

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	W A Hill G M Langlay-Smith S H R Musgrave (resigned 31 December 2018) R J H Palmer J A Thornton H J Inglin S Maechler
Registered number	04846209
Registered office	2 Cavendish Square London W1G 0PU
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	The Royal Bank of Scotland 28 Cavendish Square London W1G 0DB Santander Corporate Banking 100 Ludgate Hill London EC4M 7RE

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present the Strategic Report for the year ended 31 December 2018.

Business review

The company's financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ('FRS101').

The results of the company are set out on page 7. The company's profit after tax for the period was £2,536,670 (2017: £2,630,310). No interim dividend was paid during the year (2017: nil). The directors do not recommend the payment of a final dividend (2017: £nil).

The financial position of the company is presented in the Statement of Financial Position (the 'balance sheet') on page 8. Total equity at 31 December 2018 was £7,508,658 (2017: £4,971,988).

During the year the performance of the company's investment funds was positive and investor inflows also increased, both contributing to growing Assets Under Management (AUM). This therefore ensured a higher amount of revenue was generated in 2018 than in the calendar year 2017.

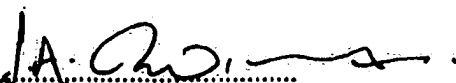
Principal risks and uncertainties

The company's revenue is generated through providing fund management, property advisory and asset management services to the investment funds managed or advised by the company and to other clients. A reduction in the AUM of these funds whether through performance decline or investor capital withdrawal would have a direct impact on the company's revenue base. As such the principal risks to the company are a drop in capital values of UK property, whether by a general economic decline or a downturn in the UK commercial property market. The Directors believe the company has taken steps to minimise these risks by maintaining strict investment criteria, ensuring ongoing property monitoring and subsequent portfolio repositioning where necessary.

Key performance indicators

The directors consider profit after tax to be the most important performance indicator, as outlined above. Linked to this they also consider Assets Under Management (AUM) of the underlying investment funds to be a key indicator in performance. Total AUM at 31 December 2018 was £1,449m (2017: £1,120m).

This report was approved by the board on 11 February 2019 and signed on its behalf.


.....
J A Thornton
Director

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Principal activities

The company's principal activity is to act as an investment property fund manager.

Results and dividends

The profit for the year, after taxation, amounted to £2,536,670 (2017 - £2,630,310).

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors

The directors who served during the year were:

W A Hill
G M Langlay-Smith
S H R Musgrave (resigned 31 December 2018)
R J H Palmer
J A Thornton
H J Inglin
S Maechler

Future developments

The company's strategy is to continue growing assets under management in UK real estate and real estate related debt, whilst contributing to the growth in the wider Pan European Swiss Life business.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Post balance sheet events

There were no post balance sheet events.

Independent Auditors

The auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J A Thornton
Director

Date: 11 February 2019

Independent auditors' report to the members of Mayfair Capital Investment Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Mayfair Capital Investment Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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 (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in 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. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

With respect to the Strategic Report and 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.

Strategic Report and Directors' Report

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and 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' responsibilities statement set out on page 2, 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.



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

(1) February 2019

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

		31 December 2018 £	<i>Period ended 31 December 2017 £</i>
	Note		
Turnover	4	10,066,236	8,488,189
Cost of sales		(368,966)	(282,465)
Gross profit		9,697,270	8,205,724
Administrative expenses		(6,655,443)	(5,298,087)
Other operating income	5	-	2,033
Operating profit	6	3,041,827	2,909,670
Dividends received	10	65,000	-
Amounts written off investments		(2)	-
Interest receivable and similar income	11	17,991	5,627
Profit before taxation		3,124,816	2,915,297
Tax on profit	12	(588,146)	(284,987)
Profit for the financial year		2,536,670	2,630,310

The notes on pages 11 to 26 form part of these financial statements.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Profit for the financial year	2,536,670	2,630,310
Total comprehensive income for the year/period	<u>2,536,670</u>	<u>2,630,310</u>

The notes on pages 11 to 26 form part of these financial statements.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER: 04846209

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	47,101	84,374
Investments	14	25,005	25,007
		<u>72,106</u>	<u>109,381</u>
Deferred tax asset	15,19	89,405	49,550
Current assets			
Debtors: amounts falling due within one year	15	2,479,423	2,060,560
Cash at bank and in hand	16	7,700,158	4,546,632
		<u>10,179,581</u>	<u>6,607,192</u>
Creditors: amounts falling due within one year	17	(2,830,412)	(1,520,943)
Net current assets		<u>7,349,169</u>	<u>5,086,249</u>
Total assets less current liabilities		<u>7,510,680</u>	<u>5,245,180</u>
Creditors: amounts falling due after more than one year	18	(2)	(260,794)
		<u>7,510,678</u>	<u>4,984,386</u>
Provisions for liabilities			
Deferred taxation		(2,020)	(12,398)
Net assets		<u>7,508,658</u>	<u>4,971,988</u>
Capital and reserves			
Called up share capital	20	22,123	22,123
Share premium account		544,005	544,005
Capital redemption reserve		6,152	6,152
Profit and loss account		6,936,378	4,399,708
Total Equity		<u>7,508,658</u>	<u>4,971,988</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED
REGISTERED NUMBER: 04846209

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements on pages 6-10 were approved and authorised for issue by the Board of Directors and were signed on its behalf on 11 February 2019.

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J A Thornton
Director

The notes on pages 11 to 26 form part of these financial statements.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2018	22,123	544,005	6,152	4,399,708	4,971,988
Comprehensive income for the year					
Profit for the financial period	-	-	-	2,536,670	2,536,670
Total comprehensive income for the year	-	-	-	2,536,670	2,536,670
At 31 December 2018	22,123	544,005	6,152	6,936,378	7,508,658

The notes on pages 11 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 October 2016	21,465	380,263	6,152	1,769,398	2,177,278
Comprehensive income for the period					
Profit for the financial year	-	-	-	2,630,310	2,630,310
Total comprehensive income for the period	-	-	-	2,630,310	2,630,310
Shares issued during the period	658	163,742	-	-	164,400
At 31 December 2017	22,123	544,005	6,152	4,399,708	4,971,988

The notes on pages 11 to 26 form part of these financial statements.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

The principal activity of the company during the year was to act as an investment fund manager.

The company is a private limited company (registered number 04846209) which is incorporated and domiciled in England and Wales. The address of the registered office is:

2 Cavendish Square
London
W1G 0PU

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The company adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments during the year. These standards are applicable for accounting periods beginning on or after 1 January 2018.

The adoption of these standards has not impacted on the numbers reported in the financial statements but has resulted in some additional disclosures.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors consider that the going concern basis is appropriate as the Company has adequate cash resources to continue in operational existence for the foreseeable future.

2.4 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Revenue

Turnover comprises the fair value of the consideration received or receivable, net of value added tax. Turnover consists of management fees, performance fees, transaction fees and fund set-up fees.

Revenue from management fees is recognised in the accounting period in which investment advisory and management services are provided. Income earned not invoiced is included within accrued income. Accrued income is settled in the following quarter.

Revenue from performance fees is recognised upon meeting specific fund KPIs and calculated in accordance with contractually agreed formula. Income earned not invoiced is included in accrued income and invoiced in the following quarter.

Transaction fees are one off transactions, linked to asset purchases, sales or the arrangement of investment loans. Revenue from transaction fees is recognised upon completion of each transaction. Outstanding payments at the year end are included within trade debtors.

2.6 Tangible fixed assets

Tangible fixed assets 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.

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 Property	- 20% Straight line
Fixtures & fittings	- 25% 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 in the Income Statement.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose fair value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company'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 Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Management do not consider there to be any significant estimates in the financial statements.

4. Turnover

The whole of the turnover is attributable to the company's principal activity. All turnover arose within the United Kingdom.

5. Other operating income

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Other operating income	-	2,033

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Operating profit

The operating profit is stated after charging/(crediting):

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Depreciation of tangible fixed assets	52,369	65,150
Exchange differences	(2,716)	-
Defined benefit pension cost	9,512	5,262
	<u>59,165</u>	<u>70,412</u>

7. Auditors' remuneration

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	15,600	15,000
	<u>15,600</u>	<u>15,000</u>

Fees payable to the company's auditor and its associates in respect of:

Other assurance services (current year CASS audit fee)	6,250	-
Other assurance services (prior year CASS audit fee)	6,000	-
	<u>12,250</u>	<u>-</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Employees

Staff costs were as follows:

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Wages and salaries	3,915,502	3,521,702
Social security costs	490,421	433,802
Pension costs	9,512	5,262
	<u>4,415,435</u>	<u>3,960,766</u>

The average monthly number of employees, including the directors, during the year was as follows:

	31 December 2018 No.	<i>Period ended 31 December 2017 No.</i>
Administrative	17	14
Directors	3	5
Non-Executive Directors	2	2
	<u>22</u>	<u>21</u>

9. Directors' remuneration

Aggregate remuneration for the directors in the period totalled £1,059,280 (2017: £1,337,012).

Amounts paid to the highest paid director in the period totalled £389,600 (2017: £387,000).

Key management personnel are considered to be the directors. The remuneration of directors, including employers NI, was £1,205,460 (2017: £1,520,060).

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Income from investments

	31 December 2018 £	<i>Period ended</i> 31 December 2017 £
Dividends received from unlisted investments	65,000	-
	<u>65,000</u>	<u>-</u>

11. Interest receivable and similar income

	31 December 2018 £	<i>Period ended</i> 31 December 2017 £
Other interest receivable	17,991	5,627
	<u>17,991</u>	<u>5,627</u>

12. Tax on profit

	31 December 2018 £	<i>Period ended</i> 31 December 2017 £
Corporation tax		
Current tax on profits for the period/year	634,670	336,518
Adjustments in respect of previous periods	3,709	-
Total corporation tax	<u>638,379</u>	<u>336,518</u>
Deferred tax		
Origination and reversal of timing differences	(45,608)	(51,531)
Adjustments in respect of prior periods	(4,625)	-
Total deferred tax	<u>(50,233)</u>	<u>(51,531)</u>
Tax on profit	<u>588,146</u>	<u>284,987</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Tax on profit (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (*2017 - lower than*) the standard rate of corporation tax in the UK of 19% (*2017 - 19.4%*). The differences are explained below:

	31 December 2018 £	<i>Period ended 31 December 2017 £</i>
Profit on ordinary activities before tax	3,124,816	2,915,297
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2017 - 19.4%</i>)	593,715	565,567
Effects of:		
Adjustments to tax charge in respect of prior periods	(916)	-
Non-taxable income	-	(277)
Deferred tax rate differences	-	1,099
Depreciation on assets not qualifying for capital allowances	2,764	4,687
Expenses not deductible for tax purposes	4,933	14,949
Relief for employee share acquisition	-	(300,988)
Dividend income not taxable	(12,350)	-
Tax rounding	-	(50)
Total tax charge for the year/period	588,146	284,987

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Tangible assets

	Leasehold Property £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	192,401	146,037	338,438
Additions	-	15,096	15,096
At 31 December 2018	<u>192,401</u>	<u>161,133</u>	<u>353,534</u>
Depreciation			
At 1 January 2018	138,726	115,338	254,064
Charge for the year on owned assets	38,472	13,897	52,369
At 31 December 2018	<u>177,198</u>	<u>129,235</u>	<u>306,433</u>
Net book value			
At 31 December 2018	<u>15,203</u>	<u>31,898</u>	<u>47,101</u>
At 31 December 2017	<u>53,675</u>	<u>30,699</u>	<u>84,374</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2018	25,002	5	25,007
Disposals	-	(2)	(2)
At 31 December 2018	<u>25,002</u>	<u>3</u>	<u>25,005</u>
Net book value			
At 31 December 2018	<u>25,002</u>	<u>3</u>	<u>25,005</u>
At 31 December 2017	<u>25,002</u>	<u>5</u>	<u>25,007</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Mayfair Capital Partners Limited	Ordinary	100 %	Dormant
MCIM Corporate Trustees Limited	Ordinary	100 %	Dormant
Mayfair Capital Trust Manager (Jersey) Limited	Ordinary	100 %	Property investment fund management
Mayfair Capital TGF General Partner LLP	Ordinary	100 %	Dormant

Name	Registered office
Mayfair Capital Partners Limited	2 Cavendish Square, London, W1G 0PU
MCIM Corporate Trustees Limited	2 Cavendish Square, London, W1G 0PU
Mayfair Capital Trust Manager (Jersey) Limited	1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG
Mayfair Capital TGF General Partner LLP	2 Cavendish Square, London, W1G 0PU

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Investments (continued)

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Mayfair Capital Partners Limited	1	-
MCIM Corporate Trustees Limited	1	-
Mayfair Capital Trust Manager (Jersey) Limited	45,490	35,227

15. Debtors: Amounts falling:

	2018 £	2017 £
i) Due after more than one year		
Deferred tax asset	89,405	49,550
	89,405	49,550

	2018 £	2017 £
ii) Due within one year		
Trade debtors	387,676	452,325
Other debtors	4,780	12,610
Prepayments and accrued income	2,086,967	1,518,143
Tax recoverable	-	77,482
	2,479,423	2,060,560

	2018 £	2017 £
Contract assets		
Opening accrued income	1,343,307	1,149,074
Revenue accrued in the year	1,927,122	1,343,307
Accrued income reversed and recognised in revenue	(1,343,307)	(1,149,074)
Closing accrued income	1,927,122	1,343,307

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. Cash at bank and in hand

	2018 £	2017 £
Cash at bank and in hand	<u>7,700,158</u>	<u>4,546,632</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	80,038	21,481
Corporation tax	75,397	-
Other taxation and social security	440,050	381,614
Other creditors	11,641	6,084
Accruals and deferred income	2,223,286	1,111,764
	<u>2,830,412</u>	<u>1,520,943</u>

18. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	2	2
Other creditors	-	260,792
	<u>2</u>	<u>260,794</u>

19. Deferred taxation

	2018 £	2017 £
At beginning of period/year	37,152	(14,379)
Charged to profit or loss	50,233	51,531
At end of period/year	<u>87,385</u>	<u>37,152</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(2,020)	(12,398)
Temporary differences	89,405	49,550
	<u>87,385</u>	<u>37,152</u>
Comprising:		
Asset - due after one year	89,405	49,550
Liability	(2,020)	(12,398)
	<u>87,385</u>	<u>37,152</u>

20. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid		
91,888 (2017 - 91,888) Ordinary B shares shares of £0.10 each	9,189	9,189
54,785 (2017 - 54,785) Ordinary C shares shares of £0.10 each	5,479	5,479
50,303 (2017 - 50,303) Ordinary D shares shares of £0.10 each	5,030	5,030
18,329 (2017 - 18,329) Ordinary E shares shares of £0.10 each	1,833	1,833
5,921 (2017 - 5,921) Ordinary F shares shares of £0.10 each	592	592
	<u>22,123</u>	<u>22,123</u>

21. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	133,662	320,330
Later than 1 year and not later than 5 years	-	133,471
	<u>133,662</u>	<u>453,801</u>

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Related party transactions

	2018 £	2017 £
Amounts received/ from related parties:		
The Property Income Trust for Charities	3,434,509	3,487,565
MC Property Growth Fund No.2	26,890	92,950
Mayfair Capital Property Unit Trust	2,798,016	2,932,363
Mayfair Capital Residential 1 LLP	439,942	174,731
Mayfair Capital Commercial Property Trust	1,057,662	1,254,116
Mayfair Capital Residential 2 LLP	247,017	421,955
Mayfair Capital Thematic Growth Fund	626,630	-
Swiss Life Ref (CH) European (Properties) Fund	979,947	-
Mayfair Capital Trust Manager (Jersey) Limited	65,000	-
	<u>9,675,613</u>	<u>8,363,680</u>
Amounts owed by/(to) related parties:		
The Property Income Trust for Charities	1,001,270	657,742
MC Property Growth Fund No.2	2,546	731,097
Mayfair Capital Property Unit Trust	727,229	4,850
Mayfair Capital Residential 1 LLP	-	657,742
Mayfair Capital Partners Limited	(1)	14,649
MCIM Corporate Trustees Limited	(1)	(1)
Mayfair Capital Commercial Property Trust	178,636	(1)
Mayfair Capital Residential 2 LLP	99,995	86,160
J Lloyd (former director)	-	42,500
Houghton Property Advisers LLP	-	64
William Hill Consulting	(20,000)	4,583
Mayfair Capital Thematic Growth Fund	136,806	-
	<u>2,126,480</u>	<u>2,199,385</u>

During the year, the company invoiced the above related parties for management fees, performance fees, transaction fees and expenses. The above funds are considered related parties by virtue of shared key management personnel.

Mayfair Capital Partners Limited and MCIM Corporate Trustees Limited are wholly owned subsidiaries of the company.

MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Directors' benefits: advances, credit and guarantees

During the year, the following consultancy fees were paid to Houghton Property Advisers LLP, a partnership controlled by S Musgrave, and William Hill Consulting Limited, a company controlled by W Hill:

	2018 £	2017 £
Houghton Property Advisers LLP	55,171	68,899
William Hill Consulting Limited	62,500	56,250
	<u>117,671</u>	<u>125,149</u>

23. Controlling party

Swiss Life Holding AG is the ultimate controlling party.

The company has taken advantage of the exemption from preparing consolidated group financial statements provided in s.401 Companies Act 2006. This is on the basis that consolidated financial statements are prepared by the ultimate controlling party, Swiss Life Holding AG, a company incorporated in Switzerland.

Swiss Life Holding AG is the smallest and largest group into which the financial statements are consolidated.

Consolidated financial statements are available from:

Swiss Life Holding AG,
40 General-Guisan-Quai,
Zurich,
Switzerland,
CH-8002.