

**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**COMPANY INFORMATION**

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**Directors**

W A Hill  
G M Langlay-Smith  
R J H Palmer (resigned 9 April 2020)  
T J Munn (appointed 20 April 2020)  
J A Thornton  
H J Inglin  
S Maechler  
G E A King (appointed 20 April 2020)

**Registered number** 04846209

**Registered office** 55 Wells Street  
London  
W1T 3PT

**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

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Introduction

The directors present the Strategic Report for the year ended 31 December 2019.

#### 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 £144,404 (2018: £2,536,670). An interim dividend of £2,583,505 was paid during the year (2018: nil). The directors do not recommend the payment of a final dividend (2018: £nil).

The financial position of the company is presented in the Statement of Financial Position (the 'balance sheet') on pages 9-10. Total equity at 31 December 2019 was £5,069,557 (2018: £7,508,658).

During the year the company's assets under management (AUM) increased, largely due to additional capital raised and invested. However revenue in the year was lower than in 2018 due to a reduction in one off transaction fees. Profit after tax was also lower than in 2018 largely due to an increase in administrative costs.

#### 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 2019 was £1,780m (2018: £1,449m).

This report was approved by the board on 23 April 2020 and signed on its behalf.



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**J A Thornton**  
Director

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### **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 £144,404 (2018 - £2,536,670).

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Directors

The directors who served during the year were:

W A Hill  
G M Langlay-Smith  
R J H Palmer (resigned 9 April 2020)  
J A Thornton  
H J Inglin  
S Maechler

#### Going concern

The directors consider that preparing the accounts on a going concern basis is appropriate considering the financial support from the Company's ultimate controlling party, Swiss Life Holding AG. Swiss Life Holding AG have provided confirmation that, in the event it is required, it will provide financial support to enable the Company to continue in operational existence and meet its liabilities as they fall due over the period of at least 12 months from the date of signing of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

#### 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

On 31 January 2020 the United Kingdom began the formal transitional period of leaving the European Union, ending 31 December 2020. It is not anticipated that this will have a material impact on the company's financial results.

Subsequent to the year end, financial markets experienced substantial falls associated with uncertainties linked to the COVID-19 virus pandemic. This is considered a non-adjusting event post balance sheet event in the Financial Statements for the year ended 31 December 2019, and therefore does not impact total equity attributable to the equity shareholders as at that date.

The exact future economic impact and the effect on the Company will take some time to be quantified as the situation evolves over the next few months. The directors had consideration for the potential impact in the going concern assessment, see note 2.3. The directors continue to monitor and assess the situation and the impact on income projections and costs.

#### Independent Auditors

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

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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



**J A Thornton**  
Director

Date: 23 April 2020

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

## **Report on the audit of the financial statements**

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### **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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; 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.

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### **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.

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### **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 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.

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.

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### **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 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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## **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, 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](http://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.

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## **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  
23 April 2020

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
Turnover	4	9,780,072	10,066,236
Cost of sales		(315,167)	(368,966)
<b>Gross profit</b>		<b>9,464,905</b>	<b>9,697,270</b>
Administrative expenses		(9,127,270)	(6,655,443)
Exceptional administrative expenses	15	(87,500)	-
Other operating income	5	5,824	-
<b>Operating profit</b>	6	<b>255,959</b>	<b>3,041,827</b>
Dividends received	10	30,000	65,000
Amounts written off investments		-	(2)
Interest receivable and similar income	11	22,591	17,991
Interest payable and similar expenses	12	(106,324)	-
<b>Profit before taxation</b>		<b>202,226</b>	<b>3,124,816</b>
Tax on profit	13	(57,822)	(588,146)
<b>Profit for the financial year</b>		<b>144,404</b>	<b>2,536,670</b>

The notes on pages 12 to 31 form part of these financial statements.

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>144,404</b>	<b>2,536,670</b>
<b>Total comprehensive income for the year</b>	<b>144,404</b>	<b>2,536,670</b>

The notes on pages 12 to 31 form part of these financial statements.

**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 04846209**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Non-current assets</b>			
Tangible assets	16	538,815	47,101
Investments	17	25,004	25,005
Right of use asset	18	2,943,969	-
		<u>3,507,788</u>	<u>72,106</u>
Deferred tax asset	19,23	4,450	89,405
<b>Current assets</b>			
Debtors: amounts falling due within one year	19	2,925,502	2,479,423
Cash at bank and in hand	20	4,717,604	7,700,158
		<u>7,643,106</u>	<u>10,179,581</u>
Creditors: amounts falling due within one year	21	(3,108,331)	(2,830,412)
<b>Net current assets</b>		<u>4,534,775</u>	<u>7,349,169</u>
<b>Total assets less current liabilities</b>		<u>8,047,013</u>	<u>7,510,680</u>
Creditors: amounts falling due after more than one year	22	(2,977,456)	(2)
		<u>5,069,557</u>	<u>7,510,678</u>
<b>Provisions for liabilities</b>			
Deferred taxation	23	-	(2,020)
<b>Net assets</b>		<u><u>5,069,557</u></u>	<u><u>7,508,658</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	22,123	22,123
Share premium account		544,005	544,005
Capital redemption reserve		6,152	6,152
Profit and loss account		4,497,277	6,936,378
<b>Total Equity</b>		<u><u>5,069,557</u></u>	<u><u>7,508,658</u></u>

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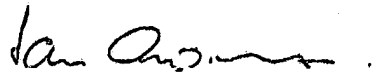
**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 04846209**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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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 23 April 2020.



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**J A Thornton**  
Director

The notes on pages 12 to 31 form part of these financial statements.

**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 January 2019	22,123	544,005	6,152	6,936,378	7,508,658
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	144,404	144,404
<b>Total comprehensive income for the year</b>	-	-	-	144,404	144,404
Dividends (Note 14)	-	-	-	(2,583,505)	(2,583,505)
<b>At 31 December 2019</b>	<b>22,123</b>	<b>544,005</b>	<b>6,152</b>	<b>4,497,277</b>	<b>5,069,557</b>

The notes on pages 12 to 31 form part of these financial statements.

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

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

The notes on pages 12 to 31 form part of these financial statements.

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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:

55 Wells Street  
London  
W1T 3PT

**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 16 Leases during the year. This standard is applicable for accounting periods beginning on or after 1 January 2019.

Please see note 2.14, 3 and 25 for further details.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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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
- The requirements of paragraphs 52 and 58 of IFRS 16 leases.

2.3 Going concern

The directors consider that preparing the accounts on a going concern basis is appropriate considering the financial support from the Company's ultimate controlling party, Swiss Life Holding AG. Swiss Life Holding AG have provided confirmation that, in the event it is required, it will provide financial support to enable the Company to continue in operational existence and meet its liabilities as they fall due over the period of at least 12 months from the date of signing of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.



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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 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.

##### 2.5 Revenue

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

Revenue from management, advisory or administration fees are recognised in the accounting period in which the 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, other than investment properties, 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	- 10% Straight line
Fixtures & fittings	- 25% Straight line
Right of use asset	- Over the life of the lease

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.

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## **MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **2. Accounting policies (continued)**

##### **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.

##### **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.

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 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 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method 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.

##### 2.13 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.14 Leases

Until the 2018 financial year, leases of property were classified as either finance leases or operating leases in accordance with IAS 17 Lease. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Contracts may contain both lease and non-lease components. For leases of real estate for which the Company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component

Lease terms are negotiated on an individual basis and the lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments less any lease incentives received/ receivable. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, 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.

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 cost (if Company has contractual/constructive obligation to pay the same at the end of the lease term)

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.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

Information about critical accounting estimates and judgements in the application of lease accounting is disclosed in note 3.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.15 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.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

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.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received;
- Where there is no third party financing, uses a build-up approach that starts with a rental yield of the property; and
- Makes adjustments specific to the lease, e.g. term, currency and security (if considered necessary)

The Company used an incremental borrowing rate of 3.75% for determining the lease liability in 2019.

A 100-basis point increase/(decrease) in the rate would cause the lease liabilities to (reduce)/increase by (£151,150)/ £162,382 and a corresponding (decrease)/increase in the right-of-use assets by the same amount.

Management have assessed the lease term as 10 years being the term of the lease. Management have not included any option to extend the lease as it is not reasonably certain to be extended and the Company could change the lease without significant cost or business disruption.

#### Practical expedients applied:

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

- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

#### 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

	2019 £	2018 £
Other operating income	5,824	-

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**6. Operating profit**

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

	2019 £	2018 £
Depreciation of tangible fixed assets	70,600	52,369
Depreciation of right of use asset	285,441	-
Exchange differences	6,575	(2,716)
Defined benefit pension cost	23,253	9,512
	<u>          </u>	<u>          </u>

**7. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	16,400	15,600
	<u>          </u>	<u>          </u>
<b>Fees payable to the company's auditors and their associates in respect of:</b>		
Other assurance services (current year CASS audit fee)	6,550	6,250
Other assurance services (prior year CASS audit fee)	-	6,000
	<u>          </u>	<u>          </u>
	6,550	12,250
	<u>          </u>	<u>          </u>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Employees**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	5,355,278	3,915,502
Social security costs	397,262	490,421
Pension costs	23,253	9,512
	<u>5,775,793</u>	<u>4,415,435</u>

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

	2019 No.	2018 No.
Administrative	24	17
Directors	5	5
Non-Executive Directors	1	2
	<u>30</u>	<u>24</u>

**9. Directors' remuneration**

Aggregate remuneration for the directors in the period totalled £1,471,402 (2018: £1,059,280).

Amounts paid to the highest paid director in the period totalled £464,600 (2018: £389,600).

Key management personnel are considered to be the directors. The remuneration of directors, including employers NI, was £1,659,796 (2018: £1,205,460).

**10. Dividends received**

	2019 £	2018 £
Dividends received from unlisted investments	30,000	65,000
	<u>30,000</u>	<u>65,000</u>



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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11. Interest receivable and similar income**

	2019 £	2018 £
Other interest receivable	22,591	17,991
	<u>22,591</u>	<u>17,991</u>

**12. Interest payable and similar expenses**

	2019 £	2018 £
Other interest payable	106,324	-
	<u>106,324</u>	<u>-</u>

Other interest payable relates to the unwinding of the lease liability discount following the adoption of IFRS 16.

**13. Tax on profit**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	634,670
Adjustments in respect of prior periods	(25,113)	3,709
<b>Total corporation tax</b>	<u>(25,113)</u>	<u>638,379</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	82,935	(45,608)
Adjustments in respect of prior periods	-	(4,625)
<b>Total deferred tax</b>	<u>82,935</u>	<u>(50,233)</u>
<b>Tax on profit</b>	<u>57,822</u>	<u>588,146</u>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. Tax on profit (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before tax	202,226	3,124,816
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	38,423	593,715
<b>Effects of:</b>		
Adjustments in respect of prior periods	-	(916)
Adjust deferred tax to standard CT rate	523	-
Depreciation on assets not qualifying for capital allowances	5,581	2,764
Expenses not deductible for tax purposes	16,648	4,933
Dividend income not taxable	(5,700)	(12,350)
Qualifying donations unutilised	2,347	-
<b>Total tax charge for the year</b>	<b>57,822</b>	<b>588,146</b>

**14. Dividends**

	2019 £	2018 £
Dividend paid	2,583,505	-
	<b>2,583,505</b>	<b>-</b>

All shares are owned by Swiss Life Investment Management Holding AG. All dividends were therefore paid to Swiss Life Investment Management Holding AG.

**15. Exceptional administrative expense**

	2019 £	2018 £
Dilapidation costs for 2 Cavendish Square (previous property)	87,500	-
	<b>87,500</b>	<b>-</b>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**16. Tangible assets**

	Leasehold Property £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	192,401	161,133	353,534
Additions	371,631	205,197	576,828
Disposals	(188,622)	(120,709)	(309,331)
At 31 December 2019	<u>375,410</u>	<u>245,621</u>	<u>621,031</u>
<b>Accumulated depreciation</b>			
At 1 January 2019	177,198	129,235	306,433
Charge for the year on owned assets	41,285	29,315	70,600
Disposals	(188,622)	(106,195)	(294,817)
At 31 December 2019	<u>29,861</u>	<u>52,355</u>	<u>82,216</u>
<b>Net book value</b>			
At 31 December 2019	<u>345,549</u>	<u>193,266</u>	<u>538,815</u>
At 31 December 2018	<u>15,203</u>	<u>31,898</u>	<u>47,101</u>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**17. Investments**

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	25,002	3	25,005
Disposals	-	(1)	(1)
At 31 December 2019	<u>25,002</u>	<u>2</u>	<u>25,004</u>
<b>Net book value</b>			
At 31 December 2019	<u>25,002</u>	<u>2</u>	<u>25,004</u>
At 31 December 2018	<u>25,002</u>	<u>3</u>	<u>25,005</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
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

<b>Name</b>	<b>Registered office</b>
Mayfair Capital Partners Limited	55 Wells Street, London, W1T 3PT
MCIM Corporate Trustees Limited	55 Wells Street, London, W1T 3PT
Mayfair Capital Trust Manager (Jersey) Limited	1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG
Mayfair Capital TGF General Partner LLP	55 Wells Street, London, W1T 3PT

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**18. Right of use asset**

	Right of use asset £
<b>Valuation</b>	
Additions	3,229,410
Depreciation	(285,441)
<b>At 31 December 2019</b>	<b>2,943,969</b>

The right of use asset relates to the lease of the property at 55 Wells Street.

**19. Debtors: Amounts falling:**

	2019 £	2018 £
<b>Due after more than one year</b>		
Deferred tax asset	4,450	89,405
	<u>4,450</u>	<u>89,405</u>
	<u><u>4,450</u></u>	<u><u>89,405</u></u>
<b>Due within one year</b>		
Trade debtors	-	387,676
Other debtors	140,527	4,780
Prepayments and accrued income	2,699,086	2,086,967
Tax recoverable	85,889	-
	<u>2,925,502</u>	<u>2,479,423</u>
	<u><u>2,925,502</u></u>	<u><u>2,479,423</u></u>

**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Contract assets</b>		
Opening accrued income	1,927,122	1,343,307
Revenue accrued in the year	2,507,830	1,927,122
Accrued income reversed and recognised in revenue	(1,927,122)	(1,343,307)
<b>Closing accrued income</b>	<u>2,507,830</u>	<u>1,927,122</u>
 <b>20. Cash at bank and in hand</b>		
	2019 £	2018 £
Cash at bank and in hand	<u>4,717,604</u>	<u>7,700,158</u>
 <b>21. Creditors: Amounts falling due within one year</b>		
	2019 £	2018 £
Trade creditors	137,335	80,038
Corporation tax	-	75,397
Other taxation and social security	502,917	440,050
Obligations under leases	297,756	-
Other creditors	18,918	11,641
Accruals	2,151,405	2,223,286
	<u>3,108,331</u>	<u>2,830,412</u>
 <b>22. Creditors: Amounts falling due after more than one year</b>		
	2019 £	2018 £
Net obligations under leases	2,977,454	-
Amounts owed to group undertakings	2	2
	<u>2,977,456</u>	<u>2</u>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**23. Deferred taxation**

	2019 £	2018 £
At beginning of year	87,385	37,152
(Charged)/credited to profit and loss	(82,935)	50,233
<b>At end of period/year</b>	<b>4,450</b>	<b>87,385</b>

The deferred tax balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	100	(2,020)
Short term temporary differences	4,350	89,405
	<b>4,450</b>	<b>87,385</b>
<b>Comprising:</b>		
Asset - due after one year	4,450	89,405
Liability	-	(2,020)
	<b>4,450</b>	<b>87,385</b>

**24. Called up share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
91,888 (2018 - 91,888) Ordinary B shares shares of £0.10 each	9,189	9,189
54,785 (2018 - 54,785) Ordinary C shares shares of £0.10 each	5,479	5,479
50,303 (2018 - 50,303) Ordinary D shares shares of £0.10 each	5,030	5,030
18,329 (2018 - 18,329) Ordinary E shares shares of £0.10 each	1,833	1,833
5,921 (2018 - 5,921) Ordinary F shares shares of £0.10 each	592	592
	<b>22,123</b>	<b>22,123</b>

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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**25. Disclosure required under IFRS16 - Leases**

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach, comparative information is not restated. The cumulative effect of initially applying IFRS 16 is nil in retained earnings at the date of initial application. Thus, the comparative future minimum lease payments presented are based on IAS 17 while the current year are based on IFRS 16.

Future minimum lease payments as at 31 December 2019 are as follows:

	2019 £	2018 £
Not later than 1 year	297,756	133,662
Later than 1 year and not later than 5 years	1,372,069	-
Later than 5 years	1,605,385	-
	<u>3,275,210</u>	<u>133,662</u>

The total cash outflow for leases in 2019 was £238,418, (2018 £275,964).

Since the Company has applied the practical expedients as mentioned in Note 3, the reconciliation required by Paragraph C12 (b) to Appendix C of IFRS 16 with regards to reconciliation of operating lease commitments disclosed as per IAS 17 at 31 December 2018 and lease liability recognised at the date of initial application, is not considered necessary.



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**MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**26. Related party transactions**

	2019 £	2018 £
<b>Amounts received from related parties:</b>		
The Property Income Trust for Charities	3,648,908	3,434,509
MC Property Growth Fund No.2	2,403	26,890
Mayfair Capital Property Unit Trust	2,521,247	2,798,016
Mayfair Capital Residential 1 LLP	-	439,942
Mayfair Capital Commercial Property Trust	988,740	1,057,662
Mayfair Capital Residential 2 LLP	299,313	247,017
Mayfair Capital UK Thematic Growth Fund	533,350	626,630
Swiss Life Ref (CH) European (Properties) Fund	523,582	979,947
Mayfair Capital Trust Manager (Jersey) Limited	30,000	65,000
LOC Bonhill S.A.R.L.	562,196	-
	<u>9,109,739</u>	<u>9,675,613</u>
<b>Amounts owed by/(to) related parties:</b>		
The Property Income Trust for Charities	831,227	1,001,270
MC Property Growth Fund No.2	-	2,546
Mayfair Capital Property Unit Trust	607,198	727,229
Mayfair Capital Partners Limited	(1)	(1)
MCIM Corporate Trustees Limited	(1)	(1)
Mayfair Capital Commercial Property Trust	562,777	178,636
Mayfair Capital Residential 2 LLP	65,277	99,995
William Hill Consulting	-	(20,000)
Mayfair Capital UK Thematic Growth Fund	269,025	136,806
LOC Bonhill S.A.R.L.	36,198	-
	<u>2,371,700</u>	<u>2,126,480</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.

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## MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Related party transactions (continued)

##### Directors' benefits: advances, credit and guarantees

During the year, the consultancy fees shown below were paid to William Hill Consulting Limited, a company controlled by W Hill. During 2018, consultancy fees were paid to William Hill Consulting Limited and to Houghton Property Advisers LLP, a partnership controlled by S Musgrave, a former director.

	2019 £	2018 £
Houghton Property Advisers LLP	-	55,171
William Hill Consulting Limited	80,000	62,500
	<u>80,000</u>	<u>117,671</u>

#### 27. Post balance sheet events

Subsequent to the year end, financial markets experienced substantial falls associated with uncertainties linked to the COVID-19 virus pandemic. This is considered a non-adjusting event post balance sheet event in the Financial Statements for the year ended 31 December 2019, and therefore does not impact total equity attributable to the equity shareholders as at that date.

The exact future economic impact and the effect on the Company will take some time to be quantified as the situation evolves over the next few months. The directors had consideration for the potential impact in the going concern assessment, see note 2.3. The directors continue to monitor and assess the situation and the impact on income projections and costs.

#### 28. 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.