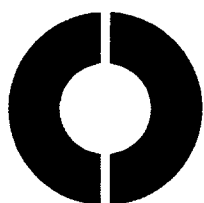


Schroders

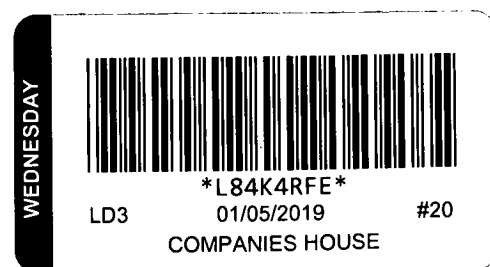


Annual Report and Accounts 2018

**Schroder Administration
Limited**

Year ended 31 December 2018

Registered Number: 04968626



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Officers and professional advisers

Directors

Tim McCann
Wayne Mepham
Graham Staples
Nicholas Taylor

Company Secretary

Schroder Corporate Services Limited

Registered Office

1 London Wall Place
London
EC2Y 5AU

Independent Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Strategic report

The Directors present their Strategic report on Schroder Administration Limited (the 'Company') for the year ended 31 December 2018.

Results and Review of the business

The profit for the year after tax was £438.7 million (2017: £473.6 million profit after tax).

The Company's holding company business continued during the year. The Company's investments and operating principles are expected to remain unchanged. Profit for the year decreased by £34.9 million mainly as a result of decreased dividends received of £30.8 million and an increase in finance charges of £4.8 million.

During the year the Company acquired additional shares in Benchmark Capital Limited for £20.1 million. As part of the Group's legal entity restructuring Cazenove Capital Holdings Limited was acquired from Schroders plc for £36.2 million by way of a share issue.

The Directors consider the results and the Company's financial position as at 31 December 2018 to be satisfactory.

On 29 March 2017, the British government invoked Article 50 beginning the two year countdown to the United Kingdom withdrawing from the European Union. Negotiations continue but much uncertainty remains and there are a range of possible outcomes and timeframes for many aspects of the UK's exit. The Group is well positioned to manage the challenges that may arise as a result of Brexit. Whilst all the legal and regulatory challenges of Brexit are not yet clear, our structure provides us with flexibility in deciding how best to respond and continue to service our clients. We believe that the Company is well placed to weather these challenges and to adapt to ongoing changes in the political, economic and regulatory environment.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Schroders plc's other subsidiary undertakings which, with Schroders plc, form the Schroders plc Group (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the 'Key risks and mitigations' in the Strategic report and 'Risk and internal controls' within the Governance section of the Schroders plc Annual Report and Accounts for the year ended 31 December 2018 (the 'Schroders Report'). The Schroders Report does not form part of this report.

Key performance indicators

The Directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, is discussed in the Strategic report in the Schroders Report. The Schroders Report does not form part of this report.

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



Matthew Buckland, Authorised signatory
For and on behalf of
Schroder Corporate Services Limited
Company Secretary
25 April 2019

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2018. The information contained in the Strategic report and the Statement of Directors' responsibilities forms part of this Directors' report.

General information

The Company is a private limited company, limited by shares incorporated and domiciled in England and Wales. The Company's immediate parent undertaking and controlling entity is Schroders plc, which together with the Company and Schroders plc's other subsidiary undertakings, form the Group.

Future developments

The future developments of the Company are disclosed in the Strategic Report.

Dividends

During the year the Directors declared an interim dividend of £447.0 million in respect of the year ended 31 December 2018 (2017: £475.0 million) which was paid to the member of the Company on 29 November 2018.

Risk management and use of financial instruments

The risk management processes of the Company are aligned with those of the Group as a whole. Details of the Group's risk management processes are outlined in the 'Key risks and mitigations' in the Strategic Report and 'Risk and internal controls' within the Governance section of the Schroders Report. The Company's specific risk exposures to financial instruments are explained in note 9 to the financial statements. The Schroders Report does not form part of this report.

Going concern

Taking all the above factors into consideration, including the nature of the Company and its business, the Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date the Annual Report and Accounts is signed. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors of the Company who have served during the year and up to the date of signing are listed on page one.

Directors' liability insurance

Directors' and Officers' liability insurance is taken out by Schroders plc, the Company's ultimate parent company, for the benefit of the Directors of the Company.

Employment policy

The Company had no employees during the year.

Directors' report (continued)

Independent Auditors and disclosure of information to independent Auditors

During the year, Ernst & Young LLP ('EY') was appointed as external auditor of the Company in accordance with section 487 of the Companies Act 2006. In accordance with section 487(2) of the Companies Act 2006 and in the absence of a notice proposing that the appointment be terminated at a general meeting, EY will be deemed to be reappointed for the next financial year.

To the best of the Directors' knowledge there is no relevant audit information of which EY is unaware. Each of the Directors has taken all reasonable steps that ought to have been taken by him or her as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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 International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Matthew Buckland, Authorised signatory
For and on behalf of
Schroder Corporate Services Limited
Company Secretary
25 April 2019

Registered office:
1 London Wall Place
London EC2Y 5AU

Registered in England and Wales No. 04968626

Independent Auditor's report to the member of Schroder Administration Limited

Opinion

We have audited the financial statements of Schroder Administration Limited (the 'Company') for the year ended 31 December 2018 which comprise the Income Statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Cash flow statement and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view 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 IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the member of Schroder Administration Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Julian Young (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 24/4/19

Income statement

for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Dividends receivable and other income from subsidiaries		447,201	478,000
Finance income	3	90	14
Finance charges	3	(10,321)	(5,486)
Net income		436,970	472,528
Operating (expenses)/income	3	(261)	1
Profit before tax		436,709	472,529
Tax credit	4	1,964	1,059
Profit for the year		438,673	473,588

Statement of comprehensive income

for the year ended 31 December 2018

	2018 £'000	2017 £'000
Profit for the year	438,673	473,588
Profit and total comprehensive income for the year, net of tax	438,673	473,588

Statement of financial position

as at 31 December 2018

	Notes	2018 £'000	2017 £'000
Assets			
Trade and other receivables	6	15,400	2,217
Current tax		1,949	1,048
Investment in subsidiaries	7	1,035,660	979,366
Total assets		1,053,009	982,631
Liabilities			
Trade and other payables	8	514,251	471,738
Total liabilities		514,251	471,738
Net assets		538,758	510,893
Total equity		538,758	510,893

The financial statements on pages 7 to 34 were approved by the Board of Directors on 25 April 2019 and were signed on its behalf by:



Wayne Mepham
Director
25 April 2019

Registered Number: 04968626

Statement of changes in equity

for the year ended 31 December 2018

	Share capital ¹	Profit and loss ² reserve	Total Equity
	£'000	£'000	£'000
At 1 January 2018	427,458	83,435	510,893
Restatement on adoption of IFRS 9	-	(2)	(2)
At 1 January 2018 (restated)	427,458	83,433	510,891
Profit after tax	-	438,673	438,673
Total comprehensive income for the year net of tax	-	438,673	438,673
Shares issued	36,194	-	36,194
Dividends	-	(447,000)	(447,000)
Transactions with shareholder	36,194	(447,000)	(410,806)
At 31 December 2018	463,652	75,106	538,758

for the year ended 31 December 2017

	Share capital ¹	Profit and loss ² reserve	Total Equity
	£'000	£'000	£'000
At 1 January 2017	341,866	84,847	426,713
Profit after tax	-	473,588	473,588
Total comprehensive income for the year net of tax	-	473,588	473,588
Shares Issued	85,592	-	85,592
Dividends	-	(475,000)	(475,000)
Transactions with shareholder	85,592	(475,000)	(389,408)
At 31 December 2017	427,458	83,435	510,893

¹Share capital represents issued and fully paid ordinary shares at a par value of £1 each. See note 10 to the financial statements.

²The profit and loss reserve represents the profit or loss for the year.

Cash flow statement

for the year ended 31 December 2018

	2018 £'000	2017 £'000
Operating activities		
Profit before tax	436,709	472,529
Increase in trade and other receivables	(3,242)	(1,859)
Increase in trade and other payables	42,342	136,556
Adjustment for expected credit loss	(2)	-
Net interest adjustment to profit before tax	10,231	5,472
	486,038	612,698
Amounts paid in respect of group tax relief	(1,064)	(194)
Net cash from operating activities	484,974	612,504
Investing activities		
Addition of investments in subsidiaries	(20,100)	(132,400)
Loans issued	(7,816)	-
Interest received	92	12
Net cash used in investing activities	(27,824)	(132,388)
Financing activities		
Dividends paid	(447,000)	(475,000)
Interest paid	(10,150)	(5,116)
Net cash used in financing activities	(457,150)	(480,116)
Net increase in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Net increase in cash and cash equivalents	-	-
Closing cash and cash equivalents	-	-

Notes to the financial statements

for the year ended 31 December 2018

1. Presentation of financial statements

Financial information for the year ended 31 December 2018 is presented in accordance with International Accounting Standard ('IAS') 1 Presentation of Financial Statements.

Basis of preparation

The financial statements are prepared in accordance with IFRS, which comprise Standards and Interpretations approved by either the International Accounting Standards Board or the IFRS Interpretations Committee or their predecessors, as adopted by the European Union ('EU'), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information presented within these financial statements has been prepared on the going concern basis under the historical cost convention.

The Company is a wholly-owned subsidiary of Schroders plc (incorporated in England and Wales) and is included in the consolidated financial statements of Schroders plc (incorporated in England and Wales) which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Company's principal accounting policies have been consistently applied. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed within the notes below.

IFRS 9 Financial Instruments ('IFRS 9') replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurements; impairment; and hedge accounting.

The Company has initially applied IFRS 9 from 1 January 2018. Due to the transition methods chosen by the Company in applying the new standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard. The Company has applied IFRS 9 retrospectively, with the cumulative effect of initially applying the standard as an adjustment for expected credit loss to the opening balance of retained earnings.

The Company did not implement the requirements of any Standards and Interpretations which were in issue and which were not required to be implemented at the year-end date.

The only standard or interpretation relevant to the Company that had been issued but not yet adopted at the year end was; IFRIC 23 Uncertainty over Income Tax Treatments ('IFRIC 23'). The interpretation provides clarification as to how the recognition and measurement requirements of IAS 12 Income Tax should be applied. The Company has assessed the impact of IFRIC 23 and does not expect it to have a material impact when it becomes effective on 1 January 2019.

2. Estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will seldom equal the related actual results. The estimates and judgements that have a significant effect on the carrying amounts of assets are set out in note 7 'Investments in subsidiaries' and note 9 'Financial instrument risk management'.

Notes to the financial statements

for the year ended 31 December 2018

3. Income and expenses

Dividends

Dividends are recognised when the Company's right to receive payment is established.

Finance income / finance charges

Finance income / finance charges comprises amounts due on the Company's investment capital and temporary surpluses or deficits in the Company's cash accounts held with banks or loans to or from related parties. Interest receivable and payable are recognised using the effective interest method and are recorded in the statement of comprehensive income within 'Finance income' or 'Finance charges' as appropriate.

	2018 £'000	2017 £'000
Finance income:		
Interest receivable on financial assets	90	14
Finance charges:		
Interest payable on financial liabilities	(10,321)	(5,486)
	(10,231)	(5,472)

	2018 £'000	2017 £'000
Included in operating (expenses)/income:		
Fees payable for the audit of the Company	(20)	(19)
	(20)	(19)

Key management personnel compensation

The Company has determined that the Board of Directors of the Company are the key management personnel of the Company.

There was no remuneration expense for key management personnel during 2017 or 2018.

Included in the accounts of other subsidiaries of the Group are amounts owed to related parties of £31,000 (2017 : £24,000) and net interest and fee income of £7,000 (2017: £8,000).

Directors' emoluments

The emoluments of four (2017: four) Directors employed by and paid for by other Group companies are included in the financial statements of those entities. These Directors have contracts of service with and receive their emoluments from another Group company. Their emoluments are deemed to be wholly attributable to their services to these other companies. These Directors therefore receive no incremental emoluments for their services to the Company.

Notes to the financial statements

for the year ended 31 December 2018

4. Tax credit

The Company pays taxes according to the rates applicable in the countries in which it operates. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax).

(a) Analysis of credit for the year

	2018 £'000	2017 £'000
Current tax:		
Current tax credit for the year	(1,949)	(1,048)
Adjustment in respect of prior periods	(15)	(11)
Total current tax credit for the year	(1,964)	(1,059)

(b) Factors affecting the tax credit for the year

The UK standard rate of corporation tax is 19% (2017: effective tax rate of 19.25%).

The tax credit for the year is lower (2017: lower) than the UK standard rate of corporation tax for the period of 19% (2017: 19.25%).

The differences are explained below:

	2018 £'000	2017 £'000
Profit before tax	436,709	472,529
Profit before tax multiplied by corporation tax at the UK effective rate of 19% (2017: 19.25%)	82,975	90,962
Effects of:		
Non-taxable UK dividend income	(84,968)	(92,015)
Adjustment in respect of prior periods	(15)	(11)
Non taxable income net of disallowable expenses	44	5
Total tax credit for the year	(1,964)	(1,059)

Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2017: 17%), reflecting the rate expected to be applicable at the time the net deferred tax asset is realised.

A deferred tax asset of £3,565,807 (2017: £3,570,124) relating to capital losses brought forward and carried forward has not been recognised as there is uncertainty over whether there will be sufficient taxable gains in the future against which the deferred tax asset can be utilised.

5. Dividends

	2018		2017	
	£'000	Pence per share	£'000	Pence per share
Interim dividends paid	447,000	96.4	475,000	111.1

Notes to the financial statements

for the year ended 31 December 2018

6. Trade and other receivables

Trade receivables are recorded initially at fair value and subsequently at amortised cost.

Trade and other receivables are split between current and non-current. The carrying amount of interest and non-interest bearing trade and other receivables at amortised cost which approximates their fair value.

	2018 £'000	2017 £'000
Current		
Amounts owed by related parties (see note 11)	3	254
Prepayments	5,360	-
Other receivables	258	-
	5,621	254
Non-current		
Loans to related parties (see note 11)	9,779	1,963
	9,779	1,963
Total	15,400	2,217

In 2017, the Company entered into a revolving credit facility of £7.7 million which was fully drawn down as at 31 December 2018 and is repayable on 1 June 2022. During 2018, the Company entered into an additional revolving credit facility of £7.7 million of which £2.1 million has been drawn down as at 31 December 2018 and is repayable on 23 November 2023.

Gross carrying value for trade and other receivables is £15,408,000 (1 January 2018: £2,217,000) and expected credit losses determined in accordance with IFRS 9, are £8,000 (1 January 2018: £2,000). Note 9 sets out the basis of the expected credit loss calculation.

7. Investments in subsidiaries

Subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The Directors have determined that the carrying values of the investments are supported by their underlying recoverable value.

Associates

Associates are entities in which the Company has an investment and over which it has significant influence, but not control, through participating in the financial and operating policy decisions. Investments in associates are stated at cost less, where appropriate, provisions for impairment.

Joint ventures

Joint ventures comprise those undertakings where there is contractually agreed sharing of control over the financial and operating policy decisions of the investee requiring unanimous consent. Investments in joint ventures are stated at cost less, where appropriate, provisions for impairment.

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries

Estimates and judgements

At 31 December 2018, the Company applies judgement to determine whether there is any indication that investments in subsidiaries, associates and joint ventures may be impaired. If any indication exists and a full assessment determines that the carrying value exceeds the recoverable amount, the investment is written down to the net asset value.

The Group operates globally which results in the Company having a corporate structure consisting of a number of related undertakings, comprising subsidiaries, joint ventures and associates. A full list of these undertakings, the country of incorporation (which in all cases is the principal place of business), the registered office, classes of shares held and the effective percentage of equity owned at 31 December 2018 is disclosed below.

Additionally, related undertakings include where the Company has a significant holding of share class or unit class of a structured entity. These holdings can arise through the Group's investment management activities on behalf of clients or as part of the stated aim of generating a return on investment capital. Additionally, the seeding of structured entities in order to develop new investment strategies can give rise to these holdings.

The Company has utilised the exemption conferred by Regulation 7 of the Partnership (Accounts) Regulations 2008 to not append copies of qualifying partnership accounts to the accounts of any UK subsidiary.

	2018 £'000	2017 £'000
At 1 January	979,366	761,374
Additions:		
Schroder Financial Holdings Limited	-	61,625
Schroder International Holdings Limited	-	238,000
Cazenove Capital Holdings Limited	36,194	-
Schroder Investment Management Limited	-	85,000
Benchmark Capital Limited	20,100	85,592
Schroder Wealth Holdings Limited	-	47,400
Disposals:		
Schroder Financial Services Limited	-	(61,625)
Schroder Investment Management Limited	-	(238,000)
At 31 December	1,035,660	979,366

During the year the Company acquired additional shares in Benchmark Capital Limited for a cash consideration of £20.1 million. The Company also acquired Cazenove Capital Holdings Limited shares at its carrying value of £36.2 million from Schroders plc and the Company issued share capital in exchange.

The Directors have determined that the carrying value of the investments is supported by their underlying recoverable value.

(a) Related undertakings arising from the Company's corporate structure

Principal subsidiaries

The principal subsidiaries listed below are those which, in the opinion of the Directors, principally affect the profits or net assets of the Company or are regulated. The principal subsidiary entities set out below are wholly-owned subsidiary undertakings of the Company, unless otherwise stated. All undertakings operate in the countries where they are registered or incorporated and are stated at cost less, where appropriate, provisions for impairment.

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
United Kingdom			
Aspect8 Limited ^f	Ordinary	77%	Sussex House, North Street, Horsham, West Sussex,
Best Practice IFA Group Limited ^f	Ordinary	77%	RH12 1RQ, England
Evolution Wealth Network Limited ^f	Ordinary	77%	
Fusion Funds Limited ^f	Ordinary	77%	
Fusion Wealth Limited ^f	Ordinary	77%	
Leadenhall Securities Corporation Limited	Ordinary	100%	1 London Wall Place, London, EC2Y 5AU, England
Schroder & Co. Limited	Ordinary	100%	
Schroder Corporate Services Limited	Ordinary	100%	
Schroder Financial Services Limited	Ordinary	100%	
Schroder Investment Company Limited	Ordinary	100%	
Schroder Investment Management Limited	Ordinary	100%	
Schroder Investment Management North America Limited	Ordinary	100%	
Schroder Pension Management Limited	Ordinary	100%	
Schroder Real Estate Investment Management Limited	Ordinary	100%	
Schroder Unit Trusts Limited	Ordinary	100%	
Schroder Wealth Management (US) Limited	Ordinary	100%	
Argentina			
Schroder Investment Management S.A.	Ordinary	95%	Ing. Enrique Butty 220, Piso 12, Buenos Aires, C1001AFB, Argentina
Australia			
Schroder Investment Management Australia Limited	Ordinary and Convertible Preference Shares	100%	Level 20, Angel Place, 123 Pitt Street, Sydney NSW 2000, Australia
Bermuda			
Schroders (Bermuda) Limited	Ordinary	100%	Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke HM 08, Bermuda
Brazil			
Schroder Investment Management Brasil Ltda.	Ordinary	100%	100 Joaquim Floriano, 14th Floor, Suite 142, Itaim Bibi, Sao Paulo, Sao Paulo, 04534000, Brazil
Canada			
Schroder Canada Inc.	Ordinary	100%	7 Bryant Park, New York, New York, 10018, USA
France			
Algonquin Management Partners France	Ordinary	100%	60 rue Pierre Charron, 75008, Paris
Schroder AIDA SAS	Ordinary	70%	8-10 rue Lamennais, 75008, Paris, France
Germany			
Schroder Investment Management GmbH	Capital	100%	Taunustor 1, 60310, Frankfurt, Germany
Schroder Real Estate Investment Management GmbH	Ordinary	100%	
Schroder Real Estate Kapitalverwaltungsgesellschaft mbH	Ordinary	100%	

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Guernsey			
Burnaby Insurance (Guernsey) Limited	Ordinary	100%	Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4JH, Channel Islands
Schroders (C.I.) Limited	Ordinary	100%	PO Box 334, Regency Court, Gategny Esplanade,
Schroder Investment Company (Guernsey) Limited	Ordinary	100%	St Peter Port, Guernsey, GY1 3UF, Channel Islands
Schroder Venture Managers (Guernsey) Limited	Ordinary and Non-cumulative Redeemable Preference	100%	PO Box 225, Trafalgar Court, Les Blanques, St Peter Port, Guernsey, GY1 3QL, Channel Islands
Hong Kong			
Schroder Adveq Management (Hong Kong) Limited	Ordinary	100%	Suite 616, 100 Queen's Road Central, Central, Hong Kong, Hong Kong
Schroder & Co. (Hong Kong) Limited	Ordinary	100%	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, Hong Kong
Schroder Investment Management (Hong Kong) Limited	Ordinary	100%	Level 33, Two Pacific Place, 88 Queensway, Hong Kong, Hong Kong
Indonesia			
PT Schroder Investment Management Indonesia	Ordinary	99%	30th Floor, Indonesia Stock Exchange Building, Tower 1, Jl Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia
Ireland			
Schroder Investment Management (Ireland) Limited	Ordinary	100%	George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Italy			
Schroders Italy SIM S.p.A.	Ordinary	100%	Via Della Spiga, 30-20121 Milan, Italy
Japan			
Schroder Investment Management (Japan) Limited	Ordinary	100%	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-0005, Japan
Jersey			
Schroder Real Estate Managers (Jersey) Limited	Ordinary	100%	40 Esplanade, St Helier, Jersey JE4 9WB, Channel Islands
Luxembourg			
Schroder Investment Management (Europe) S.A.	Ordinary	100%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg
Schroder Real Estate Investment Management (Luxembourg) S.à.r.l.	Ordinary	100%	
Mexico			
Consultora Schroders, S.A. de C.V. ^{de}	Ordinary	99%	Montes Urales 760 Desp. 101, Col. Lomas de Chapultepec, Mexico, DF, 11000, Mexico
Singapore			
Schroder & Co. (Asia) Limited	Ordinary	100%	138 Market Street, #23-02, CapitaGreen, Singapore,
Schroder Investment Management (Singapore) Limited	Ordinary	100%	048946, Singapore
South Korea			
Schroders Korea Limited	Ordinary	100%	26th fl., 136, Sejong-daero, Jung-gu, Seoul 100-768, Korea

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Switzerland			
Schroder Adveq Management AG	Ordinary	100%	Affolternstrasse 56, 8050, Zurich, Switzerland
Schroder & Co Bank AG	Ordinary	100%	Central 2, 8001 Zurich, Switzerland
Schroder Investment Management (Switzerland) AG	Ordinary	100%	
Secquaero Advisors AG	Ordinary	50%	
Taiwan			
Schroder Investment Management (Taiwan) Limited	Ordinary	100%	9/F, 108 Sec.5, Hsin-Yi Road, Hsin-Yi District, Taipei 11047, Taiwan
United States			
Schroder Adveq Management US Inc.	Ordinary	100%	Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States
Schroder Fund Advisors LLC	Common	100%	7 Bryant Park, New York, New York, 10018, USA
Schroder Investment Management North America Inc	Common	100%	
Schroder US Holdings Inc.	Common	100%	National Registered Agents Inc., 160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA

Other corporate related undertakings

The remaining related undertakings arising from the Company's corporate structure are listed below. These include subsidiaries (other than those listed above), joint ventures and associates. The financial year end of joint ventures is coterminous with the Company. In all cases, the management of joint ventures is based upon joint voting rights under a Shareholders Agreement.

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Fully owned subsidiaries

Name	Share class	%	Address
United Kingdom			
Adveq Founder Partner (GP) Limited	Ordinary	100%	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
Adveq Founder Partner Limited	Ordinary	100%	
Adveq GP LLP	PI	100%	
Algonquin Management Partners (UK) Ltd	Ordinary	100%	5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD, England
Cazenove Capital Management Limited	Ordinary	100%	1 London Wall Place, London, EC2Y 5AU, England
Cazenove New Europe (CFM1) Limited ^b	Ordinary	100%	
Cazenove New Europe (PPI) Limited ^b	Ordinary	100%	
Cazenove New Europe Staff Interest Limited ^b	Ordinary	100%	
CCM Nominees Limited ^b	Ordinary	100%	
Chilcomb Wealth Limited	Ordinary	100%	
Croydon Gateway Nominee 1 Limited	Ordinary	100%	
Croydon Gateway Nominee 2 Limited	Ordinary	100%	
J. Henry Schroder Wagg & Co. Limited ^b	Ordinary	100%	
Schroder Adveq Management (UK) Limited	Ordinary	100%	
Schroder & Co Nominees Limited ^b	Ordinary	100%	
Schroder Financial Holdings Limited ^a	Ordinary	100%	
Schroder Infra Debt GP LLP ⁱ	PI	100%	
Schroder International Holdings Limited ^a	Ordinary	100%	
Schroder Nominees Limited ^b	Ordinary	100%	
Schroder Pension Trustees Limited	Ordinary	100%	
Schroder Private Assets Holdings Limited ^a	Ordinary	100%	
Schroder Wealth Holdings Limited ^a	Ordinary	100%	
Schroder Wealth International Holdings Limited ^a	Ordinary	100%	
The Lexicon Management Company Limited	Ordinary	100%	
UK PEM Partners Limited	Ordinary	100%	
Schroder Investments Limited (In Liquidation)	Ordinary	100%	c/o CVR Global LLP, Town Wall House, Balmerne Hill, Colchester, Essex, CO3 3AD, England
Australia			
Schroder Australia Holdings Pty Limited	Ordinary	100%	Level 20, Angel Place, 123 Pitt Street, Sydney, NSW 2000, Australia
Belgium			
Algonquin Management Partners S.A.	Ordinary	100%	Avenue Louise 523 – 1050 Bruxelles, Belgium
Bermuda			
Schroder General Partner (Bermuda) Limited	Ordinary	100%	Wellesley House, 2nd Floor, 90 Pitts Bay Road, Pembroke
Schroder Management Company (Bermuda) Limited	Ordinary	100%	HM 08, Bermuda
Schroder Venture Managers Limited	Common	100%	
SITCO Nominees Limited	Ordinary	100%	
Canada			
Schroder Canada Investments Inc.	Common	100%	c/o Cidel Financial Group, 60 Bloor Street West, 9th Floor, Toronto, Ontario, M4W 3B8, Canada
Cayman			
AEROW SMA Management I L.P.	PI	100%	Maples & Calder, PO Box 309 GT, Ugland House, South Church Street,
PEM Partners Limited	Ordinary	100%	George Town, Grand Cayman, Cayman Islands
Schroder Adveq Cpi Global Management III L.P.	PI	100%	

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7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Chile			
Schroders Chile SpA	Ordinary	100%	Avenida Cerro El Plomo 5420 Oficina 1104, Les Condes, Santiago, Chile
China			
Schroder Investment Management (Shanghai) Co., Limited	Ordinary	100%	Unit 1101, 11/F, Shanghai IFC Phase 1 (HSBC Building), No. 8 Century Avenue, Pudong, Shanghai, 200120, China
Schroder Adveq Investment Management (Beijing) Co., Limited	Ordinary	100%	Room 1929-1932, Winland International Finance Centre, 7 Finance Street, Xicheng District, Beijing, 100033, China
Curacao			
Schroder Adveq Investors B.V.	Ordinary	100%	Johan van, Walbeekplein 11, Willemstad, Curacao
cPI Schroder Adveq Investments Management B.V.	Ordinary	100%	
Schroder Adveq Management N.V.	Ordinary	100%	
France			
Holdco LC Paris Blomet SAS	Ordinary	100%	60 rue Pierre Charron, 75008, Paris, France
Schroder Real Estate Investment Management (France)	Ordinary	100%	8-10 rue Lamennais, 75008, Paris, France
Terre et Mer Hotels	Ordinary	100%	22 rue Jean-Louis Barrault, 26000, Valence, France
Germany			
Blitz 06-953 GmbH	Ordinary	100%	Taunustor 1, 60310, Frankfurt, Germany
Real Neunzehnte Verwaltungsgesellschaft mbH	Ordinary	100%	
Schroder Adveq Management Deutschland GmbH	Ordinary	100%	
Schroder Eurologistik Fonds Verwaltungs GmbH	Ordinary	100%	
Schroder Holdings (Deutschland) GmbH	Common	100%	
Schroder Italien Fonds Verwaltungs GmbH	Ordinary	100%	
SPRIM Holdings GmbH	Ordinary	100%	
SIMA 5 Verwaltungsgesellschaft mbH	Ordinary	100%	
Guernsey			
Schroder Investments (Guernsey) Limited	Ordinary	100%	PO Box 334, Regency Court, Glatigny Esplanade,
Schroder Investment Management (Guernsey) Limited	Ordinary	100%	St Peter Port, Guernsey, GY1 3UF, Channel Islands
Schroder Nominees (Guernsey) Limited	Ordinary	100%	
Secquaero Re (Guernsey) ICC Limited	Ordinary	100%	Maison Trinity, Trinity Square, St Peter Port, Guernsey, GY1 4AT, Channel Islands
Schroder Venture European Fund Managers Limited (In Liquidation)	Ordinary	100%	PO Box 255, Trafalgar Court, Les Blanques, St Peter Port, Guernsey, GY1 3QL, Channel Islands
Hong Kong			
Schroders Asia Nominees Limited	Ordinary	100%	Level 33, Two Pacific Place, 88 Queensway, Hong Kong
S & C Nominees Limited	Ordinary	100%	Hong Kong

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Jersey			
AAF Management II L.P.	PI	100%	26 New Street, St Helier, Jersey, JE2 3RA, Channel Islands
AAF Management III L.P.	PI	100%	
BKMS Management L.P.	PI	100%	
BKMS Management II L.P.	PI	100%	
Cresta Management L.P.	PI	100%	
Cresta Management II L.P.	PI	100%	
EEM Management II L.P.	PI	100%	
EEM Opportunities Management L.P.	PI	100%	
Gemini Management L.P.	PI	100%	
IST3 Manesse PE Management L.P.	PI	100%	
SA-EL Asia Partners I L.P.	PI	100%	
Saleve 2017 Management L.P.	PI	100%	
Schroder Adveq Asia Partners V L.P.	PI	100%	
Schroder Adveq EEM Management I L.P.	PI	100%	
Schroder Adveq Europe Direct Partners II L.P.	PI	100%	
Schroder Adveq Europe Partners VII L.P.	PI	100%	
Schroder Adveq Global Partners II L.P.	PI	100%	
Schroder Adveq Mature Secondaries (Orthros) Management L.P.	PI	100%	
Schroder Adveq Mature Secondaries (Orthros) Management II L.P.	PI	100%	
Schroder Adveq Mature Secondaries (Orthros) Management III L.P.	PI	100%	
Schroder Adveq Mature Secondaries (Orthros) Management IV L.P.	PI	100%	
Schroder Adveq Secondaries Management III L.P.	PI	100%	
Schroder Adveq Technology Partners IX L.P.	PI	100%	
Schroder Adveq US Partners V L.P.	PI	100%	
SC-SA Co-Invest Opportunities 2018 Management L.P.	PI	100%	
TMC Management III L.P.	PI	100%	
TMC Management IV L.P.	PI	100%	
TMCO Management I L.P.	PI	100%	
Wilmsdorf Secondary Management II L.P.	PI	100%	
Cazenove Capital Holdings Limited ^a	Ordinary	100%	44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands
Croydon Gateway GP Limited	Ordinary	100%	40 Esplanade, St Helier, Jersey, JE2 9WB, Channel Islands
Croydon Gateway Investments Limited	Ordinary	100%	
Income Plus Real Estate Debt GP Limited	Ordinary	100%	
Lerisson Nominees Limited	Ordinary	100%	
Schroder Adveq Management Jersey Ltd	Ordinary	100%	
Luxembourg			
SNI Management S.à r.l.	Ordinary	100%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg
SRE Invest SCSp	PI	100%	
Schroder Adveq Management Luxembourg S.a.r.l.	Ordinary	100%	6C rue Gabriel Lippmann, Munsbach, L-5365,
Schroder Adveq US Management V S.à r.l.	Ordinary	100%	Luxembourg
Schroder Adveq US Partners V S.C.S	PI	100%	
Schroder Adveq Asia Management V S.à r.l.	Ordinary	100%	

Notes to the financial statements

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7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Netherlands			
Schroder International Finance B.V.	Ordinary	100%	1 London Wall Place, London, EC2Y 5AU, England
Singapore			
Schroder Singapore Holdings Private Limited	Ordinary	100%	138 Market Street, #23-02, CapitaGreen, Singapore,
SIMBL Nominees Private Limited	Ordinary	100%	048946, Singapore
Switzerland			
Schroder Adevq Holdings AG	Ordinary	100%	Affolternstrasse 56, 8050, Zurich, Switzerland
Schroder Trust AG (In Liquidation)	Ordinary	100%	8 rue d'italie, P.O. Box 3655, 41211, Geneva, Switzerland
United States			
Schroders Incorporated	Common	100%	9 East Loockerman Street, Dover, Delaware, 19901, USA
Schroder Venture Managers Inc.	Common	100%	7 Bryant Park, New York, New York, 10018, USA

Other corporate related undertakings

Subsidiaries where the ownership is less than 100%

Name	Share class	%	Address
United Kingdom			
Alderbrook Financial Planning Limited ^f	Ordinary	77%	Sussex House, North Street, Horsham, West
Benchmark Capital Limited ^{ad}	Ordinary	77%	Sussex, RH12 1RQ, England
Brian Potter Consultants Limited ^f	Ordinary	77%	
Bright Square Pensions Limited ^f	Ordinary	77%	
City Capital Analysis Limited ^f	Ordinary	77%	
City Capital Analysis (JCB) Limited ^f	Ordinary	77%	
Creative Technologies Limited ^f	Ordinary	77%	
CT Connect Limited ^f	Ordinary	77%	
Invicta Independent Financial Advisers Limited ^f	Ordinary	77%	
PP Nominees Limited ^f	Ordinary	77%	
PP Trustees Limited ^f	Ordinary	77%	
RIA Pension Trustees Limited ^f	Ordinary	77%	
Richard Martin Financial Solutions Limited ^f	Ordinary	77%	
Redbourne Wealth Management Limited ^f	Ordinary	52%	Belmont House, Shrewsbury Business Park, Shrewsbury, SY2 SLG, England
Residential Land Development (GP) LLP	PI	33%	1 London Wall Place, London, EC2Y 5AU, England
Argentina			
Schroder S.A. Sociedad Gerente de Fondos Comunes de Inversion	Ordinary	95%	Ing.Enrique Butty 220, Piso 12, Buenos Aires, C1001AFB, Argentina
Bermuda			
Safe Harbour Holdings Limited ^h	Common	9%	Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Cayman			
Schroder Adveq Asia Management I L.P.	PI	75%	Maples & Calder, PO Box 309 GT, Ugland House,
Schroder Adveq Asia Management II L.P.	PI	65%	South Church Street, George Town, Grand Cayman,
Schroder Adveq cPI Global Management L.P.	PI	63%	Cayman Islands
Schroder Adveq cPI Global Management II L.P.	PI	88%	
Schroder Adveq Europe Management II L.P.	PI	20%	
Schroder Adveq Europe Management III L.P.	PI	88%	
Schroder Adveq Europe Management IV A L.P.	PI	59%	
Schroder Adveq Europe Management IV B L.P.	PI	70%	
Schroder Adveq Technology Management III L.P.	PI	20%	
Schroder Adveq Technology Management IV L.P.	PI	30%	
Schroder Adveq Technology Management V L.P.	PI	89%	
Schroder Adveq Technology Management VI L.P.	PI	65%	
Schroder Adveq US Management I L.P.	PI	76%	
Schroder Adveq US Management II L.P.	PI	87%	
France			
Terre et Mer Holding SAS	Ordinary	80%	60 rue Pierre Charron, 75008, Paris, France
Schroders IDF IV UP	Ordinary	70%	8-10 rue Lamennais, 75008, Paris, France
Germany			
CM Komplementar 06-379 GmbH & Co KG	Ordinary	95%	Taunustor 1, 60310, Frankfurt, Germany
Guernsey			
SV (Nominees) Limited	Ordinary	50%	PO Box 334, Regency Court, Glatigny Esplanade, St
SQ ReVita I Limited ⁹	Ordinary	50%	Peter Port, Guernsey, GY1 3UF, Channel Islands
Jersey			
AAF Management I L.P.	PI	48%	26 New Street, St Helier, Jersey, JE2 3RA, Channel Islands
GPEP Management II L.P.	PI	70%	
GPEP Management III L.P.	PI	70%	
Schroder Adveq Asia Management III L.P.	PI	53%	
Schroder Adveq Asia Management IV L.P.	PI	70%	
Schroder Adveq Europe Co-Investments Management L.P.	PI	73%	
Schroder Adveq Europe Management V L.P.	PI	73%	
Schroder Adveq Europe Management VI L.P.	PI	74%	
Schroder Adveq Global Management L.P.	PI	71%	
Schroder Adveq Real Assets Harvested Resources Management L.P.	PI	73%	
Schroder Adveq Secondaries Management II L.P.	PI	53%	
Schroder Adveq Technology Management VII L.P.	PI	46%	
Schroder Adveq Technology Management VIII L.P.	PI	78%	
Schroder Adveq US Management III L.P.	PI	51%	
Schroder Adveq US Management IV L.P.	PI	73%	
TMC Management I L.P.	PI	54%	
TMC Management II L.P.	PI	49%	
Wilmersdorf Secondary Management L.P.	PI	71%	
Luxembourg			
Schroder Property Services B.V.	Ordinary	70%	5 rue Höhenhof, L-1736 Senningerberg, Luxembourg

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for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Netherlands			
NEOS Finance Group B.V.	Ordinary	49%	The Hofpoort Building, Hofplein 20, 21st Floor, 3032 AC, Rotterdam, Netherlands
United States			
Safe Harbor Re Holdings LLC ^c	Class S, Convertible Preference	9%	National registered Agents, Inc., 160 Greentree Dr. Suite 101 Dover, DE 19904, USA
Associates and joint ventures			
Name	Share class	%	Address
United Kingdom			
Algonquin (Liverpool) Limited	Ordinary	20%	5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD, England
Algonquin (York) Limited (In Liquidation)	Ordinary	36%	6 Snow Hill, London, EC1A 2AY, England
Kellands (Bristol) Limited ^f	Ordinary	18%	Quays Office Park, Conference Avenue, Portishead, Bristol, BS20 7LZ, England
Nippon Life Schroders Asset Management Europe Limited ^d	Ordinary	33%	1 London Wall Place, London, EC2Y 5AU, England
Regrowth Holdings Limited ^f	Ordinary	18%	New Barn Manor Farm Courtyard, Southam Lane Southam, Cheltenham, Gloucestershire, GL52 3PB, England
Robertson Baxter Limited ^f	Ordinary	18%	Beck House, Abbey Road, Shepley, Huddersfield, HD8 8EP, England
RWC Partners Limited ^d	Ordinary	41%	Verde 4th Floor, 10 Bressenden Place, London, England, SW1E 5DH, United Kingdom
Whelan Wealth Management Limited ^f	Ordinary	38%	Wilkins Kennedy LLP, 5 Yeomans Court, Ware Road, Hertford, Herts, SG13 7HJ, England
Belgium			
Algonquin Astrid	Promote	33%	Avenue Louise, 523 – 1050 Bruxelles, Belgium
Algonquin BB	Ordinary	33%	
China			
Bank of Communications Schroder Fund Management Co. Limited	Ordinary	30%	2nd Floor Bank of Communications Tower, 188 Middle Yincheng Road, Pudong New Area, Shanghai, 200120, China
France			
Algonquin France Hotels Services	Ordinary	36%	60 rue Pierre Charron, 75008, Paris, France
JV Hotel La Villette SAS	Ordinary	50%	
Guernsey			
Schroder Ventures Investments Limited	Ordinary, Deferred and Redeemable Preference	50%	PO Box 255, Trafalgar Court Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands
India			
Axis Asset Management Company Limited	Ordinary	25%	1st Floor, Axis House C-2 Wadia International
Axis Mutual Fund Trustee Limited	Ordinary	25%	Centre, Pandurang Budhkar Marg Worli-Mumbai 400025, India
Jersey			
Bracknell General Partner Limited ^e	Ordinary	50%	PO Box 490, 40 Esplanade St Helier, JE4 9WB, Jersey Channel Islands

Notes to the financial statements

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7. Investments in subsidiaries (continued)

Name	Share class	%	Address
Singapore			
Nippon Life Global Investors Singapore Limited	Ordinary	33%	138 Market Street, #22-03, CapitaGreen, 048946, Singapore
Planar Investments Private Limited	Ordinary	26%	1 Phillip Street, #03-02 Royal One Phillip, 048692, Singapore
United States			
A10 Capital Parent Company LLC	Common	20%	1209 Orange Street, Wilmington, DE19801, USA

Share class abbreviations

^{pi}Partnership Interest

Footnotes

^aHeld directly by the Company

^bDormant Company

^cThe Company also holds convertible loan notes, taking the Group's effective holding to 59.37%

^dThe Company holds ordinary B shares

^eThe Company holds ordinary A shares

^fOwned through Benchmark Capital Limited

^gOwned through Scequaero Advisors AG

^hOwned through Safe Harbour Re Holdings LLC

ⁱFinancial year end 31 March

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7. Investments in subsidiaries

(b) Related undertakings arising from the Company's interests in structured entities

The Company's related undertakings also include funds in which it holds investments. These include fully and partially owned funds which are classified as subsidiaries. Additionally, due to the number of share classes or unit classes which can exist in these vehicles, a significant holding in a single share class or unit class is possible, without that undertaking being classified as a subsidiary or associate.

Fully owned subsidiaries

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in undertaking via share / unit class
United Kingdom			
Schroder Flexible Retirement Benefit Fund	X Accumulation	100%	100%
Brazil			
Schroder Fundo de Investimento Multimercado Low Vol	-	100%	100%
Canada			
Schroder MyRetirement 2015 Fund	-	100%	100%
Schroder MyRetirement 2020 Fund	-	100%	100%
Schroder MyRetirement 2025 Fund	-	100%	100%
Schroder MyRetirement 2030 Fund	-	100%	100%
Schroder MyRetirement 2035 Fund	-	100%	100%
Schroder MyRetirement 2040 Fund	-	100%	100%
Schroder MyRetirement 2045 Fund	-	100%	100%
Schroder MyRetirement 2050 Fund	-	100%	100%
Schroder MyRetirement 2055 Fund	-	100%	100%
Schroder MyRetirement 2060 Fund	-	100%	100%
Schroder Target Date Transition Fund	-	100%	100%
Luxembourg			
Schroder GAIA Helix	I Accumulation	100%	100%
Schroder ISF Emerging Markets Equity Alpha	I Accumulation	100%	100%
Schroder ISF European Sustainable Equity	I Accumulation	100%	100%
Schroder ISF Global Disruption	I Accumulation	100%	100%
Schroder Property FCP-FIS - Schroder Property German Residential Fund	B	100%	100%

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Subsidiaries where the effective Interest is less than 100%

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in undertaking via share / unit class
UK			
Schroder Advanced Beta Global Equity Small and Mid Cap Fund	X Accumulation	86%	44%
Schroder Advanced Beta Global Equity Value Fund	X Accumulation	50%	50%
Schroder Diversified Growth Fund	I Accumulation	96%	96%
Schroder Dynamic Multi-Asset Fund	Z Accumulation	61%	53%
Schroder Dynamic Planner Portfolio 3	Z Accumulation	93%	93%
Schroder Dynamic Planner Portfolio 4	Z Accumulation	65%	62%
Schroder Dynamic Planner Portfolio 5	Z Accumulation	68%	68%
Schroder Dynamic Planner Portfolio 6	Z Accumulation	82%	82%
Schroder Dynamic Planner Portfolio 7	Z Accumulation	88%	88%
Schroder Fusion Managed Defensive Fund	F Accumulation	57%	57%
Schroder Global Emerging Markets Fund	A Accumulation	66%	47%
Schroder Long Dated Corporate Bond Fund	I Accumulation	76%	47%
Schroder Multi-Asset Total Return Fund	X Accumulation	100%	66%
Schroder QEP Global Active Value Fund	I Accumulation	92%	39%
Schroder QEP Global Emerging Markets Fund	I Accumulation	93%	27%
Schroder QEP Global Emerging Markets Fund	X Accumulation	89%	62%
Schroder Responsible Value UK Equity Fund	I Accumulation	91%	75%
Schroder Securitised Credit Fund Limited	-	99%	99%
Schroder Sustainable Multi-Factor Equity Fund	X Accumulation	70%	70%
Australia			
Schroder Real Return Fund	W Distribution	33%	33%
Brazil			
Schroder Best Ideas FIA	-	98%	98%
Japan			
Schroder YEN Target (Semi-Annual)	-	70%	70%
Luxembourg			
Schroder Alternative Solutions Asian Long Term Value Fund	I Accumulation	83%	81%
Schroder Alternative Solutions Argentine Bond Fund	C Accumulation	98%	95%
Schroder Alternative Solutions Commodity Total Return Fund	I Accumulation	99%	89%
Schroder GAIA II NGA Turnaround	I Accumulation	100%	52%
Schroder ISF Dynamic Indian Income Bond	I Accumulation	45%	42%
Schroder ISF European Large Cap Fund	I Accumulation	67%	52%
Schroder ISF Global Credit Value	I Accumulation	94%	93%
Schroder ISF Global Target Return	I Accumulation	72%	37%
Schroder ISF Multi-Asset PIR Italia	C Accumulation	90%	90%
Schroder ISF Multi-Asset Total Return	I Accumulation	85%	35%
	I Accumulation GBP		
Schroder ISF QEP Global Equity Market Neutral	Hedged	100%	59%
Schroder ISF QEP Global Equity Market Neutral	I Accumulation	100%	4%
	I Accumulation EUR		
Schroder ISF QEP Global Equity Market Neutral	Hedged	73%	0%

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7. Investments in subsidiaries (continued)

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in via share / unit class
United States			
Hartford Schroders Tax-Aware Bond ETF	I Distribution	46%	46%
Schroder Emerging Markets Small Cap Fund	Investor Distribution	98%	1%
Schroder Emerging Markets Small Cap Fund	R6 Distribution	94%	93%
Schroder Short Duration Bond Fund	Investor Distribution	100%	1%
Schroder Short Duration Bond Fund	R6 Distribution	98%	97%

Associates - held at fair value

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in via share / unit class
UK			
Schroder Fusion Portfolio 3	F Accumulation	29%	29%
Schroder Global Multi-Factor Equity Fund	X Accumulation	58%	37%
Brazil			
Sicredi - FI Multimercado Elite Credito Privado L.P.	-	31%	31%
Japan			
Schroder YEN Target (Annual)	-	33%	33%
Luxembourg			
Schroder ISF European Alpha Focus	I Accumulation	100%	19%
United States			
Schroder Absolute Return Emerging Markets Debt Portfolio L.P.	Institutional Distribution	22%	22%

Significant holdings in structured entities not classified as subsidiaries or associates

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in via share / unit class
UK			
Schroder Absolute Return Bond Fund	X Income	100%	15%
Schroder Advanced Beta Global Corporate Bond Fund	X Accumulation	29%	11%
Schroder Advanced Beta Global Sovereign Bond Fund	X Accumulation	49%	19%
Schroder All Maturities Corporate Bond Fund	I Accumulation	50%	17%
Schroder European Fund	I Income	36%	3%
Schroder Global Equity Fund	I Accumulation	47%	19%
Schroder Institutional Developing Market Fund	B Income	95%	11%
Schroder Institutional Pacific Fund	I Accumulation	39%	13%
Schroder Institutional UK Smaller Companies Fund	X Income	27%	13%
Schroder QEP Global Core Fund	I Accumulation	36%	9%
Schroder QEP Global Core Fund	X Accumulation	22%	4%
Schroder Sterling Broad Market Bond Fund	I Accumulation	70%	8%
Schroder UK Mid 250 Fund	L Accumulation	38%	6%
Schroder US Equity Income Maximiser	L Accumulation	98%	13%

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

Fund Name	Share / unit class	Holding in undertaking share / unit class	Total holding in undertaking via share / unit class
Cayman			
Musashi Smart Premia Fund (Exclusively for Qualified Institutional Investors with Re-Sale Restriction for the Japanese Investors)	B	100%	1%
Musashi Smart Premia Fund (Exclusively for Qualified Institutional Investors with Re-Sale Restriction for the Japanese Investors)	C	100%	0%
Schroder Advanced ILS (Cayman) Limited	Management shares	100%	0%
Luxembourg			
Schroder Alternative Solutions Agriculture Fund	I Accumulation	100%	1%
Schroder Alternative Solutions Agriculture Fund	I Accumulation GBP Hedged	97%	0%
Schroder Alternative Solutions Commodity Total Return Fund	I Accumulation EUR Hedged	75%	0%
Schroder Alternative Solutions Commodity Total Return Fund	I Accumulation GBP Hedged	99%	8%
Schroder GAIA BlueTrend	C Accumulation CHF Hedged	43%	0%
Schroder GAIA Contour Tech Equity	C Accumulation GBP Hedged	41%	0%
Schroder ISF China A	I Accumulation	35%	17%
Schroder ISF Emerging Europe	I Accumulation	100%	0%
Schroder ISF Emerging Markets Debt Absolute Return	I Accumulation EUR Hedged	100%	0%
Schroder ISF Emerging Markets Debt Absolute Return	I Accumulation	32%	9%
Schroder ISF EURO High Yield	I Accumulation	100%	0%
Schroder ISF Global Corporate Bond	I Accumulation	28%	7%
Schroder ISF Global Credit Income	I Accumulation	100%	0%
Schroder ISF Global Diversified Growth	I Accumulation GBP Hedged	40%	1%
Schroder ISF Global Energy	I Accumulation	100%	0%
Schroder ISF Global Gold	I Accumulation	100%	1%
Schroder ISF Global Gold	I Accumulation EUR Hedged	99%	0%
Schroder ISF Global Multi-Asset Balanced	I Accumulation CHF Hedged	89%	0%
Schroder ISF Global Recovery	I Accumulation	31%	3%
Schroder ISF Middle East	I Accumulation	100%	0%
Schroder ISF Multi-Asset Total Return	I Accumulation EUR Hedged	99%	2%
Schroder ISF QEP Global Value Plus	I Accumulation	100%	3%
Schroder ISF Securitised Credit	I Accumulation	100%	1%
Schroder ISF Strategic Beta	I Accumulation	100%	3%
Schroder ISF Swiss Equity Opportunities	I Accumulation	100%	1%
Schroder Property FCP - FIS - Schroder Property Eurologistics Fund No.1 (A)	B	100%	1%
Schroder Property FCP - FIS - Schroder Property Eurologistics Fund No.1 (B)	B	100%	3%

Notes to the financial statements

for the year ended 31 December 2018

7. Investments in subsidiaries (continued)

The registered offices for each of the related undertakings listed corresponds to the relevant country below.

UK

1 London Wall Place, London, EC2Y 5AU, United Kingdom

Australia

Level 20, Angel place, 123 Pitt Street, Sydney, NSW 2000, Australia

Brazil

The registered office for the following related undertakings is Av.
nº 231, 11º andar, Rio de Janeiro, Brazil:

Schroder Fundo de Investimento Multimercado Low Vol

Schroder Best Ideas FIA

The registered office for the following related undertakings is Avenida

3940, Porto Alegre, RS, Brazil

Sicredie - FI Multimercado Elite Privado LP

Canada

30 Adelaide Street, East Suite 1100, Toronoto, Ontario, M5C 3G6,

Cayman Islands

Maples Corporate Services Limited, Ugland House, PO Box 309, Grand
KY11-1104, Cayman Islands

Japan

1-1 Chuo-ku, Saitama City, Saitama Shintoshin Godo Choushya

1st Building, Saitama Prefecture, 330-9716, Japan

Luxembourg

The registered office for the Luxembourg related undertakings is 5 rue
Höhenhof, L-1736 Senningerberg, Luxembourg, except for the

The registered office for the following related undertakings is 80, route
L-1470 Luxembourg:

Schroder Property FCP-FIS – Schroder Property German
Residential Fund

Schroder Property FCP-FIS – Schroder Property EuroLogistics
Fund No.1 (A)

Schroder Property FCP-FIS – Schroder Property EuroLogistics
Fund No.1 (B)

United States

The registered office for the United States related undertakings is 7

New York, New York, 10018, USA, except for the following:

The registered office the following related undertakings is

690 Lee Road, Wayne, Pennsylvania, 19087, USA

Hartford Schroders Tax-Aware Bond ETF

8. Trade and other payables

Trade payables are recorded initially at fair value and subsequently at amortised cost.

Trade and other payables are all current. Trade and other payables include interest bearing loans from other Group companies. Interest applied to the loans is in line with current market rates. All other trade and other payables are non interest bearing. The carrying amount of interest and non interest bearing trade and other payables is at amortised cost which approximates their fair value.

	2018	2017
	£'000	£'000
Amounts owed to related parties (see note 11)	509,930	471,720
Accruals	4,321	18
	514,251	471,738

Notes to the financial statements

for the year ended 31 December 2018

9. Financial instrument risk management

The risk management processes of the Company are aligned with those of the Group as a whole. Details of the Group's risk management processes are outlined in the 'Key risks and mitigations' section and the 'Risk management and internal controls' section within the Governance report and in note 19 in the Schrodgers Report. The Company's specific risk exposures are explained below.

Credit risk

The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full amounts when due. The Company's counterparties are predominantly its related parties and therefore there is no credit risk exposure outside the Group on these balances. Intercompany balances are monitored regularly and historically, default levels have been nil. The Company does not have any receivables that are past due or impaired.

From 1 January 2018, expected credit losses are calculated in accordance with IFRS 9 on all the Company's financial assets that are measured at amortised cost and all debt instruments that are measured at fair value through other comprehensive income. The gross carrying values are adjusted to reflect these credit losses.

A three stage model is used for calculating expected credit losses which requires financial assets to be assessed as:

- Performing (stage 1) – Financial assets where there has been no significant increase in credit risk since original recognition; or

- Under-performing (stage 2) – Financial assets where there has been a significant increase in credit risk since initial recognition, but no default; or

- Non-performing (stage 3) – Financial assets that have defaulted.

For financial assets in stage 1, twelve month expected credit losses are calculated based on the credit losses that are expected to be incurred over the following twelve-month period. For financial assets in stage 2 and 3, expected credit losses are calculated based on the expected credit losses over the life of the instrument. The Company applies the simplified approach to calculate expected credit losses for trade and other receivables based on lifetime expected credit losses and no assessment is done of the different stages.

Estimates and judgements – impairment of financial assets

The Company has internal processes designed to assess the credit risk profile of its financial instruments, and to determine the relevant stage for calculating the expected credit losses. These processes include consideration of internal, external, historic and forward-looking information about specific loans and securities as well as market data.

For trade and other receivables, the Company has established a provision matrix that incorporates the Company's historical credit loss experience, counterparty groupings and whether a receivable is overdue or not.

Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due or can only do so at a cost. The Company has access to sufficient liquid funds to cover its normal course of business. Outside the normal course of business the Company can request additional capital through intergroup loans to maintain sufficient liquidity.

Notes to the financial statements

for the year ended 31 December 2018

9. Financial instrument risk management (continued)

Interest rate risk

Interest rate risk is the market risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

Interest rate risk is limited. Assets and liabilities attracting interest rates are intercompany loans, which are at a floating rate, therefore outright interest rate risk arises mainly from the decision to allow a mismatch between the cash flows.

At 31 December 2018, if Bank of England interest rates had been 100 basis points higher or 50 basis points lower with all other variables held constant, post-tax profit for the year would have been £4,043,000 lower or £2,022,000 higher (2017: 50 basis points higher / 50 basis points lower the profit would have been £1,888,000 lower or £1,888,000 higher), mainly as a result of higher/lower interest income on interest bearing intercompany loan balances. Other components of equity would have been unaffected.

The underlying assumption made in the model used to calculate the effect on post-tax profits was that the fair values of assets and liabilities will not be affected by a change in interest rates.

Foreign exchange and pricing risk

Foreign exchange risk is the risk that the fair value or future cash flows of monetary assets and liabilities will fluctuate because of changes in foreign exchange rates. Pricing risk is the risk that the fair value or future cash flows of monetary assets and liabilities will fluctuate because of changes in market prices. The Company is not directly exposed to foreign exchange or pricing risk. The Company's investments in its directly held subsidiaries are in Sterling and are held at historic cost. It has indirect exposure to foreign exchange and pricing risk in the Group which could result in the impairment of these subsidiaries. There are currently sufficient resources in subsidiaries to absorb any normal market events.

Capital management

The Company's policy is to have adequate capital for all activities undertaken in the normal course of business. In particular, it should have sufficient capital to maintain sufficient liquid funds to meet peak working capital requirements.

10. Share capital

	2018 Number	2017 Number	2018 £'000	2017 £'000
Issued, and fully paid:				
Ordinary shares of £1 each	463,652,168	427,457,544	463,652	427,458

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for the year ended 31 December 2018

11. Related party transactions

Transactions between related parties

Transactions between the Company and its fellow subsidiaries, which are related parties of the Company, together with details of transactions between the Company and other related parties are disclosed below.

	2018					Amounts owed by related parties £'000	Amounts owed to related parties £'000
	Dividends received £'000	Dividends payable £'000	Other income £'000	Finance income £'000	Finance charges £'000		
Parent	-	(447,000)	-	-	-	-	-
Other related companies within the Schroders Group	447,200	-	1	90	(10,321)	9,782	(509,930)
Total	447,200	(447,000)	1	90	(10,321)	9,782	(509,930)

	2017					Amounts owed by related parties £'000	Amounts owed to related parties £'000
	Dividends received £'000	Dividends payable £'000	Other income £'000	Finance income £'000	Finance charges £'000		
Parent	-	(475,000)	-	-	-	-	-
Other related companies within the Schroders Group	478,000	-	-	14	(5,486)	2,217	(471,720)
Total	478,000	-	-	14	(5,486)	2,217	(471,720)

Transactions with Directors are described in note 3. The ultimate and immediate parent company is disclosed in note 13.

Notes to the financial statements

for the year ended 31 December 2018

12. Commitments

During the year the Company continued to provide an indemnity for the liquidation for a related party. No money was paid (2017: £nil) and £nil was released (2017 : credit of £26,500). The maximum unclaimed liability of this indemnity was £1,413,000 at the year end (2017 : £1,321,000).

13. Ultimate parent company

The Company's immediate parent undertaking and ultimate controlling party is Schroders plc (incorporated in England and Wales).

The results of the Company are consolidated in the Annual Report and Accounts of Schroders plc, copies of which can be obtained from www.schroders.com.