,000).

**15 New standards and amendments**

*(a) New standards, amendments and interpretations adopted by the Company*

The following standards and interpretations from the IFRS Interpretations Committee, ("IFRIC") have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2017 and have not had a material impact on the Company:

*Disclosure Initiative - Amendments to IAS 7.* The amendments require an entity to provide disclosures that enable the users of financial statements to evaluate the changes in liabilities arising from financing activities, including both cash and non-cash changes. The amendments apply prospectively. Entities are not required to present comparative information for earlier periods when they first apply the amendments.

*Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12.* Amendments made to IAS 12 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

*Annual improvements 2014-2016 cycle: Amendments to IFRS 12.* The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for the summarised financial information.

*(b) New standards, amendments and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

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*Annual Improvements to IFRSs: 2012-2014 Cycle.* The following improvements were finalised in December 2016:

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities ("IFRS 9"). The complete version of IFRS 9 was issued in July 2014 and intends to regularise the classification and measurement of financial instruments with effect from accounting periods beginning on or after 1 January 2018. During the year, Management have reviewed the impact of IFRS 9 upon the specific instruments held by the Company and those that may be held within the Company's planned strategic direction. This review has confirmed that the Company has robust processes for the classification of financial instruments and for the timely, effective review of their measurement and reporting. Management has noted no instances in which the reporting of instruments would have been materially different had IFRS 9 been adopted earlier. Management continues to assess the impact of IFRS 9 and is satisfied that it will be able to implement IFRS 9 with effect from 1 January 2018.

*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS.* In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forthcoming new insurance contracts standard. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

*IFRS 17 Insurance Contracts.* IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.



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*Interpretation 22 Foreign Currency Transactions and Advance Consideration.* The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. Entities can choose to apply the interpretation:

- retrospectively for each period presented
- prospectively to items in scope that are initially recognised on or after the beginning of the reporting period in which the interpretation is first applied, or
- prospectively from the beginning of a prior reporting period presented as comparative information.

*Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2.* The amendments made to AASB 2 in July 2016 clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. They also introduce an exception to the classification principles in AASB 2. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

Entities with the following arrangements are likely to be affected by these changes:

- equity-settled awards that include net settlement features relating to tax obligations
- cash-settled share-based payments that include performance conditions, and
- cash-settled arrangements that are modified to equity-settled share-based payments.

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*IFRS 15 Revenue from contracts with customers.* The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

Management has performed an impact assessment exercise for the Company. The exercise has involved scoping the Company's revenues and performing standard contract reviews to determine the appropriate revenue recognition under IFRS15. The conclusion of the exercise indicates no change to the recognition of revenue for the Company.

IFRS15 is mandatory for financial years commencing on or after 1 January 2018. The Company adopted the revenue recognition guidance on a retrospective basis from 1 January 2018 and so comparatives for the year ended 31 December 2017 will be restated where appropriate.

*IFRS 16 Leases.* IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

Management is currently assessing the impact of IFRS 16 upon the Company.