



SOCIETE GENERALE GROUP

SG Kleinwort Hambros Trust Company (UK) Limited

**Directors' Report and Audited Financial Statements
For the year ended 31 December 2019**

Company No: 514879



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Directors and Other Information

Directors
R Iles
G Ryan
P McIlwraith
D Richards (appointed 9 January 2020)

Registered Office
5th Floor, 8 St James's Square
London
SW1Y 4JU

Independent Auditor
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Immediate Parent Company
SG Kleinwort Hambros Bank Limited

Company Secretary
J Taylor

Directors' Report on the Financial Statements

For the year ended 31 December 2019

The directors present their report and audited financial statements for the year ended 31 December 2019.

Principal activity and review of the business

SG Kleinwort Hambros Trust Company (UK) Limited (the "Company"), is a trustee and nominee company and carries out activity in administering clients' trusts.

Results and dividends

Details of the results for the year are shown in the Statement of Comprehensive Income on page 9. The directors do not recommend the payment of a dividend (2018: Nil)

Going concern

The Company will continue with its normal operations in relation to being a trust company to the SG Kleinwort Hambros Group. COVID-19 does not and is not currently forecast to have an impact on the Company's current financial position or result. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis will continue to be adopted in preparing the annual report and financial statements.

Directors and directors' interests

The following directors have held office since 31 December 2018:

P Kearney (resigned 9 September 2019)
R Iles
G Ryan
P McIlwraith
D Richards (appointed 9 January 2020)

None of the directors had an interest in the share capital of the Company, nor any disclosable interests in the shares or debentures of any Société Générale group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Société Générale as it is incorporated outside the UK.

None of the directors benefited from qualifying third party indemnity provisions during the year or at the date of this report.

Disclosure of information to auditors

In accordance with the provisions of section 418 of the Companies Act 2006, the directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Words and phrases used in this confirmation should be interpreted in accordance with section 418 of the Companies Act 2006.

Auditors

Ernst & Young LLP would continue to service as auditors. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- as far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law). 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 and loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates which are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Future plans, trends and developments

The Company is committed to implement legislative and regulatory changes in a timely manner and has implemented significant regulatory developments during 2019. Preparations are underway to enable the Company to comply with future regulatory developments, for instance, the General Data Protection Regulation ("GDPR").

COVID-19 has had an impact on the working practices of the company with staff now working-from-home rather than from the office. These arrangements are expected to continue until further government guidance is issued. This has not had a significant impact on the Company and no further impact is expected.

Strategic Report

In accordance with Section 414A (2) of the Companies Act 2006, the Company is not required to present a strategic report.

Approved by the Board of Directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A. Chester', is written over a horizontal dotted line.

Date: 21 December 2020

SG Kleinwort Hambros Trust Company (UK) Limited

Company No: 514879

5th Floor 8 St James's Square, London SW1Y 4JU

Independent auditor's report to the members of SG Kleinwort Hambros Trust Company (UK) Limited

Opinion

We have audited the financial statements of SG Kleinwort Hambros Trust Company (UK) Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 11, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

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

- 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Directors' Report on the Financial Statements for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report on the Financial Statements has 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 Directors' Report on the Financial Statements.

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.

SG Kleinwort Hambros Trust Company (UK) Limited

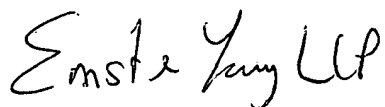
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Billingham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 December 2020

Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Income	2 (e)	1,107,405	763,631
Operating Expenses	2 (c)	(1,107,405)	(763,631)
Operating Profit/(Loss)		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 16 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Notes	2019	2018
		£	£
Current Assets			
Intercompany debtors		2,307,431	2,110,376
Indemnity receivable	5	317,350	349,128
Debtors	6	179,544	336,397
Work in progress	7	467,272	458,096
Total Assets		3,271,597	3,253,997
Less: Current Liabilities			
Deferred income		(17,600)	-
Provisions	8	(3,003,997)	(3,003,997)
		250,000	250,000
Equity			
Called up share capital	9	250,000	250,000

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2020.

Signed by the following directors on behalf of the Board of Directors on 21 December 2020:



Director

The notes on pages 12 to 16 form an integral part of these financial statements.

Statement of Changes in Equity

As at 31 December 2019

	Share capital	Total equity
Balance at 1 January 2019	250,000	250,000
Transactions with owners		
Called up and fully paid	-	-
Transactions with owners, recorded directly in equity	-	-
Balance at 31 December 2019	250,000	250,000

	Share capital	Total Equity
Balance at 1 January 2018	250,000	250,000
Transactions with owners		
Called up and fully paid	-	-
Transactions with owners, recorded directly in equity	-	-
Balance at 31 December 2018	250,000	250,000

The notes on pages 12 to 16 form an integral part of these financial statements.

Notes to the Audited Financial Statements

For the year ended 31 December 2019

1 Basis of Preparation

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

These financial statements are presented in Great British Pounds ("GBP"), which is the Company's functional and presentational currency.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The parent company has been notified of the use of these exemptions.

The accounting policies set out in note 2, have been applied in the preparation of the Financial Statements for the year ended 31 December 2019 and the comparative information presented in these financial statements for the year ended 31 December 2018.

2 Significant Accounting Policies

(a) Disclosure Exemptions

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council and has taken advantage of the following disclosure exemptions under FRS101:

1. The requirements of IAS 7 Statement of Cash Flows;
2. The requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
3. The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
4. The disclosure requirements of IFRS 7; and
5. The effects of new but not yet effective IFRSs.

The financial statements are prepared on the historical cost basis of accounting. Historical cost is generally based on fair value of the consideration given in exchange for the goods and services.

(b) Operating Expenses

The expenses of the Company, including auditors' remuneration and liabilities for legal proceedings for the year ended 31 December 2019 have been borne by SGKHL, the immediate parent company, in consideration for which the Company pays a management charge.

Notes to the Audited Financial Statements

For the year ended 31 December 2019 (continued)

2 Significant Accounting Policies (continued)

(c) Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction in the Company's functional currency. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising from the settlement of foreign currency transactions or on translation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(d) Income

Income represents fee income accrued and earned, less estimated credit losses, exclusive of value added tax. Fee income is recognised on an accruals basis.

Income is recognised using the principles of IFRS15.

To apply these principles of IFRS15 the Company follows a five-step model framework:

Step 1: Identify the contract(s) with a customer.

IFRS 15 defines a contract as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract.

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price.

The transaction price is the amount of consideration (for example, payment) to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract.

For a contract that has more than one performance obligation, an entity should allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

2 Significant Accounting Policies (continued)

(e) Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

In particular, information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 – Work in progress
- Note 8 – Provisions

Fee receivable debtors have been assessed for impairment under the simplified approach in IFRS 9. Estimated credit losses for fees older than 6 months are provided for at 50% of the fees. Estimated credit losses for fees older than one year are provided for in full.

(g) Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months and accordingly the going concern basis is adopted in the preparation of the financial statements.

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the Company's results, operations or liquidity is uncertain. The directors continue to monitor the impact that the COVID-19 pandemic has on the Company, the industry and the economies in which the company operates. The directors have performed a COVID -19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The directors continue to have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next twelve months. This is primarily because the Company's costs are borne by its parent, SG Kleinwort Hambros Bank Limited.

3 Directors' emoluments

	2019 £	2018 £
Aggregate emoluments	152,001	132,591
Company pension contributions to money purchase schemes	25,811	78,446

The value of Restricted Share Options vested in the year was GBP Nil (2018: GBP Nil). Retirement benefits are accruing to 2 directors (2018: 3) under a money purchase scheme and to no directors (2018: none) under a defined benefit scheme.

Highest paid director

Aggregate emoluments	80,370	78,446
Company pension contributions to money purchase schemes	8,575	6,800

Where a director of the Company also has responsibilities in other group undertakings, the emoluments of that director are divided in proportion to the amount of time allocated to each company.

The Directors of the Company are remunerated by the Company's parent company SGKHBL for their services as directors of the Company.

4 Audit fee

The audit fee is borne by the Company's subsidiary, SG Kleinwort Hambros Bank Limited and disclosed in the financial statements of that entity.

	2019 £	2018 £
Allocation of audit fee to the Company	6,000	6,000

5 Indemnity Receivable

Indemnity receivable is recognised to the extent that the Company has secured an indemnity against another party to pay the Company in the event that the Company is obliged to settle certain liabilities. It is recognised to the extent that the Company has security over assets of the paying party.

6 Debtors

Debtors relate to fees receivable, net of any provision raised.

7 Work in Progress

Work in progress consists of the unbilled revenue from trust and fiduciary activities, calculated in relation to the value of the fees, the percentage of the work complete, the time incurred and the estimated final recoverability. The Work in Progress balance is GBP 467,272 at 31 December 2019 (2018: GBP 458,096).

8 Provisions

Provisions include amounts provided for client liabilities arising from business undertaken in prior periods. The calculation used in making this is judged to be the most likely outcome.

The immediate parent, SGKHBL, has indicated to the Company its intention to cover any liability (including legal fees) arising where this is not otherwise recovered by the Company through its own indemnities (Note 4) and has accordingly provided for the current estimate of this potential liability. An intercompany debtor is recognised in the Company to this extent.

SGKHBL has an indemnity for loss due from its historic parent undertaking, Commerzbank AG, in respect of indemnities given to cover a proportion of the maximum expected costs incurred in settling the amount that the Company has provided. 100% of the current liability recognised by SGKHBL is indemnified by Commerzbank.

It is the Directors' expectation that SGKHBL will continue to cover any potential liability arising and any associated legal and other costs.

9 Called up share capital

	2019 £	2018 £
Authorised		
250,000 ordinary shares of £1 each	250,000	250,000
Authorised, called up and fully paid		
250,000 ordinary shares of £1 each	250,000	250,000

10 Parent Company

The Company's immediate parent company is SGKHBL, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is Société Générale S.A., incorporated in France under French Law. It is also the smallest and largest group in which the publicly available results of the Company are consolidated. The financial statements of Société Générale S.A. are available to the public and may be obtained from www.societegenerale.com.

11 Subsequent Events

There were no events after the balance sheet date that require further disclosure in the financial statements. COVID-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. COVID-19 does not and is not currently forecast to have an impact on the Company's current financial position or operations.

For further discussion concerning the management assessment of COVID 19 impact on the Company refer to Note 2, Going concern.