



Annual Report and Financial Statements 2018

LGT Capital Partners (U.K.) Limited

Registered Number: 4804821

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Board of directors and other information

Directors as at 31 December 2018

O. de Perregaux (Swiss)
R. Paganoni (Dutch)
W. Von Baum (Swiss)
M.B.E. White (British)

Secretary

M.B.E. White

Registered Office

1 St James's Market
London
SW1Y 4AH
England

Principal Banker

LGT Bank Limited
Herrengasse 12
FL-9490 Vaduz
Liechtenstein

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Principal Solicitors

Cummings Solicitors
42 Brook Street
London W1K 5DB
England

Directors' report

For the year ended 31 December 2018

The Directors submit their annual report together with the audited financial statements for the year ended 31 December 2018. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Principal activities and review of the business

The principal activity of LGT Capital Partners (U.K) Limited ("the Company") continues to be that of marketing and promotion of funds.

The results for the year are shown on page 11 in the statement of comprehensive income. The Company's statement of financial position is detailed on page 12. The Directors do not recommend the payment of a dividend in 2018 (2017: Nil).

There have been no significant changes to the subsidiary of the Company, LGT Capital Partners (Australia) Pty Ltd ("CP AUS"). The investment amount held on the statement of financial position remains unchanged, see notes 9 and 17.

The main sources of income for the Company are information fees and sub - distribution fees.

The basis of the information fee calculation, which is calculated on a cost plus 7.5% basis, remains unchanged.

The Company acts as sub-distributor for a number of Private Equity and Hedge Funds and receives sub-distribution fees for these services, based on service level agreements between the Company, LGT Capital Partners (Ireland) Ltd and LGT Capital Partners Limited.

The Company provides office housing, facility management, IT and compliance services to two intragroup entities, LGT European Capital Ltd and LGT Impact Investment Advisors (UK) LLP, with whom the Company shares an office space. Details of the services and the fee basis are contained within legally binding service level agreements between the Company and each entity. Fees charged are based on the costs actually incurred by the Company plus a mark – up of 5%.

From 1 April 2018 the Company ceased providing philanthropy services to LGT Venture Philanthropy Foundation. These philanthropy services were moved to the newly established dedicated philanthropy entity LGT Impact Investment Advisors (UK) LLP ("IIA"). As such, investment advisory income and sub-advisory fee expenses relating to the philanthropy services ceased at this date. Agreements relating to these fees were transferred to IIA effective 1 April 2018. On the transfer date the Company transferred

any assets and liabilities relating to the philanthropy services to IIA via an intercompany transfer. Staff who were involved in the provision of philanthropy services terminated their contracts with the Company and signed new contracts with IIA.

During 2018, the Company entered into a 10 year lease agreement for a new premises located at 1 St James's Market, London, SW1Y 4AH. Due to LGT's expansion in the UK, and because the existing lease was due to expire in 2018, it was decided to lease a new office space large enough to house three LGT entities with sufficient space for future growth. The Company moved into the new premises in May 2018 and it is shared with two other UK based LGT entities, LGT European Capital Ltd and LGT Impact Investment Advisors (UK) LLP. The lease for the old premises at 35 Dover Street, London, W1S 4NQ, England expired in August 2018.

The Financial Conduct Authority ("FCA") classifies the Company as a small company, thereby exempting the Company from its requirement to produce a strategic report. The classification rules are met as the Company meets two of the three qualifying conditions; an annual turnover of no more than GBP 10,200,000; balance sheet total for the year is not more than GBP 5,100,000 and fewer than 50 employees employed on average.

Results for the year and state of affairs at 31 December 2018

The statement of comprehensive income and statement of financial position are set out on pages 11 and 12 respectively. After accounting for a profit for the financial year of GBP 168,511 (31 December 2017: profit of GBP 69,979), amounts attributable to the equity shareholder at 31 December 2018 were GBP 2,957,814 (31 December 2017: GBP 2,789,304).

Future developments

The Directors do not propose to make any changes to the current strategy and objectives of the Company.

Risk management

The major risks to which the Company is exposed are credit, business and operational risks and risks associated with investment.

Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet its contractual obligation and causes the Company to incur a financial loss. Credit risk exposures, arise principally from cash deposits with third party banks. The adoption of IFRS 9 has introduced the concept of Expected Credit Loss ("ECL")

whereby credit exposures are subject to an expected loss impairment based on the creditworthiness of the counterparty. Please see pages 18, 21 and 22 for further information on ECL.

Business and operational risks

The principal risks and uncertainties to which the Company is exposed are those of business and operational risks. Operational and business risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. The Company maintains systems of controls that it believes are reasonably designed to provide management and the Directors with timely and accurate information about the operations of the Company.

Risks associated with investment

The Company is exposed to the financial risk that losses incurred by the CP AUS subsidiary could result in a reduction in the value of the share capital of the subsidiary and thus a loss on the investment in CP AUS. Claims against CP AUS in excess of their share capital will ultimately be made against entities further up the group structure.

Claims could materialise for a variety of business reasons however LGT Group minimise this risk by ensuring that, as with all LGT subsidiaries, there is sufficient strategic planning carried out before the establishment of the subsidiary, a suitable corporate governance framework is instilled in the Company and, that key risk areas are adequately managed, either within the Company by hiring adequately qualified resources, or outside the Company through outsourcing.

Risks associated with Brexit

The Company has assessed the potential impact of Brexit and its current ongoing relationships with EU clients or businesses which could be impacted in the case of a "hard" Brexit. Relationships with both the Netherlands, where the Company has exposure to E.U. institutional clients, and Ireland, to which the Company provides information services and sub-distribution services and receives income in respect thereof, are the primary exposures that the Company has. After internal discussion at a LGT Group level concerning these exposures, the Directors have concluded that these exposures can be mitigated by relocating services to other LGT Group counter - parties which could be accommodated promptly if required. The Company expects no impact from a tax or HR perspective.

The financial position of the Company at the year end was considered satisfactory by the Directors and the financial position at the year end leaves adequate financial headroom in complying with Financial Conduct Authority requirements.

Directors

The names of the Directors of the Company at any time during the year ending 31 December 2018 are as follows: O. de Perregaux, R. Paganoni, W. Von Baum and M.B.E White. The Directors served for the full year unless otherwise stated.

The Directors and the Secretary had no interest in the share capital of the Company for the years ending 31 December 2018 and 31 December 2017.

Directors' Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable UK law and International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. UK company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with IFRS and IFRIC as adopted by the EU and comply with UK statute comprising 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.

The Company's financial statements for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Capital requirements

The Directors confirm that the Company was fully compliant with all its regulatory capital requirements during the year.


Post balance sheet events

There were no significant post balance sheet events.

Independent auditors

PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm have expressed their willingness to continue in office in accordance with the Companies Act, 2006.

On behalf of the Board



R. Paganoni, Director

W. Von Baum, Director

Date: 25 April 2019



Independent auditors' report to the members of LGT Capital Partners (U.K.) Limited

Report on the audit of the financial statements

Opinion

In our opinion, LGT Capital Partners (U.K.) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2018 (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2018; the Statement of comprehensive income, the Statement of cash flows and the Statement of changes in shareholder's equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

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Feargal O'Rourke (Managing Partner - PricewaterhouseCoopers Ireland)

Olwyn Alexander Paul Barrie Brian Bergin Fidelma Boyce Donal Boyle Damian Byrne Pat Candon John Casey Mary Cleary Siobhán Collier Thérèse Cregg Richard Day Fiona de Búrca John Dillon Ronan Doyle John Dunne FCCA Kevin Egan Martin Freyne Ailsa Hayden FCCA Olivia Hayden Gareth Hynes Ken Johnson Patricia Johnston Parale Joyce Andrea Kelly Joanne P. Kelly John Loughlin Gillian Lowth Vincent MacMahon Declan Maunsell Enda McDonagh Shane McDonald John McDonnell Deirdre McGrath Ivan McLoughlin Declan Murphy Damian Neylin Andy O'Callaghan Jonathan O'Connell Aoife O'Connor Denis O'Connor Paul O'Connor Irene O'Keefe Ger O'Mahoney Padraig Osborne Ken Owens Anthony Reidy Mary Ruane Emma Scott Mike Sullivan Billy Sweetman Paul Tuite

Located at Dublin, Cork, Galway, Kilkenny, Limerick, Waterford and Wexford

Chartered Accountants

PricewaterhouseCoopers is authorised by Chartered Accountants Ireland to carry on investment business.



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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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



Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Fiona de Búrca'.

Fiona de Búrca (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
25 April 2019


Statement of comprehensive income

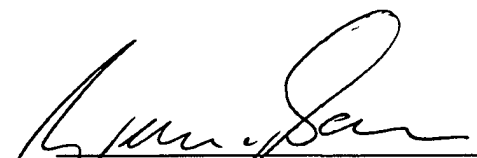
For the year ended 31 December 2018

	Note	2018 GBP '000	2017 GBP '000
Turnover	3	7,486	6,339
Personnel expenses	4	(3,150)	(3,078)
Operating expenses	5	(4,091)	(3,161)
Finance costs	12	(37)	(11)
Profit on operating activities before taxation		208	89
Taxation on operating activities	6	(39)	(19)
Profit on operating activities after taxation		169	70
Total comprehensive profit for the year		169	70

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes are an integral part of these financial statements.


 R. Paganoni, Director


 W. Von Baum, Director

Date: 25 April 2019

Statement of financial position

As at 31 December 2018

	Note	2018 GBP '000	2017 GBP '000
Assets			
Non-current assets			
Tangible assets	7	3,333	-
Other non-current assets	8	1,360	91
Financial investment	9	387	387
Total non-current assets		5,080	478
Current assets			
Cash and cash equivalents	10	1,436	1,188
Debtors and other assets	11	2,878	3,375
Total current assets		4,314	4,563
Total assets		9,394	5,041
Liabilities			
Non – current liabilities			
Loans and advances from banks	12	3,500	-
Current liabilities			
Corporation tax liability	13	20	-
Accruals and deferred income	13	2,916	2067
Total current liabilities		2,936	2,252
Total liabilities		6,436	2,252
Equity capital			
Share capital	15	1,570	1,570
Retained earnings	16	1,388	1,219
Total equity capital and reserves		2,958	2,789
Total liabilities and equity capital		9,394	5,041

The accompanying notes are an integral part of these financial statements.


R. Paganoni, Director


W. Von Baum, Director

Date: 25 April 2019

Statement of changes in shareholder's equity

For the year ended 31 December 2018

	Share capital GBP '000	Retained earnings GBP '000	Total equity GBP '000
As at 1 January 2018	1,570	1,219	2,789
Total comprehensive profit for the year	-	169	169
As at 31 December 2018	1,570	1,388	2,958

As at 1 January 2017	1,570	1,149	2,719
Total comprehensive profit for the year	-	70	70
As at 31 December 2017	1,570	1,219	2,789

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 GBP '000	2017 GBP '000
Cash flows from operating activities			
Profit on operating activities before taxation		208	89
Depreciation of non-current assets	7	344	11
Corporation tax paid		(13)	(79)
(Increase)/decrease in debtors and other assets		496	(1,645)
(Increase) in other assets		(1,269)	-
Increase in current liabilities		659	622
Net cash inflow from operating activities		425	(1,002)
Cash flows from investing activities			
(Purchase)/disposals of tangible assets	7	(3,677)	2
Net cash used from investing activities		(3,677)	2
Cash flows from financing activities			
Loans and advances from banks		3,500	-
Net cash used from financing activities		3,500	-
Net increase/(decrease) in cash and cash equivalents		248	(1,000)
Cash and cash equivalents at 1 January		1,188	2,188
Cash and cash equivalents at 31 December	10	1,436	1,188

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated. The financial statements as at 31 December 2018 are prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and with those parts of the Companies Act, 2006 applicable to companies reporting under IFRS.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS and IFRIC as adopted by the EU requires management to make certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 1(b).

The establishment of the CP AUS subsidiary means that under IFRS 10 – Consolidated Financial Statements - the Company is required to prepare consolidated financial statements. The Company, however, is availing of an exemption from this requirement available under IFRS 10.4. This exemption is subject to certain conditions which have all been met and allows for the ultimate parent of the group i.e. LGT Group Foundation, to prepare financial statements which consolidates all LGT entities. Therefore the Company is not required to prepare consolidated financial statements. The Company prepares separate financial statements under IAS 27 – Consolidated and Separate Financial Statements which is in accordance with Section 399 of the Companies Act, 2006. The required disclosures under this standard have been made in these financial statements.

The LGT Group Foundation, incorporated in the Principality of Liechtenstein, produce consolidated financial statements under IFRS which are available for public use at their registered address of: LGT Group, Herrengasse 12, FL-9490 Vaduz, Liechtenstein.

Changes in accounting principles and presentation

Standards and interpretations that have been adopted

The Company applied the following new and revised standards and interpretations for the first time in the financial year beginning on 1 January 2018:

- IFRS 9 Financial Instruments (effective 1 January 2018)

IFRS 9 replaces IAS 39, "Financials Instruments: Recognition and Measurement". The new standard introduces new classification and measurement requirements for financial assets and financial liabilities, and replaces the current rules for impairment of financial assets with the expected credit loss ("ECL") impairment model. The impact of the Company's financial statements is shown on pages 18, 21 and 22 of this report.

- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

The new standard specifies how and when revenue is recognised. IFRS 15 replaces several other IFRS standards and interpretations that currently govern revenue recognition under IFRS and provides a single principles based five-step model to be applied to all contracts with customers. The adoption of IFRS 15 did not have a significant impact on the Company's financial statements.

The adoption of the following standards and interpretations has not led to any changes in the Company's accounting principles.

- Amendments to IFRS 2 Share based payments (effective 1 January 2018)
- Amendments to IAS 28 Investment in associates and joint ventures (effective 1 January 2018)
- Amendments to IAS 40 Investment property (effective 1 January 2018)
- IFRIC 22 Foreign currency transactions and advance consideration (effective 1 January 2018)

The adoption has also not led to any changes in the presentation of either the Cash flow statement or tax notes. This is due to the specific amendments being related to areas within the standard to which the Company has no exposure for the year ended 31 December 2018. The standards and interpretations did not have any impact on the reported results or financial position of the Company.

Standards and interpretations that have not yet been adopted

The following standards and amendments to standards are mandatory for the Company in future periods but are not relevant for the Company's operations for the year ended 31 December 2018. The Company has chosen not to adopt these in advance. The new and revised standards and interpretations that will be relevant to the Company are as follows:

- **IFRS 16 Leases (effective 1 January 2019)**

IFRS 16, 'Leases', replaces the old lease standard, IFRS 17 and refers to all leasehold contracts held by a company.

It has the effect of classifying all leasehold contracts as both an asset with depreciation, and a corresponding liability on the balance sheet with a finance cost (interest expense) charged to the income statement. This applies to all lease contracts, irrespective of whether it was previously classified as an operating lease (recorded only through the income statement) or a finance lease (recorded as an asset and liability with a finance charge and depreciation through the income statement).

Recognition and Measurement

On adoption of IFRS 16 we expect that a 'right – of use asset' (ROA) and a 'lease liability' will be initially recognised on the balance sheet. The expected impact of adoption is set out below.

The ROA will initially be measured at the amount of the lease liability plus initial direct costs. It is subsequently measured at cost less depreciation. The liability is measured at the present value of the lease payments discounted using a suitable discount rate. The periodic lease payment will reduce the liability. A finance cost (interest expense) is charged through the income statement, which will increase the liability on the balance sheet, and a monthly depreciation charge will reduce the ROA. As the lease asset reduces, the finance cost will also reduce, resulting in a lower lease expense in the later years of the life of the lease.

From 1 January 2019, the impact of the above has led to the creation of a ROA and a lease liability on the statement of financial position of GBP 9,782K. The ROA is depreciated annually at a discount rate of 1.82% (default discount rate of LGT Group) resulting in a total lease depreciation charge for 2019 of GBP 1,077K. At the same time, a lease interest expense of GBP 170K for 2019 is accrued, based on prevailing market borrowing rates. This will result in a total charge to the income statement of GBP 1,247K for 2019 on the basis that none of the existing terms or conditions of the lease are amended. As the net present value of the lease reduces over time, so too will the depreciation and interest amounts expensed so that the total expense amounts gradually reduce over the life of the lease. For comparison, were the existing recognition to continue i.e. recognising the annual lease payments only, the amount would be GBP 1,140K each year for the duration of the lease.

LGT Group have developed a centralised IFRS 16 lease application which records lease information for all LGT entities. This tool produces lease amortisation and depreciation schedules for the duration of the lease. This subsequently enables local accountants to make the appropriate bookings.

The Company adopted IFRS 16 on 1 January 2019.

Based on an initial analysis, the following new and revised standards and interpretations, which have to be applied for financial years beginning on or after 1 January 2019, will not have any significant impact on the reported results or financial position of the Company:

- IFRIC 23 Uncertainty over income tax treatments (effective 1 January 2019, early adoption permitted)
- Amendments to IFRS 9 Financial instruments – Prepayment features with negative compensation (effective 1 January 2019, early adoption permitted)
- Amendments to IAS 28, Investment in associates (effective 1 January 2019, early adoption permitted)
- Amendments to IAS 19, Employee benefits – Plan amendment, curtailment or settlement (effective 1 January 2019, early adoption permitted)
- Amendments to IFRS 3 Business combinations (effective 1 January 2019 and 1 January 2020)
- Amendments to IAS 12 Income taxes (effective 1 January 2019)
- Amendments to IAS 23 Borrowing costs (effective 1 January 2019)

Changes in accounting policies, comparability and other adjustments

Implementation of IFRS 9, Financial Instruments

As at 1 January 2018 the Company adopted IFRS 9, Financial Instruments which, replaces the International Accounting Standard IAS 39, Financial instruments: Recognition and Measurement. The new standard introduces ECL requirements that change the accounting and reporting for the credit exposures which for the Company, are cash and cash equivalent assets which are comprised of cash at bank and fixed-term deposits held with both third-party and intercompany banks (see Note 10). Moreover, IFRS 9 imposes new classification and measurement guidelines that require a consideration of the contractual cash flow characteristics of financial assets and the associated business models.

As permitted under IFRS 9, the Company has not restated prior periods and therefore recognized the difference between carrying amounts as of 31 December 2017 and those on adoption of IFRS 9 on 1

January 2018 directly in retained earnings as of 1 January 2018. The impact from the adoption of IFRS 9 was an ECL charge of GBP 335 which has been recognized as reduction in the equity as of 1 January 2018.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Company.

- Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at 1 January 2018 are compared as follows:

Classification and measurement of financial assets	IAS 39 Measurement category	IAS 39 Carrying amount GBP' 000	IFRS 9 Measurement category	IFRS 9 Carrying amount GBP' 000
Financial assets				
Cash and cash equivalents	Amortized cost (Loans and receivables)	1,188	Amortized cost	1,188
Debtors and other assets	Cost	3,375	Amortized cost	3,375

There were no changes to the classification and measurement of financial liabilities.

- Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

There was no prior year impairment balance.

Financial assets – IFRS 9

(i) Classification and subsequent measurement

Starting 1 January 2018, the Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- fair value through profit or loss (FVPL);
- fair value through other comprehensive income (FVOCI); or
- amortized cost.

(ii) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and subsequent measurement of debt instruments depend on the business model for managing the assets and the cash flow characteristics of the asset. Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. The Company measures Cash cash equivalents and Debtors and other assets at amortized cost.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flow represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI.
- Fair value through profit or loss (FVPL).

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in the statement of comprehensive income and presented in the profit or loss statement in income from trading activities in the period in which it arises. This category has two sub-categories: financial assets held for trading, and those designated at FVPL at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The Company designates financial assets at FVPL when either;

- the assets are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

(iii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Company subsequently measures all equity instruments at FVPL.

(iv) Impairment

The Company assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The measurement of ECL reflects: an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not issue debt instruments as such its only cash and cash equivalents with banks are subject to the ECL. The Company employs a simplified model applying a 0.05% default rating to intercompany cash and fixed-term balances and a 0.12% default rate to third party banks. These rates are on the basis that the credit exposures are of low credit risk and that the counterparty has a high capacity to fulfil its obligations.

IFRS 9 - Measuring ECL, explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The Company have adopted a simplified approach whereby intercompany cash and cash equivalents with banks have a 0.05% PD applied based on the LGT Group's external credit ratings, and third party cash and cash equivalents with banks have a PD of 0.12% applied based on their credit rating as at 31 December 2018. The PD for external counterparties would only change in line with changes to their credit rating.

The calculation of the ECL for the Company's credit exposure is centralized and carried out by the LGT Group Risk Controlling department. The assumptions underlying the ECL calculation are reviewed regularly. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

The Company does not apply the ECL assessment to Debtors and other assets. Exposures to Debtors and other assets are to debtors with whom the Company has a long standing relationship and, based on past experience, the Directors are of the opinion that an ECL is nil.

ECL Exposure to credit risk 2018

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Impairment allowance included in carrying amount	Carrying amount	Fair value of collateral held
	2018	2018	2018	2018	2018	2018
	GBP '000	GBP '000	GBP '000	GBP '000	GBP '000	GBP '000
Cash and cash equivalents				1	1,436	
Total exposure to credit risk				1	1,436	

There was no ECL exposure to credit risk in 2017

IFRS 15 Revenue from contracts with customers

All revenue from contract customers are based on legally enforceable contracts between the Company and the customer. The performance obligations within the contracts are linked to the service being provided by the Company to the customer and directly relate to the fee type generated as consideration for the provision of the service. For instance, the Company predominantly earns fees from the provision of distribution and investment advisory services. Since these services are provided on an ongoing basis and not at any specific point in time, the revenues earned are also recognised on an ongoing basis for the duration of the contract. The consideration amount is defined in each contract as a fixed percentage of an underlying value, for example the NAV of a fund. All revenue from contracts with customers are fixed in nature. There are no variable consideration contracts in place.

Overall, the adoption of IFRS 15 has not changed how the Company measures or recognises revenue from contracts with customers.

Analysis of revenue by fee type from external and intra-group customers:

	Distribution income 2018 GBP '000	Investment advisory 2018 GBP '000	Information fees 2018 GBP '000	Housing Services 2018 GBP '000
Revenue from external customers				
- At a point in time	-	-	-	-
- Over time	-	547	-	-
Revenue from intra-group customers				
- At a point in time	-	-	-	-
- Over time	2,057	439	2,939	1,504

	Distribution income 2017 GBP '000	Investment advisory 2017 GBP '000	Information fees 2017 GBP '000	Housing Services 2017 GBP '000
Revenue from external customers				
- At a point in time	-	-	-	-
- Over time	-	1,962	-	-
Revenue from intra-group customers				
- At a point in time	-	-	-	-
- Over time	2,153	581	1,643	-

Current contract assets and liabilities:

	2018 GBP '000	2017 GBP '000
Current contract assets	2,511	2,705
Current contract liabilities	-	-

These contract assets are made up of debtors for information fees, sub – distribution fees, advisory – third party fees and housing services. They are included on the statement of financial position within debtors and other assets.

(b) Use of estimates

The Board of Directors makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions identified that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses within the next financial year.

(c) Foreign currency translation**(i) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "Functional Currency"). This is the Great British Pound ("GBP"), which reflects the costs incurred by the Company's primary activity of providing marketing and promotion services for alternative fund vehicles.

(ii) Transactions and balances

Foreign currency transactions are translated into GBP using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated using exchange rates at the year end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) List of year-end and average foreign currency ("FX") rates per GBP

Foreign Currency	FX rate as at 31 December 2018	FX rate as at 31 December 2017	2018 average FX rate	2017 average FX rate
USD	1.275	1.353	1.331	1.301
CHF	1.256	1.319	1.299	1.275
EUR	1.115	1.127	1.129	1.143

(d) Cash and cash equivalents

Cash and cash equivalents comprise demand, call and term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents comprise all cash, short-term deposits and other money market instruments, net of short-term overdrafts, with a maturity of three months or less. Cash and cash equivalents are recorded at amortised cost.

(e) Operating lease commitments

The housing and facility charges in relation to the operating lease commitments are recognised in the statement of comprehensive income as they occur. The rent free period and the reduced rent period are recognised over the term of the lease. The Company has adopted IFRS 16 – Leases on 1 January 2019.

(f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Equipment	25% straight line
Fixtures and fittings	length of leasehold period
Leasehold amortisation	length of leasehold period

(g) Interest income

Interest income is recognised in the statement of comprehensive income on an effective interest rate basis.

(h) Accrued expenses

Expenses are recognised in the statement of comprehensive income on an accruals basis.

(i) Retrocession payments

Retrocession payments are made quarterly in arrears to professional intermediaries. The payments are based on a percentage of the management fee rebated to the intermediary firm. Retrocession payments are recognised on an accruals basis.

(j) Taxation

Corporation tax is provided on the taxable profits of the Company.

Deferred tax is provided on all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is not discounted.

(k) Consolidation of subsidiary holdings

All LGT Group subsidiaries are consolidated at Group level so consolidated accounts for the immediate parent, in this case the Company, are not required in accordance with IFRS 10.4.

(l) Classification of subsidiary holdings

The Company classifies the subsidiary holdings of LGT Capital Partners (Australia) Pty Ltd as an investment on the statement of financial position. In accordance with IAS 27, subsidiary holdings are held at cost. On an annual basis the investment carrying amount (i.e. cost) is reviewed to determine whether there is any objective evidence of impairment. Where such evidence is identified, the investment is tested to determine whether the carrying value is less than its recoverable amount (i.e. the higher of fair value less costs to sell and value in use). Indicators of impairment could include, but are not limited to, significant changes to the funds industry and changes to the regulatory, market, economic or legal environments.

(m) Dividends

Dividends are recognised in the Company's financial statements in the year when they are approved by the Directors and paid to the sole shareholder.

2. Beneficial ownership

The Company is wholly owned by the LGT Group Foundation. The beneficiary of the Company is the Prince of Liechtenstein Foundation. The beneficiary of the Prince of Liechtenstein Foundation is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II. von und zu Liechtenstein. The principal activity of the Company continues to be that of marketing and promotion of funds.

3. Turnover	2018	2017
	GBP '000	GBP '000
Information service fee income	2,939	1,643
Sub-distribution fee income	2,057	2,734
Investment advisory fee income	699	868
Philanthropy services fee income	287	1,094
Compliance services income	64	-
Housing services income	970	-
Facility management income	470	-
	7,486	6,339

4. Personnel expenses	2018	2017
	GBP '000	GBP '000
Salaries and bonus	2,564	2,572
Social security costs	348	333
Pension costs	86	64
Medical insurance	107	72
Other staff costs	45	37
	3,150	3,078

The average number of persons employed by the Company during the year was 13 (2017: 13)

5. Operating expenses	2018	2017
	GBP '000	GBP '000
General operating expenses	3,185	1,232
Depreciation of non-current assets	344	11
Auditors remuneration – audit fees	18	12
Expenses paid on behalf of Impact Ventures S.A.	544	1,917
	4,091	3,172

6. Taxation on operating activities	2018 GBP '000	2017 GBP '000
Domestic current year tax		
Corporation tax expense	39	19
Total tax charge	39	19
Reconciliation of tax charge		
Profit on ordinary activities before taxation	208	89
Profit on ordinary activities before taxation multiplied by the tax of U.K. corporation rate of 19%	39	18
Effects of:		
Prior year adjustment	-	-
Current year adjustment	-	1
Current tax charge	39	19

The adoption of IFRS 9 has had a negligible effect in the corporate tax charge for 2018. The application of IFRS 15 has had no impact on the corporate tax charge for 2018.

7. Tangible assets	2018 GBP '000	2017 GBP '000
Cost:		
At 1 January	330	332
Additions/ (disposals) during the year	3,677	(2)
At 31 December	4,007	330
Depreciation:		
At 1 January	330	319
Charge for the year	344	11
At 31 December	674	330
Net book value at 31 December	3,333	-

The addition to tangible fixed assets relates to the fit-out costs associated with the new leasehold premises.

8. Other non-current assets	2018	2017
	GBP '000	GBP '000
Leasehold deposit receivable	1,360	91
	1,360	91

The leasehold deposit receivable is the deposit paid for the lease of the new premises at 1 St James's Market. It is equivalent to one year of rent, before adjusting for the rent – free period in year one.

9. Financial investment	2018	2017
	GBP '000	GBP '000
Investment in LGT Capital Partners (Australia) Pty Limited	387	387
	387	387

There have been no significant changes to the subsidiary of the Company, CP AUS, during 2018. The investment amount held on the statement of financial position remains unchanged. The investment held is in accordance with IAS 27, at cost, less any impairment. An impairment is suffered when the recoverable amount is less than the cost ("carrying amount"). At 31 December 2018, an impairment test was undertaken and the outcome was that the recoverable amount was higher than the carrying amount. Therefore no impairment is necessary. In 2017 there was no significant change to CP AUS. The impairment test resulted a recoverable amount that was higher than the carrying amount so no impairment was necessary.

10. Cash and cash equivalents	2018	2017
	GBP '000	GBP '000
Cash at bank	1,437	1,188
ECL allowance to banks	1	-
	1,436	1,188

The cash bank balances held with HSBC Bank plc, GBP 231,157 (31 December 2017: GBP 240,978), LGT Bank Limited, GBP 821,563 (31 December 2017: GBP 946,061), and Lloyds Bank PLC, GBP 383,168 (31 December 2017: GBP 1,945). The ECL allowance has been calculated as GBP 1,148 in accordance with the impairment model discussed on page 21.

11. Debtors and other assets	2018	2017
	GBP '000	GBP '000
Prepayments and accrued income	2,848	3,322
VAT and other assets	30	53
	2,878	3,375

12. Non current liabilities – amounts falling due after one year	2018	2017
	GBP '000	GBP '000
Loans and advances from banks	3,500	-
	3,500	

A loan facility was granted by LGT Bank Ltd, Liechtenstein during 2018. The purpose of this loan was to provide liquidity in order for the Company to facilitate the fit-out of the new office. The loan was drawn in two tranches, one for GBP 1.5m on 04 April 2018 at an interest rate of 1.5% and a second for GBP 2m on 31 December 2018 at an interest rate of 1.45%. Interest paid on the loan facility amounted to GBP 37,246.

13. Current liabilities – amounts falling due within one year	2018	2017
	GBP '000	GBP '000
Corporation tax liability	20	-
Social security payable	179	185
Accruals and deferred income	2,737	2,067
	2,936	2,252

14. Operating lease commitments	2018	2017
	GBP '000	GBP '000
Maturing up to 1 year	1,140	96
Maturing between 2 and 5 years	4,561	-
Maturing later than 5 years	5,701	-
Total operating lease commitments	11,402	96

15. Share Capital	2018	2017
	GBP '000	GBP '000
Authorised:		
1,520,000 Ordinary Shares of GBP 1 each	1,520	1,520
50,000 Non-Cumulative Preference Shares of GBP 1 each	50	50
	1,570	1,570
Allotted, called up and fully paid:		
1,520,000 Ordinary Shares of GBP 1 each	1,520	1,520
50,000 Non-Cumulative Preference Shares of GBP 1 each	50	50
	1,570	1,570

16. Retained earnings	2018	2017
	GBP '000	GBP '000
Opening balance	1,219	1,149
Total comprehensive profit for the year	169	70
Closing balance	1,388	1,219

17. Related party transactions

Under IAS 24 related parties of the Company include, LGT Financial Services Limited, LGT Fund Managers (Ireland) Limited, LGT Bank AG, Dublin Branch, LGT Bank Limited, LGT Capital Partners (Ireland) Limited, LGT Capital Partners Limited, LGT Bank (Switzerland) Limited, LGT UK Holdings Limited, LGT European Capital Limited, LGT European Capital Limited, Paris Branch, LGT ECAS Agent S.A.S, LGT Group Holdings, LGT Capital Partners (Australia) Proprietary Limited and LGT Impact Investment Advisors UK LLP. All of these companies are subsidiaries of LGT Group Foundation, the ultimate parent company of the Company.

	2018	2017
LGT Financial Services Limited	GBP '000	GBP '000
Purchase of services	168	171
Amounts payable at year end	16	24

Registered address of LGT Financial Services Limited is Herrengasse 12, FL-9490, Vaduz, Principality of Liechtenstein.

Management services provided by LGT Financial Services Limited include information technology and financial information system services, which are charged on a cost-plus basis including a margin of 5%.

	2018	2017
LGT Group Foundation Limited	GBP '000	GBP '000
Purchase of services	-	8
Amounts receivable at year end	-	-

Registered address of LGT Group Foundation Limited is Herrengasse 12, FL-9490, Vaduz, Principality of Liechtenstein.

The services provided by LGT Group Foundation Limited consist of the payment for flights and other travel services for the staff of the Company.

	2018	2017
LGT Group Holdings Limited	GBP '000	GBP '000
Purchase of services	9	10
Amounts payable at year end	-	-

Registered address of LGT Group Holdings Limited is Herrengasse 12, FL-9490, Vaduz, Principality of Liechtenstein.

Management services provided by LGT Group Holdings Limited include insurance, legal and tax services which are charged to the equivalent of the effective cost of the insurance policy per coverage and headcount.

	2018	2017
LGT Bank AG, Dublin Branch	GBP '000	GBP '000
Purchase of services	41	44
Amounts payable at year end	41	44

Registered address of LGT Bank AG, Dublin Branch is Third Floor, 30 Herbert Street, Dublin 2, Ireland.

Management services consisting of accounting, legal and HR services were provided by LGT Bank AG, Dublin Branch. These services are charged on a cost-plus basis including a margin of 5%.

	2018	2017
LGT Bank Limited	GBP '000	GBP '000
Bank Charges	37	-
Cash and term deposits at year end	822	946
Amounts receivable at year end	-	-
Amounts payable at year end	3,517	-

Registered address of LGT Bank Limited is Herrengasse 12, FL-9490, Vaduz, Principality of Liechtenstein.

A loan facility was granted by LGT Bank Ltd, Liechtenstein during 2018. The purpose of this loan was to provide liquidity in order for the Company to facilitate the fit-out of the new office. The loan was drawn in two tranches, one for GBP 1.5m on 04 April 2018 at an interest rate of 1.5% and a second for GBP 2m on 31 December 2018 at an interest rate of 1.45%. Interest paid on the loan facility amounted to GBP 37,246.

	2018	2017
LGT Capital Partners (Ireland) Limited	GBP '000	GBP '000
Information service fee income	2,939	1,643
Sub-distribution fee income	2,019	2,047
Amounts receivable at year end	82	733

Registered address of LGT Capital Partners (Ireland) Limited is Third Floor, 30 Herbert Street, Dublin 2 Ireland.

Information service fee income received from LGT Capital Partners (Ireland) Limited is determined on a cost plus 7.5% basis based on the operating expenses of the Company.

Sub-distribution fees are based on an agreed percentage per service level agreements with LGT Capital Partners (Ireland) Limited. Fees received from LGT Capital Partners (Ireland) Limited are for sub-distribution services on behalf of 19 funds (2017: 15 funds).

	2018	2017
LGT Capital Partners Limited	GBP '000	GBP '000
Sub-distribution fee income	40	106
Advisory fee income	439	581
Purchase of services	155	-
Amounts receivable at year end	445	602
Amounts payable at year end	24	-

Registered address of LGT Capital Partners Limited is Schutzenstrasse 6, CH-8808, Pfaeffikon, Switzerland.

Sub-distribution fees are based on an agreed percentage per service level agreements with LGT Capital Partners Limited. Fees received from LGT Capital Partners Limited are for sub-distribution services on behalf of 7 funds (2017: 11). Advisory fees are based on an agreed percentage per service level agreement with LGT Capital Partners Limited. Fees received from LGT Capital Partners Limited are for client advisory and support services. Services provided by LGT Capital Partners Limited consist of HR services, which were charged on a cost-plus basis including a margin of 5%. LGT Capital Partners Limited also charged the Company for Logo licence fees.

	2018	2017
LGT Bank (Switzerland) Limited	GBP '000	GBP '000
Investment advisory fee income	260	868
Amounts receivable at year end		465

Registered address of LGT Bank (Switzerland) Limited is LangeGasse 15, CHF-4002, Basel, Switzerland.

In consideration of the duties and services to be performed by the Company, the Company was paid by LGT Bank (Switzerland) Limited and was entitled to receive from LGT Bank (Switzerland) Limited an annual fee (plus VAT, if applicable) of 100% of the investment advisory and performance fee to which LGT Bank (Switzerland) Limited was entitled in respect of Impact Ventures as provided for in the Advisory Agreement. From the investment advisory fee income, 20% was paid to Berenberg Bank as a sub-advisory fee. Additionally, the Company was reimbursed by LGT Bank (Switzerland) Limited for all reasonable out-of-pocket costs and expenses incurred by the Company in connection with the performance of its services. Since 31 March 2018 the Company ceased providing these services.

	2018	2017
LGT UK Holdings Limited	GBP '000	GBP '000
Expenses paid on behalf of LGT UK Holdings Limited	-	35
Amounts receivable at year end	-	35
Amounts payable at year end	47	-

Registered address of LGT UK Holdings Limited is 14 Cornhill, London EC3V 3NR, United Kingdom.

LGT UK Holdings Limited and the Company are in the same group for VAT purposes. The amount payable to LGT UK Holdings Limited consists of VAT recovered by the Company on purchases that were incurred by LGT UK Holdings Limited.

	2018	2017
LGT European Capital Limited	GBP '000	GBP '000
Income from services provided to LGT European Capital Limited	736	-
Expenses paid on behalf of LGT European Capital Limited	29	495
Amounts receivable at year end	1,240	495

Registered address of LGT European Capital Limited, 1 St James's Market, London, SW1Y 4AH, England.

The Company recognised income from LGT European Capital Ltd for the provision of housing, facility management, IT and compliance services during the year. The Company also pays a small number of expenses on behalf of LGT European Capital Limited due to their shared office which are reimburseable to the Company.

	2018	2017
LGT European Capital Limited, Paris Branch	GBP '000	GBP '000
Expenses paid on behalf of LGT European Capital Limited, Paris Branch	8	8
Amounts receivable at year end	8	8

Registered address of LGT European Capital Limited, Paris Branch is 37 Avenue Pierre 1er de Serbie, 75008 Paris, France.

The Company paid expenses on behalf of LGT European Capital Limited, Paris Branch while the entity was being established.

	2018	2017
LGT ECAS Agent S.A.S	GBP '000	GBP '000
Expenses paid on behalf of LGT ECAS Agent S.A.S	2	2
Amounts receivable at year end	2	2

Registered address of LGT ECAS Agent S.A.S is 37 Avenue Pierre 1er de Serbie, 75008 Paris, France.

The Company paid expenses on behalf of LGT ECAS Agent S.A.S while the entity was being set up.

	2018	2017
LGT Capital Partners (Australia) Proprietary Limited	GBP '000	GBP '000
Financial investment	387	387

Registered address of LGT Capital Partners (Australia) Pty Limited is Level 36 Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia.

LGT Capital Partners (Australia) Pty Limited was financed by an initial capital injection from the Company during 2014 and is now self-sufficient.

	2018	2017
LGT Impact Investment Advisors UK LLP	GBP '000	GBP '000
Income from services provided to LGT Impact Investment Advisors UK LLP	767	-
Amounts receivable at year end	785	-

Registered address of LGT Impact Investment Advisors UK LLP 1 St James's Market, London, SW1Y 4AH, England.

The Company recognised income from LGT Impact Investment Advisors UK LLP for the provision of housing, facility management, IT and compliance services during the year. Additionally, during 2018 the Company paid

a number of expenses on behalf of LGT Impact Investment Advisors UK LLP which are included in the amounts receivable at year end balance.

Key management personnel comprise the members of the Board of Directors. A listing of the Directors is provided on page 2. In 2018 the total remuneration of the Directors was GBP 231,105 (2017: GBP 217,802). Post-employment benefits paid to Directors during the year were Nil (2017: Nil).

	2018	2017
Directors' remuneration:	GBP '000	GBP '000
- Emoluments for services as Directors	231	218
- Emoluments for other services	-	-

No loans were provided by the Company to key management personnel or any connected person during the year under review (2017: Nil).

18. Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company's contributions to the scheme for services provided by employees for the year amounted to GBP 86,010 (31 December 2017: GBP 64,412). Amounts payable at year end were GBP Nil (31 December 2017: GBP Nil).

19. Post balance sheet events

There were no significant post balance sheet events.

20. Capital resources

The Company's capital is comprised entirely of Tier 1 capital:

- Tier 1 capital comprises of called up share capital and the audited profit and loss account.

A summary of the Company's total capital is as follows:

	GBP '000
Tier 1:	
Called up share capital	1,570
Retained earnings	1,388
Total capital	2,958

21. Market, operational, credit and strategic risk

The Company is classified as a Capital Adequacy Directive ("CAD") Exempt firm. As the Company has a non-complex operational infrastructure and business activities, it is the Directors' opinion that the simplified standard approach to credit, market and operational risk is appropriate.

The Company has assessed its Pillar 1 capital requirement to be GBP 1,563,000 and its Pillar 2 capital requirement to be GBP 637,000 in accordance with FSA requirements. The Pillar 3 Disclosures can be found on the LGT Group website. Please visit www.lgt.com.

22. Approval of financial statements

The financial statements were approved by the Board of Directors on 25 April 2019.

LGT Capital Partners (U.K.) Limited
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LGT Group is represented in more than 20 locations in Europe, Asia and the Middle East.
A complete address list can be seen at www.lgt.com

