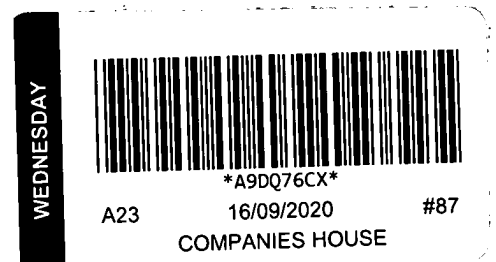


**Annual Report and
Consolidated Financial Statements
LGT Vestra LLP**

For the year ended 31 December 2019

Registered number : OC329392



LGT Vestra LLP
Information

Designated Members

David Scott
Benjamin Snee
William John Habberfield

LLP Registered Number

OC329392

Registered Office

14 Cornhill
London
EC3V 3NR

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants
Statutory Auditor
7 More London Riverside
London
SE1 2RT

LGT Vestra LLP

Contents

	Page
Members' Report	3 - 6
Independent Auditors' Report	7 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11 - 12
LLP Statement of Financial Position	13 - 14
Consolidated Statement of Changes in Equity	15
LLP Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17 - 18
LLP Statement of Cash Flows	19 - 20
Notes to the Financial Statements	21 - 39

LGT Vestra LLP

Members' Report

For the year ended 31 December 2019

The members present their annual report together with the audited financial statements of LGT Vestra LLP (the "LLP") for the year ended 31 December 2019. The consolidated results for the year ended 31 December 2019 comprise of the results for LGT Vestra LLP and its subsidiaries LGT Vestra (Jersey) Limited and LGT Vestra US Limited (together the "Group").

Principal activities and review of the business

The LLP and the Group were incorporated on 27 June 2007 and commenced operations on that date.

The principal object of the LLP and the Group is to provide wealth management and financial advisory services tailored to clients' needs.

The results for the period and the financial position of the LLP are shown in the financial statements. The Group profit after tax for the period was £16,443,540 (31 December 2018: £10,766,873). The LLP profit after tax for the period was £15,839,352 (31 December 2018: £11,636,503).

The net assets at 31 December 2019 for the Group are £46,531,324 (31 December 2018 - £36,456,788). The net assets at 31 December 2019 for the LLP was £46,683,182 (31 December 2018 - £37,162,836).

The Group's net increase in cash for the year ended 31 December 2019 was £1,098,373 (the net decrease in the year ended 31 December 2018 was £3,461,888). The LLP's net increase in cash for the year ended 31 December 2019 was £2,297,808 (the net decrease in the year ended 31 December 2018 was £4,374,712).

Designated Members

The designated members during the period were as follows:

David Scott
Benjamin Snee
William John Habberfield

Principle risks and uncertainties and future prospects

The Group is subject to a number of risks inherent to the industry in which it operates. These risks, and the Group's strategy for managing them, are set out in the Pillar III statement which is available on the Group website, www.lgtvestra.com.

The Group has identified the volatility of markets as a particular risk. An extreme fall in the equity markets would depress the value of assets under management and therefore the Group's revenues. However, the Group believes defensive positioning of many of the portfolios will enable it to withstand any severe downturn.

Such conditions could affect the confidence of prospective clients to invest monies with this or any firm and therefore reduce the flow of new net money to the Group.

The impact of the UKs impending withdrawal from the 'EU' has been considered at length. As the current situation is unclear as to the nature of the withdrawal, it has been deemed challenging to quantify the impacts this may have on the business, however as the majority of the LLP's clients are UK residents we expect a minimal risk to business activity.

LGT Vestra LLP

Members' Report

For the year ended 31 December 2019

Principle risks and uncertainties and future prospects (continued)

The Group remains cautiously optimistic about the forthcoming year and its business strategy remains focussed on client satisfaction. The members are committed to the Group becoming one of the leading wealth management businesses in the UK and Jersey.

Since the Statement of Financial position date there has been a global COVID-19 pandemic confirmed by the World Health Organisation. LGT Vestra Group have put in place controls and procedures in order to mitigate disruption on business activity and the welfare of employees. LGT Vestra's Crisis Management Team have implemented working from home arrangements for all staff and have been meeting on a daily basis circulating updated communications to all staff via email and phone, as a result of the recently upgraded IT infrastructure the firm is able to remain fully functional and efficient with minimal disruption on day to day work.

LGT Vestra LLP are continually monitoring the ongoing situation and the direct impact upon financial markets, with the current downturn in markets having a direct impact upon asset under management and upcoming fee billing. The implications of which have been considered in detail as part of the Going Concern assessment.

Policy regarding Members' drawings, and the subscription and repayment of amounts subscribed or otherwise contributed by Members.

The LLP Membership Agreement dated 11 March 2016, sets out the basis for members' drawings and the amounts subscribed or otherwise contributed by members.

The overall policy followed in relation to member's drawings is to only allow drawings on account of members' profit share of unaudited profits when such drawings have been approved by the LLP. Drawings on account of members' shares of audited profits are permitted after the satisfaction of regulatory capital requirements.

The overall policy in relation to amounts subscribed or otherwise contributed by members is that it should be sufficient for the day-to-day running of the business of the LLP and to meet its regulatory requirements, and that capital will be repaid only when it will not prejudice those needs or requirements and further capital is invested in the LLP by existing, or new, members.

Members' capital is presented as equity in the financial statements. Details of transfers of members' interests between equity and debt during the period are set out in note 20 and 21 of the financial statements.

Going concern

At the time of approving the Group's and the LLP's financial statements it is the designated members' judgement that the Group and the LLP have sufficient resources to continue trading for the foreseeable future. Budgets and regulatory forecasts are prepared on an ongoing basis for a minimum of two financial years to ensure the firm has sufficient liquidity, regulatory capital for the continued operations of the business.

This judgement has been formed after extensive review of the ongoing COVID-19 situation and the impact upon the firm's Regulatory Capital, Cashflow and Profit and Loss forecasts. These forecasts are being continually monitored including frequent revision and stress testing of current market fluctuations. LGT Vestra's Management Board believe that the firm currently has sufficient cash reserves, as well as upcoming cash receipts from annuity income (i.e. Management Fees) in order to continue as a going concern for the foreseeable future, this assessment includes:

- The prudent capital injection from LGT Group during 2019 which bolstered LGT Vestra's cash balances
- Access to a GBP£10m credit facility with LGT Group which was formally approved during 2019
- Continual dialogue with LGT Group regarding regulatory capital and liquidity

LGT Vestra LLP

Members' Report

For the year ended 31 December 2019

Going concern (continued)

Thanks to its very prudent business philosophy, LGT Group has successfully navigated recessions, market turmoil and other crises since its founding in 1921. We remain highly confident that with its well capitalized balanced sheet and high liquidity, LGT Group is in a strong position to successfully overcome the challenges ahead.

In addition, LGT Vestra's Management Board have implemented a number of cost containment measures including a hiring freeze, a travel ban, and a review of all projects to temporarily be put on hold which includes the cessation of contract workers and temporary staff.

There has been no systemic pattern of clients withdrawing monies, particularly following both January and February 2020 being strong months for new asset inflows, with many clients who have access to available cash resources maintaining continual dialogue to try to determine a good time to re-invest into the market given the recent downturn.

Members' drawings and the subscription and repayment of members' capital

During the period to 31 December 2019, the members received drawings of £17.6m (period ended 31 December 2018 £20.7m) and introduced capital of £5.1m (period ended 31 December 2018 £5.3m).

Members' Responsibilities Statement

The members are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial period. Under that law the members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and limited liability partnership financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under Company law, as applied to limited liability partnerships, the members 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 group and limited liability partnership and of the profit or loss of the group and limited liability partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the consolidated financial statements and IFRSs as adopted by the European Union have been followed for the limited liability partnership financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

LGT Vestra LLP

Members' Report

For the year ended 31 December 2019

Members' Responsibilities Statement (continued)

The members are also responsible for safeguarding the assets of the group and limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors and will be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008, unless the partnership received notice under section 488(1) of the Companies Act 2006 as modified by the Limited Liabilities Partnership regulations 2008.

This report was approved by the members on 20 March 2020 and signed on their behalf on 23 April 2020 by:



David Scott
Designated member

LGT Vestra LLP

Independent auditors' report to the members of LGT Vestra LLP Report on the audit of the financial statements

Opinion

In our opinion, LGT Vestra LLP's group financial statements and limited liability partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 December 2019 and of the group's profit and the group's and the limited liability partnership's 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, as regards the limited liability partnership's financial statements, as applied in accordance with the provisions of the Companies Act 2006 as applied to limited liability partnerships; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and LLP Statements of Financial Position as at 31 December 2019; the Consolidated Statement of Comprehensive Income, the Consolidated and LLP Statements of Changes in Equity and the Consolidated and LLP Statements of Cash Flows 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 group 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

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

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and limited liability partnership'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.

LGT Vestra LLP

Independent auditors' report to the members of LGT Vestra LLP

Report on the audit of the financial statements (continued)

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and limited liability partnership'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 members 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 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.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Members' Responsibilities Statement set out on page 5 and 6, the members 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 members 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 members are responsible for assessing the group's and the limited liability partnership'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 members either intend to liquidate the group or the limited liability partnership 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 opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships

LGT Vestra LLP

Independent auditors' report to the members of LGT Vestra LLP Report on the audit of the financial statements (continued)

(Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships, 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 limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Colleen Local (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 April 2020

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	77,162,885	63,754,607
Operating expenses		(60,687,555)	(52,882,031)
Operating Profit	5	16,475,330	10,872,576
Interest receivable and similar income	9	132,610	7,597
Interest payable and expenses	10	(62,951)	(113,299)
Profit before tax		16,544,989	10,766,873
Tax expense in corporate subsidiaries	11	(101,449)	-
Change in net assets attributable to members		16,443,540	10,766,873
Other comprehensive income			
Revaluation of investments		378,982	218,551
Total other comprehensive income		378,982	218,551

All income is from continuing activities.

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The notes on pages 21 to 39 form part of these financial statements.

LGT Vestra LLP

Registered number : OC329392

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019		31 December 2018	
		£	£	£	£
Non-current assets					
Investments	13		465,930		305,500
Intangible assets	14		1,275,733		1,218,507
Property, plant and equipment	15		14,126,192		5,686,671
			<u>15,867,855</u>		<u>7,210,678</u>
Current Assets					
Trade and other receivables	17	41,551,027		29,539,155	
Cash and cash equivalents	18	11,771,313		10,672,940	
		<u>53,322,340</u>		<u>40,212,095</u>	
Current Liabilities					
Trade and other payables	19	(14,785,985)		(10,965,985)	
			<u>38,536,355</u>		<u>29,246,110</u>
Net current assets					
			<u>54,404,210</u>		<u>36,456,788</u>
Total assets less current liabilities					
Non-current liabilities					
Trade and other payables - non current	15		(7,872,886)		-
			<u>46,531,324</u>		<u>36,456,788</u>
Net assets attributable to members					
Represented by:					
Members' capital classified as equity		30,414,768		25,307,782	
Revaluation reserve		378,982		218,551	
Other reserves classified as equity		15,737,574		10,930,455	
			<u>46,531,324</u>		<u>36,456,788</u>
			<u>46,531,324</u>		<u>36,456,788</u>

The notes on pages 21 to 39 form part of these financial statements.

LGT Vestra LLP

Registered number : OC329392

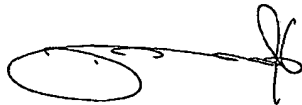
Consolidated Statement of Financial Position (continued)

As at 31 December 2019

	31 December 2019		31 December 2018	
	Note	£	£	£
Total members' interests				
Amount due from members (included in trade receivables)	17		(18,299,065)	(12,359,667)
Amounts due to members (included in trade payables)	19		-	-
Members' other interests			46,531,324	36,456,788
	23		<u>28,232,259</u>	<u>24,097,121</u>

The notes on pages 21 to 39 form part of these financial statements.

The financial statements on pages 10 - 39 were approved and authorised for issue by the members on 20 March 2020 and were signed on their behalf on 23 April 2020.



David Scott
Designated member

LLP Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019		31 December 2018	
		£	£	£	£
Non-current assets					
Investments	13		465,930		305,500
Intangible assets	14		1,275,733		1,218,507
Property, plant and equipment	15		13,705,113		5,518,523
Investments in subsidiaries	16		3,867,974		2,867,974
			<u>19,314,750</u>		<u>9,910,504</u>
Current Assets					
Trade and other receivables	17	38,777,788		28,852,945	
Cash and cash equivalents	18	8,990,485		6,692,676	
			<u>47,768,273</u>		<u>35,545,621</u>
Current Liabilities					
Trade and other payables	19	(12,575,324)		(8,293,289)	
			<u>35,192,949</u>		<u>27,252,332</u>
Total assets less current liabilities			54,507,699		37,162,836
Non-current liabilities					
Trade and other payables - non current	15		(7,824,517)		-
			<u>46,683,182</u>		<u>37,162,836</u>
Net assets attributable to members					
Represented by:	24				
Members' capital classified as equity		30,414,768		25,307,782	
Revaluation reserve		378,982		218,551	
Other reserves classified as equity		15,889,432		11,636,503	
			<u>46,683,182</u>		<u>37,162,836</u>
			<u>46,683,182</u>		<u>37,162,836</u>

The notes on pages 21 to 39 form part of these financial statements.

LGT Vestra LLP
Registered number : OC329392

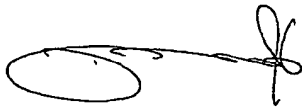
LLP Statement of Financial Position (continued)

As at 31 December 2019

	31 December 2019		31 December 2018	
Note	£	£	£	£
Total members' interests				
Amount due from members (included in trade receivables)	17	(18,299,065)		(12,359,667)
Amounts due to members (included in trade payables)	19	-		-
Members' other interests		46,683,182		37,162,836
	24	<u>28,384,117</u>		<u>24,803,169</u>

The notes on pages 21 to 39 form part of these financial statements.

The financial statements on pages 10 - 39 were approved and authorised for issue by the members on 20 March 2020 and were signed on their behalf on 23 April 2020.



David Scott
Designated member

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Members capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total equity £
At 1 January 2019	25,307,782	218,551	10,930,455	36,456,788
Profit for year available for discretionary division among members	-	-	16,443,540	16,443,540
Total comprehensive income for the year	-	-	16,443,540	16,443,540
Contributions by and distributions to members				
Allocated profit	-	-	(11,636,421)	(11,636,421)
Capital introduced by members	5,148,002	-	-	5,148,002
Capital amounts repaid to members	(41,016)	-	-	(41,016)
Revaluation Reserve	-	160,431	-	160,431
Total transactions with members	5,106,986	160,431	(11,636,421)	(6,369,004)
At 31 December 2019	30,414,768	378,982	15,737,574	46,531,324

The notes on pages 21 to 39 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Members capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total equity £
At 1 January 2018	20,108,033	-	11,449,161	31,557,194
Profit for year available for discretionary division among members	-	-	10,766,874	10,766,874
Total comprehensive income for the year	-	-	10,766,874	10,766,874
Contributions by and distributions to members				
Allocated profit	-	-	(11,285,580)	(11,285,580)
Capital introduced by members	5,276,000	-	-	5,276,000
Capital amounts repaid to members	(76,251)	-	-	(76,251)
Revaluation Reserve	-	218,551	-	218,551
Total transactions with members	5,199,749	218,551	(11,285,580)	(5,867,280)
At 31 December 2018	25,307,782	218,551	10,930,455	36,456,788

The notes on pages 21 to 39 form part of these financial statements.

LLP Statement of Changes in Equity

For the year ended 31 December 2019

	Members capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total equity £
At 1 January 2019	25,307,782	218,551	11,636,503	37,162,836
Profit for year available for discretionary division among members	-	-	15,889,350	15,889,350
Total comprehensive income for the year	-	-	15,889,350	15,889,350
Contributions by and distributions to members				
Allocated profit	-	-	(11,636,421)	(11,636,421)
Capital introduced by members	5,148,002	-	-	5,148,002
Capital Injections	(41,016)	-	-	(41,016)
Revaluation Reserve	-	160,431	-	160,431
Total transactions with members	5,106,986	160,431	(11,636,421)	(6,369,004)
At 31 December 2019	<u>30,414,768</u>	<u>378,982</u>	<u>15,889,432</u>	<u>46,683,182</u>

The notes on pages 21 to 39 form part of these financial statements.

LLP Statement of Changes in Equity

For the year ended 31 December 2018

	Members capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total equity £
At 1 January 2018	20,108,033	-	11,285,580	31,393,613
Profit for year available for discretionary division among members	-	-	11,636,503	11,636,503
Total comprehensive income for the year	-	-	11,636,503	11,636,503
Contributions by and distributions to members				
Allocated profit	-	-	(11,285,580)	(11,285,580)
Capital introduced by members	5,276,000	-	-	5,276,000
Capital Injections	(76,251)	-	-	(76,251)
Revaluation Reserve	-	218,551	-	218,551
Total transactions with members	5,199,749	218,551	(11,285,580)	(5,867,280)
At 31 December 2018	<u>25,307,782</u>	<u>218,551</u>	<u>11,636,503</u>	<u>37,162,836</u>

The notes on pages 21 to 39 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Cash flows from operating activities		
Profit for the financial period	16,544,989	10,766,874
Adjustments for:		
Depreciation of property, plant and equipment	1,857,277	1,885,940
Amortisation of intangibles	713,362	696,291
Depreciation of right-of-use assets	1,976,424	-
Interest paid	62,951	113,299
Interest received	(132,610)	(7,588)
Taxation	-	-
(Increase) / decrease in trade receivables	(8,267,303)	753,301
Increase / (decrease) in trade payables	4,507,550	(255,496)
Corporation tax	(101,449)	(35,043)
Net cash generated from operating activities	17,161,191	13,917,578
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,154,710)	(1,682,756)
Purchase of intangibles	(770,588)	-
Intangible assets	-	-
Interest received	132,610	7,588
Net cash used in investing activities	(1,792,688)	(1,675,168)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2019

	Year ended 31 December 2019	Period ended 31 December 2018
	£	£
Cash flows from financing activities		
(Repayment) / receipts of other loans	-	(179,551)
Capital introduced by members	5,148,002	5,276,000
Lease payment	(1,738,346)	-
Repaid finance leases	-	(41,555)
Interest paid	(62,951)	(113,299)
Members' capital repaid	(41,016)	(76,251)
Distributions paid to members	(17,575,819)	(20,569,642)
Net cash used in financing activities	(14,270,130)	(15,704,298)
Net (decrease) / increase in cash and cash equivalents	1,098,373	(3,461,888)
Cash and cash equivalents at the beginning of the period	10,672,940	14,134,828
Cash and cash equivalents at the end of the period	11,771,313	10,672,940
Cash and cash equivalents at the end of the period comprise :		
Cash and cash equivalents	11,771,313	10,672,940
	11,771,313	10,672,940

The notes on pages 21 to 39 form part of these financial statements.

LGT Vestra LLP

LLP Statement of Cash Flows

For the year ended 31 December 2019

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Cash flows from operating activities		
Profit for the financial period	15,889,352	11,636,503
Adjustments for:		
Depreciation of property, plant and equipment & amortisation	1,739,271	1,789,147
Amortisation of intangibles	713,362	696,291
Depreciation of right-of-use assets	1,890,859	-
Interest paid	6,612	7,848
Interest received	(128,925)	(7,588)
Increase / (decrease) in trade receivables	(5,126,041)	(624,066)
Increase / (decrease) in trade payables	4,155,962	(598,747)
Net cash generated from operating activities	19,140,453	12,899,388
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,004,818)	(1,682,756)
Purchase of intangibles	(770,588)	-
Investment in Subsidiaries	16 (1,000,000)	-
Interest received	128,925	7,588
Net cash used in investing activities	(2,646,481)	(1,675,168)

LLP Statement of Cash Flows (continued)

For the year ended 31 December 2019

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Cash flows from financing activities		
(Repayment) / receipts of other loans	-	(179,551)
Capital injection	5,148,002	5,276,000
Repaid finance leases	-	(41,556)
Interest paid	(6,612)	(7,848)
Lease payment	(1,720,719)	-
Members' capital repaid	(41,016)	(76,251)
Distribution paid to members	(17,575,819)	(20,569,726)
Net cash (used in) / generated from financing activities	(14,196,164)	(15,598,932)
Net (decrease) / increase in cash and cash equivalents	2,297,808	(4,374,712)
Cash and cash equivalents at the beginning of the period	6,692,676	11,067,388
Cash and cash equivalents at the end of the period	8,990,484	6,692,676
Cash and cash equivalents at the end of the period comprise :		
Cash and cash equivalents	18 8,990,484	6,692,676
	8,990,484	6,692,676

The notes on pages 21 to 39 form part of these financial statements.

LGT Vestra LLP

Notes to the Financial Statements

For the year ended 31 December 2019

1. General information

LGT Vestra LLP is a Limited Liability Partnership incorporated in England and Wales. Its registered office is at 14 Cornhill, London, EC3V 3NR.

Its principal activity is to provide wealth management and financial advisory services tailored to clients' needs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, including adjustments for fair value where applicable, and in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (effective for period commencing on or after 01/01/2016).

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the LLP and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The Members have assessed the current financial position of LGT Vestra LLP, along with future cash flow requirements to determine if the LLP has the financial resources to continue as a going concern for the foreseeable future. The conclusion of this assessment is that it is appropriate that the Group and LLP be considered a going concern. For this reason the Members continue to adopt the going concern basis in preparing the Financial Statements. The Financial Statements do not include any adjustments that would result in the going concern basis of preparation being inappropriate.

2.4 Amendment to IFRS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Accounting policies (continued)

2.5 Revenue

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

the amount of revenue can be measured reliably;

- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Commission and contract revenue is recognised in the period in which the services are provided. Management fee revenue is recognised in the period in which the services are provided. All other revenue are recognised in the period in which the services are provided.

2.6 Property, plant and equipment

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

The Group adds to the carrying amount of an item of non-current assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Leasehold improvements	- Over the life of the lease
Office equipment	- 3 years straight line
Computer hardware and Software	- 3 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income. In 2019 there have been no disposals.

Investments in subsidiaries are measured at cost less accumulated impairment. Other investments are held at fair value and are revalued in accordance with IFRS 9. Any revaluation gains or losses are recognised as other comprehensive income in line with group accounting policy. Upon disposal, any gains or losses will also be recognised as other comprehensive income. If there is any indication that the subsidiaries are impaired, an impairment review would take place including a calculation of the recoverable amount.

LGT Vestra LLP

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Accounting policies (continued)

2.7 Valuation of Investments

The investments in subsidiaries and other investments are reviewed at the balance sheet date each year. Relevant forecasts and budgets are reviewed for impairment to ensure that the valuation of the investments is materially correct.

2.8 Foreign currency translation

Functional and presentation currency

The Group and LLP's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Members' remuneration and interests

Members' rights to participate in the profits or losses of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with IAS 32, Financial Instruments Disclosure and Presentation. Members' different participation rights are analysed separately into liability and equity elements

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Accounting policies (continued)

2.11 Members' remuneration and interests (continued)

Members' remuneration

Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting period that give rise to liabilities are presented as equity within the Statement of Financial Position. Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited directly to equity in the accounting period in which the division occurs. Such amounts are not presented as an expense within the Statement of Comprehensive Income.

Members' remuneration is in the form of a profit share and is allocated in line with guidelines laid out in the Members Agreement subject to approval by the remuneration committee. The overall profit is allocated in two stages. First charge on profit allocation is to the executive members based on their executive responsibilities and contribution to the firm as determined by the Remuneration Committee. The second charge is based on the share of the equity held in the LLP by the member.

Members' interests

Members' capital is accounted for in accordance with IAS 32, Financial Instruments Disclosures and Presentation. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (ie. a repayment of the members' capital is discretionary), it is treated as equity.

2.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.13 IFRS 16 application

IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on Statement of Financial Position for lessees. Previously, operating lease commitments were recognised as a note to the financial statements. The standard replaces IAS 17 'Leases', and related interpretations.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease fixed payments, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease and are charged to the profit and loss over the lease period.

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

2.14 Taxation

Tax paid on the profits arising in the LLP are a personal tax liability of the members of the LLP and therefore are not included as a tax charge or provision within these financial statements. Tax as presented within these financial statements represents tax arising from other group undertakings.

Tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP and the Group operating and generate income. LGT Vestra (Jersey) Limited operates in Jersey therefore 'income tax' charged on profits. LGT Vestra US Limited operates in the UK therefore 'corporation tax' charged on profits.

LGT Vestra LLP

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Accounting policies (continued)

2.14 Taxation (continued)

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

2.15 Deferred Taxation

Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash at hand and demand deposits with original maturities of three months or less.

2.17 Intangibles assets

Investment management contracts have been identified as a separately identifiable intangible asset arising from a business combination. The intangible asset is amortised on a straight-line basis over the expected life of the contracts, currently estimated at three years. The valuation is prepared in line with BVCA valuation principles. It is also reviewed at each year-end for any possible impairment.

Computer software intangibles have also been identified as separately identifiable intangible assets. This has arisen from the creation of a client portal, which at the reporting date, is still in the development phase. This is due to become live in 2020.

2.18 Trade and other receivables

Short term trade and other receivables are measured at transaction price.

2.19 Trade and other payables

Trade and other payables are initially measured at fair value, and if required are subsequently measured at amortised cost, using the effective interest rate method. Where the liabilities are of a short-term nature the fair value is determined as equal to the nominal amount with any discounting.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the LGT Vestra Group's accounting policies, which are described in note 2, the Board by designated members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the LGT Vestra Group's accounting policies

Other than the valuation of Intangibles – investment management contracts and the investments in subsidiaries and possible impairments, there are no critical judgements that have been applied.

Critical judgements have been applied for the valuation, amortisation and potential impairment of intangibles and investments in subsidiaries as well as the application of IFRS 16, including the recognition and depreciation of assets.

Key sources of estimation uncertainty

The only area for key assumptions that may concern the future, is in regards to the valuation and amortisation of intangibles and investments. These are reviewed at the balance sheet date each year for impairment. There are no other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Analysis of turnover

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

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Wealth management and financial advisory services	77,162,885	63,754,607
	<hr/>	<hr/>
	77,162,888	63,754,607

All turnover arose within the United Kingdom and Channel Islands.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

5. Operating Profit

The operating profit is stated after charging:

	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Depreciation of property, plant and equipment	1,857,277	1,885,940
Amortisation of intangibles	713,362	696,291
Exchange differences	79,933	47,657
Other operating lease rentals	-	1,823,383
	<hr/>	<hr/>

6. Auditors' remuneration

	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements and other services	241,396	201,667
	<hr/>	<hr/>
	241,396	201,667
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of the financial statements of associates of the Group pursuant to legislation.	91,656	81,500
Audit related assurance services	149,740	120,167
	<hr/>	<hr/>
	241,396	201,667

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

7. Employees

Staff costs were as follows:

	Group	Group	LLP	LLP
	Year Ended	Year Ended	Year Ended	Year Ended
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	£	£	£	£
Wages and salaries	23,609,989	22,577,603	20,435,571	19,314,490
Social security costs	2,902,285	2,659,771	2,621,444	2,384,342
Cost of defined contribution scheme	1,807,189	1,240,132	1,644,655	1,136,306
Employee benefits	697,186	604,975	589,316	534,642
	<u>29,016,649</u>	<u>27,082,481</u>	<u>25,290,986</u>	<u>23,369,780</u>

The average monthly number of persons employed during the year / period was as follows:

	Group	Group	LLP	LLP
	Year Ended	Year Ended	Year Ended	Year Ended
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	No.	No.	No.	No.
Administration	<u>275</u>	<u>260</u>	<u>250</u>	<u>236</u>

8. Information in relation to members

The average number of members during the period was

Year Ended	Year Ended
31 December 2019	31 December 2018
No.	No.
<u>50</u>	<u>42</u>

The amount of profit attributable to the member with the largest entitlement was

Year Ended	Year Ended
31 December 2019	31 December 2018
£	£
<u>1,450,328</u>	<u>1,033,565</u>

The number of executive and revenue generating members as at 31 December 2019 was 50 (31 December 2018: 42).

The number of investor members as at 31 December 2019 was 1 (31 December 2018: 1).

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

9. Interest receivable and similar income

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Bank interest	132,610	7,597

10. Interest payable and similar expenses

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Interest payable	62,951	113,299

11. Tax expense in corporate subsidiaries

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Income Tax		
Current tax on profits for the period	101,449	-
Total current tax	101,449	-

	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£
Income tax		
Profit / (loss) of LGT Vestra (Jersey) Limited	1,210,607	(10,938)
Tax expense at standard rate of 10% (period ended 31 December 2018: 10%)	121,061	-
Expenses not deductible for tax purposes	(19,612)	-
	101,449	-

Factors affecting tax charge for the period

The tax assessed for the period is made up of ENil in respect of LGT Vestra (Jersey) Limited and ENil in respect of LGT Vestra US Limited. The tax assessed for LGT Vestra (Jersey) Limited is based on 10% of its profits, being the standard rate for a Jersey financial services company (year ended 31 December 2018: 10%). The LLP is not subject to corporation tax as the tax on its profits is borne by the members.

There is a potential deferred tax asset in LGT Vestra US Ltd of £389,846 (2018: 303,622) at the end of 2019, which arises in relation to losses carried forward, differences in the amount of depreciation charged and capital allowances claimed, and other temporary differences. This has not been recognised to the extent that the recoverability of this asset is uncertain. This amount will only be utilised in future when the Company generates taxable profits.

It is estimated that the tax losses available for utilisation against profits arising in future years amounts to £2,051,822 (2018: £1,598,010).

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

12. LLP Profit for the period

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the LLP for the year was £15,889,432 (period ended 31 December 2018 : £11,636,503).

13. Investments

	Year Ended 31 December 2019	Year Ended 31 December 2018
Cost or valuation	£	£
As at 1 January 2019	305,500	-
Additions	-	86,948
Revaluation	160,430	218,552
At 31 December 2019	465,930	305,500

The above investments relate to the Group's other equity investments. These investments are held at fair value and are revalued in accordance with IFRS 9 with all gains or losses recognised as other comprehensive income in line with group accounting policy.

14. Intangible Assets

Cost or valuation	Investment Management Contracts £	Computer Software £	Total £
As at 1 January 2019	2,088,870	-	2,088,870
Additions	-	770,588	770,588
At 31 December 2019	2,088,870	770,588	2,859,458
Accumulated Amortisation			
As at 1 January 2019	870,363	-	870,363
Charge for the period	696,290	17,072	713,362
At 31 December 2019	1,566,653	17,072	1,583,725
Net Book Value			
At 31 December 2019	522,217	753,516	1,275,733
At 31 December 2018	1,218,507	-	1,218,507

The investment management contracts relates to customer contracts that were acquired as part of a business combination of a third party service provider on 16 October 2017. The value of the customer contracts were considered at the balance sheet date, and the carrying value of the investment was deemed accurate. No impairments were deemed necessary.

The computer software relates to the creation of a Client Portal, which at the reporting date, is still in the development phase. This software will become 'live' in the first quarter of 2020.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

15a. Property, plant and equipment

Group	Leasehold Improvements £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation				
As at 1 January 2019	5,539,857	1,197,634	6,408,145	13,145,636
Additions	172,412	-	982,297	1,154,709
Disposals	-	-	-	-
At 31 December 2019	5,712,269	1,197,634	7,390,442	14,300,345
Accumulated Depreciation				
As at 1 January 2019	1,940,791	603,165	4,915,009	7,458,965
Charge for the period	645,970	110,191	1,101,116	1,857,277
At 31 December 2019	2,586,761	713,356	6,016,125	9,316,242
Net Book Value				
At 31 December 2019	3,125,508	484,278	1,374,317	4,984,103
At 31 December 2018	3,599,066	594,469	1,493,136	5,686,671

LLP	Leasehold Improvements £	Office Equipment £	Computer Equipment £	Total £
Cost or valuation				
As at 1 January 2019	5,450,471	1,173,799	6,108,003	12,732,273
Additions	22,519	-	982,299	1,004,818
Disposals	-	-	-	-
At 31 December 2019	5,472,990	1,173,799	7,090,302	13,737,091
Accumulated Depreciation				
As at 1 January 2019	1,890,213	579,560	4,743,977	7,213,750
Charge for the period	613,452	110,199	1,015,620	1,739,271
At 31 December 2019	2,503,665	689,759	5,759,597	8,953,021
Net Book Value				
At 31 December 2019	2,969,325	484,040	1,330,705	4,784,070
At 31 December 2018	3,560,258	594,239	1,364,026	5,518,523

There are no restrictions on title and no items of property, plant and equipment have been pledged as security.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

15b. Property, plant and equipment (continued)

Right-Of-Use Assets

Group	Right-of-use Assets £	Asset Retirement Provision £	Total £
Cost or valuation			
As at 1 January 2019	10,478,224	529,520	11,007,744
Additions	110,769	-	110,769
At 31 December 2019	10,588,993	529,520	11,118,513
Accumulated Depreciation			
As at 1 January 2019	-	-	-
Charge for the period	1,876,230	100,194	1,976,424
At 31 December 2019	1,876,230	100,194	1,976,424
Net Book Value			
At 31 December 2019	8,712,763	429,326	9,142,089
At 31 December 2018	-	-	-

LLP

	Right-of-use Assets £	Asset Retirement Provision £	Total £
Cost or valuation			
As at 1 January 2019	10,223,759	477,374	10,701,133
Additions	110,769	-	110,769
At 31 December 2019	10,334,528	477,374	10,811,902
Accumulated Depreciation			
As at 1 January 2019	-	-	-
Charge for the period	1,805,217	85,642	1,890,859
At 31 December 2019	1,805,217	85,642	1,890,859
Net Book Value			
At 31 December 2019	8,529,311	391,732	8,921,043
At 31 December 2018	-	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

15b. Right of use assets (continued)

Lease Liabilities	Group £	LLP £
Current	1,456,035	1,266,666
Non-current	7,872,886	7,824,517
	9,328,921	9,091,183

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.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and is recognised as a cost in the Statement of Comprehensive Income.

16. Investments in subsidiaries

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Country of incorporation	Place of business	Class of shares	Holding
LGT Vestra (Jersey) Limited	Jersey	Jersey	Ordinary	100%
LGT Vestra US Limited	UK	UK	Ordinary	100%
Vestra Nominees Limited	UK	UK	Ordinary	100%
Vestra Wealth (Jersey) Nominees Limited	Jersey	Jersey	Ordinary	100%

Subsidiary addresses:

UK - 14 Cornhill, London, EC3V 3NR

Jersey - First Floor, Charles Bisson House, 30-32 New Street, St Helier, Jersey, JE2 3TE

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

16. Investments in subsidiaries (continued)

LLP	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	2,867,974
Additions	1,000,000
At 31 December 2019	3,867,974
Net Book Value	
At 31 December 2019	3,867,974
At 31 December 2018	2,867,974

The investments are reviewed for impairment on an annual basis at the balance sheet date. Forecasts and budgets are prepared and reviewed to ensure the accuracy of the valuation.

17. Trade receivables and other receivables

	Group	Group	LLP	LLP
	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Prepayments and accrued income	19,998,668	16,152,885	17,910,816	14,696,984
Other trade receivables	3,149,504	1,026,603	1,574,943	873,917
Amounts owed by group undertakings	103,790	-	992,964	922,377
Amounts due from members	18,299,065	12,359,667	18,299,065	12,359,667
	41,551,027	29,539,155	38,777,788	28,852,945

18. Cash and cash equivalents

	Group	Group	LLP	LLP
	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Cash and cash equivalents	11,771,313	10,672,940	8,990,485	6,692,676
	11,771,313	10,672,940	8,990,485	6,692,676

All cash balances are unrestricted.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

19. Trade payables: Amounts falling due within one year

	Group	Group	LLP	LLP
	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Client tax levies	34,258	26,817	30,144	26,817
Taxation and social security	3,312,988	2,143,685	3,225,661	2,083,958
Leases	1,456,035	-	1,266,666	-
Obligations under finance lease and hire purchase contracts	-	(40)	-	(40)
Other payables	2,498,619	2,921,217	2,040,327	1,799,759
Amounts owed to group undertakings	684,430	-	684,430	-
Accruals	6,799,655	5,874,306	5,328,096	4,382,795
	14,785,985	10,965,985	12,575,324	8,293,289

20. Financial risk management

Credit Risk

The Firm is exposed to the panel of banks it has selected to hold its cash reserves. In order to mitigate this risk the firm has a counterparty credit policy and regularly reviews and monitors its chosen institutions. The Firm is also exposed to take risks of non-payment of debts and fees. Most debts are charged against client portfolios and so credit risk is low.

Credit risk, liquidity risk and market risk are all considered in the annual preparation of the Company's ICAAP reporting and not calculated to be material. Additionally, liquidity risk is managed at the LGT Group level.

The LLP exchanges foreign currency transactions internally, using a house exchange rate, the rate and spread are set using opening day rates. Gains and losses are recorded as income in the Statement of Comprehensive Income. The Firm's exposure is monitored daily and forms part of the its regulatory capital requirements calculation.

In light of the post reporting event, Covid-19 pandemic, the firm has carried out further extensive review of all financial risk exposures. As part of the Going Concern review the liquidity risk and market risk has been considered in detail and with current cash reserves, recurring income and an unused £10m credit facility with LGT Group the firm feels that the risk have been mitigated to the fullest extent. Other financial risks remain under constant monitoring but do not presently warrant any direct action.

	Group USD £	Group EUR £	Group Other £
31 December 2019			
Net statement of financial position exposures	605,000	3,000	95,000
	605,000	3,000	95,000
31 December 2018			
Net statement of financial position exposures	23,000	31,000	85,000
	23,000	31,000	85,000

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

21. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the Fund and amounted to £1,807,189 (2018: £1,240,132). Contributions totalling £nil (2018: £105,109) were payable to the Fund at the Statement of Financial Position date.

22. Commitments under operating leases

At 31 December 2019 the Group and the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	LLP	LLP
	Year Ended 31 December 2019	Year Ended 31 December 2018	Year Ended 31 December 2019	Year Ended 31 December 2018
	£	£	£	£
Not later than 1 year	-	2,389,294	-	2,316,019
After one year but not more than five years	-	9,237,952	-	9,054,663
After more than five years	-	1,639,002	-	1,639,002
Total	-	13,266,248	-	13,009,684

From 1 January 2019, LGT Vestra LLP has recognised right-of-use assets for these leases. See Note 15b.

Reconciliation for Operating Lease Commitments to Right-of-Use Assets (Group)	£
Operating lease commitments disclosed as at 31 December 2018	13,266,248
Less: adjustments as a result of IFRS 16 changes	(2,310,650)
Lease liability recognised as at 1 January 2019	<u>10,955,598</u>
Reconciliation for Operating Lease Commitments to Right-of-Use Assets (LLP)	£
Operating lease commitments disclosed as at 31 December 2018	13,009,684
Less: adjustments as a result of IFRS 16 changes	(2,308,551)
Lease liability recognised as at 1 January 2019	<u>10,701,133</u>

From 1 January 2019, LGT Vestra LLP has recognised right-of-use assets in place of the above operating lease commitments and this has led to an adjustment between the operating lease commitments and the opening right-of-use asset figures. This adjustment is in relation to not previously recognising the service charge element of the lease. Additionally, an asset retirement obligation of £529,520 has been created regarding the cost to restore the office space to its original condition on completion of the lease term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

23. Reconciliation of members interests (GROUP)

	Members' capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total £	Other amounts £	Total members' interest £
Balance at 1 January 2018	20,108,033	-	11,449,161	31,557,194	(2,896,054)	28,661,140
Profit for the year available for discretionary division among members	-	-	10,766,874	10,766,874	-	10,766,874
Members' interests after profit	20,108,033	-	22,216,035	42,324,068	(2,896,054)	39,428,014
Allocation of profits	-	-	(11,285,580)	(11,285,580)	11,285,580	-
Amounts introduced by members	5,276,000	-	-	5,276,000	-	5,276,000
Repayment of capital	(76,251)	-	-	(76,251)	-	(76,251)
Revaluation reserve	-	218,551	-	218,551	-	218,551
Drawings	-	-	-	-	(20,749,193)	(20,749,193)
Balance at 31 December 2018	25,307,782	218,551	10,930,455	36,456,788	(12,359,667)	24,097,121
Balance at 1 January 2019	25,307,782	218,551	10,930,455	36,456,788	(12,359,667)	24,097,121
Profit for the year available for discretionary division among members	-	-	16,443,540	16,443,540	-	16,443,540
Members' interests after profit	25,307,782	218,551	27,373,995	52,900,328	(12,359,667)	40,540,661
Allocation of profits	-	-	(11,636,421)	(11,636,421)	11,636,421	-
Capital introduced by members	5,148,002	-	-	5,148,002	-	5,148,002
Capital amounts repaid to members	(41,016)	-	-	(41,016)	-	(41,016)
Revaluation reserve	-	160,431	-	160,431	-	160,431
Drawings	-	-	-	-	(17,575,819)	(17,575,819)
Balance at 31 December 2019	30,414,768	378,982	15,737,574	46,531,324	(18,299,064)	28,232,259

Other reserves consist of partner current accounts in a deficit position. Upon audit sign off, the LLP profit for the 2019 financial year of £11,636,421 will be allocated to the Partners and will clear these positions.

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

24. Reconciliation of members interests (LLP)

	Members' capital (classified as equity) £	Revaluation reserve £	Other reserves £	Total £	Other amounts £	Total members' interest £
Balance at 1 January 2018	20,108,033	-	11,285,580	31,393,613	(2,896,053)	28,497,560
Profit for the year available for discretionary division among members	-	-	11,636,503	11,636,503	-	11,636,503
Members' interests after profit	20,108,033	-	22,922,083	43,030,116	(2,896,053)	40,134,063
Allocation of profits	-	-	(11,285,580)	(11,285,580)	11,285,580	-
Amounts introduced by members	5,276,000	-	-	5,276,000	-	5,276,000
Repayment of capital	(76,251)	-	-	(76,251)	-	(76,251)
Drawings	-	218,551	-	218,551	(20,749,194)	(20,530,643)
Balance at 31 December 2018	25,307,782	218,551	11,636,503	37,162,836	(12,359,667)	24,803,169
Balance at 1 January 2019	25,307,782	218,551	11,636,503	37,162,836	(12,359,667)	24,803,169
Profit for the year available for discretionary division among members	-	-	15,889,350	15,889,350	-	15,889,350
Members' interests after profit	25,307,782	218,551	27,525,853	53,052,186	(12,359,667)	40,692,519
Allocation of profits	-	-	(11,636,421)	(11,636,421)	11,636,421	-
Amounts introduced by members	-	-	-	-	-	-
Repayment of capital	5,148,002	-	-	5,148,002	-	5,148,002
Capital amounts repaid to members	(41,016)	-	-	(41,016)	-	(41,016)
Revaluation reserve	-	160,431	-	160,431	-	160,431
Drawings	-	-	-	-	(17,575,819)	(17,575,819)
Balance at 31 December 2019	30,414,768	378,982	15,889,432	46,683,182	(18,299,065)	28,384,117

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

25. Related party transactions

The LLP provides back office and support functions to its subsidiary LGT Vestra US Limited. During the period ended 31 December 2019, the total fees earned from its subsidiary LGT Vestra US Limited were £446,036 (2018: 794,737). At the year end, the LLP was owed £84,304 (2018: £384,179) from LGT Vestra US Limited.

The LLP provides back office and support functions to its subsidiary LGT Vestra Jersey Limited. During the period ended 31 December 2019, the total fees earned from its subsidiary LGT Vestra Jersey Limited were £1,040,811 (2018: £917,888). At the year end, the LLP was owed £804,871 (2018: £538,197) to LGT Vestra Jersey Limited.

LGT Group provides back office and support functions to the Group. During the period ended 31 December 2019, the total fees payable from the Group were £4,058,894 (2018: £3,269,420). At the year end, the amount owing to LGT Group was £274,958 (2018: £270,215).

LGT Group provides the use of their licence to the Group. During the year ended 31 December 2019, the total fees payable from the Group was £3,817,711 (2018: £3,168,385). At the year end, the amount owing to LGT Group was £409,472 (2018: £291,876).

LGT Vestra LLP provides office facilities services to LGT UK Holdings Ltd, the immediate parent company. During the year ended 31 December 2019, the total fees payable to the LLP were £82,800. (2018: £32,400). At the year end, the amount owing to the LLP was £82,800 (2018: £32,400).

LGT UK Holdings Ltd provides internal audit and legal services to the LLP. During the year ended 31 December 2019, the total fees payable to LGT UK Holdings Ltd were £360,637. (2018: £166,258). At the year end, the amount owing to the LLP was £20,990 (2018: £166,258)

No amounts were paid to Key Management Personnel during the period (2018: £Nil) other than amounts paid to members in Note 23 Reconciliation of members' interests (Group) on page 36.

26. Controlling party

The ultimate parent company is LGT Group Foundation, a foundation registered in the principality of Liechtenstein.

27. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for members of the LLP and to maintain and to minimise the cost of capital.

28. Post reporting date events

Since the balance sheet date, there has been a global Covid-19 pandemic confirmed by the World Health Organisation. LGT Vestra LLP have put in place controls and procedures in order to mitigate disruption on business activity and the welfare of employees. The LGT Crisis Management Team has put into place a Covid-19 task force which have implemented working from home arrangements and policies. Due to recently upgraded IT infrastructure the firm is able to remain fully operational with minimal impact to the operations of the business.

The firm is continually monitoring the ongoing situation and the direct impact upon the financial markets, with the current downturn in markets having a direct impact upon assets under management and upcoming fee billing. The implications of which have been considered in detail as part of the Going Concern assessment.