

Aegon Asset Management UK (formerly known as Kames Capital)

Capital Requirements Directive – Country by Country Reporting

Scope and application of the requirements

The disclosures in this document are made in respect of Aegon Asset Management UK Holdings Ltd (formerly known as Kames Capital Holdings Ltd), a wholly owned subsidiary within the Aegon N.V. group and its subsidiaries Aegon Asset Management UK Plc (formerly known as Kames Capital Plc) and Aegon Asset Management Ltd (formerly known as Kames Capital Management Ltd) on a consolidated basis (“The AAM UK Group” formerly known as “The Kames Capital Group”). One of the entities within the Group, Aegon Asset Management UK Plc (formerly known as Kames Capital Plc), is authorised and regulated by the FCA.

The Capital Requirements (country-by-country) Reporting Regulations 2013 (“the regulations”) implement Article 89 of the Capital Requirements Directive IV (CRD IV – Directive 2013/36/EU). The regulations impose reporting obligations on institutions in the United Kingdom that are in scope of CRD IV.

As one of the members of the AAM UK Group, Aegon Asset Management UK Plc, (formerly known as Kames Capital Plc), is a limited licence firm, and within the scope of CRD IV country by country reporting obligations, the Group must comply with the UK Regulations which bring these requirements into force in the UK on or before the 31 December 2015 and annually thereafter. The AAM UK Group will report on a consolidated basis

- 1) Name, nature of activities and locations of the institution and any subsidiaries and branches
- 2) Turnover
- 3) Average number of employees on a full time equivalent basis
- 4) Profit or loss before tax
- 5) Corporation tax paid
- 6) Public subsidies received

Names of entities covered

Aegon Asset Management UK Holdings Limited (formerly known as Kames Capital Holdings Ltd)
Aegon Asset Management UK Plc (formerly known as Kames Capital Plc)
Aegon Asset Management Limited (formerly known as Kames Capital Management Ltd)

Basis of preparation

The Capital Requirements Directive Country by Country Reporting disclosure is prepared in line with the financial statements of the entities listed above which have been prepared on the going concern basis, under the historic cost convention. This is in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) as endorsed by the EU, with interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Nature of activities

The principle activities of the companies within the group are :-

investment management
investment administration services for clients in the UK and abroad

acting as Authorised Corporate Director (ACD) of Aegon Asset Management UK ICVC, the Aegon Asset Management UK Investment Portfolios ICVC and the Aegon Asset Management UK Unit Trust
acting as investment manager of the Aegon Asset Management UK Investment Company (Ireland) plc and the Aegon Asset Management UK QIF Plc
performance of the duties of Appointed Representative for the Scottish Equitable and Mobius Life Pooled Funds.
institutional investment advice
acting as an investment holding company

Location of the institution and any related subsidiaries and branches

All members of the AAM UK group are located in the United Kingdom.

Turnover

Turnover for the accounting period ended 31 December 2019 was £80.7m (2018:- £98.2m)

Average number of employees on a full time equivalent basis.

The group had an average of 316.0 employees on a full time equivalent basis during the accounting period ended 31 December 2019 (2018:- 315.2 employees).

Profit or Loss before tax

The AAM UK Group made Losses before tax of £7.6m for the year ended 31 December 2019 (2018:- Profit before tax £7.5m).

Corporation tax paid

The AAM UK Group made Corporation tax payments of £0.5m for the year ended 31 December 2019 (2018:- £1.1m).

Public subsidies received

The AAM UK Group received no public subsidies for the year ended 31 December 2019 (2018:- no public subsidies).

Independent auditors' report to the directors of Aegon Asset Management UK plc (formerly known as Kames Capital plc)

Report on the audit of the country-by-country information

• *Opinion*

In our opinion, Aegon Asset Management UK's (formerly known as Kames Capital) country-by-country information for the year ended 31 December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2019 in the accompanying schedule provided by management.

• *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

• *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

• *Emphasis of matter - Basis of preparation*

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the paragraph titled 'basis of preparation' of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

• *Conclusions relating to going concern*

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

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

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

Responsibilities for the country-by-country information and the audit

• *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation and accounting policies to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, 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.

- *Auditors' responsibilities for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is 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 this country-by-country information.

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

- *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
28 September 2020