

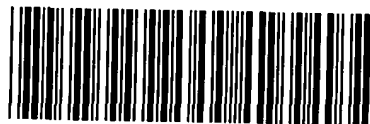
(Registration number: 3554212)

Threadneedle Asset Management Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

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Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Company Information

Directors N Ring
 P Stone
 J Perrin

Company secretary A Kaye

Registered office Cannon Place
 78 Cannon Street
 London
 England
 EC4N 6AG

Independent Auditors PricewaterhouseCoopers LLP
 Chartered Accountants and Statutory Auditors
 7 More London Riverside
 London
 SE1 2RT

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Strategic Report

The directors present their Strategic Report for Threadneedle Asset Management Holdings Limited ("the Company") for the year ended 31 December 2020.

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 key performance indicators

The directors assess the performance of the Company based on its income and net assets. The statement of comprehensive income for the year is set out on page 15. The profit for the financial year was £14,201,000 (2019: £91,683,000), the fall in profit during the current year is as a result of the lower level of dividend income received by the Company. As at the statement of financial position date (page 16) the value of the net assets of the Company was £275,944,000 (2019: £264,353,000). The directors consider the level of business and the financial position at the end of the year are satisfactory.

Principal activities

The principal activity of the Company is that of a holding company for investments in subsidiary entities and other fixed asset investments. The directors consider that the operations of the Company will remain substantially unchanged for the foreseeable future.

Fair review of the business

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 key performance indicators are not set for individual companies.

The Company revenue is primarily from dividends received. The level of income received reflects the profitability of the underlying subsidiary companies which are involved in global financial markets. The level of business and the financial position at the end of the year are considered to be satisfactory by the directors. No change is planned for the nature of this entity in the foreseeable future.

The Brexit transition period ended on 31 December 2020, with the UK's departure from the EU single market and post-Brexit trade agreement between the UK and EU taking effect from 1 January 2021. Given ongoing uncertainty regarding the post-Brexit agreement up until late December 2020, contingency plans were established in the event the transition period ended without an agreement in place. In the absence of an agreement covering financial services, UK firms must comply with individual EU member state regulations to continue providing services to clients based in the EU. The impact of Brexit on the Company has been minimal.

COVID-19 (also referred to as "coronavirus") was identified in December 2019 as the cause of an outbreak of respiratory illness first detected in Wuhan, China, that has since spread globally, impacting economies, financial markets and businesses around the world. Countries are taking exhaustive steps to minimize public interaction to contain the spread of the virus. With the ongoing spread of coronavirus, the Group is coordinating our response regionally and globally to ensure we continue to deliver for clients, support employees and maintain business continuity. However, until the virus is brought fully under control, the overall impact it will have on the Group remains uncertain. The Group, through initiatives such as working from home, has maintained operational capacity and has not found it necessary to participate in any of the various Government initiatives such as furloughing of staff. The impact of COVID-19 has been minimal on the financial performance of the Company.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Strategic Report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Company is held to the same management framework as the Group. The Company has board meetings and is subject to all Group committees.

The Company's directors believe they perform their duties in a way which promotes good faith and the success of the company for the benefit of its members (having regards to the stakeholders and matters set out in s172 (1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2020. The Group aims to deliver positive outcomes that meet the needs of its stakeholders and is committed to always act responsibly, transparently and in the best interests of those who trust it to manage their investments. The Group's corporate responsibility strategy focuses on the core roles it plays: Responsible Partner to our clients; Responsible Investor; Responsible Employer; and responsible Citizen.

The impact of the global coronavirus pandemic beginning in early 2020 and lasting throughout the year was unprecedented. The Group's employees are fundamental to the success of the business, and our priority during 2020 was on ensuring the health, safety and well-being of employees as we responded to COVID-19 and the transition to an extended period of remote working for the vast majority of employees. We provide a range of resources to support the physical and mental well-being of employees, including private healthcare; self-referral for physiotherapy, chiropractic treatment, cancer specialists and psychotherapy; access to telephone GP appointments; a confidential counselling service and an online well-being hub, providing access to a range of webinars and other resources. Talent development is a priority at all levels, and we responded to the challenges of 2020 by transitioning to virtual delivery of regular training workshops and seminars for employees, enhancing our offering with a range of webinars and other virtual employee events to support education, collaboration and personal development across the business. Flexible working became paramount, with particular support provided to parents and care givers who needed to look after children or dependents whilst working from home during lockdown periods.

The Group has a fiduciary duty to all its clients and end-customers as managers of their financial assets. Its aim is to provide clients and end-customers with value for money in terms of excellent risk-adjusted investment performance (after fees) and a level of service that meets or exceeds expectations. The Group's commitment to clients is reflected in its Values and in the Code of Conduct which all employees formally sign, acknowledging how they must act at all times. An example of this is represented by the Company's response to Brexit and the transfer of EU clients assets to the fund range domiciled in Luxembourg which is elaborated upon in further detail in Review of the business and future developments section of these Financial Statements. In April 2020 we published our first Value Assessment Report, providing an in-depth assessment of the value provided by each of the funds and share classes in our full UK fund range.

The Group strives to be a responsible member of the community in which it operates and to influence positive change. It maintains an Environmental Management System to provide measurable and auditable data for all its major environmental impacts and has achieved continuous ISO14001:2004 accreditation since 2007. In 2020 the Group made corporate donations to charity, including exceptional donations to City Harvest and The Trussell Trust to supporting the UK's frontline COVID-19 response. We support our communities primarily through Columbia Threadneedle Foundation which invests in selected charities via multi-year, engaged partnerships. This approach not only delivers measurable improvement to individual lives but will bring long-term benefit to the broader community by helping to address critical social issues and drive lasting social change.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Strategic Report (continued)

It is the Board's commitment to maintain the Company's reputation by continuing to operate in responsibly manner, within high standards of business conduct, good governance and operating within the regulatory framework of a business such as ours. The governance structure that sits below the Group's Board is headed by a Business Management Committee and a Risk and Controls Committee, which are chaired by the Chief Executive Officer and Chief Risk Officer, respectively. Below this, responsibility for running the business is overseen by a number of functional and other leadership teams. These teams are responsible for the day-to-day running of the business lines of the Group as well as strategy implementation. The Board believes that these governance arrangements enable the Group to deliver its business plans in a rigorously controlled manner.

The Directors are committed to fulfil the requirements of s172 of the Companies act including behaving in a responsible manner to promote the success of the Company for the benefit of its Shareholders, whilst have having regard to various other stakeholder interests.

Principal risks and uncertainties

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

The financial statements on pages 15 to 19 were approved by the Board of Directors on 3 August 2021 and signed on its behalf by:

Nicholas J Ring

Nicholas J Ring (Aug 3, 2021 14:55 GMT+1)

N Ring
Director

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Directors' Report

The directors present their report and the audited financial statements ("the financial statements") of Threadneedle Asset Management Holdings Limited ("the Company") for the year ended 31 December 2020.

The Company's registration number is 3554212.

Directors of the company

The directors, who held office during the year, and up to the date of approving these financial statements were as follows:

N Ring

P Stone

The following director was appointed after the year end:

J Perrin (appointed 24 February 2021)

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.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Directors' Report (continued)

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 5 and on pages 6 to 10 in the Directors' Report.

The Company has net assets of £275,944,000 (2019: £264,353,000) and participates in the Group's centralised treasury arrangements and so shares banking relationships with its parent and fellow subsidiaries.

The financial effect on the Company of the COVID 19 market fall in 2020 and continued volatility through the period is included in the numbers presented in the primary statements. Throughout the market fall the Company has generated positive cashflows and management has conducted reasonable stress tests which support the assertion that the Company will continue to generate positive cashflows.

However, the severity and timing of the impact of various lockdowns on economic growth and financial markets is difficult to predict which introduces uncertainty into the forecasts. Based on the result of a market downturn which includes a COVID-19 type scenario and a severe liquidity stress. Directors have a reasonable expectation that the Company would remain adequately capitalised and with sufficient liquidity to meet its liabilities as they fall due and would therefore be able to continue to operate as a going concern.

Employment of Disabled persons

During the interview process we allow applicants to request any reasonable adjustments to be made which the Company makes on the day of the interview. The Company's Sickness Absence and Group Income Protection policies outline the financial and medical support available to employees in the event of long-term ill health or incapacity, this includes but is not limited to the Occupational Health service to further support a sustained return to work, an Employee Assistance Programme which is available to all employees, as well as private healthcare and private GP benefits and an Individual Treatment Policy ensures we have a fully inclusive environment where all employees are treated with respect and are given the opportunity to be successful, regardless of how they identify or their personal and health circumstances.

We aim to provide employees with everything they need to develop personally and professionally in their career at the Company. We provide a range of development opportunities which can be adapted to individuals specific needs or requirements upon request. Each Compliance e-learning training, as an example, has an Accessible version, enabling those who are visually impaired to listen to audio transcript of the course. The Company ensures that a robust and fair promotions process is followed. A promotion form is completed by the leader of the employee to provide business justification for the request and an assessment of the employee is completed against our behavioural competencies framework. Promotions are reviewed by a panel to ensure criteria has been met and consistency applied across the organisation.

Employee Involvement

The Company has consistently posted on the employee intranet, utilised email communications, Leader videos and prepared leader guides to provide employees with information related to new or ongoing arrangements and developments, as well as business performance. The Company has also used surveys to consult employees, and seek feedback on arrangements and employee engagement. We are currently looking at alternative survey platforms to increase this functionality. All leader meetings are held quarterly to ensure the most senior employees and people leaders are briefed on Company matters and are updated in terms of performance and progress against strategic imperatives. Likewise, updates are provided via all employee "Townhall" meetings, which are held twice yearly. The Company conducts an annual employee engagement survey and holds focus groups to determine actions required to address areas of improvement and to act upon employee feedback. There is an Employee Representative Group which is used to consult on employee matters, for instance policy changes.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Directors' Report (continued)

Employee share scheme

Ameriprise operates share based employee incentive schemes. From 2012 Ameriprise stock options and Restricted Stock Units, ("RSU") were issued. These schemes have both cash settled and equity settled transactions. Stock options are awarded in Ameriprise Financial, Inc. The purpose of these plans is to give key senior employees an interest in the success of the business with a view to encouraging even greater levels of commitment and team-working towards achieving the Group's goal, which is to grow a highly successful investment management business. See note 4 of the financial statements for further details of how the schemes operate.

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.

Reappointment of auditors

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

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.

Market price risk on the value of financial asset investments held, this risk arises through the activities of the Company's subsidiaries as detailed in Note 18. The unlisted fixed asset investments are held at fair value through profit and loss and the valuation methods adopted take account of the risks associated with these types of investments. The current asset investments include certificates of deposit, bonds, equity investments for fund track record development purposes, derivatives, money markets and seed capital holdings. The Company's financial investments are carefully selected and monitored to ensure ongoing diversification and high quality.

The principal credit risk lies in uncollectible receivables from institutional and retail transactions. The Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures.

The Company is exposed to foreign exchange risk arising from transactions that are denominated in currencies other than Sterling. The risk may be hedged by entering into forward foreign exchange contracts for any significant 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 Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Directors' Report (continued)

Whilst the impact of COVID-19 brings heightened risk, the Company believes the robust risk management framework in place is adequate under current circumstance and will be reassessed as and when appropriate to do so.

Streamlined Energy Carbon Report

The Company is reporting against the Streamlined Energy and Carbon Reporting (SECR) framework for the first time. The reporting period is for the year ended 31 December 2020 as a 'large' unquoted company and all the minimum requirements have been addressed and are presented here.

The methodology used is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance, March 2019. An operational control approach has been taken. An operational control approach denotes that the boundary includes owned assets where the Group is directly responsible for the choice of energy supplies. The Group's UK energy and emissions have been apportioned between qualifying subsidiaries based on employee numbers (FTE). Emissions are calculated using the UK Government greenhouse gas conversion factors for company reporting 2020.

Scope 2 emissions from purchased electricity are reported using a location-based approach which reflects the average emissions intensity of grids on which the energy consumptions occurs; emissions have also been calculated using a market-based approach which reflects emissions from electricity that companies have purposefully chosen.

Threadneedle Asset Management Holdings Limited total energy consumption for 2020 is 1,123,029 kWh. This includes the company's share of electricity and natural gas usage for buildings and grey fleet.

For 2020, the total carbon emissions associated with our reported energy use are 242.4 tonnesCO₂e, with the following breakdown by scope:

Carbon Emissions	2020
Scope 1 emissions (tonnes CO ₂ e)	74.38
Scope 2 (location-based) emissions (tonnesCO ₂ e)	159.16
Scope 3 emissions – business travel where responsible for fuel (tonnes CO ₂ e)	8.88
Scope 1, 2 (location-based) and 3 emissions (tonnesCO₂e)	242.4

Scope 1 - All direct emissions from the activities of an organisation or under their control, including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 - Indirect emissions from electricity purchased and used by an organisation. Emissions are created during the production of the energy used by the organisation.

Scope 3 - All other indirect emissions for activities of the organisation occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint covering emission associated with business travel, procurement, waste and water.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Directors' Report (continued)

For 2020, emissions intensity, measured as the total scope 1,2 and 3 emissions relative to the employee numbers (FTE) is 0.58 tonnesCO₂e per FTE.

Threadneedle Asset Management Holdings Limited purchased electricity from 100% renewable sources. The total greenhouse emissions calculated using a market-based approach for scope 2 for 2020 are 83.26 tonnesCO₂e.

In 2020, Threadneedle Asset Management Holdings Limited contributed to energy efficiency actions implemented at Cannon Place including, the installation of LED lighting in all common lift lobby areas, upgrades to building management system controls and a reduction in plant operating hours to align with building occupancy. The landlord commenced a project to replace all electricity meters and enable direct tenant access to consumption data at Cannon Place, which will complete in 2021. Columbia Threadneedle have reduced the run time of internal air conditioning units, whilst maintaining ventilation levels, to reflect lower building occupancy levels.

Dividends

The directors have not paid an interim dividend for the year ended 31 December 2020 (2019: £99,505,000).

The directors do not recommend the payment of a final ordinary dividend (2019: £nil).

The financial statements on pages 15 to 19 were approved by the Board of Directors on 3 August 2021 and signed on its behalf by:

Nicholas J Ring
Nicholas J Ring (Aug 3, 2021 14:55 GMT+1)
.....
N Ring
Director

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Independent Auditors' Report to the members of Threadneedle Asset Management Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Threadneedle Asset Management Holdings Limited's 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 (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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income and 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

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

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

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

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

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Independent Auditors' Report to the members of Threadneedle Asset Management Holdings Limited (continued)

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

Strategic Report and 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 2020 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, 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 Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Independent Auditors' Report to the members of Threadneedle Asset Management Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with the Directors and with management (Finance, Internal Audit, Legal, Risk and Compliance), including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to the impairment of investments in subsidiaries.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Independent Auditors' Report to the members of Threadneedle Asset Management Holdings Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



.....
Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

3 August 2021

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Statement of Comprehensive Income for the year ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Administrative expenses	6	<u>(1,180)</u>	<u>2,109</u>
Operating (loss)/profit		<u>(1,180)</u>	<u>2,109</u>
Income from shares in group undertakings		15,000	88,137
Finance income	7	1,907	1,997
Finance costs	8	(3,790)	(4,680)
Other gains	9	<u>811</u>	<u>633</u>
Net finance income		<u>13,928</u>	<u>86,087</u>
Profit before taxation	10	12,748	88,196
Income tax credit	11	<u>1,453</u>	<u>3,487</u>
Profit for the financial year		<u>14,201</u>	<u>91,683</u>
Other comprehensive expense:			
Items that will not be reclassified subsequently to profit and loss			
Actuarial loss on defined benefit pension schemes before tax	24	(3,943)	(10,605)
Income tax effect	11	<u>749</u>	<u>1,802</u>
		<u>(3,194)</u>	<u>(8,803)</u>
Total comprehensive income for the financial year		<u><u>11,007</u></u>	<u><u>82,880</u></u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Goodwill	13	545	545
Intangible assets	14	11,300	11,918
Property, plant and equipment	15	29,144	33,374
Investments in subsidiaries	16	347,294	345,694
Investments in associates	16	1,000	1,000
Defined benefit pension asset	24	885	3,172
Deferred tax asset	11	2,108	2,395
		<u>392,276</u>	<u>398,098</u>
Current assets			
Trade and other receivables	17	172,500	61,887
Other financial assets	18	65,486	78,749
Cash and cash equivalents		18,854	16,406
Income tax asset		40,240	110,768
		<u>297,080</u>	<u>267,810</u>
Creditors: Amounts falling due within one year	19	<u>(283,441)</u>	<u>(270,306)</u>
Net current assets/(liabilities)		<u>13,639</u>	<u>(2,496)</u>
Total assets less current liabilities		405,915	395,602
Creditors: Amounts falling due after more than one year	20	<u>(129,971)</u>	<u>(131,249)</u>
Net assets		<u>275,944</u>	<u>264,353</u>
Capital and reserves			
Called up share capital	25	261,731	261,731
Merger reserve		1,198	1,198
Unconditional contribution from parent company		4,313	4,313
Other reserves		131	462
Retained earnings/(accumulated losses)		8,571	(3,351)
Total shareholders' funds		<u>275,944</u>	<u>264,353</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Statement of Financial Position (continued) as at 31 December 2020

The financial statements on pages 15 to 19 were approved by the Board of Directors on 3 August 2021 and signed on its behalf by:

Nicholas J Ring
Nicholas J Ring (Aug 3, 2021 14:55 GMT+1)

N Ring
Director

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Statement of Changes in Equity for the year ended 31 December 2020

Note	Called up share capital £ 000	Merger reserve £ 000	Unconditional contribution from parent company £ 000	Other reserves £ 000	(Accumulated losses)/ retained earnings £ 000	Total £ 000
At 1 January 2020	261,731	1,198	4,313	462	(3,351)	264,353
Profit for the year	-	-	-	-	14,201	14,201
Other comprehensive expense	-	-	-	-	(3,194)	(3,194)
Total comprehensive income	-	-	-	-	11,007	11,007
Movement in equity share schemes expenses	-	-	-	(331)	915	584
At 31 December 2020	261,731	1,198	4,313	131	8,571	275,944

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Statement of Changes in Equity for the year ended 31 December 2020 (continued)

	Note	Called up share capital £ 000	Merger reserve £ 000	Unconditional contribution from parent company £ 000	Other reserves £ 000	Retained earnings/ (accumulated losses) £ 000	Total £ 000
At 1 January 2019		261,731	1,198	4,313	-	14,492	281,734
Profit for the year		-	-	-	-	91,683	91,683
Other comprehensive expense		-	-	-	-	(8,803)	(8,803)
Total comprehensive income		-	-	-	-	82,880	82,880
Dividends paid	12	-	-	-	-	(99,505)	(99,505)
Movement in equity share schemes expenses		-	-	-	462	(1,218)	(756)
At 31 December 2019		261,731	1,198	4,313	462	(3,351)	264,353

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

1 General information

Threadneedle Asset Management Holdings Limited ("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 that of a holding company for investments in subsidiary entities and other fixed asset investments.

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 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.

In the preparation of the financial statement the directors have considered the impact of COVID-19 on the Company. Having assessed the principle risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

a Basis of preparation (continued)

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).

The company's forecasts and projections, taking in to account of severe but plausible scenarios, show that it should be able to operate within the level of its forecast liquid resources. Having assessed the principle risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

b Changes in accounting policies and disclosures

The Company has adopted new or amended IFRS's and International Accounting Standards ("IAS"). Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective IFRS and IAS.

The adoption of these new or amended IFRS and IAS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

c Consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 (Exemption for company included in non-EEA group financial statements of larger group) from preparing consolidated financial statements. The above financial statements and attached notes are therefore in respect of the Company only.

d 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.

e Revenue recognition

Dividend income

Dividend income from investments is recognised in the period in which the entitlement to receive the dividend is established, net of tax credits and similar allowances.

Other operating income

Other operating income is recognised as it accrues.

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

f Interest income

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

g Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted using the interest rate implicit in the lease to reach the net present value.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

h 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.

i Interest payable

Interest payable costs are recognised in the income statement in the period in which they are accrued.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

j 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 shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' 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 Other Reserves 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.

k Dividends

Dividends payable by the Company are recognised gross of withholding taxes and are recognised in the financial statements in the year that they are declared and authorised by the directors and shareholders as a deduction from shareholders' equity. The dividends proposed after the year end date will be recognised in the financial statements in subsequent financial years.

l Goodwill

Goodwill arising on acquisitions, being the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the statement of financial position. The carrying value of all goodwill is tested annually for impairment or more frequently if any indicators of impairment arise. Impairment is assessed by reference to the higher of the value in use and fair value less costs to sell by applying discounted cash flows. The Company considers itself to be a single segment investment management business and, therefore, has a single cash generating unit to which goodwill can be allocated.

Where the recoverable amount of goodwill is less than the carrying amount, an impairment loss is recognised. Any impairment is recognised immediately through other gains and losses in the statement of comprehensive income and is not subsequently reversed.

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

m Intangible assets

Computer software is internally generated and is included in the statement of financial position as an intangible asset and is recorded initially at cost and then amortised over its expected useful life of between three and five years on a straight-line basis. The amortisation expense is recognised in the statement of comprehensive income.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Intangible assets are considered for impairment when circumstances indicate that the carrying value may be impaired.

n Property, plant and equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less any estimated residual value and based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Leasehold improvements 7 to 10 years
Computer equipment 3 to 7 years
Fixtures and fittings 3 to 10 years
Right of use assets 1 to 12 years

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

n Property, plant and equipment (continued)

Right of use assets are amortised over the expected length of each individual contract with a minimum term of one year. Assets under development are not depreciated because this asset class will typically appreciate over its life until it is transferred into an asset class listed above, at which point the relevant depreciation policy is applied. Property, plant and equipment is removed upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the statement of comprehensive income in the year the item is sold or retired.

o Impairment of non-financial assets

Software under development is classified as work in progress and is not subject to amortisation and is tested annually for impairment.

Non-financial assets that are subject to amortisation are reviewed for impairment when circumstances indicate that the carrying value may be impaired. Any impairment is recognised in the statement of comprehensive income in the year in which it occurs.

p Investments and other financial assets

Financial assets and liabilities are recognised in the statement of financial position, when the Company becomes party to the contractual provisions of an instrument. Upon initial recognition, financial assets and liabilities are recognised at the fair value of the consideration payable. For financial assets classified at fair value through profit or loss transaction costs associated with the acquisition are immediately recognised in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability has been discharged, cancelled or has expired.

Financial assets

The Company has opted to designate all other financial assets, except investments in subsidiaries, cash and cash equivalents, trade and other receivables and loans, as being held as financial assets at fair value through profit or loss upon initial recognition. Purchases and sales of financial assets are recognised at the trade date, being the date when the purchase or sale becomes contractually due for settlement.

Financial assets at fair value through profit or loss are revalued at each statement of financial position date with the unrealised gains and losses arising on revaluation recognised in the income statement. Any realised gains and losses are also recognised in the income statement based on the excess of proceeds over the fair value brought forward.

The fair value of assets that are actively traded in recognised financial markets is determined by reference to quoted market bid prices at the close of business on the date of the statement of financial position.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

p Investments and other financial assets (continued)

Trade and other receivables

Trade and other receivables, which generally have 30-day payment terms, are initially recognised at fair value, normally equivalent to the invoice amount, and subsequently measured at amortised cost. When the time value of money is significant, the carrying value is discounted to present value.

The Group considers debtors less than three months old not to be impaired, any older balances are individually reviewed and assessed for potential credit loss. In the event of a significant increase in credit risk a provision is made for expected credit losses resulting from any possible default events over the life of the instrument.

Financial assets where 12 month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have a significant amount of credit risk are in Stage 2; and financial assets which have defaulted or credit impaired are Stage 3.

The estimated credit loss is determined by projecting the probability of default, the loss in the event of a default and exposure at default for each future month and for each individual exposure. Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly relative to the date it was initially recognised.

Where credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset's recoverability is reassessed.

Financial liabilities

Financial liabilities including trade payables, are stated at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Cash and cash equivalents

Cash amounts represent cash in hand and on-demand deposits. Cash equivalents are short-term highly liquid investments with an original maturity of 90 days or less from the date of acquisition. In the statement of financial position, bank overdrafts are shown within borrowing in current liabilities.

q Assets held for sale

The Company has investments in a number of funds where it is deemed by IFRS 5 'Non-current assets held for sale and discontinued operations' to be in a position to be able to control those funds. These typically represent seed capital investments in funds managed by the Company.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

r Derivative financial instruments

The Company uses derivative financial instruments such as forward currency and futures contracts to hedge its risks associated with foreign currency fluctuations or market risk. The Company does not apply the hedge accounting provisions of International Financial Reporting Standard 9 ("IFRS 9") and treats all derivative financial instruments as held at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the futures contracts are calculated by reference to the relevant index.

s Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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 payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

t Pensions and post-retirement benefits

The Company operates a group wide defined benefit pension scheme and several group wide defined contribution pension schemes. Full disclosure of the Company's defined benefit scheme, which is closed to new members, is given in note 24.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the income statement on a straight-line basis over the vesting period or immediately if the benefits have vested.

The difference between the expected return on plan assets and the interest costs is recognised in the income statement as other finance income or expense. Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur. The asset recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of the plan assets net of the present value of the plan obligations at the date of the statement of financial position.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

2 Accounting policies (continued)

t Pensions and post-retirement benefits (continued)

The defined contribution schemes are operated for all new employees. The Company's exposure to funding defined contribution schemes is limited to the contributions it has agreed to make. Contributions made by the Company to these schemes are charged to the income statement in the year in which they become payable.

u Share-based payments

Ameriprise operates a number of equity settled, share-based compensation plans. From 2012, stock options and Restricted Stock Units ("RSU") based on Ameriprise Financial, Inc. common stock were issued and are equity settled transactions.

Stock option

On award the stock options have an exercise value equal to the market value at the date of grant. They vest equally over one, two and three years and have a 10 year life from grant date.

On exercise the options are settled to the employee net of income taxes. Stock options granted are expensed on a straight line basis over the option vesting period based on the estimated fair value of the awards on the date of grant using a Black-Scholes option pricing model. This fair value is charged to the statement of comprehensive income reflecting the benefits received from employment during the vesting period. The statement of comprehensive income charge is offset by a credit to the retained profits reserve.

Restricted Stock Unit ("RSU")

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

RSUs vest equally over one, two and three years and on vesting the employee receives an equivalent amount of Ameriprise shares. Any taxes due by the beneficiary are settled under a 'sell to cover' arrangement. RSUs are expensed on a straight line basis over the vesting period based on the estimated fair values of the awards on the date of grant. This fair value is charged to the statement of comprehensive income reflecting the benefits received from employment during the vesting period. The statement of comprehensive income charge is offset by a credit to the retained profits reserve.

v Share capital

Ordinary shares are classified as equity.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

Investments in subsidiaries

In determining whether an investment in a subsidiary is impaired requires an estimation of the fair value less cost to sell of the cash-generating units to which a valuation has been allocated. The fair value calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Income tax

Significant judgement is involved in determining the Company's provision for taxation. 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.

Pension benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the fair value less cost to sell of the cash-generating units to which goodwill has been allocated. The fair value calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Share based payments

The carrying value of the liability arising in respect of the share based incentive awards granted to employees is calculated using the Black-Scholes option pricing model for the Ameriprise options. The Black-Scholes option pricing model input assumptions are based on prior performance or observable market data however there is a degree of management judgement regarding expected volatility, risk free interest rate and expected life. Changes in these assumptions could have a significant impact on the carrying value of the liability recognised in respect of the share based incentive schemes.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Other intangible assets

Other intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Other intangible assets are amortised over their estimated useful lives unless they are deemed to have indefinite useful lives. The carrying value of definite lived other intangible assets is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. For definite lived intangible assets, impairment to fair value is recognised if the carrying amount is not recoverable. Indefinite lived intangible assets are also tested for impairment annually or whenever circumstances indicate impairment may have occurred.

4 Share-based payments

The share based payment schemes are operated and administered by fellow subsidiary undertakings of the Ameriprise group on behalf of the Company. Share-based payments are remuneration payments to senior employees that take the form of an award of options or Restricted Stock Units in Ameriprise.

Awards are made annually and are dependent on corporate and individual performance criteria.

Stock options

The fair value amounts for the stock options granted were determined using the following assumptions:

	2020	2019
Dividend yield	2.50%	3.00%
Expected volatility	26.90%	26.91%
Risk-free interest rate	1.41%	2.44%
Expected life -years	5	5
Weighted average share price	£141.68	£125.63

The dividend yield assumption represents Ameriprise's expected dividend yield based on its historical dividend payments.

The expected volatility is based on Ameriprise's historical and implied volatilities. The risk-free interest rate for periods within the expected option life is based on the U.S. Treasury yield curve at the grant date. The expected life of the option is based on the Company's past experience with similar schemes and other considerations.

During 2020 5,472 (2019: 19,115) Ameriprise stock options were awarded to senior employees of the Company.

Restricted Stock Unit ("RSU")

During 2020, 6,533 (2019: 11,282) Ameriprise RSUs were awarded to senior employees of the Company.

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

4 Share-based payments (continued)

The values used during the year for all share, units or options awarded and sold were (per share or unit):

	2020 Award £	2020 Fair Value £	2019 Award £	2019 Fair Value £
Stock option	22.82-25.40	40.54-41.98	17.74-19.29	34.72-36.31
Restricted stock unit	129.10	142.74	96.74-119.23	127.13

The total cost in respect of the share based payment schemes for the year was £929,000 (2019: £1,555,000). The total liability under these schemes at 31 December 2020 was £nil (2019: £884,000). Included within this amount is a liability for vested share awards of £nil (2019: £142,000).

5 Directors and employees

Employees

The average monthly number of individuals (excluding directors) considered to be directly allocated to the Company on a full time basis during the year was as follows:

	2020 No.	2019 No.
Administration and support	<u>434</u>	<u>456</u>

The costs of these staff were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	35,493	31,041
Social security costs	4,440	3,869
Other pension costs	<u>3,443</u>	<u>3,714</u>
	<u>43,376</u>	<u>38,624</u>

The contracts of service for the staff above are held by a fellow subsidiary of the Group. Staff are paid by the Company and the costs are allocated to other group companies as described in Note 6. The costs disclosed in this note are only for employees who work full time for the Company.

In addition to the costs disclosed above, staff costs of other group companies were allocated to the Company. The allocation is based on internal assessments of the usage of each support function by each company within the Group.

Directors' remuneration

The remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Remuneration	<u>510</u>	<u>391</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

5 Directors and employees (continued)

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

	2020 No.	2019 No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Accruing benefits under defined benefit pension scheme	-	1

	2020 £ 000	2019 £ 000
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In respect of highest paid director:

Aggregate emoluments and amounts receivable under long-term incentive plans	453	244
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The highest paid director received (2019: received) options or units in other companies of the Ameriprise group under long-term incentive schemes in respect of qualifying services and did not (2019: did) exercise any share options in the current a year.

6 Administrative expenses

The Company provides centralised support and operational functions on behalf of the Group. The expenses incurred for these functions are recharged either directly to other Group trading companies where there is a direct link to a fund offered by the Group, or allocated pro rata based upon the prior year income of each Group trading company.

The Company performs a number of financing and fund seeding/establishment related activities, these activities can give rise to administrative expenses, such as foreign exchange movements, that are not recharged or allocated. For the year ending 31 December 2019 these non-recharged and non-allocated expenses were a net gain due to positive foreign exchange movements and have resulted in the positive administrative expense position.

Expenses such as depreciation and amortisation of tangible and intangible assets, staff costs and share based payments are all classed as administrative expenses and have been recharged to other group companies.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

7 Finance income

	2020	2019
	£ 000	£ 000
Interest income on assets held at fair value	61	69
Interest income on bank deposits	855	821
Dividend income	94	73
Intra-group interest receivable	633	626
Pension plan finance income (note 24)	91	408
HMRC Interest Receivable	173	-
	<u>1,907</u>	<u>1,997</u>

8 Finance costs

	2020	2019
	£ 000	£ 000
Interest on bank overdrafts and borrowings	27	19
Interest expense on other financing liabilities	4	3
Interest expense incurred to group undertakings	3,757	4,657
Other finance costs	2	1
	<u>3,790</u>	<u>4,680</u>

9 Other gains

The analysis of the Company's other gains for the year is as follows:

	2020	2019
	£ 000	£ 000
Unrealised gain on current financial assets	<u>811</u>	<u>633</u>

10 Profit before taxation

	2020	2019
	£ 000	£ 000
Profit before income tax is stated after charging/(crediting):		
Amortisation of intangible assets (note 14)	5,585	5,718
Depreciation of owned assets (note 15)	4,450	4,515
Foreign exchange losses/(gains)	929	(1,130)
Auditors' remuneration for audit of the financial statements	55	18
Fees payable to the auditors for non-audit services during the year under review were £nil (2019: £nil).		

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

11 Income tax credit

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

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	(738)	(308)
UK corporation tax adjustment to prior periods	(978)	157
	<u>(1,716)</u>	<u>(151)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	257	530
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	6	(3,866)
	<u>263</u>	<u>(3,336)</u>
Tax credit in the profit and loss account	<u>(1,453)</u>	<u>(3,487)</u>

b) Factors affecting the current tax credit on profit

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are explained below:

	2020 £ 000	2019 £ 000
Profit before tax	<u>12,748</u>	<u>88,196</u>
Corporation tax at standard rate	2,422	16,757
Decrease from effect of revenues exempt from taxation	(2,850)	(16,746)
Increase from effect of expenses not deductible in determining taxable profit	97	183
Decrease from adjustment for prior periods	(972)	(3,709)
Decrease from effect of different tax rate for deferred tax	(150)	-
Other tax effects for reconciliation between accounting profit and tax expense	-	28
	<u>(1,453)</u>	<u>(3,487)</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

11 Income tax credit (continued)

Deferred tax

Deferred tax assets and liabilities

	2020	2019
	£ 000	£ 000
Deferred tax movement		
As at 1 January	1,744	(2,715)
Charged to the income statement	(407)	(530)
Adjustments in respect of previous years	(136)	3,031
Amount debited to statement of comprehensive income	749	1,803
Share scheme amount charged to comprehensive income	(240)	156
Effect of deferred tax rate change	189	-
As at 31 December	1,899	1,745

The deferred tax asset comprised:	2020	2019
	£ 000	£ 000
Accelerated capital allowances	1,656	1,720
Other short-term temporary differences	(130)	(561)
Deferred tax asset on share save scheme	373	586
	1,899	1,745

12 Dividends

	2020	2019
	£'000	£'000
No interim dividend (2019: First interim of £0.3802 per share)	-	99,505
	-	99,505

The directors are not proposing a final dividend as at 31 December 2020 (2019: £Nil) for approval by the board.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

13 Goodwill

	2020 £ 000
Cost or valuation	
At 1 January 2020	<u>1,816</u>
At 31 December 2020	<u>1,816</u>
Accumulated Amortisation	
At 1 January 2020	<u>1,271</u>
At 31 December 2020	<u>1,271</u>
Carrying amount	
At 31 December 2020	<u><u>545</u></u>

Goodwill was assessed for impairment during the year on the basis set out in note 21. The discreet cash flow projections used in the valuation analysis were for a period of 5 years with a terminal growth rate of 3.0% and the discount rate used was 10.1%. More stringent stress tests have also been modelled by the Group's management including a 35% shock to profitability, a 0% growth rate and no terminal value, in all stress tests the fair value calculated by adopting this methodology is significantly in excess of the carrying value of goodwill. Hence, the carrying value of goodwill is not considered to be sensitive to changes in core assumptions. A 10% movement in the valuation would not result in an impairment being required.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

14 Intangible assets

	Computer software £ 000	Software under development £ 000	Total £ 000
Cost or valuation			
At 1 January 2020	32,060	801	32,861
Additions	-	4,967	4,967
Transfers	2,598	(2,598)	-
At 31 December 2020	34,658	3,170	37,828
Accumulated amortisation			
At 1 January 2020	20,943	-	20,943
Amortisation charge	5,585	-	5,585
At 31 December 2020	26,528	-	26,528
Net book value			
At 31 December 2020	8,130	3,170	11,300
At 31 December 2019	11,117	801	11,918

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

15 Property, plant and equipment

	Leasehold improvements £ 000	Fixtures & fittings £ 000	Computer equipment £ 000	Assets under development £ 000	Right of Use Assets £ 000	Total £ 000
Cost or valuation						
At 1 January 2020	9,034	416	4,829	59	30,282	44,620
Additions	-	-	-	248	-	248
Disposals	-	-	-	-	(28)	(28)
Transfers	-	-	174	(174)	-	-
At 31 December 2020	9,034	416	5,003	133	30,254	44,840
Accumulated Depreciation						
At 1 January 2020	4,520	227	3,642	-	2,857	11,246
Charge for the year	840	52	723	-	2,835	4,450
At 31 December 2020	5,360	279	4,365	-	5,692	15,696
Net book value						
At 31 December 2020	3,674	137	638	133	24,562	29,144
At 31 December 2019	4,514	189	1,187	59	27,425	33,374

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

16 Fixed asset investments

	2020	2019
	£ 000	£ 000
Investments in subsidiaries	347,294	345,694
Investments in associates	1,000	1,000
	<u>348,294</u>	<u>346,694</u>

The movement in the investments in subsidiaries balance during the year is arising from a recapitalisation of the capital held in Threadneedle Investments (Channel Islands) Limited.

	2020	2019
	£ 000	£ 000
Investments in associates		
Capital contribution to employee benefit trust	<u>1,000</u>	<u>1,000</u>

The Company has contributed capital to the Threadneedle Employee Benefit Trust to ensure its continued operation.

17 Trade and other receivables

	2020	2019
	£ 000	£ 000
Trade debtors	255	208
Amounts owed by group undertakings	165,509	54,781
Prepayments	6,274	6,044
Other debtors	<u>462</u>	<u>854</u>
Total	<u>172,500</u>	<u>61,887</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%.

18 Other financial assets

	2020	2019
	£ 000	£ 000
Current financial assets		
Financial assets at fair value through profit and loss held for trade	65,183	78,468
Derivatives used for hedging	<u>303</u>	<u>281</u>
	<u>65,486</u>	<u>78,749</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

18 Other financial assets (continued)

The listed investments' fair value is calculated using the latest available fund prices as at 31 December.

The Company has holdings in two (2019: two) funds where the Company's interest exceeds 40% which are included in the list of investments in note 29 and £nil (2019: £nil) further funds where the Company's interest exceeds 20%. However, these investments have not been consolidated as subsidiaries or accounted for as associates on the basis that they are held exclusively for resale. The investments represent seed capital in newly launched funds.

Market price risk

The current asset investments include unitised funds with holdings in equity and fixed income securities. The Company is exposed to market price risk through movements in the value of these holdings that are inherent in the performance of the underlying financial markets.

Foreign currency risk

The fair values of the current asset investments are denominated in a number of currencies. Foreign exchange risk may be hedged by entering into forward foreign exchange contracts for any significant investment denominated in foreign currency.

19 Creditors: Amounts falling due within one year

	2020	2019
	£ 000	£ 000
Trade payables	3	197
Accrued expenses	15,723	15,962
Derivative liability	150	89
Social security and other taxes	2,874	2,322
Amount owed to group undertakings	261,117	247,361
Lease liabilities	3,061	4,310
Other creditors	513	65
	<u>283,441</u>	<u>270,306</u>

The amounts owed to group undertakings are unsecured, repayable on demand and subject to interest rates ranging from interest free to LIBOR + 0.90%.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

20 Creditors: Amounts falling due after more than one year

	Note	2020 £ 000	2019 £ 000
Accrued expenses		508	601
Amounts owed to group undertakings	21	100,000	100,000
Lease liabilities	23	29,463	30,648
		<u>129,971</u>	<u>131,249</u>

21 Loans and borrowings

	2020 £ 000	2019 £ 000
Non-current loans and borrowings		
Amounts owed to group undertakings	<u>100,000</u>	<u>100,000</u>

The Company has a loan from TMS Investment Limited, a fellow subsidiary of the Group, governed by a loan agreement dated 1 January 2011. The loan carries an interest rate of LIBOR plus 75 basis points accruing on a daily basis. The loan, which is unsecured, is repayable after TMS Investment Limited has given the Company not less than one year's prior notice. The interest rate receivable varied between 1.346% and 0.811% (2019: 1.508% and 1.583%) during the year.

22 Derivative financial instruments

	2020 £ 000	2019 £ 000
Due within one year		
Derivative asset	<u>303</u>	<u>281</u>
Derivative liability	<u>150</u>	<u>89</u>

The Company uses derivative financial instruments such as forward currency and futures contracts to hedge its risks associated with foreign currency fluctuations or market risk. Whilst these are not designated for hedge accounting, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the futures contracts are calculated by reference to the relevant index.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

23 Leases

Leases

a) Amounts recognised in the Statement of Financial Position

	2020 £'000	2019 £'000
Right-of-use assets		
Buildings	24,399	27,192
Equipment	<u>163</u>	<u>233</u>
	<u>24,562</u>	<u>27,425</u>
Lease liabilities		
Current	3,061	4,310
Non-Current	<u>29,463</u>	<u>30,648</u>
	<u>32,524</u>	<u>34,958</u>

Additions to the right-of-use assets during the 2020 financial year were £nil

b) Amounts recognised in the statement of profit and loss

	2020 £ 000	2019 £ 000
Buildings	2,793	2,793
Equipment	<u>42</u>	<u>65</u>
	<u>2,835</u>	<u>2,858</u>
 Interest expense	 <u>4</u>	 <u>3</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes

Defined benefit pension schemes

The Threadneedle Pension Plan

The Threadneedle Pension Plan ('the Plan') is a defined benefit scheme, which is closed to new members. Under the projected unit credit method, current service costs are expected to increase as members approach retirement. The Company contributed an amount equivalent to 82.3% (2019: 42.2%) of pensionable earnings into the Plan during the year.

The Additional Voluntary Contribution ("AVC") funds of some members of the Plan are converted on retirement into additional defined benefit pension provided by the Plan. These AVC funds together with the liabilities related thereto are included in the assets and liabilities of the Plan.

The principal assumptions used by the independent qualified actuaries in updating the results of the initial funding report of the Plan for IAS 19 purposes were:

Main financial assumptions	2020	2019	2018	2017	2016
	%pa	%pa	%pa	%pa	%pa
Inflation	2.9	3.1	3.4	3.4	3.5
Rate of general long-term in salaries	3.9	4.1	4.9	4.9	4.9
Rate of increase to pensions in payment					
-pre April 2005 service	2.8	3.1	3.3	3.3	3.4
- post April 2005 service	2.1	2.2	2.3	2.3	2.3
Discount rate for scheme liabilities	1.4	2.1	3.0	2.6	2.7

The inflation assumptions are a combination of CPI and RPI. Deferred benefits are now increased in line with CPI whereas pensions in payment continue to be increased in line with RPI.

The mortality assumptions are based on the demographic profile of members within the Plan and allow for expected future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 23.4 years if they are male and a further 25.3 years if they are female. Members currently aged 45 are expected to live on average for a further 24.7 years from age 65 if male and for a further 26.6 years from age 65 if they are female. The Plan duration is approximately 20 years.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes (continued)

Value of plan assets	2020 £000s	2019 £'000's	2018 £'000's	2017 £'000's	2016 £'000's
Bonds	33,810	21,472	19,109	19,482	18,944
Cash & other assets	1,124	691	1,886	782	499
Dynamic Real Return Fund	111,337	110,977	98,569	103,537	96,340
Defined contribution ("AVC") funds	14,232	14,666	13,569	14,621	13,502
Total market value of assets	<u>160,503</u>	<u>147,806</u>	<u>133,133</u>	<u>138,422</u>	<u>129,285</u>

All of the assets have a quoted market price.

Reconciliation to net pension asset/(liabilities)	2020 £ 000	2019 £ 000	2018 £ 000	2017 £ 000	2016 £ 000
Total market value of assets	160,503	147,806	133,133	138,422	129,285
Present value of scheme liabilities	<u>(159,409)</u>	<u>(143,984)</u>	<u>(119,856)</u>	<u>(134,158)</u>	<u>(131,863)</u>
Surplus/(deficit) in scheme before deferred tax	1,094	3,822	13,277	4,264	(2,578)
Related in scheme before deferred tax	<u>(209)</u>	<u>(650)</u>	<u>(2,390)</u>	<u>(768)</u>	<u>490</u>
Net	<u>885</u>	<u>3,172</u>	<u>10,887</u>	<u>3,496</u>	<u>(2,088)</u>

The Plan's rules do not include any restrictions to the use of any surplus in the Plan on the eventual winding up of the Plan.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes (continued)

Amounts recognised in the income statement

	2020 £ 000	2019 £ 000
Amounts recognised in operating profit		
Current service cost	1,140	2,800
Amounts recognised in finance income or costs		
Expected return on plan assets	2,876	3,736
Interest cost on plan liabilities	<u>(2,785)</u>	<u>(3,328)</u>
Total other finance income	<u>91</u>	<u>408</u>

Amounts taken to the Statement of Comprehensive Income

	2020 £ 000	2019 £ 000
Actuarial loss recognised in statement of comprehensive income in the year	<u>(3,943)</u>	<u>(10,605)</u>

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020 £ 000	2019 £ 000
Fair value of scheme assets	160,503	147,806
Present value of scheme liabilities	<u>(159,409)</u>	<u>(143,984)</u>
Defined benefit pension scheme surplus	<u>1,094</u>	<u>3,822</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes (continued)

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2020 £ 000	2019 £ 000
Present value at start of year	143,984	119,856
Current service cost	1,140	2,800
Actuarial gains and losses arising from changes in demographic assumptions	14,725	20,690
Interest cost	2,785	3,328
Benefits paid	(3,273)	(2,812)
Contributions by scheme participants	48	122
Present value at end of year	<u>159,409</u>	<u>143,984</u>

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Fair value at start of year	147,806	133,133
Return on plan assets, excluding amounts included in interest income	2,876	3,736
Actuarial gains and losses arising from changes in demographic assumptions	10,782	10,085
Employer contributions	2,264	3,542
Contributions by scheme participants	48	122
Benefits paid	(3,273)	(2,812)
Fair value at end of year	<u>160,503</u>	<u>147,806</u>

Actual return on scheme's assets

	2020 £ 000	2019 £ 000
Actual return on scheme assets	<u>13,658</u>	<u>13,821</u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes (continued)

Sensitivity analysis

The key assumptions used for IAS 19 are: discount rate, inflation and mortality. If different assumptions were used, this could have a material effect on the results disclosed. The sensitivity of the results of these assumptions is as follows:

	2020			2019		
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Present value of total obligation	<u>(118,011)</u>	<u>(131,863)</u>	<u>(147,684)</u>	<u>(130,800)</u>	<u>147,806</u>	<u>(159,479)</u>
	2020			2019		
Adjustment to rate of inflation	+ 0.1%	0.0%	- 0.1%	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Present value of total obligation	<u>(141,774)</u>	<u>(131,863)</u>	<u>(122,040)</u>	<u>(153,886)</u>	<u>147,806</u>	<u>(134,555)</u>
	2020			2019		
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year	+ 1 Year	None	- 1 Year
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Present value of total obligation	<u>(136,263)</u>	<u>(131,863)</u>	<u>(127,592)</u>	<u>(148,874)</u>	<u>147,806</u>	<u>(139,116)</u>

Funding requirement

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Plan was carried out by a qualified actuary as at 31 December 2017 and showed a surplus. The 31 December 2020 funding valuation is expected to be completed later in 2021. A contribution of £2.3m has been made by the Company during the year ending 31 December 2020 based on a revised schedule of contributions as agreed in Q2 2020. The quantum of expected payment is determined by whether the Plan is in surplus or deficit. Should the scheme remain in actuarial deficit for the whole year the 2021 contribution would be £2.5m, conversely should the scheme return to actuarial surplus the 2021 contribution would be between £0.1m and £2.5m.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

24 Pension and other schemes (continued)

Risks

The Plan exposes the Company to a number of risks, the most significant of which are:

Asset volatility:

The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of growth assets (equities, diversified growth fund and global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the Plan's long-term objectives.

Changes in bond yields:

A decrease in corporate bond yields will increase the value placed on the Plan's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the Plan's bond holdings.

Inflation risk

A significant proportion of the Plan's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy risk

The majority of the Plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

Adverse changes in any of the above factors could lead to a material deficit which would increase the contributions required to be made to the Plan in future years.

The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. In the long-term the Trustee is seeking to target self-sufficiency or buy-out funding for the Plan by 2032. In the shorter term it will use a target of 140% of technical provisions as an indicative assessment of the self-sufficiency value of liabilities. This target could vary over time.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

25 Called up share capital

Allotted, called up and fully paid shares

	2020		2019		1 January 2019	
	No. 000	£ 000	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	261,731	261,731	261,731	261,731	261,731	261,731
'A' Ordinary shares of £0.00 each	38,943	-	38,943	-	38,943	-
'B' Ordinary shares of £0.00 each	7,155	-	7,155	-	7,155	-
'C' Ordinary shares of £0.00 each	1,664	-	1,664	-	1,664	-
'T' shares of £1 each	-	-	-	-	-	-
	<u>309,493</u>	<u>261,731</u>	<u>309,493</u>	<u>261,731</u>	<u>309,493</u>	<u>261,731</u>

As at the date of the Statement of Financial Position 1 share of class "T" shares at a value of £1 which is allotted, called up and fully paid.

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

26 Liquidity Risk

	Less than 3 months or repayable on demand	3 to 12 months	Total
	£'000	£'000	£'000
2020			
Trade and other payables	17,154	2,296	19,450
Amounts owed to group undertakings	261,117	-	261,117
Taxation	2,874	-	2,874
Total	281,145	2,296	283,441
	Less than 3 months or repayable on demand	3 to 12 months	Total
	£'000	£'000	£'000
2019			
Trade and other payables	17,388	3,232	20,620
Amounts owed to group undertakings	247,361	-	247,361
Taxation	2,325	-	2,325
Total	267,074	3,232	270,306

27 Parent and ultimate parent undertaking

The Company's immediate parent is TAM UK 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 website at www.ameriprise.com.

The ultimate controlling party is Ameriprise Financial, Inc.

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

27 Parent and ultimate parent undertaking (continued)

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 website at 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:

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

The consolidated financial statements of Threadneedle Asset Management Holdings Sàrl can be obtained from 9, rue de Bitbourg, L-1273, Luxembourg.

28 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 01 January 2020.

- *Definition of Material - amendments to IAS 1 and IAS 8*
- *Definition of a Business - amendments to IFRS 3*
- *Interest Rate Benchmark Reform - amendments to IFRS 9, IAS 39 and IFRS 7*
- *Revised Conceptual Framework for Financial Reporting*

The group also elected to adopt the following amendments early:

- *Annual Improvements to IFRS Standards 2018-2020 Cycle.*
- *Where applicable: Covid-19-Related Rent Concessions - amendments to IFRS 16 and Interest Rate Benchmark Reform - amendments to IFRS 9, IAS 39 and IFRS 7*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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 01 January 2020, 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:

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

28 New standards and amendments (continued)

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

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 in 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 statement of profit or loss 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 CSM. 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.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

28 New standards and amendments (continued)

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

Annual Improvements to IFRS Standards 2018-2020. The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 1 First-time Adoption of International Financial Reporting Standards - allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28 The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments	
Subsidiaries	£ 000
Cost or valuation	
At 1 January 2019	345,128
Additions	<u>566</u>
At 31 December 2019	<u>345,694</u>
At 1 January 2020	345,694
Additions	<u>1,600</u>
At 31 December 2020	<u>347,294</u>
Carrying amount	
At 31 December 2020	<u><u>347,294</u></u>

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Details of the subsidiaries as at 31 December 2020 in which the Company holds more than 10% of the nominal value of any class of share capital (all of which are registered in England and Wales unless otherwise stated) are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
ADT Nominees Limited#	Dormant	1	Ordinary shares	0%	100%
Albert Road (Bristol) Management Company Limited	Property management	4	Ordinary shares	33%	33%
Brunel Road Management Company Limited	Property management	15	Ordinary shares	32%	32%
Centennial Park Management Company Limited	Property management	5	Ordinary shares	13%	13%
Columbia Threadneedle Foundation	Registered charity	1	Limited by guarantee	100%	100%
Convivo Asset Management Limited	Dormant	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Hemmells Park Limited	Property management	7	Limited by guarantee	0%	0%
ISIS Ashford Property Management Limited	Property management	8	Ordinary shares	71%	71%
Sackville (CTESIF) GP S.à r.l.^ (Luxembourg)	Property management	16	Ordinary shares	100%	100%
Sackville Property (GP) Limited^	Dormant	1	Ordinary shares	100%	100%
Sackville Property Atlantic (Jersey GP) Limited^	Property management	9	Ordinary shares	100%	100%
Sackville Property Curtis (Jersey GP) Limited^	Property management	9	Ordinary shares	100%	100%
Sackville Property Hayes (Jersey GP) Limited^	Property management	9	Ordinary shares	100%	100%
Sackville Property St James (Jersey GP) Limited^	Property management	9	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sackville Property Tower (Jersey GP) Limited^	Property management	9	Ordinary shares	100%	100%
Sackville Property Victoria (Jersey GP) Limited ^	Property management	9	Ordinary shares	100%	100%
Sackville SPF IV (GP) No. 1 Limited^	Property management	1	Ordinary shares	100%	100%
Sackville SPF IV (GP) No. 2 Limited^	Dormant	1	Ordinary shares	100%	100%
Sackville SPF IV (GP) No. 3 Limited^	Dormant	1	Ordinary shares	100%	100%
Sackville SPF IV Property (GP) Limited^	Dormant	1	Ordinary shares	100%	100%
Sackville Tandem Property (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville TIPP Property (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville TPEN Property (GP) Limited^	Property management	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sackville TPEN Property Nominee (2) Limited/	Nominee company	1	Ordinary shares	100%	100%
Sackville TPEN Property Nominee Limited/	Nominee company	1	Ordinary shares	100%	100%
Sackville TSP Property (GP) Limited^	Property management	1	Property management	100%	100%
Sackville UK Property Select II (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville UK Property Select II (GP) No.1 Ltd^	Property management	1	Ordinary shares	100%	100%
Sackville UK Property Select II (GP) No.2 Ltd^	Property management	1	Ordinary shares	100%	100%
Sackville UK Property Select II (GP) No.3 Ltd^	Property management	1	Ordinary shares	100%	100%
Sackville UK Property Select II Nominee (1) Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UK Property Select II Nominee (2) Limited	Nominee company	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sackville UK Property Select II Nominee (3) Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UK Property Select III (GP) S.a.r.l [^]	Investment management	17	Ordinary shares	100%	0%
Sackville UK Property Select III (GP) No1 Limited [^]	Property management	1	Ordinary shares	100%	0%
Sackville UK Property Select III (GP) No2 Limited [^]	Property management	1	Ordinary shares	100%	0%
Sackville UK Property Select III (GP) No3 Limited [^]	Property management	1	Ordinary shares	100%	0%
Sackville UK Property Select III Nominee No1 Limited	Nominee company	1	Ordinary shares	100%	0%
Sackville UK Property Select III Nominee No2 Limited	Nominee company	1	Ordinary shares	100%	0%
Sackville UK Property Select III Nominee No3 Limited	Nominee company	1	Ordinary shares	100%	0%
Sackville UK Property Select III Nominee No4 Limited	Nominee company	1	Ordinary shares	100%	0%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sackville UK Property Select III Nominee No5 Limited	Nominee company	1	Ordinary shares	100%	0%
Sackville UK Property Select III Nominee No6 Limited	Nominee company	1	Ordinary shares	100%	0%
Sackville UKPEC1 Leeds (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville UKPEC1 Leeds Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC1 Leeds Nominee 2 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC2 Galahad (GP) Limited^	Dormant	1	Ordinary shares	100%	100%
Sackville UKPEC3 Croxley (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville UKPEC3 Croxley Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC3 Croxley Nominee 2 Limited	Nominee company	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sackville UKPEC4 Brentford (GP) Limited^	Property management	1	Ordinary shares	100%	100%
Sackville UKPEC6 Hayes Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC6 Hayes Nominee 2 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC7 Tower Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC7 Tower Nominee 2 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC8 Victoria Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC8 Victoria Nominee 2 Limited/	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC9 St James Nominee 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Sackville UKPEC9 St James Nominee 2 Limited	Nominee company	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Sevenside Distribution Park (Bristol) Management Limited	Property management		Class B Ordinary shares	29%	7%
Solihull Business Park Management Company Limited	Property management	10	Ordinary shares	10%	10%
Speedfields Park (No. 2) Limited	Property management	6	Ordinary shares	30%	30%
TC Financing Limited	Holding company	1	Ordinary shares	100%	100%
The Shannon Commercial Centre (Management Company) Limited	Property management	11	Ordinary shares	20%	20%
The Threadneedle Group Healthcare Trust	Trust fund	1	N/A	0%	0%
Threadneedle (Lux) - Emerging Markets ESG Equities (Luxembourg)	Retail investment fund	12	Seed money	100%	0%
Threadneedle (Lux) - US Disciplined Core (Luxembourg)	Retail investment fund	12	Seed money	73%	98%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Threadneedle Asset Management (Nominees) Limited	Holding company	1	Ordinary shares	100%	100%
Threadneedle Asset Management Finance Limited	Treasury services	1	Ordinary shares	100%	100%
Threadneedle Asset Management Limited	Investment management	1	Ordinary shares	100%	100%
Threadneedle Capital Management Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle Carbon Neutral RE Trust (Jersey)	Property management	14	Unregulated collective investment scheme	16%	16%
Threadneedle International Fund Management Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle International Limited	Investment management	1	Ordinary shares	100%	100%
Threadneedle Investments (Channel Islands) Limited (Jersey)	Investment management	9	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Threadneedle Investment Advisors Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle Investment Services Limited	Unit trust manager 1 and authorised corporate director of OEIC's and ISA manager		Ordinary shares	100%	100%
Threadneedle Investment Services Limited (continued)			Variable rate participating shares	100%	100%
Threadneedle Investment Services Limited (continued)			Fixed rate, redeemable preference shares	100%	100%
Threadneedle Investments Limited	Investment company	1	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Threadneedle Investors Property Partnership II LP (Scotland)	Property partnership	13	Partnership interest	50%	0%
Threadneedle Investors Property Partnership LP (Scotland)	Property partnership	13	Partnership interest	50%	50%
Threadneedle Management Services Limited	Employee and services company	1	Ordinary shares	100%	100%
Threadneedle Navigator ISA Manager Limited	Introducer of clients to a share platform	1	Ordinary shares	100%	100%
Threadneedle Pensions Limited	Pooled insured pension funds	1	Ordinary shares	100%	100%
Threadneedle Pension Trustees Limited	Pooled insured pension funds and pension scheme management	1	Ordinary shares	100%	100%
Threadneedle Portfolio Managers Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle Portfolio Services AG (Switzerland)	Investment management	2	Ordinary shares	100%	100%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2020	2019
Threadneedle Portfolio Services Limited	Investment management	1	Ordinary shares	100%	100%
Threadneedle Property Execution 1 Limited	Nominee company	1	Ordinary shares	100%	100%
Threadneedle Property Execution 2 Limited	Nominee company	1	Ordinary shares	100%	100%
Threadneedle Property Investments Limited	Investment management	1	Ordinary shares	100%	100%
Threadneedle Securities Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle Unit Trust Manager Limited	Dormant	1	Ordinary shares	100%	100%
Threadneedle UK Property Equity Club PCC (Jersey)	Property investment fund feeder vehicle	7	Ordinary shares	50%	50%
TMS Investment Limited (Jersey)	Investment company	15	Ordinary shares	100%	100%

Joint ventures

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

Details of the joint ventures as at 31 December 2020 are as follows:

Name of Joint-ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2020	2019
Sackville LCW (GP) Limited^	Property Management	1	33.3%	33.3%
Sackville LCW Sub LP 1 (GP) Limited^	General Partner	1	33.3%	33.3%
Sackville LCW Sub LP 2 (GP) Limited^	General Partner	1	33.3%	33.3%
Sackville LCW Nominee 1 Limited	Nominee company	1	33.3%	33.3%
Sackville LCW Nominee 2 Limited	Nominee company	1	33.3%	33.3%
Sackville LCW Nominee 3 Limited	Nominee company	1	33.3%	33.3%
Sackville LCW Nominee 4 Limited	Nominee company	1	33.3%	33.3%

The notes on pages 20 to 69 form an integral part of these financial statements.

Threadneedle Asset Management Holdings Limited
Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

29 Investments (continued)

^ General partner companies

Dissolved by voluntary strike off in 2020

/ Dissolved during 2021

The registered offices of companies held as investments are as follows:

1. Cannon Place, 78 Cannon Street, London EC4N 6AG, United Kingdom
2. Claridenstrasse 41, 8002 Zurich, Switzerland
3. 44 rue de la Vallée, L-2661, Luxembourg, Grand Duchy of Luxembourg
4. Unit 1, St Philips Trade Park, Albert Road, Bristol, BS2 0YB, United Kingdom
5. Unit 5, Flemming Court, Whistler Drive, Castleford, West Yorkshire, WF10 5HW, United Kingdom
- 6 One St. Peter's Square, Manchester, M2 3DE, United Kingdom
7. Unit 9, Hemmells, Laindon, Basildon, Essex, SS15 6GF, United Kingdom
8. Westlea House, Old Ham Lane, Lenham, Kent, ME17 2LT, United Kingdom
9. IFC, 1 The Esplanade, St Helier, Jersey, JE1 4BP, United Kingdom
10. 100 Avebury Boulevard Milton Keynes MK9 1FH
11. 69 Victoria Road, Surbiton, Surrey, KT6 4NX, United Kingdom
12. 31 Z.A Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg
13. 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN, United Kingdom
14. 44 Esplanade, St Helier, Jersey, JE4 9WG
15. Cannon Place, 78 Cannon Street, London EC4N 6AF, United Kingdom
16. 6H, Route de Trèves, L-2633 Senningerberg
17. 60, avenue J.F. Kennedy, L-1885 Luxembourg
18. 1 Market Place, Brackley, Northamptonshire, NN13 7AB, United Kingdom

The notes on pages 20 to 69 form an integral part of these financial statements.