

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

COMPANY INFORMATION

Directors	O Cowan A Shelton J Downing (resigned 2 August 2023) P Harrison R Adams (appointed 2 August 2023)
Company secretary	TMF Corporate Administration Services Limited
Registered number	06520426
Registered office	12 Henrietta Street London WC2E 8LH
Independent auditors	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair review of the business

The principal activities of the company's employees during the financial year were to sell and market investment advisory products and services in the United Kingdom, other EEA countries, the Middle East and Africa on behalf of an affiliated company, and to provide client services to clients in those jurisdictions.

The profit for the financial year amounted to £940,700 (2022: £1,235,242).

Total assets less current liabilities at 31 December 2023 amounted to £8,322,518 (2022: £7,381,818).

The company paid an interim dividend of £nil (2022: £nil). No final dividend is proposed.

The directors are satisfied with the year-end position.

Strategy, business model and future developments

American Century Investment Management (UK) Limited (ACIM UK) was established in 2008 to act as a conduit to record the costs incurred for the selling, marketing and investment management of products and services in the UK and other EEA countries. ACIM UK finances its operations through an intercompany agreement with an affiliated company under which it earns cost plus 5% for these expenditures. The company expects to continue to finance the operations in this manner in future years.

The company holds a license from the Financial Conduct Authority (FCA) to carry on regulated business in the United Kingdom. During 2023, the company prepared and presented sales and marketing materials, and developed a sales strategy for all jurisdictions where it provides coverage. The company will continue this approach in future years.

Principal risks and uncertainties

The company makes little use of financial instruments other than operational bank accounts and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company. The company has also determined any regulatory risk, business operational risk or market risk are insignificant to its on-going functions and the success of the business.

Key performance indicators

Due to the straightforward nature of the business, the directors do not believe that key performance indicators are necessary for an understanding of the business.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' duties

The board of directors of American Century Investment Management (UK) Limited (ACIM UK), both individually and together, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarized as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

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

Purpose, strategy, and long-term consideration

The focus of ACIM UK is to provide investors with the products and services to help people improve their financial position. It is the company's belief that if we help to make others successful, they in turn, make us successful. ACIM UK's purpose, strategy, and consideration of the consequences of decisions for the long term is further laid out above.

People

ACIM UK is committed to be a responsible business. Behaviours are aligned with the expectation of the company's people, clients, investors, communities and society, which is supported by the company's "Winning Behaviors" as the foundation of its culture. People are at the heart of ACIM UK's services. For this business to succeed, ACIM UK management continues to develop people while ensuring efficiency. Directors also support common values that inform and guide company behaviour to achieve company goals. It is the directors' belief that a highly skilled team, representing a diversity of background, experience, and thought, makes the company stronger, smarter and better able to understand clients, deliver superior performance and build long term relationships. Directors are committed to the continued growth of a diverse and inclusive culture that maximizes each employee's talents so that all voices are recognized, heard and valued.

Business relationships

ACIM UK's strategy prioritises organic growth, driven by cross-selling and up-selling services to existing clients and bringing on new clients. To do this, the company emphasizes developing and maintaining strong client and supplier relationships.

Community and Environment

ACIM UK management and employees leverage individual expertise and the company's position of strength to create positive change for the people and communities with which they interact.

Culture, values and standards

Culture, values and standards underpin how the company creates and sustains value over the longer term and are key elements in maintaining a reputation for high standards of business conduct. These values and standards guide decision making and promote success, recognizing, amongst other things, the consequences of decisions in the long term. ACIM UK maintains a code of conduct to ensure fair action is taken amongst all members of the company. ACIM UK believes all individuals are entitled to equal employment opportunity and advancement opportunities without regard to race, religious creed, colour, sex, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, gender, gender identity, gender expression, age for individuals forty years of age and older, military and veteran status, sexual orientation, and any other basis protected by applicable law. The company does not discriminate or adopt any policy that discriminates against an individual or any group of individuals on any of these bases.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

This report was approved by the board and signed on its behalf.

O Cowan

Director

Date:16th April 2024

R Adams

Director

Date:16th April 2024

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors present their report and the financial statements for the year ended 31 December 2023.

Directors

The Directors who served during the year were:

O Cowan
A Shelton
J Downing (resigned 2 August 2023)
P Harrison
R Adams (appointed 2 August 2023)

Directors' responsibilities statement

Page 3

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activities of the company during the financial year was to sell and market investment advisory products and services in the United Kingdom, other EEA countries, the Middle East and Africa on behalf of an affiliated company, and to provide client services to clients in those jurisdictions. The company finances its operations through an intercompany agreement with an affiliated company under which it earns cost plus 5% for these expenditures.

The company recognises revenues primarily in relation to marketing services rendered for related parties.

Results and dividends

The profit for the year, after taxation, amounted to £940,700 (2022 - £1,235,242).

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors Insurance

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its directors.

Auditors

The auditors, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

Page 4

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

O Cowan

Director
Date: 16 April 2024

R Adams

Director
Date: 16 April 2024

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

Opinion

We have audited the financial statements of American Century Investment Management (UK) Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non compliance with laws an regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED
(CONTINUED)

Page 8

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Alan Poole BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

16 April 2024

	Note	2023 £	2022 £
Turnover	4	16,300,695	17,863,112
Administrative expenses		(15,276,624)	(16,709,383)
Operating profit	8	1,024,071	1,153,729
Interest receivable and similar income		203,658	302,651
Profit before tax		1,227,729	1,456,380
Tax on profit	10	(287,029)	(221,138)
Profit for the financial year		<u>940,700</u>	<u>1,235,242</u>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 14 to 27 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	515,988	697,040
		515,988	697,040
Current assets			
Debtors: amounts falling due after more than one year	12	216,172	216,172
Debtors: amounts falling due within one year	12	1,992,783	3,811,654
Cash at bank and in hand	13	8,105,744	5,944,383
		10,314,699	9,972,209
Creditors: amounts falling due within one year	14	(2,508,169)	(3,287,431)
Net current assets		7,806,530	6,684,778
Total assets less current liabilities		8,322,518	7,381,818
Provisions	15	(157,000)	(157,000)
Net assets		8,165,518	7,224,818
Capital and reserves			
Called up share capital	18	1	1
Capital redemption reserve	19	2,700,000	2,700,000
Profit and loss account	19	5,465,517	4,524,817
		8,165,518	7,224,818

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

O Cowan
Director
Date: 16 April 2024

R Adams
Director
Date: 16 April 2024

The notes on pages 14 to 27 form part of these financial statements.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2022	1	2,700,000	3,289,575	5,989,576
Comprehensive income for the year				
Profit for the year	-	-	1,235,242	1,235,242
At 1 January 2023	1	2,700,000	4,524,817	7,224,818
Comprehensive income for the year				
Profit for the year	-	-	940,700	940,700
At 31 December 2023	1	2,700,000	5,465,517	8,165,518

The notes on pages 14 to 27 form part of these financial statements.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Profit for the financial year	940,700	1,235,242
Adjustments for:		
Depreciation of tangible assets	221,964	187,422
Loss on disposal of tangible assets	2,862	2,883
Taxation charge	287,029	221,138
Decrease in debtors	1,864,278	5,173,356
(Decrease) in creditors	(697,965)	(680,377)
Investment Income	(203,658)	(302,651)
Income taxes paid	(413,109)	(542,578)
Net cash generated from operating activities	2,002,101	5,294,435
Cash flows from investing activities		
Purchase of tangible fixed assets	(44,398)	(64,231)
Sale of tangible fixed assets	-	87,107
Interest received	203,658	302,651
Net cash from investing activities	159,260	325,527
Net increase in cash and cash equivalents	2,161,361	5,619,962
Cash and cash equivalents at beginning of year	5,944,383	324,421
Cash and cash equivalents at the end of year	<u>8,105,744</u>	<u>5,944,383</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,105,744	5,944,383
	<u>8,105,744</u>	<u>5,944,383</u>

The notes on pages 14 to 27 form part of these financial statements.

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

American Century Investment Management (UK) Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 12 Henrietta Street, London, WC2E 8LH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the support available to the company from its ultimate parent undertaking, American Century Companies, Inc., which has confirmed in writing. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the provision of sales, marketing and investment management support functions and is shown net of VAT and other sales related taxes.

Sales under cost plus agreement:

Turnover in respect of these services provided to an affiliated company is calculated as attributable cost plus 5% in accordance with an intercompany agreement between American Century Investment Management (UK) Limited and the affiliated company.

Marketing services rendered for related parties:

The company recognises revenues in relation to marketing services rendered for related parties.

The company recognises the above revenue when the company has satisfied its contractual obligations to affiliated and related parties.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the term of the lease
Plant and machinery	- Over 2 - 5 years straight line
Fixtures and fittings	- Over 3 - 7 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts, if any, that are repayable on demand and form an integral part of the Company's cash management.

2.6 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Basic financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include other debtors, amounts owed by group undertakings, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.7 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.9 Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.10 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.11 Share-based payments

The ultimate parent company, American Century Companies, Inc. issues restricted stock units to certain American Century Investment Management (UK) Limited employees.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value of the stock is the price as determined by an independent valuation firm. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to amounts owed by group undertakings.

2.12 Leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Judgments and key sources of estimation uncertainty

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

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

Critical accounting estimates and assumptions*Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the assets and projected disposal values.

Deferred tax and tax liabilities

Provision is made for deferred taxes and tax positions. These provisions require management's best estimate of timing and permanent differences on tax items.

Employee benefit programs such as bonus and sabbatical

Provision is made for bonus and sabbatical accruals. These provisions require management's best estimate of bonus earned but payable in the following year and sabbaticals to be taken.

At 31 December 2023 the carrying amount of the deferred tax asset is £316,762 (2022: £516,796). The carrying value of accrued bonuses is £1,881,706 (2022: £2,510,570) held within accruals.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Sales under cost plus agreement	15,940,480	17,455,477
Marketing services rendered for related parties	360,215	407,635
	<u>16,300,695</u>	<u>17,863,112</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	360,215	407,635
Unites States of America	15,940,480	17,455,477
	<u>16,300,695</u>	<u>17,863,112</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Employees

Staff costs, including Directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	5,338,175	7,770,781
Social security costs	991,741	957,122
Cost of defined contribution scheme	238,576	175,767
	<u>6,568,492</u>	<u>8,903,670</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Administrative	<u>27</u>	<u>27</u>

6. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	2,540,339	2,020,019
Company contributions to defined contribution pension schemes	27,758	8,148
	<u>2,568,097</u>	<u>2,028,167</u>

The highest paid Director received remuneration of £1,139,058 (2022 - £1,163,814).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,484 (2022 - £4,019).

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7. Share-based payments

American Century Companies, Inc., the ultimate parent company, operates a Restricted Stock Plan. Restricted stock has been issued to certain American Century Investment Management (UK) Limited employees. The Restricted Stock Plan allows for grants for Class C Common Stock in American Century Companies, Inc. which vest the earliest of the completion of a requisite service period, generally 3 to 5 years. Awards are forfeited back to American Century Companies, Inc. in case of termination of employment before the end of the restricted period. In the event there is a change in control of the ultimate parent company any non vested shares of restricted stock would immediately vest. Holders of non vested restricted stocks have full ownership rights with respect to such shares and are eligible for any dividends paid. Dividends paid on non vested shares, however, are held by the ultimate parent company and at the end of the vesting period is released to the employee.

	Weighted average exercise price (pence) 2023	Number 2023	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the year	18.65	292,917	14.74	227,172
Granted during the year	17.83	51,436	19.27	105,246
Forfeited during the year	18.21	(151,284)		-
Exercised during the year	16.68	(58,087)	11.72	(39,501)
Outstanding at the end of the year	<u>18.38</u>	<u>134,982</u>	<u>18.65</u>	<u>292,917</u>

Liabilities and expenses

The fair value of the American Century Companies Inc. stock is the price as determined by an independent valuation firm engaged by the trustees of American Century Retirement Plan.

Total expenses of (£45,345) (2022: £1,601,482) related to equity settled share based payment transactions was recognised in the year. The negative expense is due to the large amount of share forfeiture's in the year.

8. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation	221,964	187,422
Loss on disposal of tangible fixed assets	2,862	2,883
Other operating lease rentals	358,562	242,537
Exchange differences	56,389	57,696
Share-based payments	<u>(45,345)</u>	<u>1,601,482</u>

AMERICAN CENTURY INVESTMENT MANAGEMENT (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	24,000	45,000
Fees payable to the Company's auditors in respect of:		
Taxation services	4,000	4,900
Audit-related assurance services	2,000	18,560
All other non-audit services	6,000	80,267
	<hr/> 36,000 <hr/>	<hr/> 148,727 <hr/>

10. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	102,778	469,442
Adjustments in respect of previous periods	(15,783)	(8,964)
Total current tax	<hr/> 86,995 <hr/>	<hr/> 460,478 <hr/>
Deferred tax		
Origination and reversal of timing differences	200,034	(190,040)
Changes to tax rates	-	(60,013)
Adjustment in respect to prior periods	-	10,713
Total deferred tax	<hr/> 200,034 <hr/>	<hr/> (239,340) <hr/>
Tax on profit	<hr/> 287,029 <hr/>	<hr/> 221,138 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,227,729</u>	<u>1,456,380</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	288,762	276,712
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	3,053	876
Adjustments to tax charge in respect of prior periods	(15,783)	(8,964)
Deferred tax adjustments in respect of prior years	-	10,713
Effect of tax rate changes on deferred tax asset	11,838	(60,013)
Other differences	(841)	1,814
Total tax charge for the year	<u>287,029</u>	<u>221,138</u>

There were no material factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2023	1,090,102	139,820	373,091	1,603,013
Additions	-	44,398	-	44,398
Disposals	-	(17,655)	-	(17,655)
At 31 December 2023	<u>1,090,102</u>	<u>166,563</u>	<u>373,091</u>	<u>1,629,756</u>
Depreciation				
At 1 January 2023	585,432	94,450	226,091	905,973
Charge for the year	109,399	56,787	55,778	221,964
Disposals	-	(14,169)	-	(14,169)
At 31 December 2023	<u>694,831</u>	<u>137,068</u>	<u>281,869</u>	<u>1,113,768</u>
	Page 22			
Net book value				
At 31 December 2023	<u>395,271</u>	<u>29,495</u>	<u>91,222</u>	<u>515,988</u>
At 31 December 2022	<u>504,670</u>	<u>45,370</u>	<u>147,000</u>	<u>697,040</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	<u>216,172</u>	<u>216,172</u>
	2023 £	2022 £
Due within one year		
Amounts owed by group undertakings	1,012,627	2,811,620
Other debtors	306,961	28,644
Prepayments and accrued income	356,433	454,594
Deferred taxation	316,762	516,796
	<u>1,992,783</u>	<u>3,811,654</u>

Page 23

Amounts owed by fellow group undertakings are unsecured, repayable on demand and not bearing interest.

13. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>8,105,744</u>	<u>5,944,383</u>

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	70,528	56,948
Corporation tax	-	80,673
Other taxation and social security	119,884	194,588
Accruals and deferred income	2,317,757	2,955,222
	<u>2,508,169</u>	<u>3,287,431</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Page 24

15. Provisions

Dilapidation
£

At 1 January 2023

157,000

At 31 December 2023

157,000

Under the terms of the lease agreement over the company's operating premises, the company will be liable for the cost of returning the property to its original condition on termination of the lease. The current lease term expires in February 2027. The directors have estimated a cost of £157,000 (2022: £157,000) based on market benchmarks, and this cost has been included in the cost of leasehold properties in accordance with FRS 102. The directors do not consider that discounting is material.

16. Deferred taxation

2023
£

At beginning of year

516,796

Charged to profit or loss

(200,034)

At end of year

316,762

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(28,188)	(45,505)
Share based payments	344,950	562,301
	<u>316,762</u>	<u>516,796</u>

17. Retirement benefit schemes**Defined contribution schemes**

Charge to profit and loss in respect of defined contribution schemes

238,576

175,767

18. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

19. Reserves**Capital redemption reserve**

Capital contribution received from the parent company, American Century Investment Management International Ltd.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners

20. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	156,650	302,651
Other interest receivable	47,008	-
	<u>203,658</u>	<u>302,651</u>

21. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	429,360	364,880
Later than 1 year and not later than 5 years	794,240	1,125,047
	<u>1,223,600</u>	<u>1,489,927</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Receivable balance due at year end of £265,222 (2022: 901,638).

Income throughout the year of £156,650 (2022: £302,651) which relates to Intercompany Interest Income.

Expenses throughout the year of £4,640,159 (2022: £4,656,119) which primarily relates to Intercompany Administrative Service Expenses

23. Ultimate controlling party

The directors consider the immediate parent company to be American Century Investment Management International Ltd, a company registered in the United States and the state of Delaware. The registered office address of American Century Investment Management International Ltd is 1209 Orange Street, Wilmington, Delaware 19801.

The ultimate parent company, American Century Companies, Inc., is registered in the United States and the state of Delaware. It serves as both the smallest and largest group for which consolidated financial statements, incorporating the results of American Century Investment Management (UK) Limited, are prepared. These financial statements are available upon request at 4500 Main Street, Kansas City, Missouri 64111.

The directors consider there to be no ultimate controlling party.

24. BIPRU 11: Disclosure (Pillar 3)

The company's Pillar 3 Disclosures are on its website at: <https://corporate.americancentury.com/en.html>.