

# **SEI Investments (Europe) Ltd**

**Annual Report and Financial Statements  
for the year ended 31 December 2022**

Registered number: 03765319

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## **SEI Investments (Europe) Ltd**

### **Contents**

	<b>Page</b>
Directors and Other Information	<b>2</b>
Strategic Report	<b>3</b>
Directors' Report	<b>11</b>
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements	<b>13</b>
Independent Auditor's Report to the members of SEI Investments (Europe) Ltd	<b>14</b>
Statement of Income and Retained Earnings	<b>19</b>
Balance Sheet	<b>20</b>
Notes to the Financial Statements	<b>21</b>

# **SEI Investments (Europe) Ltd**

## **Directors and Other Information**

### **Directors**

Patrick Disney  
William Doran  
Robert Goldspink  
N. Jeffrey Klauder  
Robert Nesher  
Diane Seymour-Williams  
Alison Vincent  
Brett Williams

### **Independent Auditor**

KPMG LLP, Statutory Auditor  
15 Canada Square  
London  
E14 5GL

### **Secretaries**

Fleur Bartlett Read  
The Alphabeta Building  
1st Floor  
14-18 Finsbury Square  
London  
EC2A 1BR

Vistra Company Secretaries Limited  
1st Floor  
10 Temple Back  
Bristol  
BS16FL

**Registered Number:** 03765319

### **Registered Office**

The Alphabeta Building  
1st Floor  
14-18 Finsbury Square  
London  
EC2A 1BR

## **SEI Investments (Europe) Ltd**

**Strategic report for the year ended 31 December 2022**

**Registered number: 03765319**

### **Principal activities and review of business**

The principal activities of SEI Investments (Europe) Ltd (the "Company") are Asset Management and Distribution Services and Wealth Investment Processing Services. All turnover is recognised in the United Kingdom. The Company's Asset Management services primarily include investment management programmes delivered to defined benefit plans sponsored by corporations and to individual investors through independent financial advisers and private banks. Investment management programmes in non-US markets are predominantly offered through investments in SEI funds established in the Republic of Ireland and authorised under the European Communities Undertakings for Collective Investment in Transferable Securities regulations ("UCITS"). The Company is a named distributor of the SEI UCITS but is not the investment manager or administrator.

The Company's Wealth Investment Processing services include a suite of customer management and investment tools for wealth managers, advisors and banks, which includes custody services. The client firms' end customers are mainly individuals who are seeking financial advice or management services. The investment processing business comprises a single package of financial securities processing services. The Company uses SEI proprietary software technology known as the SEI Wealth Platform ("SWP"), an investment accounting and securities processing system with capabilities that include global securities processing, trade-date and multi-currency accounting and reporting. It is designed around the client and portfolio management process. SWP's delivery of outsourced administrative and processing capabilities, enables client firms to focus more on the end customer and their strategy and the growth plans for their business. For some client firms, the Company's professional services assist them in managing their business transformation.

The results and financial position at the year-end were considered satisfactory to the directors.

### **Business review and future development**

The Company aims to capitalise on two major trends in the global marketplace: increased wealth accumulation among affluent investors and the elimination of barriers to global investing. The Company offers a range of services, including investment processing and fund processing services to investment managers, encompassing a wide variety of investment products such as mutual funds, hedge funds, private equity funds and pension schemes.

The Company's office is located in London. Both the level of business and the year-end financial position were satisfactory to the directors. Turnover increased in 2022 when compared to 2021 primarily due to a one-time item in respect of a terminated agreement.

The Company must at all times monitor and demonstrate compliance with the regulatory capital requirements. The Company has put in place processes and controls to monitor compliance with the Financial Conduct Authority's ("FCA") regulatory requirements. The Company was in compliance with the regulatory capital requirements during the year.

During the year, the Company did not issue shares (2021: none) and the Company remains wholly controlled by its parent company, SEI Global Investments Corporation.

### **Principal risks and uncertainties**

The directors believe that the risks and uncertainties described below are those that pose the greatest threat to the sustainability of the Company's business. However, there may be other risks and uncertainties that exist that are unknown. The risks and uncertainties facing the Company's business, including those

## SEI Investments (Europe) Ltd

### Strategic report for the year ended 31 December 2022 (continued)

described below, could materially adversely affect the Company's business, results of operations, financial condition and liquidity. Please refer also to the section headed 'Impact of COVID-19 and Other Events' on pages 9 and 10.

The Company's operations expose it to a variety of financial risks that include, but are not limited to the following:

**Credit risk** - The Company has exposure to the risk of loss arising from the default of counterparties failing to meet their financial obligations. The Company is exposed to credit concentration risk arising from depositing its cash with two banking counterparties. The Company also has exposure to credit risk resulting from the non-payment of invoiced client firms' fees and from a default of a receivable not settled by a trading counterparty and overdrawn customer account balances created as a result of regular trading activities or unexpected corrections.

**Market risk** - The Company's market risk principally arises from its exposure to currency fluctuations. The Company conducts business with client firms in other jurisdictions and has cash account balances, receivables and payables in other currencies. The Company has no direct market risk and does not conduct any proprietary trading activities. The Company has indirect residual market risk which derives from short-term order execution obligations arising in the event of any trade processing disruption. The Company also retains indirect market risk through its basis-point pricing model which could result in material revenue reduction.

**Liquidity risk** - The Company's liquidity risk is assessed and measured according to two distinct types: (i) operating liquidity to fund ongoing operations and (ii) intra-day/overnight settlement liquidity related to its obligation as a custodian. The Company provides custody services and has an obligation to ensure the appropriate funding is available for transactions it has agreed to settle on behalf of its clients.

If the Company cannot maintain a sufficient level of profitability in future periods, the Company has a potential risk that adequate liquid funds will not be available to settle liabilities as they fall due.

**Non-Financial (Operational) risk** - Operational risk refers to the risks stemming from errors and omissions by personnel, inadequate processes and controls, technology failures or changes, and/or external events. This definition includes legal, regulatory and compliance risks (risk related to the enforceability of contracts, interpretations of laws, compliance with the law, other impacts of regulation, and litigation). Within this category of risk, SIEL has identified the key sub-categories of risk that are material to our business:

- **Processing and Execution** (The risk of unexpected financial or reputational loss as the result of poor execution of regular business tasks) and **Business Disruption (excluding Cyber Security)** (The risk of events causing disruption of business, system failures or damage to physical assets): The Company is reliant on the ability of its employees and systems to process large volumes of transactions often within short time frames. In the event of a breakdown or improper operation of systems, human error or improper action by employees, the Company could suffer financial loss, regulatory sanctions or damage to its reputation.
- **Third-Party Risk** (The risk that engaging a third party to provide services may adversely impact an institution's performance and risk management.): The Company utilises third-party service providers in its operations. A failure by a third-party service provider could expose the Company to an inability to provide contractual services to its clients on a timely basis. Additionally, if a third-party service provider is unable to provide these services, the Company may incur significant costs to either internalise some of these services or find a suitable alternative. The Company is reliant on SEI

## SEI Investments (Europe) Ltd

### Strategic report for the year ended 31 December 2022 (continued)

Group technology and ancillary services and it could be subject to the subversion of local entity objectives to Group objectives.

- Information & Cyber Security (including data privacy and theft) (The risks to SIEL and its stakeholders that could occur due to the threats and vulnerabilities associated with the operation and use of information systems and the environments in which those systems operate.); A failure to safeguard the integrity and confidentiality of client and proprietary data from infiltration by an unauthorised user, that is either stored on or transmitted between proprietary systems or to other third party service provider systems, may lead to modifications or theft of critical and sensitive data pertaining to the Company's clients. The costs incurred to correct client data and prevent further unauthorised access could be extensive.
- Business Practices and Conduct (The risk of events causing disruption of business, system failures or damage to physical assets); Fraud (including fraud perpetrated by cyber crime) (The risk of events intended to defraud, misappropriate property, or circumvent regulations, company policy or the law) and Employment Practices and Workplace Safety (The risk of acts inconsistent with employment, health and safety laws or agreements): The Company is subject to extensive regulations that impact its business and compliance with existing and future regulations could have a significant impact on the Company's operations or its ability to provide products or services. Risks include the risk of legal or regulatory sanctions, fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws and regulations applicable to its business activities. Although the Company has implemented and embedded a comprehensive set of guiding principles, policies and procedures, including those designed to ensure fairness, prevent client detriment, manage conflicts of interest, protect personal data, safeguard client assets and prevent money laundering throughout the firm, failure to fully comply with such policies poses significant ongoing risk. In particular, ensuring compliance under ever evolving financial crime and privacy legislation, is an ongoing commitment which involves substantial costs and ongoing risk, both regulatory and reputational.

**Strategic Risk** - Strategic Risk refers to the risks associated with the Company's ability to meet its business and performance goals and objectives. The Company has carried out asset management business from its inception and these services are provided to institutional clients and individuals through intermediaries. A failure to continue to innovate and introduce successful new products and services or to effectively manage the risks associated with such products and services may impact market share relevance and may cause revenues and earnings from assets under management to decline.

SWP is a technology platform that provides services targeted to independent wealth advisors. The Company is subject to product development risk, which may result in loss if the Company is unable to develop scale and deliver a fully functional service that addresses clients' needs and remains an attractive value proposition for them.

The Company has significant relationships with certain clients. The loss of those clients could have a material effect on its financial position and results of operations.

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

The directors consider, both individually and collectively, that they acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2022. In particular, by reference to the approval of its

## SEI Investments (Europe) Ltd

### Strategic report for the year ended 31 December 2022 (continued)

business plan for the period 2023 to 2025, which was designed to have a long-term beneficial impact on the Company, taking account of:

- the interests of its employees;
- the need to foster relationships with its customers and suppliers;
- the impact of its operations on the community and the environment; and
- the desirability of maintaining a reputation for high standards of business conduct, both in its interactions with regulators and participants in the markets in which it operates.

There are seven non-executive directors on the Company's board, three of whom are independent, and the directors consider this helps to ensure that there is robust oversight of the executive function so that strategic decisions are made under proper independent scrutiny and challenge, in each case having due regard to the likely impacts on all relevant stakeholders, to promote a sustainable, profitable and well governed business model.

#### **Employees**

The Company's employees are critical to its success and the Company aims to be a responsible employer, operating on the principles of integrity, innovation, inclusion, development and collaboration.

The Company engages with its employees through a number of different forums and channels, including a bi-annual employee engagement survey (the results of which are reported to the directors), regular town halls and executive breakfasts. Management at all levels is encouraged to engage with and seek feedback from employees in order that the Company can better support and develop employees.

#### *Wellbeing initiatives*

The Company understands the importance of promoting health and creating a workplace culture to help reduce the severity and duration of any mental or physical ill health. To support employees, the Company created the wellbeing initiative which is an employee resource group that works with teams across the Company and external specialists to introduce initiatives that enhance wellbeing for employees. A particular focus has been given to mental wellness as employees have had to adapt to changes in work and home life.

#### *Diversity and inclusion initiatives*

The Company takes pride in significant contributions made from individuals with diverse backgrounds and is dedicated to the promotion of practices and policies that endorse diversity and inclusion in the workplace.

The Company created the *Diversity Committee* which is an employee-led affinity group whose mission is to support the Company in highlighting different aspects of diversity to the workforce and attracting, developing and retaining employees from diverse backgrounds including race, gender and religion. The committee is chaired by a senior manager to ensure that the network is aligned to strategic and business operations.

The Company created the *Women's Network* which is an employee-led global initiative with a mission to inspire and support the professional growth of women by providing educational forums, hosting networking opportunities and encouraging success.

The Company invests in its global diversity initiative through the Women's Development Series which is a senior management led initiative aimed at retaining women in the workplace and developing them to senior management roles.

The Company is committed to creating and maintaining a diverse and inclusive workforce and culture. People with disabilities are given full and fair consideration for employment and subsequent training, career

## **SEI Investments (Europe) Ltd**

### **Strategic report for the year ended 31 December 2022 (continued)**

development and promotion. Where existing employees become disabled, it is the Company's policy to support them in continued employment wherever practicable. The Company currently offers income protection insurance for those colleagues who are not able to return to work.

#### **Customers**

The directors place the delivery of high quality services to customers at the very heart of the decision making process, at all levels of the Company, from Board level and through the committees they oversee, to the day to day management processes in place across the business. The Company recognises the need to listen to customers and engage with them in order to adapt and develop new and innovative solutions to meet their evolving needs.

The Company engages with customers through a variety of channels, including client peer group meetings, speaking at external industry events and hosting Company sponsored seminars and workshops, but principally through daily interactions across the breadth of the business. Many of its customer relationships are multi-year outsourcing arrangements where the Company seeks to work as long-term business partners with its customers. These arrangements are supported with dedicated relationship managers whose role is to ensure that customers' needs are understood and new solutions can be devised to meet customer and market demands. Meeting those needs requires ongoing and significant investment in systems and people to improve services and resilience to build for the future alongside its customers.

All strategically important new customer relationships are approved by the board of directors.

#### **Suppliers**

The directors recognise that suppliers are critical and integral in ensuring the Company can successfully meet its long-term strategic goals. We engage directly with suppliers to ensure that they are meeting the standards necessary in order to comply (and provide solutions that assist the Company's regulated clients in complying) with its legal and regulatory obligations and other corporate responsibility requirements.

The Company's Vendor Management Office ("VMO") serves as a centre of competency and best practices to facilitate risk management, communication, organisation, and leveragability around supplier relationships and relationship improvement. Additionally, each supplier providing products or services to the Company has a designated vendor owner. The vendor owner is the person primarily responsible for engaging with and managing the supplier relationship on a routine, day-to-day basis, and acts as a point-of-escalation for problem resolution.

The VMO routinely assesses its suppliers against industry "best practices" on information security and operational resilience and compliance with corporate codes, such as UK Modern Slavery legislation, and other corporate social responsibility issues. This is done through proactive communication, on-site visits, and supplier summit events.

The VMO produces a quarterly report for review and challenge and all strategically important new supplier relationships are approved by the board of directors.

#### **Communities and Environment**

The directors recognise that the Company has a responsibility to operate safely and in an environmentally friendly way within the communities it operates in and to support these communities.

##### *Communities*

*SEI Cares* is a corporate sponsored employee-led programme which promotes philanthropy within the Company's community and beyond. The programme allows employees to participate in charitable activities and organised events to raise money for various charities, as well as hosting fundraising events. *SEI Cares* and the *Diversity Committee* also maintain an ongoing commitment to partner with and support students at



## **SEI Investments (Europe) Ltd**

### **Strategic report for the year ended 31 December 2022 (continued)**

local schools based in socio-economically restricted areas, for example, through CV workshops and interview sessions.

#### **Environment**

The Company endeavours to advance sustainability by considering environmental matters throughout its business and operations. The Company believes that environmental improvements foster a sustainable future and lead to social and economic advances, with long-term benefits both for the community and the Company as a constituent of that community. The Company's environmental policy recognises that as a major services provider, the physical commerce that it operates from and the processes adopted by its suppliers could have a sizeable impact on the environment. The Company works with its suppliers to measure environmental data and seek to reduce that environmental impact.

The *Green Team* initiative aims to share information with employees to raise awareness of environmental impacts on the community and in the workplace, to develop solutions to minimise the Company's global footprint and promote the purchase and consumption of environmentally sound products. The Company has made an enhancement to the building management system to allow for more accurate monitoring and control of the air conditioning system and continues to review the systems that use energy with the aim of improving efficiency whilst lower usage. The Company has also successfully set up and attained an ISO 50001 standard which is the international standard for energy management systems.

#### **Regulators**

The Company is regulated by the FCA in the UK and is in regular and close communication with the FCA at management level and there is also a certain level of engagement directly between the FCA and the directors themselves. The directors view the relationship with the FCA as a constructive engagement and recognise that cooperating with regulators in an open manner, including in terms of significant strategic decisions, will help to ensure the long-term success of the Company, in the interests of its customers and the wider market.

#### **Members**

The Company is a wholly owned subsidiary of SEI Global Investments Corporation which in turn is wholly owned by SEI Investments Company (SEIC). SEIC is represented at the board of directors level, to ensure decisions of the Company are made in a manner which is consistent with overall Group strategy. The Company has adopted a dividend policy to facilitate the making of distributions to its parent.

#### **Brexit**

The Company continuously monitors the political, legal and regulatory landscapes and statements and publications emanating from the UK government, the European Union (the "EU"), the FCA and other key European competent authorities in order to assess how they may impact the Company's services, products, clients, suppliers and employees. The Company continues to ensure that arrangements are in place to avoid any adverse impacts on the very small percentage of the Company's clients and employees who are EU based, and that any critical EU based outsourcing suppliers are able to provide uninterrupted services into the UK.

As the global distributor of SEI's Irish UCITS fund range, the Company completed a notification to the FCA to ensure that it can continue to sell the SEI funds in the UK under the Temporary Permissions Regime. The Company completed the registration of SEI's limited range of Irish alternative investment funds under the UK's Overseas Funds Regime during 2021. In due course, the Company will firm up its ability to continue distribution of its funds in the UK by completing the requisite applications following the FCA's guidance.

## **SEI Investments (Europe) Ltd**

### **Strategic report for the year ended 31 December 2022 (continued)**

The Company has appointed SEI Investments - Global Fund Services Limited as its EU representative for the purposes of GDPR Article 27.

#### **Impact of COVID-19 and Other Events**

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency or concerns over the possibility of such an emergency, could create economic and financial disruptions, and could lead to operational difficulties that could impair our ability to manage our business.

The COVID-19 pandemic has impacted and may continue to impact our business operations, including our employees, customers, partners and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The COVID-19 pandemic and governmental responses to the pandemic have had, and continue to have, a severe impact on global economic conditions.

Although global economic conditions have been improving with the changing nature of the COVID-19 pandemic, any ongoing negative economic impacts arising from the pandemic or any prolongation or worsening of the pandemic, including as a result of additional waves or variants of the COVID-19 disease or the emergence of other diseases that have similar outcomes, could have significant adverse effects on our business, results of operations and financial condition.

The extent to which the COVID-19 pandemic negatively affects our business, results of operations and financial condition will depend on future developments that are uncertain and cannot be fully predicted, including:

- the ultimate scope and duration of the pandemic;
- the effectiveness and acceptance of vaccines, other treatments, and their availability in certain regions;
- actions taken by governmental authorities and other third parties in response to the pandemic; and
- the effect that the pandemic or any prolongation of the pandemic may have on the pace of economic growth, inflation and the cost of the labour market.

Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, European fragmentation, political conflict and economic sanctions involving Russia, China and other countries, as well as acts of civil or international hostility, are increasing. In particular, the military conflict and escalating tensions between Russia and Ukraine have and may continue to result in geopolitical instability and adversely affect the global economy or specific markets, which could continue to have an adverse impact or cause volatility in the financial services industry generally or on our results of operations and financial conditions. In addition, these geopolitical tensions can cause an increase in volatility in commodity and energy prices, creating supply chain issues, and causing instability in financial markets. Sanctions imposed by the UK and other countries in response to such conflict could further adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others, could exacerbate market and economic instability. While we do not have any operations in Russia or any clients with significant Russian operations and we have minimal market risk related to securities of companies either domiciled or operating in Russia, the specific consequences of the conflict in Ukraine and its potential spread on our business is difficult to predict at this time. In addition to inflationary pressures affecting our operations, we, and the infrastructure we rely upon, may also experience an increase in cyberattacks against us and our third-party service providers, from Russia or its allies. Any such events, and responses thereto, may cause significant volatility and declines in the global markets, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets, as well as our products, clients, vendors and employees, which may cause our revenue and earnings to decline.

## **SEI Investments (Europe) Ltd**

### **Strategic report for the year ended 31 December 2022 (continued)**

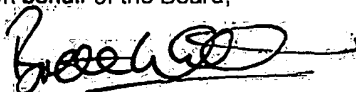
The majority of our revenues are based on the value of assets invested in investment products that we manage or administer which are affected by changes in the capital markets and the portfolio strategy of our clients or their customers. Should there be another similar event to the COVID-19 pandemic or further implications from current geopolitical events, the resulting market conditions may adversely affect our revenues and earnings derived from assets under management and administration.

#### **Key Performance Indicators (KPI's)**

The Company's businesses are managed by three senior executives, each of whom provide the directors with the performance or position of their respective business lines. Operating profit increased 681% to £79.7m (2021: £11.7m) due to a one-time contract termination revenue item. Assets under management or administration at the end of 2022 declined to £57.2bn (2021: £61.9bn) predominantly as a result of decreases in the market valuations of client assets. Quarterly management accounts are prepared for the directors by the Company's Finance function, which help record the Company's position or performance against these factors.

SEI Investments (Europe) Ltd  
The Alphabeta Building  
1st Floor  
14-18 Finsbury Square  
London  
EC2A 1BR

On behalf of the Board,



Brett Williams  
Director  
24 April 2023

## **SEI Investments (Europe) Ltd**

### **Directors' report for the year ended 31 December 2022**

Registered number: 03765319

The directors present their financial statements on the affairs of SEI Investments (Europe) Ltd, together with the independent auditor's report, for the year ended 31 December 2022.

The Company is a private company limited by shares.

#### **MIFIDPRU**

In accordance with the rules of the Financial Conduct Authority, the Company has published information on its risk management objectives and policies, remuneration practices and regulatory capital requirements and resources. This information is available on the Company's website (<https://www.seic.com/en-gb/Important-information-notice>).

#### **Directors**

The directors who served during the year and up to the date of this report were as follows:

Patrick Disney  
William Doran  
Robert Goldspink  
N. Jeffrey Klauder

Robert Nesher  
Diane Seymour-Williams  
Alison Vincent  
Brett Williams

#### **Statement as to disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that so far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Results and dividends**

The audited financial statements for the year ended 31 December 2022 are set out on pages 19 to 31. The profit for the financial year was £63,820,000 (2021: profit of £9,864,000).

The company declared a £67,000,000 dividend in the year (2021: £nil).

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

#### **Employee Engagement and Business Relationships**

Statements regarding how the directors have engaged with employees and have had regard to (i) employee interests and (ii) the need to foster business relationships, in making principal decisions during the year ended 31 December 2022, are set in the Strategic Report reflecting the directors view that such matters are of strategic importance and necessary to ensure the long-term success of the Company.

#### **Greenhouse Gas Emissions**

Our methodology for calculating and disclosing our GHG emissions and energy use is in accordance with the requirements of the SECR standards. They show the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity and fuel used in personal cars on business use.

## SEI Investments (Europe) Ltd

### Directors' report for the year ended 31 December 2022 (continued)

Scope	GHG emissions source	2022	2021
Scope 2 (tCO <sub>2</sub> e)	Electricity	36.829	44.12
Scope 3 (tCO <sub>2</sub> e)	Employee vehicles	3.369	0.236
	Electricity transmission and distribution	2.216	3.904
<b>Total GHG emissions (tCO<sub>2</sub>e)</b>		<b>42.414</b>	<b>48.26</b>
Turnover £		153,464,000	84,371,000
<b>gCO<sub>2</sub>e per £ turnover</b>		<b>0.276</b>	<b>0.572</b>
<b>Total energy use (kWh)</b>		<b>200,201</b>	<b>208,820</b>

#### Third party indemnity

The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

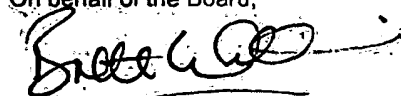
The qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

#### Political donations

There were no political donations made in 2022 (2021: £nil).

SEI Investments (Europe) Ltd  
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1st Floor  
14-18 Finsbury Square  
London  
EC2A 1BR

On behalf of the Board,



Brett Williams  
Director  
24 April 2023

## SEI Investments (Europe) Ltd

### Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

Registered number: 03765319

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

SEI Investments (Europe) Ltd  
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On behalf of the Board,



Brett Williams  
Director  
24 April 2023

## **SEI Investments (Europe) Ltd**

### **Independent auditor's report to the members of SEI Investments (Europe) Ltd**

#### **Opinion**

We have audited the financial statements of SEI Investments (Europe) Ltd ("the Company") for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet and related notes, including the accounting policies and note 1.

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- Have been properly prepared in accordance with UK accounting standards, including FRS102 The financial Reporting Standard applicable in the UK and Republic of Ireland; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described below in section "*Auditor's responsibilities*". We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## **SEI Investments (Europe) Ltd**

### **Independent auditor's report to the members of SEI Investments (Europe) Ltd (continued)**

#### **Fraud and breaches of laws and regulations – ability to detect**

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Consulting with our own forensic professionals regarding the identified fraud risk factors and the design of the enhanced risk assessment procedures planned in response to these. This involved the forensic professionals attending the internal risk assessment discussions.
- Inspecting documentation evidencing the findings of reviews performed by Internal Audit connected to the risk of fraud as part of their monitoring programmes.

We communicated identified fraud risks factors throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On the audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test through the year based on risk criteria and comparing the identified entries to supporting documentation. In addition, this included all post year end closing journals.

##### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect of the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.



## **SEI Investments (Europe) Ltd**

### **Independent auditor's report to the members of SEI Investments (Europe) Ltd (continued)**

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss the Company's authority to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **SEI Investments (Europe) Ltd**

### **Independent auditor's report to the members of SEI Investments (Europe) Ltd (continued)**

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the strategic report and the directors' report;
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 13, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

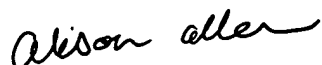
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**SEI Investments (Europe) Ltd**

**Independent auditor's report to the members of SEI Investments (Europe) Ltd  
(continued)**

**The purpose of our audit work and to whom we owe our responsibilities**

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



**Alison Allen**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
26 April 2023

## SEI Investments (Europe) Ltd

### Statement of Income and Retained Earnings

(all amounts rounded to the nearest thousand)

	Notes	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
<b>Turnover</b>	2	153,464,000	84,371,000
<b>Cost of Sales</b>		(6,330,000)	(11,644,000)
<b>Gross Profit</b>		<u>147,134,000</u>	<u>72,727,000</u>
<b>Administrative Expenses</b>		(67,392,000)	(61,017,000)
<b>Operating Profit</b>	3	<u>79,742,000</u>	<u>11,710,000</u>
<b>Interest income</b>	4	<u>1,042,000</u>	<u>2,000</u>
<b>Profit before taxation</b>		<u>80,784,000</u>	<u>11,712,000</u>
<b>Tax on profit</b>	5	(16,964,000)	(1,848,000)
<b>Profit for the financial year</b>		<u><u>63,820,000</u></u>	<u><u>9,864,000</u></u>
<b>Retained profit at 1 January</b>		41,226,000	31,362,000
<b>Dividends declared</b>		(67,000,000)	—
<b>Profit for financial period</b>		<u>63,820,000</u>	<u>9,864,000</u>
<b>Retained profit at 31 December</b>		<u><u>38,046,000</u></u>	<u><u>41,226,000</u></u>

All activities derive from continuing operations.

The Company has no recognised or unrecognised gains or losses in either the current or prior years other than those included within the profit and loss account, and as such a separate statement of comprehensive income is not prepared.

The accompanying notes on pages 21 to 31 are an integral part of these financial statements.

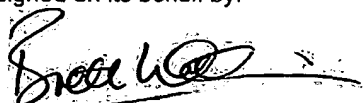
## SEI Investments (Europe) Ltd

### Balance sheet as at 31 December 2022

(all amounts rounded to the nearest thousand)

	Notes	2022 £	2021 £
<b>Non-current assets</b>			
Intangible assets	15	3,861,000	4,847,000
Tangible assets	8	<u>5,476,000</u>	<u>6,169,000</u>
<b>Total non-current assets</b>		<u>9,337,000</u>	<u>11,016,000</u>
<b>Current assets</b>			
Debtors and other assets	9	34,309,000	36,478,000
Cash at bank and in hand		<u>99,321,000</u>	<u>107,744,000</u>
<b>Total current assets</b>		<u>133,630,000</u>	<u>144,222,000</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(19,861,000)</u>	<u>(28,952,000)</u>
<b>Net current assets</b>		<u>113,769,000</u>	<u>115,270,000</u>
<b>Total assets less current liabilities</b>		<u>123,106,000</u>	<u>126,286,000</u>
<b>Capital and reserves</b>			
Called-up share capital	11	85,060,000	85,060,000
Profit and loss account		<u>38,046,000</u>	<u>41,226,000</u>
<b>Total shareholders' funds</b>		<u>123,106,000</u>	<u>126,286,000</u>

The financial statements on pages 19 to 31 were approved by the Board of directors on 24 April 2023 and signed on its behalf by:



Brett Williams  
Director

Company registered number: 03765319

The accompanying notes on pages 21 to 31 are an integral part of these financial statements.

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022

(all amounts rounded to the nearest thousand)

#### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the prior year.

##### **Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention unless stated otherwise, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* and the Companies Act 2006. The presentation currency of these financial statements is Sterling. All amounts have been rounded to the nearest £1,000 in the financial statements.

SEI Investments (Europe) Ltd. is a wholly-owned subsidiary of its immediate parent SEI Global Investments Corporation, a company incorporated in the United States of America. SEI Global Investments Corporation is, in turn, a wholly-owned subsidiary of SEI Investments Company, the Company's ultimate parent company. The largest group in which the results of the Company are consolidated is that headed by SEI Investments Company. The consolidated financial statements of these groups are available to the public and may be obtained from:

Investor Relations  
SEI Investments Company  
1 Freedom Valley Drive  
Oaks, PA 19456

In these financial statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Share-based payments

As the consolidated financial statements of SEI Investments Company included the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26, *Share-Based Payments*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

## **SEI Investments (Europe) Ltd**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

*(all amounts rounded to the nearest thousand)*

#### **Going Concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 and other macro and geopolitical and environmental uncertainties on the operations and its financial resources, under each scenario the Company will remain profitable and have sufficient funds to meet its liabilities as they fall due for that period.

The Company performed a number of stress scenarios in order to assess its ability to satisfy its obligations under various extreme conditions. These scenarios included but were not limited to:

- Extreme macro-economic events caused by a financial crisis or another global pandemic;
- Extreme Company-specific events triggered by various factors such as a cyber-security incident or a catastrophic control deficiency in its service operations; and
- A scenario that assumed all revenues and cash inflows immediately ceased on day one.

In each of these scenarios, the Company utilised assumptions that it felt prudent to stress revenues and cash inflows in order to properly assess its ability to continue as a going concern. It also considered relevant management actions that could be realistically undertaken to mitigate some of the financial impacts of such an event on its revenues and cash flows, such as reducing discretionary spending in areas deemed not essential.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Turnover**

Turnover represents the value of asset management and investment transaction processing services provided to its clients and is recognised on an accrual basis. Turnover is primarily based on (i) a percentage of average assets under management for investment management services, and (ii) a percentage of assets under administration processed on the SEI Wealth Platform for investment transaction processing.

#### **Cost of sales**

Cost of sales primarily represents fees for the management of client assets invested in open ended investment companies by third party investment advisors and SEI Investments Management Company, a wholly-owned subsidiary of SEI Investments Company. Cost of sales is recognised on an accrual basis.

#### **Administrative expenses**

Administrative expenses includes personnel costs, third party vendor costs and any other corporate overhead expenses. Expenses are recognised on an accrual basis.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

Computer equipment	3 years
Software	5 years
Office furniture	5 years
Leasehold improvements	Lease term

The Company assesses at each reporting period whether tangible fixed assets are impaired when the recoverable value is less than the carrying value.

#### Intangible assets

An intangible asset acquired as part of a business combination is recognised where it is separately identifiable and can be measured reliably. An acquired intangible asset consists primarily of contractual relationships such as customer relationships and is measured at cost less amortisation and any recognised impairment losses. Amortisation is recognised at rates calculated to write off the cost using a straight-line basis over its estimated useful life as follows:

Customer relationships	5 years
------------------------	---------

#### Cash and cash equivalents

The Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents.

#### Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost less any impairment losses in the case of trade debtors.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The company is included in the consolidated tax return of its US Parent company SEI Investments Company of which it has a tax sharing agreement. The provision for income taxes reported on Note 5 is calculated on a separate company "UK return" method. Under this method, the company reports the amount of taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the UK taxing authority. Any net US tax the company is responsible for is recorded as an administrative expense.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable



## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

#### Share based compensation

##### Stock Purchase Plan

Following completion of eligibility requirements, the Company's employees are able to participate in the SEI Employee Stock Purchase Plan ("the Plan"). The Plan provides for offering of common stock to eligible employees at a price equal to 85% of the fair value at the end of the stock purchase period, as defined.

##### Equity Awards

SEI Investments Company has an equity compensation plan, the 2014 Omnibus Equity Compensation Plan (the Plan), that provides for the grant of stock options, stock units, stock appreciation rights, dividend equivalents and other stock-based awards to its employees where employees of the Company can be awarded shares in SEI Investments Company (the ultimate parent company) in accordance with the terms of the Plan. This arrangement is accounted for as an equity settled, share-based compensation scheme for the employees of the Company. The award of shares is recognised as an expense of the Company with a corresponding charge to the Amount due to parent account and is settled by the Company periodically. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted, excluding the impact of any non-market vesting conditions.

Stock options are granted with an exercise price equal to the fair market value of SEI Investments Company's common stock on the date of the grant and expire ten years from the date of grant. We currently use the Black-Scholes option pricing model to determine the fair value of stock options. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The determination of the financial vesting target excludes the impact of stock-based compensation expense and are established at time of grant. The targets are measured annually on 31 December. All outstanding stock options have performance-based vesting provisions that vest at a rate of 50 percent when a specified financial target is achieved, and the remaining 50 percent when a second, higher-specified financial target is achieved. Options do not vest due to the passage of time. Options granted in December 2017 and thereafter include a service condition which requires a minimum two or four year waiting period from the grant date along with the attainment of the applicable financial vesting target. The amount of stock-based compensation expense pertaining to stock options is recognised in the period is based upon management's estimate of when the financial targets may be achieved. Any change in management's estimate could result in the remaining amount of stock-based compensation expense to be accelerated, spread out over a longer period, or reversed.

Beginning in 2022, SEI Investments Company awarded restricted stock units to its employees. Restricted stock units are equivalent to one share of SEI Investments Company's common stock. These equity awards vest solely based on the passage of time and are not based on the achievement of performance targets. The restricted stock units issued in 2022 will vest on the third anniversary of the issuance date. The amount of stock based compensation expense pertaining to restricted stock units is recognized evenly over the vesting period.

#### Pension costs and other post retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

#### Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

## 2. Turnover

	2022	2021
	£	£
Asset Management Services	39,220,000	44,033,000
Investment Processing Services	114,244,000	40,338,000
Total Turnover	<u>153,464,000</u>	<u>84,371,000</u>

In 2022, the Company derived approximately 23 percent (2021: 21 percent) of its asset management revenues from a single client and had outstanding receivables from this client of £2,426,000 (2021: £2,452,000) as at 31 December 2022.

In 2022, HSBC Private Bank terminated one of its agreements with the Company for convenience. Under the terminated agreement the Company would have provided private wealth platform services to local affiliates of HSBC Private Bank in various countries. In connection with this termination, the Company was paid a one-time termination fee of approximately \$88.0million.

Excluding this one-time item, the Company derived approximately 59 percent (2021: 56 percent) of its investment processing revenues from two clients and had outstanding receivables from these clients of £3,060,000 (2021: £2,959,000) as at 31 December 2022.

All Turnover is derived in the UK.

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued) (all amounts rounded to the nearest thousand)

#### 3. Operating profit

Operating profit is stated after charging:

	2022	2021
	£	£
Operating lease charges:		
- Other	2,874,000	3,444,000
Depreciation (note 8)	1,220,000	1,113,000
Amortisation (note 15)	986,000	82,000
Exchange (gain)/loss on foreign currency transactions	(4,176,000)	(182,000)
Change in allowance for doubtful accounts	24,000	3,000
Auditor remuneration for audit services	142,000	120,000
Amounts receivable by auditors for other assurance services	<u>330,000</u>	<u>292,000</u>

#### 4. Interest income

	2022	2021
	£	£
Interest on bank balances	<u>1,042,000</u>	<u>2,000</u>

#### 5. Tax on profit

a. Tax on profit comprised:

	2022	2021
	£	£
Profit before tax for the year	<u>80,784,000</u>	<u>11,712,000</u>
Total tax expense	<u>16,964,000</u>	<u>1,848,000</u>

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued) (all amounts rounded to the nearest thousand)

	2022 £	2021 £
<b>Current Tax</b>		
UK Corporation Tax	16,409,000	2,406,000
Adjustment in respect of prior periods (current and inter-company)	(133,000)	48,000
Total current tax charge	<u>16,276,000</u>	<u>2,454,000</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	688,000	(606,000)
Adjustments in respect of prior periods	—	—
Total deferred tax charge	<u>688,000</u>	<u>(606,000)</u>
Tax on Profit on ordinary activities	<u>16,964,000</u>	<u>1,848,000</u>

The standard rate of corporation tax in the UK is 19% (2021: 19.00%). The differences are explained below:

Factors affecting tax charge for the year

	2022 £	2021 £
Profit before taxation	<u>80,784,000</u>	<u>11,712,000</u>
Profit before taxation multiplied by the UK standard corporation tax rate of 19.00% (2021: 19.00%)	15,349,000	2,225,000
Non-deductible expenses	637,000	9,000
Stock Compensation	211,000	175,000
Under/(Over) provided in prior years	(133,000)	48,000
Recognition of deferred tax asset on stock option expense and other	900,000	(609,000)
UK current tax charge for the year	<u>16,964,000</u>	<u>1,848,000</u>

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

b. Factors that may affect future tax charges

As of 31 December 2022 there is a deferred tax asset on depreciation of £101,000 (2021: £63,000). As of 31 December 2022 there is a deferred tax asset on stock option expense of £499,000 (2021: £1,545,000).

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge.

#### 6. Staff charges

The average monthly number of employees (including executive directors) during the years were:

	2022	2021
Investment management	26	24
Sales and service	77	74
Operations and administration	188	172
	<u>291</u>	<u>270</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	30,655,000	28,065,000
Share-based compensation cost	2,172,000	2,408,000
Social security costs	4,440,000	3,920,000
Other pension costs (Note 12)	2,230,000	1,976,000
	<u>39,497,000</u>	<u>36,369,000</u>

#### 7. Directors' remuneration and transactions

##### Remuneration

The remuneration of the directors included in staff costs above was as follows:

	2022	2021
	£	£
Directors' remuneration	1,132,000	1,340,000
Compensation for loss of office	<u>1,820,000</u>	<u>—</u>
Total Directors' emoluments	<u>2,952,000</u>	<u>1,340,000</u>

##### Stock Options

The number of directors who exercised share options during the year was 5 (2021: 5). The highest paid director exercised options during 2022.

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

#### Pensions

There were no directors who were members of the defined contribution pension schemes during the year (2021: 0).

#### Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2022	2021
	£	£
Directors' emoluments	2,712,000	1,100,000

The aggregate emoluments of the highest paid director noted above includes amounts receivable of the highest paid director for £2,225,000 (2021: £463,000). Amounts receivable of the highest paid director relate to cash bonuses for services rendered during the year but are actually paid in the following year and accrued compensation for loss of office.

#### 8. Tangible fixed assets

	Computer equipment	Software	Leasehold improvement	Office furniture	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	2,093,000	512,000	11,299,000	1,065,000	14,969,000
Additions	287,000	60,000	100,000	80,000	527,000
Retirements	—	—	—	—	—
At 31 December 2022	2,380,000	572,000	11,399,000	1,145,000	15,496,000
<b>Accumulated depreciation</b>					
At 1 January 2022	1,767,000	512,000	5,551,000	970,000	8,800,000
Charge for the year	185,000	8,000	990,000	37,000	1,220,000
Retirements	—	—	—	—	—
At 31 December 2022	1,952,000	520,000	6,541,000	1,007,000	10,020,000
<b>Net book value</b>					
At 31 December 2021	326,000	—	5,748,000	95,000	6,169,000
At 31 December 2022	428,000	52,000	4,858,000	138,000	5,476,000

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued) (all amounts rounded to the nearest thousand)

#### 9. Debtors and other assets

	2022	2021
	£	£
Trade debtors	27,573,000	28,921,000
Other debtors	3,337,000	4,226,000
Amounts due from group undertakings	441,000	62,000
Deferred tax asset	794,000	1,482,000
Prepayments and accrued income	2,164,000	1,787,000
	<u>34,309,000</u>	<u>36,478,000</u>

#### 10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	—	1,530,000
Other creditors including taxation and social security	2,562,000	9,195,000
Rebates due to clients	307,000	228,000
Accruals and deferred income	16,992,000	17,999,000
	<u>19,861,000</u>	<u>28,952,000</u>

#### 11. Called-up share capital

	2022	2021
	£	£
<i>Authorised</i>		
100,000,000 ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>
<i>Allotted, called-up and fully-paid</i>		
85,060,000 (2021: 85,060,000) ordinary shares of £1 each	<u>85,060,000</u>	<u>85,060,000</u>

#### 12. Pension arrangements

The Company operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £2,230,000 (2021: £1,976,000).

At 31 December 2022, there were no prepaid or accrued defined contribution charges on the Balance Sheet.

## SEI Investments (Europe) Ltd

### Notes to the financial statements for the year ended 31 December 2022 (continued)

(all amounts rounded to the nearest thousand)

#### 13. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2022	2021
	£	£
Less than one year	3,748,000	3,883,000
Between one and five years	13,117,000	10,926,000
More than five years	—	1,366,000
	<u>16,865,000</u>	<u>16,175,000</u>

During the year 2022, £2,874,000 was recognised as an expense in the profit and loss account in respect of operating leases (2021: £3,444,000).

#### 14. Related party transactions

As a subsidiary undertaking of SEI Investments Company, the Company has taken advantage of the exemption in Section 33 "Related party disclosures" from disclosing transactions with other members of the group headed by SEI Investments Company. Apart from intergroup transactions, no related parties transactions were entered into.

#### 15. Intangible asset

On 19 November 2021, the Company acquired the shares and assets of Atlas Master Trust Trustees Ltd for £4,929,000, net of cash acquired. The predominant asset was the customer relationships which is recognised at fair value and subsequently amortised on a straight line method over the estimated useful life of 5 years.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Amortisation of the asset in 2022 was £986,000 (2021: £82,000).

#### 16. Subsequent events

The Company performed an evaluation of subsequent events through 19 April 2023 which is the date the financial statements were made available to be issued. The Company determined that based on its evaluation there were no items that would affect the reported amounts in the financial statements as of 31 December 2022.