Annual Report and Financial Statements 2019

LGT Capital Partners (U.K.) Limited

Registered Number: 4804821

Contents

Board of directors and other information

Directors as at 31 December 2019

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 2019

The Directors submit their annual report together with the audited financial statements for the year ended 31 December 2019. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006. The Financial Conduct Authority ("FCA") classifies LGT Capital Partners (U.K.) Limited ("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.

Principal activities and review of the business

The principal activity of the Company continues to be that of marketing and promotion of funds.

The results for the year are shown on page 9 in the profit and loss account. The Company's balance sheet is set out on page 10. The Directors do not recommend the payment of a dividend in 2019 (2018: 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 balance sheet remains unchanged, see note 10.

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 Private Debt (UK) Ltd and LGT Lightstone Europe LLP (formerly 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%, where applicable.

Results for the year and state of affairs at 31 December 2019

The profit and loss account and balance sheet are set out on pages 9 and 10 respectively. After accounting for a profit for the financial year of GBP 175,367 (31 December 2018: profit of GBP 168,511), amounts attributable to the equity shareholder at 31 December 2019 were GBP 3,133,182 (31 December 2018: GBP 2,957,814).

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.

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 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.

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 2019 are as follows: O. de Perregaux, R. Paganoni, W. Von Baum and M.B.E White. The Directors served for the full year.

The Directors and the Secretary had no interest in the share capital of the Company for the years ending 31 December 2019 and 31 December 2018.

Directors' Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable UK law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Discosure Framework"). 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;
- state whether FRS101 has 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 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 the FRS101 Reduced Disclosure Framework ("FRS101") 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 2019 have been prepared in accordance with FRS101.

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

The reporting period of 2020 to date has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Directors of the Company are actively monitoring the situation and, with the support of LGT Group, continue to manage the activities of the business accordingly. The Directors do not foresee the pandemic adversely affecting the going concern of the Company. The Directors will continue to review the situation in order to navigate the Company through this period of heightened uncertainty.

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

M.B.E. White, Director	**W. Von Baum, Director**

Date: 22 April 2020

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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); 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 2019 (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2019, the Profit and loss account, 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.

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.

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 2019 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 5, 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.

Patricia Johnston

Patricia Johnston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
22 April 2020

Profit and loss account

For the year ended 31 December 2019

	Note	2019 GBP '000	2018 GBP '000
Turnover	3	7,605	7,486
Administrative expenses	4	(7,287)	(7,241)
Interest payable and similar charges	5	(213)	(37)
Profit on operating activities before taxation		**105**	**208**
Taxation on operating activities	6	70	(39)
Profit on operating activities after taxation		**175**	**169**
Profit for the year		**175**	**169**

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Balance Sheet

As at 31 December 2019

	Note	2019 GBP '000	2018 GBP '000
Assets			
Fixed assets			
Tangible assets	7	3,047	3,333
Lease asset	8	8,595	-
Other non - current assets	9	1,360	1,360
Investment	10	387	387
Total fixed assets		**13,389**	**5,080**
Current assets			
Cash at bank and in hand	11	1,533	1,436
Prepayments and accrued income	12	3,649	2,848
Debtors and other assets	13	-	30
Total current assets		**5,182**	**4,314**
Total assets		**18,571**	**9,394**
Liabilities			
Non – current liabilities			
Amounts due to banks	14	3,500	3,500
Lease liabilities	8	8,734	-
Total non - current liabilities		**12,234**	**3,500**
Current liabilities			
Creditors and other liabilities	15	503	199
Accruals and deferred income	16	2,701	2,737
Total current liabilities		**3,204**	**2,936**
Total liabilities		**15,438**	**6,436**
Equity capital			
Share capital	17	1,570	1,570
Retained earnings	18	1,563	1,388
Total equity capital and reserves		**3,133**	**2,958**
Total liabilities and equity capital		**18,571**	**9,394**

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

M.B.E. White, Director

W. Von Baum, Director

Date: 22 April 2020

Statement of changes in shareholder's equity
For the year ended 31 December 2019

	Share capital GBP '000	Retained earnings GBP '000	Total equity GBP '000
As at 1 January 2019	1,570	1,388	2,958
Total comprehensive profit for the year	-	175	175
As at 31 December 2019	**1,570**	**1,563**	**3,133**

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**

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

Notes to the financial statements

1. General information

LGT Capital Partners (UK) Limited ("the Company") is authorised by the Financial Conduct Authority to provide marketing and promotion services to LGT Group funds.

The immediate parent of the Company is LGT UK Holdings Ltd, 35 Great St. Helen's, London EC3A 6AP, Great Britain. The ultimate beneficial owner of the Company LGT Group Foundation, Herrengasse 12, Vaduz Principality of Liechtenstein. The beneficiary of LGT Group Foundation 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.

2. Accounting policies

The Company adopted Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS101") for the first time on 1 January 2019.

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 2019 are prepared and approved by the Directors in accordance with FRS101 and with those parts of the UK Companies Act, 2006 applicable to companies reporting under FRS101.

The Company is included in the group accounts of LGT Group Foundation, which are available to the public and can be obtained by contacting LGT Group Foundation, Herrengasse 12, FL-9490, Liechtenstein.

a) Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2019 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

Where relevant, equivalent disclosures have been provided in the group accounts of LGT Group Foundation.

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 101 requires management to make certain judgements, estimates and assumptions that affect the application of policies and the reported amount of assets and liabilities, income and expenses. 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 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) below.

The financial statements are prepared on a going concern basis. In preparing the financial statements, the Company's board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Summary of disclosure exemptions

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act. The Company has availed of a number of exemptions from the disclosure requirements of EU adopted IFRS in the preparation of these financial statements, in accordance with FRS 101.

In accordance with FRS 101 the Company has availed of an exemption from the following paragraphs of IFRS:

- The requirements under IAS 7 "Statement of Cash Flows" (FRS 101, paragraph 8h);
- The requirements of paragraph 79(a)(iv) of IAS 1 'Presentation of Financial Statements";
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements of paragraph 17, IAS 24 "Related Party Disclosures" (key management compensation) (FRS 101, paragraph 8j & 8k);
- The requirement under IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group;

• The requirement to disclose standards in issue which have yet to become effective.

The following exemptions of IAS 1 have also been availed of:
• Paragraph 10(d): The requirement to present a Cash Flow Statement (CFS)
• Paragraph 16: The statement of explicit and unreserved compliance with IFRS
• Paragraph 38A: The requirement for a minimum of 2 primary statements including a CFS
• Paragraph 3 8B-D Additional comparative information,
• Paragraph 111: Cash flow statement information
• Paragraph's 134 to 136: Capital management disclosures

Changes in accounting principles and presentation

The Company adopted FRS 101 "Reduced Disclosure Framework" in 2019.

The Company applied the following new and revised standards and interpretations for the first time in the financial year beginning on 1 January 2019:

- IFRS 16 Leases (effective 1 January 2019)

IFRS 16 replaces IAS 17. Under IFRS 16 lessees no longer distinguish between a finance lease (on balance sheet) and an operating lease (off balance sheet). Instead, for virtually all lease contracts the lessee recognises a lease liability reflecting future lease payments and a right-of-use asset.

The Company has adopted the standard on a modified retrospective basis that does not require comparatives to be restated.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- To discount lease liabilities using the Group's incremental borrowing rate in the relevant maturity band as at 1 January 2019

The change in accounting policy affecte the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by GBP 9,530,000
- Lease liabilities – increase by GBP 9,530,000

Measurement of lease liabilities	2019 GBP '000
Operating lease commitments disclosed at 31 December 2018	10,536
Discounted using the lessee' incremental borrowing rate at the date of initial application	(1,006)
Lease liability recognised as at 1 January 2019	**9,530**

(b) 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 profit and loss account.

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

Foreign Currency	FX rate as at 31 December 2019	FX rate as at 31 December 2018	2019 average FX rate	2018 average FX rate
USD	1.324	1.275	1.281	1.331
CHF	1.283	1.256	1.271	1.299
EUR	1.180	1.115	1.142	1.129

(c) Cash at bank and in hand

Cash at bank and in hand comprise demand, call and term deposits with a maturity of three months or less. Cash at bank and in hand are recorded at amortised cost.

(d) Revenue from contracts with customers

The Company earns revenues by providing various services to related party customers. The various income streams are measured based on the consideration specified in legally enforceable contracts. In the case of variable revenues, recognition can only take place to the extent that it is highly probably that a significant reversal will not occur. The Company has no variable revenues.

(e) Leases – IFRS 16

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for the use of the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Lease payments are normally discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases of the Company, the lessee's incremental borrowing rate is used. LGT Group determines its incremental borrowing rate based on the risk free rate and a liquidity spread from various external financing sources in the relevant currency and maturity band.

Lease payments are allocated between principal and finance costs. The finance cost is charged to the profit and loss over the lease period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liablity;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(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 profit and loss account on an effective interest rate basis.

(h) Accrued income

Income is recognised in the profit and loss account on an accruals basis.

(i) Accrued expenses

Expenses are recognised in the profit and loss account 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 balance sheet 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 balance sheet 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 balance sheet date. Deferred tax is not discounted.

(k) Consolidation of subsidiary holdings

The Company prepares its financial statements under FRS101 on a non-consolidation basis which it is entitled to do as the the ultimate parent of the group, LGT Group, prepares financial statements which consolidate all LGT entities.

(l) Classification of subsidiary holdings

The Company classifies the subsidiary holdings of LGT Capital Partners (Australia) Pty Ltd as an investment on the balance sheet. 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.

3. Turnover

	2019 GBP '000	2018 GBP '000
Information service fee income	1,509	2,939
Sub-distribution fee income	3,094	2,057
Representation fee income	240	-
Investment advisory fee income	677	699
Philanthropy services fee income	-	287
Compliance services income	226	64
Housing services income	1,362	970
Facility management income	497	470
Total turnover	**7,605**	**7,486**

4. Administrative expenses

	2019 GBP '000	2018 GBP '000
Personnel expenses		
Salaries and bonus	2,857	2,564
Social security costs	370	348
Pension costs	114	86
Medical insurance	61	107
Other staff costs	84	45
Total personnel expenses	**3,486**	**3,150**

Operating expenses		
General operating expenses	2,220	3,185
Depreciation of non-current assets	1,543	344
Auditors remuneration – audit fees	38	18
Expenses paid on behalf of Impact Ventures S.A.	-	544
Total operating expenses	**3,801**	**4,091**
Total administrative expenses	**7,287**	**7,241**

The average number of persons employed by the Company during the year was 14 (2018: 13)

5. **Interest payable and similar charges**	**2019**	**2018**
	GBP '000	**GBP '000**
Interest on leases under IFRS 16	167	-
Interest on loans and advances from banks	46	37
	213	**37**

6. **Taxation on operating activities**	**2019**	**2018**
	GBP '000	**GBP '000**
Domestic current year tax		
Corporation tax charge	(70)	39
Total tax charge	**(70)**	**39**
Reconciliation of tax charge		
Profit on ordinary activities before taxation	**105**	**208**
Profit on ordinary activities before taxation at the U.K. corporation tax rate of 19%	20	39
Effects of:		
Prior year adjustment	(90)	-
Current tax charge	**(70)**	**39**

7. Tangible assets

	2019 GBP '000	2018 GBP '000
Cost:		
At 1 January	4,007	330
Additions/ (disposals) during the year	181	3,677
At 31 December	4,188	4,007
Depreciation:		
At 1 January	674	330
Charge for the year	467	344
At 31 December	1,141	674
Net book value at 31 December	**3,047**	**3,333**

8. Leases

	2019 GBP '000
Amounts recognised in the balance sheet:	
Right-of-use assets - cost at 1 January 2019	
Real estate	9,530
Additions during the year	
Office equipment	32
Total right-of-use assets at 31 December 2019	**9,562**
Accumulated depreciation	
Real estate	(1,049)
Office equipment	(15)
Total accumulated depreciation	**(1,064)**
Asset retirement obligation	
ARO asset	110
ARO depreciation	(12)
Net asset retirement obligation	**98**
Net Assets	
Real estate	8,579
Office equipment	17
Total net assets	**8,596**

Lease liabilities	2019 GBP '000
Real estate	8,607
Asset retirement obligation - provision	111
Office equipment	16
Total lease liabilities	**8,734**
Of which: current liabilities	1,200
Of which: non-current liabilities	7,534

	2019 GBP '000
Amounts recognised in the profit and loss:	
Depreciation charge of right-of-use assets	
Real estate	1,061
Office equipment	15
Total depreciation charge of right-of-use assets	**1,076**
Interest expense leasing	**167**

Commitments disclosed under IAS 17	2019 GBP '000
Not later than one year	1,155
Later than one year and not later than five years	5,703
Later than five years	2,375
Total	**9,233**

In 2018, the Company entered into a 10 year lease agreement for its office premises, which are located at 1 St James's Market, London, SW1Y 4AH. During 2019 the Company purchased a photocopy machine through a lease contract. The total cash outflow for leases in 2019 was GBP 1,140,636.

9. Other non-current assets

	2019 GBP '000	2018 GBP '000
Leasehold deposit receivable	1,360	1,360
	1,360	**1,360**

The leasehold deposit receivable is the deposit paid for the lease of Company's premises.

10. Financial investment

	2019	2018
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 2019. The investment amount held on the balance sheet 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"). As at 31 December 2019 and 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.

11. Cash at bank and in hand

	2019 GBP '000	2018 GBP '000
Cash at bank	1,533	1,436
	1,533	**1,436**

Breakdown of cash at bank and in hand:

Counterparty	Country	Account Type	2019 GBP '000	2018 GBP '000
HSBC Bank plc	United Kingdom	Cash	-	231
LGT Bank Ltd	Liechtenstein	Cash	1,347	822
Lloyds Bank plc	United Kingdom	Cash	186	383
			1,533	**1,436**

12. Prepayments and accrued income

	2019 GBP '000	2018 GBP '000
Prepayments	360	286
Accrued income	3,289	2562
	3,649	**2,848**

13. Debtors and other assets

	2019 GBP '000	2018 GBP '000
VAT and other assets		30
		30

14. Amounts due to banks

	2019 GBP '000	2018 GBP '000
Loans and advances from banks	3,500	3,500
	3,500	**3,500**

There is a loan facility in place with LGT Bank Ltd, Liechtenstein. The loan of GBP 3.5m was drawn on 27 September 2019 at an interest rate of 1.22%. Interest paid on the loan facility amounted to GBP 45,677 (2018: 37,246).

15. Creditors and other liabilities

	2019 GBP '000	2018 GBP '000
VAT liability	202	-
Corporation tax liability		20
Social security	230	179
Other creditors	71	-
Total creditors and other liabilities	**503**	**199**

16. Accruals and deferred income

	2019 GBP '000	2018 GBP '000
Accrued expenses	2,694	2,714
Deferred income	7	23
	2,701	**2,737**

17. Share Capital

	2019	2018
	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**

18. Retained earnings

	2019	2018
	GBP '000	GBP '000
Opening balance	1,388	1,219
Total comprehensive profit for the year	175	169
Closing balance	**1,563**	**1,388**

19. Directors' remuneration

Key management personnel comprise the members of the Board of Directors. A listing of the Directors as at 31 December 2019 is provided on page 2. In 2019, the total remuneration of the Directors was GBP 237,592 (2018: GBP 231,105). Post-employment benefits paid to Directors during the year were Nil (2018: Nil).

	2019	2018
Directors' remuneration:	GBP '000	GBP '000
- Emoluments for services as Directors	238	231
- Emoluments for other services	-	-

No loans were provided by the Company to key management personnel or any connected person during the year under review (2018: Nil).

20. 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 130,746 (31 December 2018: GBP 86,010). Amounts payable at year end were Nil (31 December 2018: GBP Nil).

21. Post balance sheet events

The reporting period of 2020 to date has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Directors of the Company are actively monitoring the situation and, with the support of LGT Group, continue to manage the activities of the business accordingly. The Directors do not foresee the pandemic adversely affecting the going concern of the Company. The Directors will continue to review the situation in order to navigate the Company through this period of heightened uncertainty.

There are no other events to report that had an influence on the balance sheet and profit and loss statement for 2019.

22. Approval of financial statements

The financial statements were approved by the Board of Directors on 22 April 2020.

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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**